



Clouds hang over Cash Cow Auto Sales in Gallup Monday.

Adron Gardner/Independent

Application fee at center of Cash Cow lawsuit

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GALLUP — A seemingly simple \$25 application fee may be at the forefront of Caroline Tullie's class action lawsuit against Quick Cash Inc., doing business as Cash Cow, but there is much more under scrutiny in her legal complaint.

Quick Cash owner Tim Delgado announced July 6 that he filed for Chapter 11 reorganization under the U.S. Bankruptcy Code as a result of the pending lawsuit from Tullie. The lawsuit has been stayed as a result, but one of the main points of contention was a \$25 application fee that Delgado charged to Tullie.

However, the lawsuit is more complicated than that.

In the class action complaint filed in U.S. District Court, Tullie's attorneys from the Albuquerque firm Feferman and Warren state that Delgado violated the federal Truth in Lending Act and the New Mexico Unfair Practices Act.

"Cash Cow knew that its contracts were deceptive, misleading, and violated the law," the complaint states. "Before entering into the



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A slogan adorns the building of Cash Cow Tires in Gallup Monday. The company that owns the business has recently filed for bankruptcy.

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loan transactions at issue in this lawsuit, Cash Cow had been sued for some of the same violations of the law.”

The complaint then cites a Jan. 10, 2012, case against Quick Cash Inc. in 11th Judicial District Court.

According to the court documents, Cash Cow provided a series of loans to Caroline Tullie and her late husband, Nelson Tullie. All of the loans were for personal, family or household purposes. Cash Cow extended loans to Nelson Tullie on April 4, 2013; May 24, 2013; and June 5, 2013.

After Nelson Tullie died Aug. 20, 2013, Caroline Tullie called Cash Cow to ask about her husband's loans. She told Cash Cow that her husband died, and Cash Cow reportedly told her it would forgive his loans if she brought in his death certificate.

However, when she arrived at Cash Cow Nov. 6, 2013, with the certificate, Cash Cow allegedly told Caroline Tullie that she must refinance all three of her husband's outstanding loans into her own name or else the company would repossess her 2001 Dodge Ram.

“This statement misrepresented Cash Cow's right and remedies,” the class action complaint states.

Tullie believed Cash Cow's assertions and depended on the truck, so she agreed to refinance her husband's loans. Cash Cow provided a “retail installment contract,” but the lawsuit calls the agreement “extremely deceptive and misleading.”

The complaint says the agreement was actually a refinanced loan agreement, not a

retail installment contract.

The agreement also identifies Tullie's truck as a “good sold” with a “cash price” of \$1,114.33, although Cash Cow was not selling the truck. The amount actually reflected the sum of two of her husband's previous loan balances, not a cash balance for sale of goods, according to the complaint.

“In itemizing the Amount Financed, the loan agreement is almost incomprehensible,” the court document states. “It combines two of Mr. Tullie's previous loan balances with a \$25 ‘application fee’ and calls the resulting sum an ‘unpaid balance,’ in the amount of \$1,139.33. It lists a third prior loan, in the amount of \$1,180.13, as a separate ‘previous balance.’”

The complaint says the agreement failed to include the \$25 application fee as part of the finance charge. The agreement states it has an annual percentage rate of 25.85, but when the application fee is included in the finance charge, the APR is more than 1 percent higher than disclosed.

The agreement identifies the first and last payment due dates by month and day but not year and it fails to state the due dates of the other 12 payments.

Cash Cow entered into several contracts containing the same or similar defects with the Tullies, the court document states.

The legal complaint says Cash Cow violated the Truth in Lending Act because the finance charge and APR are both inaccurately disclosed as a result of not incorporating the \$25 application fee. Also, the schedule of payments and the security interest, if any, are not properly disclosed.