

Money to be distributed from tax-loan lawsuit

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ALBUQUERQUE — A federal judge has approved the last of settlement checks in connection with a 2015 class action lawsuit filed against a company that was accused of misrepresenting accurately how much they were charging for people who received holiday

loans based on their expected tax returns.

The final settlement affects some 2,600 clients of the Navajo Trading Co., a Farmington company that provides tax refund anticipation loans.

Rena Atene and Benedict Daniels, of the Monument Valley area, filed the lawsuit in federal district court in Albuquerque, July 2015 against Jack Cook, Inc., doing business as Navajo Trading Co.

The two were protesting practices that have been the subject of other court disputes in recent years.

In July, a Gallup couple filed a class-action lawsuit in federal court against T&R Tax Service for failure to report the true percentage rates of their holiday loans as well as hidden fees that borrowers have to pay.

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The defendants in that case are T&R Tax Service, T&R Market and Tancorde Finance, Inc. — all three of which are involved in issuing holiday and tax anticipation loans to people in the Gallup area.

The Farmington suit likewise accused the Farmington company of giving out fraudulent percentage rates to make the loans appear less expensive than they actually were.

In October, a settlement was reached in which the company agreed to set aside \$204,000 to settle the dispute.

Under the terms of the agreement, members of the class action received between \$30 and \$90 depending on the size of their loan. The two named plaintiffs also received \$2,500 each for the time they spent in bringing the suit.

The attorneys for the plaintiff were awarded \$40,000 and the company agreed to stop collecting personal identification as security for its loans and to stop referring to criminal penalties in its loan documents if the loan is not repaid.

Earlier in September, attorneys for the plaintiffs told

District Court Judge Christina Armijo that after all of the members of the class action were paid off, there was still \$21,985.91 left of the \$204,000 that had not been disbursed.

"If this amount were to be redistributed in equal shares to class members who could be located, each class member would receive \$6.18 after deduction of administering the second round of mailing," Nicholas Mattison, the attorney for Daniels and Atene, wrote.

He added that Daniels and Atene were not asking for any additional money. The costs of

distributing the checks was set at \$6,047.51.

Mattison said that based on previous distributions, the administrator expected most of the second round of checks for \$6.18 will be cashed.

"Although \$6.18 is not a large benefit, plaintiff feels that a second round of checks is justified before donating unclaimed amounts to the previously designated (non-profit) recipient, Equal Access to Justice," he said.

On Sept. 14, Armijo approved the proposal and checks are expected to go out in the next few weeks.