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## Settlements reached in cases against Ellis Tanner, T&R

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SPECIAL TO THE TIMES

**LOS ANGELES**—Settlements have been reached in cases filed against the two biggest companies offering tax services to members of the Navajo Nation.

On Tuesday, a state district court judge approved a preliminary settlement in a class-action suit filed on behalf of several thousand people who USED to the Ellis Tanner Tax Service. A proposed settlement has also been sent to a federal district court in a class action case involving some 15,000 clients of T&R Tax Service.

Nicholas Mattison, the Albuquerque attorney who spearheaded the two lawsuits against the companies, said both suits claimed that customers who took out loans from the

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## SETTLEMENTS: Tax service companies reach settlement

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companies were the victims of deceptive practices.

The details of the settlements were not released this week but Mattison said members of the Tanner settlement should be getting a letter in the next few weeks spelling out the terms. Once the judge in the T&R case gives a preliminary approval in that case, members who were certified in that class action suit should be getting letters from the Mattison law firm a few weeks later.

He added that the money settlement in both cases will mean that the two companies will have to repay back about a million dollars to settle the suits.

The cases, said Mattison, are similar.

In the T&R case, the main plaintiffs are William and Samia DeJolie.

According to that suit, T&R annually loans out millions of dollars to Navajos in the form of advance tax payments as well as holiday loans.

The holiday loans began several years ago as a way reach people during the Thanksgiving and Christmas seasons based on estimates of the refunds they will be getting back when they submit their tax returns after Jan. 1.

The company, said the lawsuit, "targets the working poor,

especially those who receive the Earned Income Tax Credit, a refundable credit intended to boost low-wage workers out of poverty."

The DeJolies went to the tax service office in Gallup's Rio West Mall in November of 2016 to get money to travel, buy food for Thanksgiving and to pay some of their bills.

After reviewing the family's financial records for the year, T&R representatives agreed to give the family a \$1,250 loan. The family agreed to pay back a \$250 finance charge plus a \$25 document fee.

According to the lawsuit, the document fee was imposed as a part of the extension of credit and as such it was part of the finance charge. But instead of referring to it that way, the company claimed it was part of the money that was financed, which was done "to make the loan appear to be cheaper than it actually was."

That was the main element of the lawsuit - T&R wanted to make it appear that the annual percentage rate the family was paying was lower than it actually was.

The loan agreement that the DeJolies signed said they would be paying an annual percentage rate of 264 percent for the loan. While this was "shocking" in itself, in actuality the true annual percentage rate the fam-

ily would be paying "was much higher."

If you take into consideration the document fee and other hidden charges, the DeJolies later discovered, the true annual percentage rate was "an unconscionable 385 percent!"

The lawsuit said the DeJolies returned on March 17, 2017, to fill out their tax returns, which the company did for them at a cost of \$145, which would also be taken out of their tax refund which came back on April 5.

The company took out the loan plus the \$250 finance charge and the \$25 document fee but instead of taking out \$145 for the preparation of the tax return the company took out \$157.05, according to the lawsuit.

The company also took out from the refund another \$9.75 for a credit check fee, which was also not in the contract the DeJolies signed, said the lawsuit.

All of these extra fees, as well as the use of a cheaper annual percentage rate, was done to deceive the family, according to the lawsuit.

The lawsuit said this same practice occurred in all of the loans given out by the company, which is why the suit was also trying to get the company to repay others who also were required to pay more than was agreed to.