



## **\$18.75 million payday lender settlement**

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Salisbury attorney Mona Lisa Wallace has helped negotiate a proposed \$18.75 million settlement between a payday lender that used to do business in North Carolina and more than 140,000 state residents, including some who live in Rowan County.

And her firm says she continues working on cases against other payday lenders.

The proposed settlement announced this week still must be approved by a judge in New Hanover County, where a class action lawsuit against Spartanburg, S.C.-based Advance America has been in Superior Court since 2004.

The lawsuit alleges Advance America — which no longer has branches in North Carolina — charged illegal interest rates on short-term loans made to people who borrowed against their upcoming paychecks.

The N.C. Justice Center says the defendants who represent the class in the lawsuit got loans from Advance America with annual interest rates exceeding 450 percent. North Carolina caps interest for such loans at 36 percent.

“We are pleased to see that the first step has been taken toward getting settlement payments to eligible individuals who visited Advance America stores,” Wallace said in an e-mail sent to the Post by her firm, Wallace & Graham.

Along with Wallace, who currently serves on the Public Justice Foundation executive committee and is its past president, others involved in the action include lead counsel Jerry Hartzell of Raleigh; John Hughes, also of Wallace & Graham; and attorneys from several consumer advocacy groups.

The e-mail said attorneys believe Rowan residents are among those eligible to receive money from the settlement. Attorneys have spoken with people who got loans at Advance America locations in Salisbury and Mooresville, among other places.

If the New Hanover judge grants preliminary approval, the legal team handling the lawsuit plans to send court-approved notices with detailed information about the settlement to people eligible for compensation, Wallace said in the e-mail.

The proposed settlement agreement stipulates that Advance America does not admit wrongdoing.

“This was a business decision, which provides closure on the matter and eliminates continuing legal costs in a market where our company no longer conducts business,” company spokesman Jamie Fulmer said in a prepared statement reported in the News & Observer of Raleigh.

North Carolina outlawed payday lending in 2001, though some companies kept up the practice for several more years by partnering with banks chartered in other states and claiming those partnerships exempted them from the law.

In the e-mail, Wallace said her law firm is helping to represent plaintiffs in lawsuits against other payday lenders including Check Into Cash and Check n Go.