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**NEW MEXICO SUPREME COURT BLASTS WORLD FINANCE'S ARBITRATION SCHEME**  
*Unanimous Decision Favors Borrowers and Consumers Who Were Targeted by One-Sided Clause*

The New Mexico State Supreme Court Wednesday excoriated a major short-term lender's one-sided consumer contract, which the company – World Finance – used as license to harass and intimidate its customers, all the while charging exorbitant interest rates for the loans.

The decision in *Cordova v. World Finance* brings a measure of justice to hard-pressed borrowers who faced lawsuits if they fell behind on their payments, but who had to rely on arbitration by a third party under contract with World Finance if they were wronged by the lender.

Wrote the Court, "Applying the settled standards of New Mexico unconscionability law, we conclude that World Finance's self-serving arbitration scheme it imposed on its borrowers is so unfairly and unreasonably one-sided that it is substantively unconscionable."

**The Cordova Case**

When Laura Cordova of Las Vegas, N.M., got sick and fell behind on her short-term loan payments, she explained her situation to the lender, World Finance. Apparently, the company didn't believe her because, for weeks, agents for World Finance called Ms. Cordova on her job at a local non-profit agency. Then they began calling her boss and co-workers. Though they were told that she was at home recovering from lung surgery, a World Finance representative showed up at Ms. Cordova's workplace, disguised as a prospective client in need of social services. When the ruse was uncovered and Ms. Cordova was apprised of it, World Finance threatened to sue the employer for violating "client confidentiality," even though the "client" in this instance was an imposter.

Let go from her job because of the situation, Ms. Cordova sought to sue World Finance over its collection practices, only to learn that World Finance could sue her, but the only way she could redress her grievances was to submit to arbitration by a third party contracted by World Finance.

"The New Mexico Supreme Court's landmark decision rightly recognizes that the finance company here had a completely unfair arbitration clause, and that something so one-sided should not be enforced under basic rules of contract law," said Paul Bland, of Public Justice in Washington, D.C., who argued the appeal. "This case is likely to have national significance. The Court's thoughtful opinion is so carefully reasoned that it is very likely that other courts throughout the United States will take note and cite it."

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Bland and lead counsel Rob Treinen of Feferman, Warren & Treinen in Albuquerque represented Ms. Cordova in the appeal.

“Essentially,” said Treinen, “the New Mexico Supreme Court said that what is good enough for the goose must also be allowed for the gander. The New Mexico Supreme Court decided that New Mexico courts will not be used to perpetrate unfair arbitration schemes on consumers. If a business includes such an unfair scheme in its contract with the consumer, that contract provision will not be enforced in New Mexico.”

*Note: The state Supreme Court decision, additional information about the Cordova case and a photo of Ms. Cordova are attached.*

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