



PRESS RELEASE

Colorado Department of Law
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FOR IMMEDIATE RELEASE

August 1, 2016

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Colorado Attorney General Cynthia H. Coffman Announces over \$3.9 million in Settlements against Companies that Exploited Military Consumers

DENVER—Colorado Attorney General Cynthia H. Coffman announced today that her office has settled two lawsuits against consumer lenders who targeted the military. The lenders are Freedom Stores Inc., d/b/a/ Freedom Furniture & Electronics and affiliated companies Military Credit Services, LLC, and Freedom Acceptance Corporation (“Freedom Furniture”) and USA Discounters, Ltd., d/b/a USA Living and d/b/a Fletcher’s Jewelers (“USA Discounters”). The settlements, which are in the form of consent judgments entered by the Denver District Court, require the lenders to pay over \$3.9 million in redress for harmed consumers and contain injunctive relief designed to ensure future compliance with the law.

“My office will not tolerate those who seek to take advantage of military service members and other consumers to unjustly profit from illegal lending and collection schemes,” said Attorney General Coffman. “These settlements help ensure that Colorado’s consumer lending laws will continue to provide protection—particularly to our active military service members who may otherwise be exploited while on duty protecting our country.”

The settlements result from lawsuits that the Attorney General’s office filed against the lenders in 2015. The lawsuits alleged that Freedom Furniture and USA Discounters charged Colorado consumers interest rates that exceeded the maximum rates permitted by Colorado law.

The lawsuits also focused on the lenders' collection practices, which included suing military members in Virginia instead of Colorado and using abusive collection techniques like contacting the commanding officers of military members who were alleged to owe debts.

Among other schemes, the lawsuit against Freedom Furniture alleged that those lenders sought to circumvent Colorado's interest rate protections by entering into a relationship with an out-of-state bank. While federal law permits banks to lend in Colorado at interest rates allowed by the banks' home states, the Attorney General's complaint alleged that the defendant lenders were the true parties making the loans and had improperly sought to "rent" the bank for the purpose of evading Colorado law.

Consumers with complaints or concerns about a lender can contact the Office of the Attorney General's Uniform Consumer Credit Unit at 720-508-6012 or online at <http://coag.gov/uccc/complaint>. For more information on preventing fraud targeted at the military community, please see <https://www.military.consumer.gov/>.

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