San Francisco City Attorney Dennis J. Herrera and Money Mart (also known as Loan Mart) have reached a settlement requiring Money Mart to repay California consumers who took out “pay day advance” loans.

On behalf of California consumers, City Attorney Dennis J. Herrera sued Money Mart (owned by Dollar Financial Inc.) alleging that certain loans offered at Money Marts in 2005 were illegal and that installment loans offered in Money Mart stores from 2005 to 2007 were illegal. The City Attorney and Money Mart have reached a settlement requiring Money Mart to repay Californians who took out the loans at issue.

Am I eligible to make a claim for repayment?

You are eligible to make a claim for repayment if:

1) you borrowed a pay day advance loan (sometimes called a “Cash ’til Payday” loan) at a Money Mart store between January 2005 and July 2005, or

2) you borrowed an installment loan (sometimes called a “CustomCash” loan) at a Money Mart store between July 2005 and March 2007.

How much of a repayment can I receive?

The amount you are eligible to receive will depend on your particular circumstances and the total amount of repayments sought by all eligible claimants. If you are eligible for a repayment, the amount of your payment would be calculated by taking the full amount of interest, fees or finance charges that you paid on these loans, and subtracting from that amount:

• a deduction of $45 for each two weeks of the loan term during which the outstanding principal balance was more than $255,
• any amount you owe to Money Mart for the loan principal on this or other loans, and
• any amounts you owe to Money Mart in connection with check-cashing transactions.

If the total of the repayment amounts of all eligible claimants is greater than the $7.5 million available for repayment, each eligible claimant’s repayment amount may be reduced proportionately to bring the total of all claims payments to no more than $7.5 million. Persons eligible for repayment amounts of $20 or less will not receive any payment.

How do I claim my cash award?

Complete the attached Claim Form and mail it to the third-party Settlement Administrator, Gilardi & Co., LLC at the address below. It must be postmarked by October 1, 2012. Claims postmarked after October 1, 2012 will not be eligible. Mail to:

Installment Loans Settlement Administrator

c/o Gilardi & Co., LLC

PO Box 8060

Corte Madera, CA 94912-8060

Tel: (877) 226-3008

Questions?

Phone | Money Mart Settlement Hotline at (866) 497-5497
Email | MoneyMartSettlement@sfgov.org  Web | sfcityattorney.org  Facebook | facebook.com/sfcityattorney

Office of the City Attorney, Dennis J. Herrera

City Hall, Room 234, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4682
Push to find consumers owed $7.5 million by Money Mart, Loan Mart to enter final 60-days

City, community, labor leaders unite in statewide bid to maximize restitution to borrowers victimized by fraudulent lending practices

SAN FRANCISCO (July 26, 2012)—City Attorney Dennis Herrera was joined at a news conference today by City Treasurer José Cisneros, San Francisco Labor Council Executive Director Tim Paulson, and S.F. Interfaith Council Executive Director Michael Pappas to highlight the upcoming final 60-day mark of the City’s statewide push to locate consumers who may be eligible for restitution from Money Mart and Loan Mart in amounts ranging from between $20 to $1,800. Victims of the payday lenders’ predatory lending schemes were also on hand to speak to the news media about their own experiences.

The restitution outreach program is among the terms of an agreement Herrera’s office negotiated to settle his office’s 2007 consumer protection lawsuit against payday lenders Money Mart and Loan Mart and an affiliated out-of-state bank for unfair and fraudulent business practices. The alleged wrongdoing stemmed from the lenders’ marketing of short-term installment loans and oversized payday loans, usually targeted to low-income borrowers, at exorbitant and illegal interest rates. While the settlement requires the lenders to engage an independent administrator to make “reasonable efforts” to contact all eligible claimants, Herrera’s office is authorized to undertake additional outreach efforts in advance of the Oct. 1, 2012 deadline to reach all potential claimants who may have moved, or who may have dismissed or misunderstood letters from the restitution administrator.

California consumers who obtained short-term installment loans from Money Mart and Loan Mart from 2005 through 2007, and oversized payday loans from Money Mart and Loan Mart in 2005, may be eligible for restitution of most of interest, fees and finance charges they paid. The three-month push was launched earlier this month, and will include additional news conferences with community leaders and consumer advocates across the state in advance of the Oct. 1, 2012 deadline.

“Bringing justice to victims of predatory payday lending means working aggressively to maximize restitution to all the low-income and moderate-income Californians who deserve it,” said Herrera. “As we approach the final 60-days of our outreach effort, I’m very grateful to be joined by City Treasurer José Cisneros, whose leadership established more affordable alternatives to predatory storefront lenders. I’m also very thankful to labor and community leaders like Tim Paulson, Mike Casey and Michael Pappas who have also agreed to take part in our important task.”

Herrera’s office is asking for assistance from all reporters, editors and broadcasters who cover consumer affairs issues in California to assist in identifying all potential claimants statewide to learn more:

[MORE]
• By visiting http://www.sfcityattorney.org, to complete a claim form.
• By calling the City Attorney's Money Mart Settlement Hotline at (866) 497-5497
• By emailing further inquiries to: MoneyMartSettlement@sfgov.org

Also under terms of the settlement agreement, Money Mart and Loan Mart are required to forgive $8 million in other debt owed by California consumers. In addition, the company will pay the City and County of San Francisco $875,000.

**Treasurer José Cisneros’s leadership on financial empowerment**

San Francisco Treasurer José Cisneros is an acknowledged national leader in creating model programs to empower consumers who are most often targeted by predatory lending practices. Three groundbreaking programs in particular, both run by Cisneros’s Office of Financial Empowerment, have shown great success in removing institutional barriers that can trap low- and moderate-income borrowers in a cycle of debt to payday lenders: Payday Plus SF, Bank on San Francisco, and CurrenC SF.

Payday Plus SF is a City partnership with a number of San Francisco Credit Unions that offers borrowers alternative short term, small-dollar loans of between $50 and $500 at 18 percent APR or below, which are repayable over six to 12 months. Loans are available to borrowers with low or no credit, and can help build a positive credit score. Bank on San Francisco is a comprehensive partnership between the City, the Federal Reserve Bank of San Francisco, the nonprofit EARN, and more than a dozen financial institutions to offer accessible, entry-level checking account products and mainstream banking services for the estimated 15 percent of San Franciscans who lack a mainstream banking relationship. CurrenC SF is a citywide initiative with the goal of achieving a fully electronic, paperless payday, helping to bring thousands of San Francisco households into the financial mainstream and reducing reliance on high-cost check cashing services. More information is available on the San Francisco Office of Financial Empowerment’s website at http://www.sfofe.org.

The litigation involving the Money Mart/Loan Mart settlement is: **People of the State of California ex rel. Dennis Herrera v. Check N’ Go of California, Inc., et al.** (San Francisco Superior Court Case No. CGC-07-462779).

# # #
NOTICE TO: California consumers who obtained: (1) a CustomCash loan between September 2005 and April 2007, and/or (2) a Cash ‘til Payday loan between January 2005 and July 2005 at a Money Mart store location in California:

You may be eligible to receive repayment to you of a portion of the interest, fees, or finance charges you paid in connection with such loans. The minimum repayment will be $20.01. The average repayment amount to verified claimants will be $570. The exact repayment amount for which you may be eligible will depend on the particular circumstances of your loan history.

TO RECEIVE ANY REPAYMENT, YOU MUST SEND IN THE ATTACHED CLAIM FORM, POSTMARKED ON OR BEFORE OCTOBER 1, 2012.

1. Why is the repayment being made?

The City Attorney of San Francisco filed a lawsuit ("the People") against Money Mart and its affiliated business entities and the First Bank of Delaware ("the Money Mart Defendants"), People of the State of California ex rel. Dennis Herrera v. Check ‘N Go of California, Inc., et al. (San Francisco Superior Court Case No. CGC-07-462779). The People alleged that the Money Mart Defendants offered to California consumers CustomCash loans with interest rates that exceeded the limits set by California Law and Cash ‘til Payday ("CTP") loans that did not comport with the California law.

The Money Mart Defendants denied these allegations and maintain that the People’s allegations are not true.

In order to eliminate the cost, burden and uncertainty of litigation and trial, and without admission by the Money Mart Defendants to the truth or accuracy of any allegations made, the Parties have agreed to settle all of the People’s claims relating to the CustomCash and CTP loans asserted in the Action. As part of Settlement, the People obtained repayment for consumers of fees and interest paid on CustomCash and CTP, and other relief.

2. What are the terms of the Settlement?

The combined total to be repaid to all eligible claimants will range from $3.0 to $7.5 million, depending on the total number of claims received and the factors and deductions listed below. If the total amount of repayments exceeds $7.5 million, each claimant’s repayment will be reduced proportionately.

A person who returns by mail a timely claim form to the Settlement Administrator will receive payment of all interest, fees, or finance charges he or she actually paid in connection with a Challenged Loan, less the following deductions, to be calculated by Money Mart according to its records regarding the Challenged Loans:

(a) $45 for each two weeks of the term of the Challenged Loan as set out in the loan agreement, provided that the principal amount of the loan outstanding during the two week period was scheduled to be more than $255;
(b) Any of the Challenged Loan’s principal that the claimant has not repaid;
(c) Any other loan principal owed by the claimant to Money Mart;
(d) Any other amounts owed by the claimant in connection with check-cashing transactions at Money Mart.

Claimants for whom the total payment amount would be $20 or less under the above terms will not receive any payment.

3. When will payments be sent?

Payments may be sent to eligible claimants within 60 days of determining the amount to which each eligible claimant is entitled, but not later than January 31, 2013.

4. What do I need to do to get repayment?

Send a claim form postmarked by the deadline of October 1, 2012. If the claim is complete, verified and eligible according to the terms of the settlement, you will receive the appropriate payment.

5. Where do I send the claim form?

Claim forms should be mailed to:

Installment Loans Settlement Administrator
c/o Gilardi & Co., LLC
P.O. Box 8060
San Rafael, CA 94912-8060
Tel: (877) 226-3008

6. How do I get more information?

You can review the documents relating to the lawsuit, including the Settlement Agreement, on the settlement website at www.gilardi.com/CCandCTPLoans. The website also has answers to frequently asked questions. You may also contact the San Francisco City Attorney’s Office at (866) 497-5497. Do not contact the Money Mart Defendants or the Court.

The name and court number of the lawsuit are: People of the State of California ex rel. Dennis Herrera v. Check ‘N Go of California, Inc., et al. (San Francisco Superior Court Case No. CGC-07-462779)
Claim Form

People of the State of California ex rel. Dennis Herrera v. Check ‘N Go of California, Inc. d/b/a Check ‘N Go; Southwestern & Pacific Specialty Finance, Inc. d/b/a Check ‘N Go; Avante Teladervance, Inc. d/b/a Check ‘N Go Online; Monetary Management of California, Inc. d/b/a Money Mart; Money Mart Express, Inc. d/b/a CustomCash Online; First Bank of Delaware; Dollar Financial Group, Inc.

To be eligible for a repayment, Claimants must follow all of the instructions in this Claim Form and provide all of the information requested below. Only one claim form may be submitted per Claimant. Failure to provide all of the requested information will result in your claim being rejected.

You must mail your completed Claim Form to the address listed below so that it is postmarked on or before OCTOBER 1, 2012. CLAIM FORMS POSTMARKED AFTER THE DEADLINE WILL BE REJECTED. Claim Forms submitted to any location other than to the address listed below will not be considered.

1. Claimant’s Information (Please do not use red ink or pencil):
   First Name M.I. Last Name
   Address 1
   Address 2
   City State Zip Code

2. Provide the last 4 digits of your Social Security Number and Date of Birth:
   Last 4 digits of Social Security Number: Your date of birth:  
   [ ] [ ] [ ] / [ ] [ ] / [ ] [ ] [ ] [ ]

3. You must date and sign below.
   Dated: ____________________________ Signed: ____________________________

4. Send your COMPLETED Claim Form to:
   Installment Loans Settlement Administrator
   c/o Gilardi & Co. LLC
   P.O. Box 8060
   San Rafael, CA 94912-8060

This address should only be used for submitting claims.

If you have any questions regarding the notice or this Claim Form, visit www.gilardi.com/CCandCTPLoans or contact the Settlement Administrator at (877) 226-3008, or Installment Loans Settlement Administrator, c/o Gilardi & Co. LLC, P.O. Box 1110, Corte Madera, CA 94976-1110. You may also contact the San Francisco City Attorney’s Office at (866) 497-5497. Do not contact the Money Mart Defendants or the Court.