


September 22, 2010

**Finally: Some justice for more than 140,000 North Carolinians who were charged illegal fees and interest rates by the country's largest payday lender!**

**In a proposed settlement announced Tuesday, Advance America has agreed to pay \$18.75 million to resolve a class action lawsuit filed by Public Justice and its co-counsel in 2004.** Advance America affiliates that signed the agreement operated 118 branch offices throughout North Carolina. The company had already stopped lending in North Carolina as a result of an investigation action brought by the North Carolina Attorney General's Office and the North Carolina Office of the Commissioner of Banks.

So-called "payday loans" are short-term loans or cash advances, usually for a period of 14 days, secured by a post-dated check for the full amount of the loan plus interest or other fees. Payday loans typically require triple digit interest rates. The class representatives in the Advance America case, *Kucan v. Advance America*, the North Carolina suit, obtained loans from  Advance America with annual percentage rates exceeding 450%. North Carolina law caps interest for that type of loan at 36%.

While we are proud to have reached this proposed settlement, our class actions against other unscrupulous payday lenders will continue. We congratulate Advance America for taking this big step to make things right with its customers. Several other North Carolina payday lenders, however, are still using delay tactics and specious arguments about why their contracts immunize them from state law.

Our class action lawsuits to recover funds for illegally charged and overcharged borrowers are part of a one-two punch against illegal payday lending practices in the state. North Carolina Attorney General Roy Cooper has been active in pursuing payday lenders and forcing them to cease operations in North Carolina. The Attorney General's Office previously reached an agreement with three other major payday lenders, Check Into Cash, Check N Go and First American Cash Advance, to stop making the illegal payday loans in the state.

To read the settlement agreement, [click here](#).

To read the plaintiffs' motion for approval of the settlement, [click here](#).

Congratulations and thanks to lead counsel Jerry Hartzell of Raleigh; Public Justice Foundation Executive Committee Member and former President Mona Lisa Wallace and her colleague, John Hughes of Wallace & Graham in Salisbury, NC; Board Member Richard Fisher of Cleveland, TN; Public Justice Senior Attorney Paul Bland; Mal Maynard

of the Financial Protection Law Center in Wilmington, NC; and Carlene McNulty of the North Carolina Justice Center in Raleigh for their tireless work for these consumers.

Congratulations and thanks to you, too, for helping us hold payday lenders accountable.

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**P.S. Please forward this email to friends and colleagues who'd be interested. (When you do so, delete the information below about unsubscribing, or they could unsubscribe you.) To make a special contribution, renew your membership or join us, [click here](#).**

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