



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*
Keith G. Munro, *Assistant Attorney General*

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone - (775) 684-1100
Fax - (775) 684-1108
Web - <http://ag.state.nv.us>

FOR IMMEDIATE RELEASE
DATE: February 24, 2009

Edie Cartwright
(775) 684 1189
(775) 671 1921 cell
JOHN McGlamery
(775) 684 1169

ATTORNEY GENERAL ANNOUNCES COURT ORDER TO HALT “LEADS GLOBAL” AND OTHER INTERNET PAYDAY LENDERS FOR DISCLOSURE AND DECEPTIVE COLLECTION TACTICS

Carson City, NV—Nevada Attorney General Catherine Cortez Masto and the Federal Trade Commission (FTC) announced today that a federal court order has been issued halting the deceptive trade practices of seven U.S.-based companies and one individual operating as part of an international Internet payday lending operation. Named in the order are Leads Global, Inc.; Waterfront Investments, Inc.; ACH Cash, Inc.; HBS Services, Inc.; Lotus Leads, Inc.; First4Leads, Inc.; Roving International, Inc. and Jim Harris.

The group was charged with failing to disclose key loan terms and using abusive and deceptive collection tactics in violation of federal and state laws. The U.S.-based companies and their principal agreed to the court order, which will remain in effect pending trial. Nevada and the FTC seek to permanently bar the defendants from future violations and force them to surrender the money obtained using the allegedly illegal collection tactics.

“My office worked cooperatively with the federal authorities to put a stop to this deceptive trade activity in Nevada,” said Attorney General Masto. “This cooperative effort has paid dividends for our citizens.”

The companies named in the order offered loans of \$500 or less within 24 hours without requiring a credit check, proof of income, or documentation. Consumers were told they qualified for a loan that had to be repaid by their next payday with a fee ranging from \$35 to \$80, and that if the loan was not repaid by then, it would be extended automatically for an extra fee that would be debited from the consumer’s bank account

until the loan was repaid. These companies frequently continued to debit bank accounts, even after the loan had been fully repaid. To halt this monthly collection, consumers resorted to closing their bank accounts, which often led to harassing and threatening calls from the lenders.

Pending trial, the court order bars the U.S.-based companies and their principal from deceptive debt collection practices such as misrepresenting that consumers can be arrested or imprisoned for failing to pay debts; that consumers are legally obligated to pay the full amount of a debt claimed as owed; and that for nonpayment, consumers may or will be subject to legal action, such as a lawsuit, seizure of property, or garnishment of wages. The preliminary injunction also prohibits unfair collection practices such as continuously and repeatedly calling consumers and third parties at consumers' work places, using obscene or threatening language toward consumers and third parties, and disclosing the existence of consumers' purported debts to third parties.

The U.S.-based companies and their principal also are barred from violating the Truth in Lending Act ("TILA") and Regulation Z, in the extension of closed-end credit, by failing to make the required TILA disclosures as provided by law, and by failing in any other manner to comply with TILA and Regulation Z. They also are prohibited from violating the laws of the State of Nevada by making loans from Nevada or identifying Nevada as the source of a loan or as their principal place of business, unless properly licensed; and by failing to provide notice and disclosure of all material facts as required by state law, including failing to disclose the location, physical address, and non-toll-free telephone number of all of their locations. In addition, the U.S.-based companies and their principal are prohibited from violating any state or federal law regarding the sale or lease of goods or services, including using coercion, duress, or intimidation in any kind of transaction.

Also charged in the complaint but not named in the order are four United Kingdom-based companies operating in the U.S. as Cash Today; Route 66 Funding; Global Financial Services International, Ltd.; Interim Cash, Ltd.; and their principals, Aaron Gershfield and Ivor Gershfield.

For more information on how you can help prevent illegal deceptive trade practices you may contact the Office of the Nevada Attorney General, Bureau of Consumer Protection at (775) 684-1180 in northern Nevada, or (702) 486-3194 in southern Nevada.