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FOR IMMEDIATE RELEASE

PAYDAY LENDER, FORMER CEO AND EMPLOYEES SETTLE WITH STATE
Fast Cash Loans Fined; Consumers Receive Restitution

OLYMPIA, WA – In a settlement reached with the Department of Financial Institutions (DFI), payday lender, Fast Cash Loans and four individuals were charged fines totaling over \$91,000 – including restitution for nearly 300 consumers. The company’s former CEO, Jonathan Blake Goldberg, received a two-year ban from the payday lending industry. This brings closure to a case claiming the payday lender used illegal lending and collection practices and overcharged fees. Fast Cash Loans is licensed with DFI under the name PFH, Inc.

What did the state’s case involve?

The settlements stem from charges filed in September 2004. After receiving over 50 consumer complaints, DFI opened a joint investigation with the Attorney General’s Office.

Consumer complaints alleged that Fast Cash Loans used unreasonable tactics to collect past due payday loans. It was stated that the payday lender’s collection agents represented themselves as fraud investigators. They used verbally abusive and harassing tactics to collect on delinquent loans. The “investigators” threatened criminal prosecution for felony check fraud if borrowers failed to repay their payday loans. Borrowers and non-borrowers received calls at inconvenient hours or locations and, in some instances, received more than five collection calls a day.

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In addition, DFI uncovered loan files indicating that Fast Cash overcharged fees and understated the loan's annual percentage rate on disclosure statements. Borrowers who requested a repayment plan, which is legally allowed after four successive loans, were denied a plan or were forced into default – incurring more fees.

What are the terms of the settlements?

- **COMPANY** – The state imposed a fine of \$50,000.00. Fast Cash Loans paid \$4,320.46 in restitution to nearly 300 Washington consumers. The company is also required to reimburse the DFI for the cost of the investigation.
- **FORMER PRESIDENT AND CEO** – Jonathan Blake Goldberg, former president and CEO, agreed to pay a fine of \$30,000. He must comply with a two-year ban from the payday lending industry in Washington State. The settlement states that Goldberg can reduce this ban to one year by paying an additional \$10,000 fine. The agreement also stipulates that he is banned from having any involvement or control over administering collection activities for three years.
- **EMPLOYEES** – Three employees involved in the case received fines as well. Steve H. Selvar, Collection Manager, was order to pay \$750. Two members of his collection staff, Michael D. Frye and Margaret Cook, were fined \$500, each.

What is a payday loan?

Payday loan companies offer small, short-term, high interest, loans generally secured by a posted-dated check. The consumer's post-dated check is written for the advance amount, plus a fee. The check is held for the loan period by the lender and either deposited or the customer returns with cash to reclaim the check. In Washington, the maximum payday loan amount permitted by law is \$700, and the maximum term is 45 days.

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*** Interviews with Chuck Cross, Director of the Division of Consumer Services, may be arranged through Scott Kinney.