

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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FOR IMMEDIATE RELEASE

Over \$2,500,000 Recovered for South Carolina Consumers, including \$839,000 from a California Debt Settlement Company

Columbia, SC..... Since December 2005, SCDCA has recovered more than \$2,500,000 in credit counseling refunds for South Carolina consumers. The most recent wave of refunds comes from a settlement reached on February 18, 2010. A California company has voluntarily agreed to give full refunds to 363 customers in South Carolina who entered into a contract with the company after December 1, 2005. The company, regulated under the provisions of the *South Carolina Consumer Credit Counseling Act*, failed to obtain a license from the South Carolina Department of Consumer Affairs (SCDCA), as the Act stipulates, and charged fees to consumers that exceeded those allowed by the Act.

This is the single largest recovery from an out-of-state agency since the Credit Counseling Law went into effect, according to SCDCA Administrator Brandolyn Thomas Pinkston. "Critics of the Credit Counseling Law stated that the Department would be unable to go across state lines and recover funds for South Carolinians, but our diligence is paying off," she said. "This is a great win for South Carolina consumers."

Carri Grube Lybarker, SCDCA staff attorney, stated that the regulation of the industry is necessary to thwart businesses that mislead or exploit consumers. "The protections the Credit Counseling Act provides to consumers struggling with debt are invaluable, especially during these tough economic times," she said. "Consumers should not give any money to a company promising debt relief until verifying that they are licensed with SCDCA."

Consumers can contact SCDCA by phone or visit our website for a list of licensed credit counselors. For more information on credit counseling or other consumer issues, contact Public Information at 803.734.4296, or toll free in South Carolina, 1.800.922.1594, or online at www.sconsumer.gov.

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About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit www.sconsumer.gov.

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