DENVER — Colorado Attorney General John Suthers announced today that his office has filed a counterclaim lawsuit against a series of Northbrook, Ill.-based companies and a Brooklyn, N.Y.-based business, accusing the companies of engaging in deceptive trade practices and unlicensed lending.

“Settlement-advance companies are a growing issue in Colorado and across the country,” Suthers said. “Despite their labeling and assurances to the contrary, these companies are making loans. As such, Colorado law requires proper disclosures to consumers as well as full licensure of lenders, so consumers know that the companies they are dealing with are following the rules.”

Oasis Legal Finance and its sibling companies and LawCash are suspected of advancing roughly 2,400 Coloradans sums of money typically ranging from $500 to $5,000 in anticipation of legal settlements or judgments as part of a lawsuit. Oasis Legal Finance Group is suspected of charging their customers fees ranging from $59 to $165 during the loan process. In the case of LawCash, consumers were expected to pay 42 percent interest on the money they were advanced. Both Oasis Legal Finance and LawCash customer agreements require that consumers pay “case servicing” fees or “case review” fees.

Settlement-advance companies typically expect their customers to pay a multiple of the fronted funds depending on the length of time between the loan being made and the settlement funds coming through. In the case of Oasis Legal Finance, consumers paid APRs ranging from 60 percent to 125 percent; in the case of LawCash, the APRs ranged from 65 percent to 215 percent.

Colorado law requires licensure when a business is making loans with an APR greater than 12 percent. Neither Oasis Legal Finance nor LawCash are licensed with the state as required by Colorado’s Uniform Consumer Credit Code.

The Office of the Attorney General’s countersuit follows an October lawsuit Oasis Legal Finance and LawCash filed in Denver District Court alleging that the state was improperly trying to regulate them as lenders under the Uniform Consumer Credit Code.

To learn more about the Uniform Consumer Credit Code, a licensed lender in
Colorado or to file a consumer complaint, visit www.coloradoattorneygeneral.gov/uccc.

Attachments:
- Oasis-LawCash countersuit release
- Oasis-LawCash answer brief
- Oasis-LawCash complaint