



NEWS RELEASE

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District Attorney

For Immediate Release

Approved By: JDE

A handwritten signature in black ink, appearing to be "JDE", written over the printed name.

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VENTURA, California – District Attorney Gregory D. Totten announced today that his office has filed and settled a civil law enforcement action against Ladco Financial Group, Inc., of Thousand Oaks, and Elavon, Inc., of Atlanta. The settlement resolves allegations that Ladco, which was merged into Elavon in 2009, violated California laws prohibiting unfair competition and misleading advertising. This case was investigated by the Ventura County District Attorney’s Consumer and Environmental Protection Unit.

The action alleges that lease agents used misrepresentations and false promises to induce small-business owners around the country to enter into lease contracts for credit-card swiping terminals with Ladco.

These misrepresentations and false promises allegedly included:

- misrepresenting the leases as being cancellable; misrepresenting the leases as purchases;
- misrepresenting the cost to buy out the equipment at the end of the lease;
- misrepresenting the length of the leases;
- promising to provide additional products and services with the intent not to deliver those products and services as promised;
- misrepresenting used equipment as new; and
- misrepresenting that lessees’ existing equipment was obsolete.

The complaint further alleges that the defendants' vendors forged individuals' signatures on leases.

According to individuals interviewed, the same credit-card swiping terminals leased from Ladco for several thousand dollars, could, unbeknownst to the lessees, have been purchased for under \$500.

Under the Final Judgment signed by Ventura County Superior Court Judge Harry Walsh, Ladco and Elavon must pay \$418,601 in civil penalties, restitution, and cost recovery to the Ventura County District Attorney's Office, and will be bound under the terms of a permanent injunction prohibiting similar future alleged violations of law. The final judgment also requires that Ladco and Elavon cancel leases, release liens, terminate collection efforts, and provide updated status reports to credit-reporting agencies, for more than 100 impacted lessees.

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