



## PRESS RELEASE

---

### **USA Discounters to Forgive \$10.2 Million in Debt to Maryland Consumers for Alleged Violation of Maryland Consumer Protection Act**

*Retailer Targeted Military Service Members and Veterans;  
5,700 Maryland Consumers Impacted*

**BALTIMORE, MD (September 30, 2016)** – Maryland Attorney General E. Frosh announced today that his office has reached a settlement with USA Discounters, also doing business as USA Living and Fletcher’s Jewelers, for engaging in unfair, abusive, false and deceptive acts. While USA Discounters has not admitted to any wrongdoing, the retailer agreed to forgive \$95.9 million in debt nationwide for consumers, \$10.2 million of which would provide relief to approximately 5,700 Maryland consumers. Maryland joins 49 other state attorneys general in making this announcement.

USA Discounters was a nationwide retail business that sold consumer products, including furniture, appliances, televisions, computers, smart phones, jewelry and other consumer goods principally on credit. USA Discounters closed its stores in the summer of 2015 before later declaring bankruptcy.

Attorney General Frosh, along with 49 other attorneys general, alleged that USA Discounters engaged in unfair, abusive, false and deceptive acts and practices to sell overpriced household goods at high interest rates, often using the military allotment system to guarantee payment. The states alleged USA Discounters engaged in abusive debt collection tactics, constantly contacted service members’ chains-of-command, and caused some service members to lose security clearances and face demotions. The states also alleged that USA Discounters primarily filed its lawsuits against service members in Virginia jurisdictions, no matter the service member’s location, deployment status, or residence, which resulted in service members being unable to defend themselves in court.

“This settlement ensures that USA Discounters will comply with Maryland law when collecting debt owed by Marylanders who are members of the armed services and military veterans, and it will provide significant debt forgiveness for our consumers,” said Attorney General Frosh.

USA Discounters agreed to provide relief to certain former and current customers that includes the following:

- Write off all consumers' account balances whose contract with USA Discounters was dated June 1, 2012 or earlier;
- Apply a \$100 credit to all consumers' account balances whose contract with USA Discounters was dated after June 1, 2012;
- Write off all judgments that were not obtained in the state of residence for the service member;
- Correct the negative comment from the company on consumers' credit reports; and
- Credit certain judgments obtained against military service members with 50 percent of the original judgment amount.

A copy of the settlement can be found here: [www.marylandattorneygeneral.gov/News/Documents/Proposed\\_Order\\_Settlement\\_Agreement.pdf](http://www.marylandattorneygeneral.gov/News/Documents/Proposed_Order_Settlement_Agreement.pdf)

###