



# Attorney General Doug Peterson

# News Release

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## **AG Peterson Announces \$150,000 of Debt Relief for Nebraska Consumers in Settlement with USA Discounters**

Nebraska Attorney General Doug Peterson announced a settlement today with retailer USA Discounters, also doing business as USA Living and Fletcher's Jewelers, along with 49 other state attorneys general, to resolve the states' claims of deceptive trade practices. USA Discounters sold consumer products, including furniture, appliances, televisions, computers, smart phones, jewelry, and other consumer goods and financed many of the sales on credit. Sales were often targeted towards military families.

The alleged practices included abuse of the military allotment system to pay for overpriced goods with high interest rates and inappropriate contact with service members' chain of command which may have caused some service members to lose security clearances and face demotions. The states also alleged that USA Discounters abused their customers by filing collection lawsuits against service members in Virginia jurisdictions regardless of the service member's location, deployment status or residence, leading to default judgments being entered because the service member could not travel to Virginia, or may not have even known he/she had been sued.

In the settlement, USA Discounters agreed to forgive a significant amount of consumer debt, provide restitution credits, and correct consumer's credit reports. The settlement will result in nearly \$150,000 of forgiven debt and restitution for Nebraska consumers.

USA Discounters closed its stores in the summer of 2015 and later declared bankruptcy. The settlement has been filed with the bankruptcy court and the settlement will become effective on October 14, 2016.