



GEORGIA DEPARTMENT OF LAW

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August 14, 2015

The Honorable Nathan Deal
The Office of the Governor
State of Georgia
206 Washington Street
Suite 203, State Capitol
Atlanta, GA 30334

The Honorable Casey Cagle
Office of the Lieutenant Governor
240 State Capitol
Atlanta, GA 30334

The Honorable David Ralston
Speaker, House of Representatives
332 State Capitol
Atlanta, Georgia 30334

Re: Assurance of Voluntary Compliance with Chase Bank USA N.A. and Chase
Bankcard Services, Inc.

Dear Governor Deal, Lt. Governor Cagle and Speaker Ralston:

In July, as the result of a multistate investigation, this Office entered into an Assurance of Voluntary Compliance ("AVC") with Chase Bank USA N.A. and Chase Bankcard Services, Inc. to address allegations that Chase engaged in the practice commonly referred to as robo-signing by using false, inaccurate and deceptive affidavits to obtain debt collection judgments against credit card consumers during the time period of 2009 through 2013. Forty-seven states, including Georgia, and the District of Columbia participated in the settlement.

In addition to consumer restitution and the requirement that Chase implement detailed consumer protection measures related to the sale of credit card debt, the AVC provides for payments to the signatory Attorneys General. The payment received by this Office was in the amount of \$2,794,693.80. The clear intent of the AVC is for the participating states to use the payment in

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some manner that will aid and protect consumers. Specifically, the AVC provides that the payments are "to be used for purposes that may include but are not limited to civil penalties, attorneys' fees, and other costs of investigation and litigation, or to be placed in or applied to any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for any other uses permitted by state law." The AVC limits the amount that may be designated as a civil penalty to ten percent of the aggregate payment to the states.

Despite the range of options set forth in the AVC for the use of the payment, however, this Office is limited to those uses that are permissible under Georgia law. The controlling statute is Code Section 10-1-381(c), which as applied to this AVC, would permit ten percent of the payment to be designated for a consumer education plan while this Office is required to remit the balance to the general fund.

Once remitted to the general fund, the decision of how to designate these monies rests with the legislature and the Governor. I am writing to encourage you to give significant weight to the intended purpose of this payment in making this decision. Organizations such as Georgia Legal Services, Atlanta Legal Aid and the Georgia Bar Foundation offer consumer protection services and may be able to use a portion of the payment from the AVC consistent with its purpose and in a manner that would help them fulfill their respective missions. Such a designation would be especially significant to consumer aid organizations in light of the reduction in recent years to income related to Interest on Lawyers Trust Account or IOLTA, which is used primarily to fund civil legal services for the poor.

Thank you for your attention to this important matter.

Sincerely,



Samuel S. Olens
Attorney General

cc: Phyllis Holmen, Esq., Georgia Legal Services, Executive Director
Steve Gottlieb, Esq., Atlanta Legal Aid, Executive Director
Len Horton, Esq., Georgia Bar Foundation, Executive Director