



**STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986**

# Press Release

---

**FOR IMMEDIATE RELEASE**

**October 27, 2011**

**Contact:** Norman Googel

**Phone:** (304) 558-8986

## **COURT ENJOINS CAVALRY DEBT BUYERS FROM COLLECTING DEBTS**

Charleston - The Circuit Court of Kanawha County has entered an order preventing three Cavalry Company debt-buying businesses from collecting debts in West Virginia without a license.

In addition to halting Cavalry's pending collections lawsuits, the circuit court's injunction requires Cavalry to stop all wage garnishments and to release all liens filed against West Virginia consumers' property stemming from judgments obtained by its companies before they became licensed.

The court granted West Virginia Attorney General Darrell McGraw's motion for a temporary injunction against Cavalry. It is also ordered the New York-based debt buyers – Cavalry SPV I, Cavalry SPV II, and Cavalry Investments plus a collection affiliate, Cavalry Portfolio Services – to fully comply with the Attorney General's investigative subpoena.

Testimony from Attorney General McGraw's staff during a series of hearings disclosed that the Cavalry debt buyers had filed at least 1,300 collection lawsuits prior to becoming licensed in October 2010. Of those lawsuits, 743 resulted in judgments totaling more than \$3 million against West Virginia consumers with 369 entered by default when the consumers failed to appear or contest the suit.

In conjunction with the attorney general, the circuit court also ordered Cavalry to send written notices to all consumers affected by the order. After the notices are sent, Cavalry may accept payments made voluntarily by consumers but must first place them into escrow and report all payments received to the Attorney General's office.

McGraw's office first subpoenaed Cavalry's West Virginia account records in January, 2010. Cavalry objected to complying with the records request and later asserted that the investigative subpoena could not be enforced once the lawsuit was filed. The circuit court disagreed.

A copy of the court's order, which remains in effect until a final hearing, may be obtained on the Attorney General's website at [www.wvago.gov](http://www.wvago.gov). No trial date has yet been set.

To report a scam or file a complaint, West Virginians can reach the Attorney General's Office online or by calling the Consumer Protection Hotline at 1-800-368-8808. For regular consumer news updates, follow "AGWestV" on Facebook, Twitter, and YouTube.

## ## ##