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Don't forget to read all about Georgia Watch's continuing effort to bring justice to victims of medical malpractice. Georgia Watch is a regular contributor to the Drum Major Institute's Tort Deform blog, which focuses on the civil justice system.

We at Georgia Watch believe that this blog is a unique opportunity to share opinions, personal experiences, facts and statistics about one of the important consumer battles that we are fighting here in Georgia.

Some of you have already been reading and commenting on our blog posts. And you're not alone. The Drum Major Institute estimates that over 10,000 people per month read our posts. We encourage you to take advantage of this opportunity as well and give voice to your thoughts by commenting on the blog – or on other comments already posted. Check us out at TortDeform.com.

**ALLISON WALL
EXECUTIVE DIRECTOR**

**DANNY ORROCK
LEGISLATIVE
COORDINATOR**

**MAGGIE WHITE
GRASSROOTS
COORDINATOR**

**COLEY WARD
COMMUNICATIONS
COORDINATOR**

**FOR QUESTIONS
REGARDING**
theWATCHER
**CONTACT US BY
PHONE AT**
1-866-33-WATCH
OR BY EMAIL AT
GEORGIAWATCH@
GEORGIAWATCH.COM

GeorgiaWatch
is OUTSPOKEN

Last year, Georgia Watch Executive Director Allison Wall made lunch or dinner presentations to:

- Creative Loafing's "Political Party"
- Fort Gordon Consumer Awareness Week
- ACORN Community Empowerment Summit
- For Stewart consumer workshop
- Georgia Association of Family and Consumer Sciences annual state convention.

You too can book Allison for a speaking engagement by calling Georgia Watch toll-free at 1-866-33-WATCH!

PAYDAY LENDING WON'T RETURN TO GEORGIA

BY COLEY WARD

Sometimes it's not what you do, but what you don't do that matters most. Recently, the Georgia House of Representatives failed to pass House Bill 163, which would have returned payday lending to Georgia. Good for them.

A bitter fight to legalize the short-term, high-interest loans ended on Tues., March 27, when the House members voted 82-77 for the measure. The bill's sponsors, Rep. Steve "Thunder" Tumlin (R-Marietta) and House Rules Chairman Earl Ehrhart (R-Powder Springs), needed 91 favorable votes — a majority of the House membership — to move to the Senate.

Actually, HB 163 was a two time loser. The house first voted a week earlier and the bill failed by a vote of 84-84.

HB 163 would have allowed lenders to charge 391 percent interest on an average \$300 loan offered over a two week period.

Georgia Watch Executive Director Allison Wall called the House vote consumer protection at its best.

"Georgia families can breathe a sigh of relief knowing that payday lenders and the triple-digit interest they charge won't be back in business," Wall said.

Georgia Watch was joined in



its opposition to HB 163 by a coalition of over 20 groups. Coalition members included AARP Georgia, the Catholic Archdiocese of Atlanta, the National Council of Jewish Women, the Presbytery of Greater Atlanta, the NAACP, the Concerned Black Clergy and students of the Candler School of Theology.

Ed Dubose, Georgia State President of the NAACP, said that he was happy the coalition's hard work paid off.

"I hope this is the last that we hear about this bill, Dubose said. "But if they try and bring it back again next year we'll be ready to fight."

Rev. Timothy McDonald, pastor of First Iconium Baptist Church, said that payday lenders are nothing but modern day loan sharks.

"They prey on our neediest families," McDonald said. "Thanks to our ban on payday lending, we are a stronger state today than we were three years ago."

Members of both parties opposed

GEORGIA WATCH TO LAUNCH "COURT WATCH" INITIATIVE

BY COLEY WARD

A WORD OF WARNING TO THE GEORGIA SUPREME COURT: GEORGIA WATCH WILL BE WATCHING YOU IN 2007.

Georgia Watch is proud to announce our new Court Watch program, which will monitor legal trends specific to consumer issues such as payday lending and access to the civil justice system.

The program is Georgia Watch's most ambitious endeavor yet. Each year, Court Watch will release a report of court action on consumer cases, and two companion publications sure to garner buzz: a list of the "Terrible Ten" — the worst consumer decisions handed down by the Georgia Supreme Court — and a "Scorecard" evaluating how each Justice voted on all of the court's consumer cases.

The Court Watch program is needed now more than ever, with judicial elections becoming more expensive and more partisan.

Last fall, incumbent Supreme Court Justice Carol Hunstein defeated former U.S. Department of Justice attorney Mike Wiggins after one of the most expensive campaigns in recent memory. Wiggins, a former Bush administration lawyer, ran on the

ACTIVIST PROFILE: CHERYL MATHIS

BY MAGGIE WHITE

Cheryl Mathis met her husband Ronald at Bible College. They sat next to each other in class. One day after class Ronald followed Cheryl to her car and pleaded for a date.



“Just give me your phone number,” Ronald said. “I’ll call you one time and if you don’t like me I’ll never call you again.”

Cheryl gave in. He called her that night and they talked for five hours. Before they knew it they were 25 years older and married with seven children and running a successful dietary supplement company in North Georgia.

Then, last November, Ron began having chest pains and difficulty breathing. His son took him to the emergency room. Rather than giving him an EKG to screen for a cardiovascular problem, his doctor gave Ronald a chest x-ray and diagnosed him with pneumonia. Then the doctor sent him home with a prescription.

A week later, Ronald returned to the ER with the same symptoms. The doctor diagnosed him with double pneumonia and again sent him home without doing an EKG. Eleven days later, Ronald died of a heart attack. The coroner said it was his third heart attack in the last week. No pneumonia was detected.

Today, Cheryl struggles to get by on social security. She has lost both of the family’s cars and is barely able to make the mortgage payment for the house she and Ron built. Cheryl wants to return to work, but she has a dilemma: if she goes to work, she needs to find a job that will pay her enough to make up for the social security checks she’ll have to forfeit.

Cheryl prays every day that she will be able to hold the doctors responsible for her husband’s death accountable. But her path to justice is blocked by the “emergency room immunity” provision of Senate Bill 3, which requires patients to prove that their ER doctor willfully and

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COURT WATCH INITIATIVE CONTINUED FROM PAGE 1

strength of \$1.6 million he received from an out-of-state independent committee, the Safety and Prosperity Coalition. Insurance companies, automakers, the medical industry and others also contributed heavily in an effort to defeat Hunstein. Their aim: to protect recent anti-consumer changes to Georgia law that let corporations evade responsibility for the consequences of negligence or misconduct.

Though court races are officially nonpartisan in Georgia, Wiggins ran as

a Republican and his campaign drew support from Republicans officials, including Gov. Sonny Perdue.

“The courts are the final refuge of protection for citizens in our society,” said Georgia Watch Executive Director Allison Wall. “The judge should not be a partisan politician and the citizens of Georgia should never be in doubt or have cause to question the integrity of our justice system.”

Because the Court Watch project will involve a substantial amount of

research, Georgia Watch is bringing in some new blood to help out. A Court Watch fellow will help draft an annual report, focusing on the consumer cases before the Georgia Supreme Court in the preceding term, and what action the court took. The report will also include analysis of business-to-business cases that have consumer ramifications, such as a small business suing its insurance company over a liability issue.

“Georgia Watch will be the first organization in the state to produce

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ADD IT UP

GEORGIA NEEDS A LARGER CONSUMER PRESENCE ON THE STATE MEDICAL BOARD:

- Currently, the Composite State Board of Medical Examiners consists of 13 members. Only one is not a doctor.
- In Georgia, 3.5 percent of physicians are responsible for 40 percent of the state's malpractice.
- 1.24 million Medicare patients hospitalized from 2002 to 2004 were victims of serious medical errors, leading to over 250,000 estimated preventable deaths.

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ACTIVIST PROFILE CONTINUED FROM PAGE 2

knowingly mistreated them. This is virtually impossible to prove in an emergency setting, after the fact.

"I want people to know what happened," Cheryl says. "I want our lawmakers to do something about this. The hospital has done nothing and I keep meeting others who have been hurt there."

Cheryl is currently working to form a patient advocacy group in North Georgia. She wants to raise awareness in her community of the frequency and seriousness of

GEORGIA WATCH IS STRONG CONTINUED FROM PAGE 6

Charles B. Tanksley A former state senator, Tanksley was the first Republican legislator to be appointed floor leader by a Democrat governor (Roy Barnes). As one of the Governor's Floor Leaders, he helped usher through legislation he previously sponsored reducing unemployment taxes by almost \$1 billion. He is currently a partner in the Marietta law firm of Browning and Tanksley. He and his wife Kathryn are the parents of three children -- Lark Elizabeth, Jephtha Charles, III, and Branch Graham.

Patricia Boezio Came to Atlanta from Brazil in November 1992. Boezio is the owner and Vice President of the Abaco Mortgage Group. She actively works to support the Ecuadorian community, as President of The Ecuadorian and as the Honorary Consul of Ecuador in Georgia since 3/00 to present. She is also a member of the Grady Health Board of Visitors and works to prevent real estate fraud in Georgia.

Doug Monroe A fifth-generation Atlantan, Monroe has been a writer and editor with United Press International, the Atlanta Journal-Constitution, Creative Loafing and Atlanta Magazine. His beats have included NASCAR races, country music, criminal trials, politics and Atlanta traffic. He's a University of Georgia journalism graduate who's won state, regional and national awards for his writing. Today, he writes a monthly column for Atlanta Magazine, "The Monroe Doctrine", and also writes the

magazine's Peachtree Screed blog. For more info, check out www.dougmonroe.com.

Mark Beamon The father of three and owner of a Savannah construction business, Beamon first contacted Georgia Watch after his mother became the victim of medical malpractice. In 2001, Beamon's mother Bonnie Hart went to a Savannah hospital for a routine surgery to place a shunt into her wrist to facilitate dialysis treatments. But Bonnie went into respiratory arrest after a nurse removed her breathing tube too soon. Later, she was prescribed the wrong drug, which caused her to slip in to a two-year coma. Bonnie passed away in 2004.

Angela Sutton The former music theory and French double major is now a project manager for the Coca-Cola Company's worldwide licensing and retail operations. In her spare time she plays leadership roles with several diverse groups, including the Delta Sigma Theta Sorority, Inc., The Links, Inc., the NAACP and the religious group Seven in Spirit -- and now Georgia Watch.

ADD IT UP

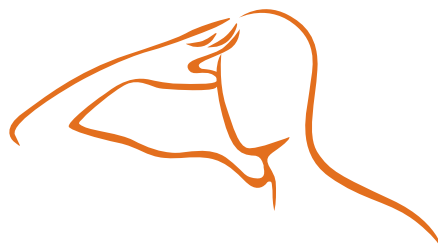
OUTLAWING PAYDAY LOANS HAS SAVED GEORGIA MONEY:

- In 2006, Georgia consumers saved \$147 million.
- Consumers in the 11 states that have enforced bans against payday lending saved \$1.4 billion in 2006.
- The typical payday borrower pays \$793 on a \$325 payday loan.

STATS

medical negligence.

If you or someone you know lives in North Georgia and are interested in participating in patient advocacy, please contact **Maggie White, Grassroots Coordinator for Georgia Watch, at 404-525-1085.**



ESTABLISHING OUR ROOTS

BY MAGGIE WHITE

Georgia Watch's influence and name-recognition have grown steadily through the years, due in large part to the hard work of our devoted members. Men and women throughout the state further the cause of consumer rights by donating money, writing letters, calling lawmakers, testifying at the Capitol – you name it.

We couldn't do what we do without a lot of help.

One member who recently went out of his way to help make Georgia a more consumer-friendly state is James Josey. In 2004, a Bainbridge payday loan company threatened to have Josey arrested when he was late with a payment (These same payday lenders were among the first prosecuted after the state passed its payday ban in 2004). When Josey heard that the House Banks and Banking Committee would hear testimony in Atlanta from victims of the payday loan debt-trap, he pulled a double shift at the car parts plant where he works so he could take the next day off and drive four hours to Atlanta to be there for the hearing.

Ultimately, Josey was denied the chance to testify by committee members who claimed there wasn't enough time to hear everyone gathered to speak. But he got to tell his story to the reporters who

were covering the hearing and he was featured in several of the state's largest newspapers the next day.

Josey went above and beyond to support the cause of consumer rights, and he isn't the only one. Georgia Watch members are also helping on a variety of issues besides payday lending.

Another popular cause has been our fight to bring accountability back to hospitals. We've had invaluable help in lobbying our lawmakers to restore the rights of patients in emergency rooms, as well as getting non-doctor representation on our state's medical board. Several members

recently answered our call to join a letter writing campaign, urging lawmakers to make patient safety a priority.

Since money is continuing to play a bigger and bigger role in state politics, and since Georgia Watch is not allowed to contribute to elected officials, it is more important than ever that we continue to grow our membership. The more of you there are writing letters, making phone calls and testifying at hearings, the more influential we become and the better we can combat wealthy special interests.

Georgia needs a strong consumer voice. Let your voice be heard. Volunteer.



GEORGIA WATCH IS STRONG CONTINUED FROM PAGE 5

Barnes now practices law in Marietta with his daughter, Allison; son-in-law, John Salter; John R. Bevis and Jennifer Auer Jordan. He lives in Mableton with his wife Marie. He has three children, Harlan Barnes, Allison Barnes Salter, and Alyssa Barnes and three grand children, William Roy Barnes, Lillian Kelly Salter and Ella Mae Salter.

Kelly Thrasher, M.D. Born and raised in Atlanta, Dr. Thrasher continues to live in the city with his wife Adrienne and their daughter, Daphne. He received his Doctor of Medicine degree in 2001 from the Medical College

of Georgia. His primary specialty is Internal Medicine, although he has had additional training in Cardiology and Geriatric Medicine. Dr. Thrasher is a member in good standing of the American Board of Internal Medicine, the American Medical Association, and the Medical Association of Georgia.

Kathy Floyd In her 12 years with AARP, Kathy has coordinated public policy campaigns for state and federal issues including Social Security, long term care and consumer issues. Currently, she serves as the Associate State Director for AARP Georgia, as

well as the liaison with six southeastern states on AARP's national "Divided We Fail" campaign. Kathy has been instrumental in AARP's success in passing legislation providing for consumer protections in death care and in predatory mortgage lending and the elimination of payday loans. Kathy earned her undergraduate degree in history from the University of North Carolina at Chapel Hill. She holds a masters degree in business with a concentration in finance from Georgia State University. She lives in Roswell with her husband and son.

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GEORGIA WATCH AND CLARK HOWARD TEAM UP...AGAIN

THIS TIME THEY'RE TAKING ON PAYDAY LENDERS AND IDENTITY THIEVES BY COLEY WARD

Clark Howard has been spending a lot of time at the State Capitol this year. He's testified in support of credit freeze protection and against a bill that would bring payday lending back to Georgia. Could Howard be warming up for a run for political office?

He's definitely considering it, but he's not thinking about a job at the Capitol. He's looking at the building down the street.



"The soonest will be 2009," Howard says. "I might run for Mayor of Atlanta."

Howard says he almost ran for mayor while Bill Campbell, who now resides in federal prison, was in office.

"I was really fired up about that guy," he says. "But that would have been the wrong reason to run, because I was angry with him."

Now, Howard is trying to decide if this time is right. Meanwhile, he's keeping busy with his nationally-syndicated radio and television programs. And of course he's got his trips to the capitol, where he's working hard to keep Georgia safe for consumers.

But it hasn't been easy. Howard urged

the House of Representatives' Banks and Banking Committee to vote in favor of three bills that would allow consumers to freeze their credit, in order to protect themselves from identity theft. But the committee voted to wait until 2008 to make any decisions.

"Unfortunately, the reality of the Georgia Legislature is that a bill only moves forward if there's money behind it or if a legislator has been personally affected," Howard says. "If a legislator had had his or her identity stolen, believe me, we'd get something passed."

The other issue that Howard has focused on this session, the fight to keep payday lending out of Georgia, is one that he has grown increasingly passionate about.

"The cute thing with this [payday] industry is that they pretend that this is emergency cash," he says. "But the reality is that the first loan leads to the second, leads to the third and so on."

This year, a group of lawmakers led by Rep. Steve "Thunder" Tumlin (R-Marietta), introduced a bill that threatened to bring payday lending back to Georgia and allow lenders to charge almost 400 percent interest on loans. Gov. Sonny Perdue signed a law banning payday lending in 2004.

House Bill 163 promised a number of "consumer protections" that experts said amounted to nothing more than smoke and mirrors. Insurance Commissioner John Oxendine called the bill "window dressing", while Attorney General Thurbert Baker said approving HB 163 would return Georgia to the way it was before the 2004 ban.

Georgia Watch worked tirelessly this session to defeat HB 163, in conjunction with 22 groups, including AARP Georgia,

the NAACP and the Catholic Archdiocese of Atlanta.

"I'm so disturbed by the fact that we're really building a hole that people can't build their way out of with these loans," Howard says. "My big thing is we put working people into a separate ghetto for money, because payday loans never give people the ability to build credit."

ADD IT UP

WORKER'S COMPENSATION IN GEORGIA IS FAILING THE VERY PEOPLE IT WAS DESIGNED TO PROTECT:

- Georgia's average weekly wage is \$680-\$700.
- The weekly maximum compensation rate in Georgia is \$450, the lowest in the country.
- Georgia's statute of limitations is one year from the date of an injury, whereas the statute of limitations in most other states is 2-3 years from the date of the injury.

STATS

COURT WATCH INITIATIVE CONTINUED FROM PAGE 2

such analysis specific to consumer issues before the Georgia Supreme Court," said Wall.

The Court Watch program run by Georgia Watch's sister organization, Texas Watch, has garnered the organization national media attention since it was launched in 1997.

Eventually, Wall hopes that Georgia will establish public funding programs for statewide judicial races. Currently, 13 states have laws mandating publicly funded judicial elections.

FROM THE DIRECTOR'S CHAIR FINDING THE SILVER LINING

BY ALLISON WALL — EXECUTIVE DIRECTOR



Two steps forward, one step back. Is that the story of 2007?

The effort to return predatory payday lending to Georgia just three years after the ban was enacted is an unwelcome diversion in a year otherwise packed with positive, pro-active initiatives for Georgia Watch and Georgia consumers.

At the same time debate rages over whether to allow payday lenders to charge interest rates of 390 percent or more, our state legislators are also considering several pro-consumer measures that would restore the rights of patients in the emergency room, and victims of identity theft.

For Georgia Watch, this is a time of growth. We have an expanded, all-star Board of Directors, a new full-color brochure on patient safety, consumer workshops already scheduled in south and coastal Georgia, and new research reports on predatory lending, insurance and health care.

And yet here we are, pushing back once again against a group of predatory lenders that the Pentagon has branded “the most serious financial problem facing the military today.”

Since January, we have helped build a coalition of Georgia groups over 20 strong standing firm and united against payday lenders. This diverse coalition includes AARP Georgia, NAACP, and several faith groups, including the Concerned Black Clergy, National Council of Jewish Women, Catholic Archdiocese of Atlanta, Presbytery of Greater Atlanta, and students of the Candler School of Theology.

The mission of protecting families fosters a natural partnership between consumer groups and faith-based groups, particularly where predatory lending is concerned. We share a passion for helping those who can't help themselves, for giving voice to the voiceless. We share a commitment to fighting exploitation and injustice. We believe in fairness.

Connected by these core values, our coalition has testified at legislative hearings, appeared publicly to voice our opposition to the media, and met one on one with most members of the state house. It is our responsibility to let lawmakers know that Georgia's families count.

And we have faith that they're listening.

The payday industry spent over \$200,000 in political donations to Georgia lawmakers in 2006 alone. Payday lending is a \$28 billion dollar industry, dominated by out-of-state mega-corporations. In a classic version of David and Goliath, it takes a coalition this committed and this vocal to keep the circling sharks at bay.

Even when working under dark clouds, Georgia Watch has found the silver lining: forging new partnerships to advance consumer protection and consumer rights.

PAYDAY LENDING CONTINUED FROM PAGE 1

HB 163. Over 30 Republicans either voted against the bill or failed to vote for it, despite the fact that the bill was sponsored by a Republican.

Urban and rural lawmakers both opposed the bill. Chairman Richard Royal (R-Camilla) voted against it, as did Chairman Amos Amerson (R-Dahlonega). Even House Banks and Banking Chairman James Mills (R-Gainesville), who voted for the bill in committee, voted against it.

HB 163's sponsors and payday loan lobbyists claimed that the bill contained important consumer protections, such as prohibiting payday loans to active duty personnel and their dependents.

But last fall, Congress and President Bush achieved as much by capping the APR on all loans made to members of the military, including payday loans, at 36 percent interest. This landmark legislation passed on the heels of a

Pentagon report documenting that between 2000 and 2005, revoked or denied security clearances for Sailors and Marines due to financial problems increased by 1,600 percent.



PAYDAY LOANS HAVE THEIR DAY IN COURT

BY COLEY WARD

South Georgia District Attorney Joe Mulholland has used Georgia's 2004 ban on payday lending to clean up his hometown of Bainbridge. But the lenders he arrested aren't going down without a fight.



Two men busted for making illegal payday loans are challenging Georgia's 2004 law that made payday lending a felony. They claim the law is unconstitutional, because it treats their businesses differently from payday lenders that are associated with out-of-state banks.

On Mon., Jan. 8, the Georgia Supreme Court heard arguments from Nathaniel Glenn and John Dunlap, the first two payday lenders prosecuted under the state's payday lending ban.

"There is no rational basis for the different treatment," the lawyer for Glenn and Dunlap argued before the Court.

For his part, Mulholland praised the state's ban on payday lending.

"There's no question this law is effective," he said.

The Supreme Court could announce a decision in the case any day now. Mulholland says the justices have most likely been waiting to see how the General Assembly would vote on

House Bill 163, which would have made payday lending legal in Georgia again. The House recently defeated the bill twice, killing all hope that for the payday loan industry this year.

In another payday related case, the Georgia Court of Appeals recently affirmed a lower court decision that USA Payday, an Atlanta-based chain that offers "sale/leaseback" contracts, was actually offering payday loans in disguise.

In March 2003, Paula Shamburger went to a USA Payday lender in Jonesborough and took out a \$500 loan. Shamburger, an insurance investigator in the consumer services division of the Georgia Department of Insurance, says she made interest payments on her loan every month for five months.

In May, the payday lender called her up and told her they needed to restructure her loan. The state had passed a law making payday lending a felony. The lender asked Shamburger to bring in the serial numbers belonging to two household appliances.

The payday lenders canceled Shamburger's payday loan, which was now illegal, and entered her into a "leasing program". Shamburger sold the company her kitchen appliances and they leased them back to her – for \$250 a piece.

Shamburger was one of the witnesses in the state's case against USA Payday. She says she learned a hard lesson.

"I have a college degree, Shamburger said. "Should I have known better? Yes, I probably should have. But desperate times call for desperate measures. I needed to pay my car insurance."

USA Payday lenders will be prosecuted under the state's anti-payday lending law, which carries a maximum penalty of 20 years in prison and a \$25,000 fine.

GEORGIA WATCH IS STRONG

BY COLEY WARD

When Allison Wall founded Georgia Watch in 2002, she was the only employee. Over the years, some things have changed and some have not. The organization is still located in downtown Atlanta, but in a new building, situated on Marietta St., across from the Atlanta Journal Constitution building.

Wall hired her first employee in 2003, when Danny Orrock signed on to be the group's legislative coordinator. A year later, she hired two more staffers, a grassroots coordinator and a communications coordinator. The nonprofit launched its website, GeorgiaWatch.org, in 2003.

Today, Georgia Watch is getting ready to launch a newly redesigned website. But the biggest change at Georgia Watch has occurred in the group's Board of Directors, which has tripled in size. Two of the four original board members, former Georgia Insurance Commissioner Tim Ryles and former Georgia Supreme Court justice Hardy Gregory are gone. They oversaw a period of tremendous growth over a very short time. In their place are eight new board members who join members Dan Lamb and Patrick Dawson. Those members are:

Gov. Roy E. Barnes After serving in both the state House of Representatives and Senate, Barnes was elected Governor of Georgia in 1998. While in office he fought to give patients the right to choose their own doctor, and to establish a patient's bill of rights. He completed four years of a property tax cut on homes and family farms. He passed a comprehensive predatory mortgage lending law and a Property Tax Payers Bill of Rights and created the first ever Sales Tax Holiday for Georgia. Gov.

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