

# Midland Funding to drop over 10,000 debt collection cases

By **Lorraine Mirabella, The Baltimore Sun**

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**M**idland Funding LLC will drop more than 10,000 debt-collection cases against Maryland consumers under a class action settlement approved Wednesday in Baltimore federal court.

The dismissed claims, mostly for unpaid credit card debt that Midland bought from creditors, total at least \$10.2 million, according to a court document filed Wednesday by the plaintiffs.

Consumers filed suit against Midland, a buyer and collector of debt, in September 2009, alleging "prolonged, illegal, and systematic abuse of thousands of Maryland residents." Plaintiffs alleged that Midland was operating as a debt collector without a state license, in violation of state and federal law, said Peter A. Holland, the attorney for class members. The settlement was reached in June and approved Wednesday by U.S. District Judge Richard D. Bennett.

Holland, principal of the Holland Law Firm in Annapolis, said the debt-collection cases were "an albatross" for the plaintiffs.

"It can impact your ability to get a job ... to get an apartment ... to get a loan," he said.

Of the settlement's approval, Holland said: "To get this type of relief in this economy, it's an extraordinary thing. It's a great day for a lot of consumers in Maryland."

Midland is a subsidiary of Encore Capital Group, a publicly traded company based in San Diego that buys defaulted consumer loans from banks, credit unions and utilities.

Encore Capital Group officials were pleased, the company said in a statement. "In the settlement of this class action lawsuit, the court made no finding of any wrongdoing by either Encore or Midland and there was no admission of liability."

Midland had been a client of the Mann Bracken law firm in Rockville, which handled debt-collection lawsuits before shutting down abruptly last year. Lawsuits and regulators accused the firm of failing to comply with debt-collection laws and harassing borrowers.

Besides dropping the consumer debt-collection cases, Midland agreed not to refile the lawsuits or to sell the : allows Midland to contact debtors for payment as is now licensed to collect debts in Maryland.

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