

## Pro Bono Lawyer Wins Payday Loan Case for Legal Aid Client

A pro bono lawyer in Harrisonburg prevailed in a challenge to a payday loan practice that left borrowers in what the Supreme Court of Virginia called “a vicious cycle of debt.”

The Court unanimously ruled on April 21, 2011, that the practice of having a borrower repay a loan and immediately take out a new loan for the same amount is a violation of Virginia law that prohibits payday lenders from refinancing, renewing, or extending loans, according to a press release from Blue Ridge Legal Services (BLRS).

The case, *Ruby v. Cashnet Inc.*, was brought by an elderly Shenandoah County resident against a payday lending company that operated a store in Woodstock. Grant D. Penrod of the Harrisonburg law firm HooverPenrod PLC represented the borrower without charge after she sought help from Blue Ridge Legal Services, her local legal aid agency.

The client took out thirty-three monthly loans between March 2005 and

November 2007. The amounts ranged from \$200 to \$500. From her fixed monthly Social Security survivor benefit of \$624, she would pay off her loan and finance charges each month, then take out another loan for the same amount.

“By calling each of these transactions a new loan instead of a refinancing or renewal of an existing loan, the payday lender sought to evade the interest rate ceilings set by state law, and instead imposed interest charges of approximately 190 percent,” BLRS reported.

The decision reversed a ruling by a Shenandoah County Circuit Court judge.

Penrod became familiar with this payday lending practice when he was an attorney for BLRS from 2005 until 2008. Dozens of low-income clients who had come to the legal services agency in search of debt relief were entrapped by the re-lending scheme. Freeing the clients from payday re-lending cycles often was an alternative to bankruptcy, Penrod said. When he joined his father and



Penrod

brother in private practice, he took his payday loan cases with him, and he has continued to serve as pro bono co-counsel with BLRS attorneys on such cases.

The Supreme Court’s decision in *Ruby v. Cashnet* can be downloaded at <http://www.courts.state.va.us/opinions/opnscvwp/1100287.pdf>.



## Harrisonburg-Rockingham Bar Honored for Pro Bono Work

The Harrisonburg-Rockingham Bar Association has been honored by the national Legal Services Corporation board of directors for the association’s pro bono referral program, which it has operated since 1982 in collaboration with Blue Ridge Legal Services.

The importance of support by the private bar for civil legal assistance cannot be overstated at a time when LSC-funded legal aid programs are stretched thin and the national’s poverty population is growing, board Chair John G. Levi said at the presentation on April 14 in Richmond.

Shown (left–right) are Levi; Dana J. Cornett of the Harrisonburg-Rockingham Bar Association; John E. Whitefield, executive director of Blue Ridge Legal Services; LSC President James J. Sandman; and LSC board member Robert J. Grey Jr.

### Access Work Celebrated

Members of Virginia's legal services community gathered at the Hanover Courthouse on April 12 to honor Gail Starling Marshall with the Virginia State Bar's Lewis F. Powell Jr. Pro Bono Award. Marshall's daughter, Starling Marshall (center), accepted the award on behalf of her mother. Virginia State Bar President Irving M. Blank presented a reproduction of *Patrick Henry Arguing the Parson's Cause*, in the courthouse where Henry argued his case. Abigail Turner, litigation director for the Legal Aid Justice Center in Charlottesville, presented remarks about the importance and challenges of legal access work. Turner nominated Gail Marshall for the award.

Also during the ceremony, Crystal Y. Twitty (shown here in front of a portrait of Henry) shared her memories of the

late Chief Justice Leroy Rountree Hassell Sr., who championed many access initiatives during his leadership of the Supreme Court of Virginia. Twitty formerly worked at the Court; now she is counsel to the Virginia Community College System.

The event was sponsored by the VSB's Special Committee on Access to Legal Services.



### Indigent Defense Seminar Continues Hassell's Legacy

The annual seminar "Indigent Criminal Defense: Advanced Skills for the Experienced Practitioner" observed its seventh year on April 29 with a live program in Richmond and webcasts in Weyers Cave and Wytheville. The program drew its largest attendance ever, with 850 court-appointed lawyers and public defenders at the three locations.

Steven D. Benjamin (left) was program chair, and Justice William C. Mims represented the Supreme Court, whose justices cosponsor the event with the Chief Justice's Indigent Defense Training Initiative and the Virginia State Bar.

Seminar topics addressed cross examination in driving-under-the-influence cases, trial skills and strategies, immigration consequences of criminal convictions in Virginia, and ethics for the criminal defense attorney.

Bryan A. Stevenson (left), a lawyer from Montgomery, Alabama, (shown talking to a conference attendee) received a standing ovation for his presentation on "Eliminating Discrimination in Jury Selection." An article based on his lecture will appear in a future issue of *Virginia Lawyer*.

The seminar's sponsors, in the conference materials, paid tribute to the late Leroy Rountree Hassell Sr., who founded the conference when he was chief justice:

Hassell, they wrote, "believed that fundamental fairness and equal protection of the law required the state to provide the poor among us no less quality of representation than those who could afford the best representation possible. ... Where he found unfairness, he found a means for relief. Where resources were inadequate, he lobbied for more. When he learned that the quality of the training provided to Virginia's prosecutors was not being provided to Virginia's indigent defense bar, he created this program," which is provided annually at no charge.