



Published: March 17, 2007 12:44 am



Settlements go out from Gold Banc

More than \$2 million in settlement checks are in the mail to farmers whose cases over bank fraud allegations were settled last year. Nearly \$3 million more is expected to go out in the next few months for a total approaching \$5 million.

The settlement is the third in a series of cases involving agricultural loans but the first class-action claim on behalf of a group of farmers. Each of the lawsuits successfully accused banks of charging excessive interest rates and fees on federally guaranteed Farm Service Agency loans.

Wayne Janzen is one of the farmers who will get restitution.

"This whole situation is hard to talk about, but all I can say is it feels good to get to this point," he said. "It's a huge relief."

In 2004, Janzen agreed to serve as a class representative in the class-action suit that resulted in a \$7.75 million settlement on behalf of farmers who had FSA-guaranteed loans with Gold Banc during a five-year period. Prospective relief for farmers who have outstanding Gold Banc loans could push the figure to more than \$8 million.

"Farming is tough enough the way it is, and then to have to deal with a bank that you know is overcharging you and making financial dealings excruciatingly difficult, that's really a gut-wrenching experience," said Janzen, who farms near Okeene. "Going through that changes you. I know I'll never be the same person again as a result."

Janzen is not alone. According to the Center for False Claims, of Enid, other banks may have abused provisions of a popular FSA-backed federal loan program, costing farmers millions.

"This class action lawsuit is putting money back into farmers' pockets," said Michael C. Bigheart, an attorney with Mitchell and DeClerck, of Enid. "Many class-action cases involve the receipt of nothing more than a coupon or pennies on the dollar. This is a case where real people get real money."

Bigheart says the settlement was large enough the several hundred farmers involved will get back everything the bank overcharged them between January 1999 and February 2004. The amount each farmer receives will vary according to the size and duration of the associated loans but likely will be in excess of about \$20,000 per farmer or farm operation.

"We think it is a great outcome. We have really improved the financial position of a couple hundred farmers, and we are very proud of that," he said. "For example, we believe we will have dozens of farmers that will end up being paid more than \$50,000 from the settlement."

Mitchell and De-Clerck — along with Susman Godfrey of Dallas — also successfully represented former full-time farmer and now attorney Roger L. Ediger in a similar case against Gold Banc Corp. Inc., in February 2002, ultimately collecting in excess of \$16 million. At the time, the bank was believed to be the largest Farm Service Agency guaranteed lender in Oklahoma.

The lawsuit was filed under the whistle-blower provisions of the Civil False Claims Act.

Center for False Claims, based in Enid, provides re-sources for farmers who may have questions concerning fraudulent lending activities. The organization maintains a Web site, www.center4falseclaims.com, or can be reached by calling (580) 747-4350 or toll-free at (800) 287-5144.

