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CONSUMER LAW---BORROWERS DEMAND ADMISSIONS FROM FREEDOM FINANCE COMPANY

Freedom Finance Co. v. DeFuria
(Middlesex County District Court,
Docket No. 158172) by Theodore A.
Sussan, Middlesex County Legal
Services.

This case is similar to Freedom Finance Co. v. Berry [29 State Clearing House Report 7 (April, 1971)] in that the borrowers went to ABC Brokerage Company ("ABC") of Newark and were then taken to Freedom Finance Company ("Freedom") in New York, from which they received a loan minus a fee for ABC. When Freedom sued the borrowers for allegedly defaulting on the loan, the borrowers asserted as defenses usury, fraud, part payment, and violations of N.J.S.A. 17:10-14. In order to establish these defenses, the borrowers served Freedom with a Demand for Admissions which was designed to reveal the existence of numerous transactions of a similar or identical nature, and to show that Freedom was fully aware of the practices of ABC. When Freedom moved to vacate the Demand for Admissions, the borrowers submitted a brief which argued that prior loans made by Freedom are a proper subject of discovery. Judge Theodore Appleby of the Middlesex County District Court has upheld the use of the Demand for Admissions.

Demand for Admissions; Brief.