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Garza v. Bancorp Group, Inc.

955 F. Supp. 68 (S.D. Tex., Dec. 16, 1996)

After husband and wife lessees stopped making lease payments on security equipment they had leased for their family owned grocery stores, agents of lessor began a pattern of harassing telephone calls to the lessees and their children in an effort to collect the outstanding debt. Lessees sued claiming that the collection efforts violated the federal Fair Debt Collection Practices Act (FDCPA) and the Texas Debt Collection Practices Act (TDCPA).

The court granted defendant/lessor's motion for summary judgment on the ground that the two acts applied to consumer, not commercial, transactions. The court stated "that the equipment was intended to provide security to family members working at the stores does not transform the purpose [for obtaining the equipment] into a noncommercial one. The security equipment at any business provides personal protection to those who work there." *Message: Good result BUT watch out if a sole proprietor is your lessee . . . be sure the lease states that it is not a consumer lease!*

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