

From the desk of Jeanne M. Kerkstra, Esq., CPA

**Viewpoint
Penalties Disguised as Fees**

Cell phone customers may not have known it but they received a big victory in California last week. A California judge held that the charges by Sprint Nextel Corp. for breaking the service contracts violated state law. These charges are always rather significant when compared to the final bill owed when trying to get out of a contract. Many customers have legitimate reasons for wanting to "break" the service contracts, including allegedly severe breaches by the cell phone companies. Indeed, in Illinois, these "charges" may be disguised penalties, which are generally unenforceable. These "charges" can run into the hundreds of dollars. Further, if you refuse to pay these charges but do not effectively dispute them, they can have a very negative effect on your credit report. If you are in such a dispute, call us.

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