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Lawsuit targets DirecTV's early cancellation penalty

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California consumers have taken DirecTV to court, saying the El Segundo-based satellite television company's "early cancellation penalty" unlawfully removes funds from customer bank accounts and charges their credit cards without prior knowledge or consent.

One of the primary lawsuits consolidated into a class action case in Los Angeles Superior Court was filed by a Sacramento woman.

DirecTV denies the allegations, which have been brewing in state courts for a year. The company has more than 18 million subscribers nationwide but does not break out subscriptions for individual states or metro markets.

The latest action came Monday, when Santa Monica-based Consumer Watchdog joined plaintiffs in a motion asking the court to block DirecTV from collecting the disputed fees until the class-action suit is resolved.

The suit claims that DirecTV withdraws "penalty" fees of up to \$480 when customers terminate DirecTV service before a "term commitment" period, typically 18 to 24 months. It alleges that the penalty is charged regardless of the reason a customer cancels service, and that DirecTV does not disclose its procedures to customers.

The suit contends that fee withdrawals have resulted in overdrawn checking accounts, over-limit charges to credit cards and negative impacts on credit reports.

DirecTV issued a statement Tuesday saying it provides full disclosure to its customers and does not make withdrawals from bank accounts without consent.

"Customers are informed of and consent to these charges on multiple occasions, and DirecTV intends to vigorously defend against these claims in this litigation," the statement said.

Yet one of the plaintiffs, Sacramento resident Marlene Mecca, tells a different story. In court

documents, she said that she ordered DirecTV service in June 2006 and added a third receiver for her daughter's bedroom in August 2007.

In June 2008, Mecca said, she contacted DirecTV to cancel service because she was moving to an apartment building not equipped for DirecTV receivers.

Mecca said DirecTV told her that she would be charged "an early cancellation penalty of \$175" and that her "term commitment" with DirecTV was extended to 2009 when she added the third receiver.

Her statement continued, "At no time prior to my communication with DirecTV regarding my attempts to cancel my service was I informed of the existence of a term commitment or an early cancellation penalty."

Mecca said she asked DirecTV to produce a document she signed but was told the company did not have it. She said DirecTV told her she would be sent a final bill "which was to include this early cancellation penalty."

Nine days later, Mecca said she "discovered that DirecTV had withdrawn \$280 directly from my checking account without notifying me or otherwise receiving consent from me to withdraw these funds."

Mecca joined a Huntington Beach resident in filing suit last year against DirecTV. A similar suit was filed last year by a Long Beach resident, who was represented by attorneys for Consumer Watchdog.

Subsequently, the suits were consolidated into a class action.

Consumer Watchdog said the case is being pursued on behalf of past and present DirecTV customers.

Pamela Pressley, the group's litigation director and one of the attorneys in the case, said DirecTV "has hundreds of thousands of customers" in California.

"These days, many families are struggling to make ends meet. Now is the last time DirecTV should be plundering people's financial accounts to pay a fee that we believe is unlawful," said Harvey Rosenfield, founder of Consumer Watchdog.

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