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## Credit union loses \$450,000 judgment

by: BILL BRAUN World Staff Writer  
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A Tulsa County jury returned verdicts amounting to \$450,000 in damages against a local credit union in a civil case linked to a couple's contention that the firm breached a loan deal and wrongly accused them of fraud.

Jurors awarded a total of \$125,000 in actual damages to Michael and Stephanie Hardesty on various claims, including breach of a loan contract, wrongful dishonor of cashier's checks, interference with a banking contract, intentional infliction of emotional distress, libel, slander and breach of a duty to deal fairly and act in good faith.

Punitive damages of \$325,000 were assessed against Tulsa Federal Employees Credit Union after jurors determined that the lawsuit defendant acted with malice and in reckless disregard for the rights of others. The verdicts returned Friday ended a one-week trial in District Judge Tom Thornbrugh's court.

Lawyers said Monday that the parties have reached a settlement -- with all terms to remain confidential -- that will eliminate any appeal of the trial outcome and dispose of the case.

The Hardestys maintained that in 1998 they were approved for two loans totaling about \$44,000 from the credit union. They used part of the loan proceeds to pay bills and deposited some of the money into Michael Hardesty's bank checking account.

Attorneys Ed Lindsey and Daniel Graves, representing the plaintiffs, contended that the credit union harmed the Hardestys by canceling the loans and contacting creditors in an effort to get the proceeds back.

Judge Thornbrugh determined that the Hardestys were entitled to prevail on the libel claim linked to the publication of checks with a notation of "returned unpaid . . . fraud."

The credit union maintained that it acted in good faith and within its rights because a loan counselor had exceeded her authority in handling loans that should not have been made.

The credit union asserted that it did not accuse the plaintiffs of committing any fraud in their application or execution of the loans but rather that it was the conduct of the loan counselor that was fraudulent.

Lindsey said the Hardestys were "threatened with criminal prosecution" and subjected to a "whole list of horrors."

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