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JAMES N. HATTEN, Clerk  
By: *Sub* Deputy Clerk

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

GLOBAL PROCESSING  
SOLUTIONS, LLC f/k/a Global  
Processing Solutions, Inc., a Georgia  
limited liability company;

INTRINSIC SOLUTIONS, LLC, f/k/a  
Intrinsic Solutions, Inc., a Georgia  
limited liability company;

NORTH CENTER COLLECTIONS,  
INC., a Georgia corporation;

CAPITAL SECURITY  
INVESTMENTS, LLC, a Georgia  
limited liability company;

DIVERSE FINANCIAL  
ENTERPRISES, INC., a Georgia  
corporation;

AMERICAN CREDIT ADJUSTERS,  
LLC, a Georgia limited liability  
company;

ADVANCED MEDIATION GROUP,  
LLC, a Georgia limited liability  
company;

APEX NATIONAL SERVICES, LLC,  
a Georgia limited liability company;

MITCHELL & MAXWELL, LLC f/k/a  
Mitchell & Maxwell Investigative  
Services, LLC, a Georgia limited  
liability company;

MIRAGE DISTRIBUTION, LLC, a  
Georgia limited liability company;

Case No. \_\_\_\_\_

COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF

1:17-CV-4192

LAMAR SNOW, individually and as a corporate officer;

JAHAAAN MCDUFFIE, individually and as a corporate officer; and

GLENTIS WALLACE, a/k/a Glen Wallace, individually and as a corporate officer;

Defendants.

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), and Section 814 of the Fair Debt Collection Practices Act, (“FDCPA”), 15 U.S.C. § 1692l, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FDCPA, 15 U.S.C. §§ 1692-1692p, in connection with Defendants’ unlawful debt collection practices.

#### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b), and 1692l.

3. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(1), (c)(2), and (d), and 15 U.S.C. § 53(b).

**PLAINTIFF**

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the FDCPA, 15 U.S.C. §§ 1692-1692p, which prohibits abusive, deceptive, and unfair debt collection practices and imposes duties upon debt collectors.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the FDCPA and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), and 1692l(a).

**DEFENDANTS**

6. The Corporate Defendants are Global Processing Solutions, LLC, Intrinsic Solutions, LLC, Capital Security Investments, LLC, North Center Collections, Inc., Diverse Financial Enterprises, Inc., American Credit



Adjusters, LLC, Advanced Mediation Group, LLC, and Apex National Services, LLC, Mitchell & Maxwell, LLC, and Mirage Distribution, LLC.

7. The Individual Defendants are Lamar Snow, Jahaan McDuffie, and Glentis “Glen” Wallace.

8. Defendant **Global Processing Solutions, LLC** (f/k/a Global Processing Solutions, Inc.) is a limited liability company organized in Georgia. Global Processing Solutions has held its principal place of business out as 931 Monroe Drive, Suite 102 No. 314, Atlanta, Georgia 30308. Global Processing Solutions transacts or has transacted business in this district and throughout the United States.

9. Defendant **Intrinsic Solutions, LLC** (f/k/a Intrinsic Solutions, Inc.) is a limited liability company organized in Georgia. Intrinsic Solutions has held its principal place of business out as 2483 Heritage Village, Suite 16 No. 204, Snellville, Georgia 30078. Intrinsic Solutions transacts or has transacted business in this district and throughout the United States.

10. Defendant **North Center Collections, Inc.** is a Georgia corporation. North Center Collections has held its principal place of business out as 4319 Covington Highway, Decatur, Georgia 30035. North Center Collections transacts or has transacted business in this district and throughout the United States.

11. Defendant **Capital Security Investments, LLC** is a limited liability company organized in Georgia. Capital Security Investments has held its principal place of business out as 2140 McGee Road, Suite 610, Snellville, Georgia 30078. Capital Security Investments transacts or has transacted business in this district and throughout the United States.

12. Defendant **Diverse Financial Enterprises, Inc.** is a Georgia corporation. Diverse Financial Enterprises has held its principal place of business out as 2140 McGee Road, Suite 610, Snellville, Georgia 30078. Diverse Financial Enterprises transacts or has transacted business in this district and throughout the United States.

13. Defendant **American Credit Adjusters, LLC** is a limited liability company organized in Georgia. American Credit Adjusters has held its principal place of business out as 2483 Heritage Village, Suite 16 No. 204, Snellville, Georgia 30078. American Credit Adjusters transacts or has transacted business in this district and throughout the United States.

14. Defendant **Advanced Mediation Group, LLC** is a limited liability company organized in Georgia. Advanced Mediation Group has held its principal place of business out as 2140 McGee Road, Snellville, Georgia 30078. Advanced Mediation Group transacts or has transacted business in this district and throughout the United States.

15. Defendant **Apex National Services, LLC** is a limited liability company organized in Georgia. Apex National Services has held its principal place of business out as 165 Courtland Street, Suite A No. 224, Atlanta, Georgia 30303. Apex National Services transacts or has transacted business in this district and throughout the United States.

16. Defendant **Mitchell & Maxwell, LLC** (f/k/a Mitchell & Maxwell Investigative Services, LLC) is a limited liability company organized in Georgia. Mitchell & Maxwell has held its principal place of business out as 2140 McGee Road, Suite C-610, Snellville, Georgia 30078. Mitchell & Maxwell transacts or has transacted business in this district and throughout the United States.

17. Defendant **Mirage Distribution, LLC** is a limited liability company organized in Georgia. Mirage Distribution has held its principal place of business out as 3904 N. Druid Hill Road, Suite 145, Decatur, Georgia 30033. Mirage Distribution transacts or has transacted business in this district and throughout the United States.

18. Defendant **Lamar Snow** is or has been an officer and authorized bank signatory of Global Processing Solutions, Intrinsic Solutions, and North Center Collections. Also, he is or has been an officer of Diverse Financial Enterprises and an authorized signatory of American Credit Adjusters. At



times material to this Complaint, acting alone or in concert with others, Snow has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this Complaint. Defendant Snow resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

19. Defendant **Jahaan McDuffie** is or has been an officer and authorized bank signatory of Intrinsic Solutions, Capital Security Investments, and American Credit Adjusters. He also has or had authority to withdraw funds from the corporate accounts of Global Processing Solutions, and he has been a corporate contact for Apex National Services. At times material to this Complaint, acting alone or in concert with others, McDuffie has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this Complaint. Defendant McDuffie resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

20. Defendant **Glentis "Glen" Wallace** is or has been an officer and authorized bank signatory of Apex National Services, Mitchell & Maxwell, and Mirage Distribution. At times material to this Complaint, acting alone or

in concert with others, Wallace has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this Complaint.

Defendant Wallace resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

21. Defendants Snow, McDuffie, and Wallace have operated their debt-collection enterprise through various business entities, including but not limited to the Corporate Defendants.

#### COMMON ENTERPRISE

22. Corporate Defendants have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Corporate Defendants have conducted the business practices described below through an interrelated network of businesses that have common ownership, officers, managers, business functions, employees, and office locations, and that have commingled funds. Because Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendants Snow, McDuffie, and Wallace have formulated, directed, controlled, had the authority to control, or participated



in the acts and practices of the Corporate Defendants that constitute the common enterprise.

### COMMERCE

23. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

### DEFENDANTS’ BUSINESS ACTIVITIES

24. Defendants’ debt collection business is founded on false claims that consumers have committed a crime and face dire consequences—including a lawsuit, garnishment, and even imprisonment—if a purported debt is not paid. Defendants also make false or unsubstantiated allegations that consumers owe debts, illegally contact third parties (such as consumers’ friends, relatives, employers, and co-workers), and fail to provide statutorily-required disclaimers and notices.

25. Defendants have reaped considerable profits from their combination of aggressive misrepresentations, unsubstantiated or false claims that consumers owe debts, and blatant disregard for basic disclosure requirements. Since January 2015, Defendants have processed and collected more than \$3.4 million dollars in consumer payments.

**False Claims Consumers Have Committed a Crime and are Facing Dire Consequences**

26. In many instances, Defendants falsely represent that a consumer has committed a crime and will face a lawsuit or arrest if the debt is not paid. For example, scripts used by Defendants contain misrepresentations that consumers have engaged in check fraud, and that there are “pending” allegations or charges against the consumer for “breach of contract and malicious intent to defraud a financial institution.”

27. In many cases, Defendants supplement their check-fraud fabrications with threats of garnishment, arrest, or imprisonment. For instance, in voicemails and calls to consumers, Defendants have falsely claimed that a law enforcement officer would be coming to the consumer’s home or place of employment.

28. In many instances, when Defendants threaten consumers with legal action, no legal action has been taken, Defendants do not intend to take any such legal action, and Defendants do not have the authority to take any such legal action. Defendants also cannot have consumers arrested for the non-payment of a private debt.

### **False and Unsubstantiated Claims that Consumers Owe Debts**

29. In numerous instances, Defendants have made false or unsubstantiated claims that consumers owe debts.

30. In numerous instances, Defendants have attempted to collect on purported debts even after consumers have provided statements showing that the debts had been paid off.

31. In other instances, Defendants have attempted to intimidate consumers who do not recognize a debt into making payments. In numerous instances, Defendants have responded to consumers' questions or disputes with more false threats about lawsuits, garnishments, and other dire consequences.

32. Defendants even developed a rebuttal for consumers who say that the purported debt is the result of ID theft with spurious claims that Defendants' client has "proof that they have filed necessary paperwork" and that "[t]hey have 24 hours from the time of the call otherwise acct will be filed as willful invasion [*sic*]."



### **Unlawful Contacts with Third Parties**

33. In numerous instances, Defendants telephone third parties, including friends, family members, employers, or co-workers of the putative debtor.

34. On many of these calls, Defendants represent to third parties that a consumer owes a debt and is facing legal action.

35. For instance, a script that Defendants have used entitled "Employment Talk Off" appears designed to be used in calls to consumers' employers. The script contains representations that Defendants "have received some paperwork" about a purported debtor, and asks about the "company procedure" on handling service for a "Certified Notice of Intent." And another script includes a threat to consumers that "we can contact your employer to gather [the] necessary information we need to get this debt paid."

### **Failure to Provide Statutorily-Required Notices and Disclosures to Consumers**

36. Finally, Defendants fail to provide statutorily-required disclaimers and notices to consumers.

37. Defendants often fail to provide consumers with basic information during collection calls, including that the call is an attempt to collect a debt, and that any information provided by the consumer would be used to collect a debt.

38. Defendants also have failed, in many instances, to provide consumers within five days after the initial communication with a statutorily-required notice—where the information was not contained in the initial communication and the consumer had not paid the debt—setting forth: (1) the amount of the debt; (2) the name of the creditor to whom the debt is owed; (3) a statement that unless the consumer disputes the debt, the debt will be assumed valid; and (4) a statement that if the consumer disputes all or part of the debt in writing within 30 days, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector.

39. In numerous instances, Defendants have refused to provide consumers with this notice despite consumers' repeated requests, and as a result, consumers have not been informed about their statutory right to dispute the validity of a debt.

40. Indeed, Defendants' scripts include a rebuttal for consumers who asked for "something in the mail/paperwork." The rebuttal states that the information the consumer is requesting "will only come out in a 180/80 hearing which [*sic*] the Disclosure hearing" and that "at that time" the consumer's "attorney can request all documentation to be presented." It goes

on to state that the “hearing will also include court & attorney fees as well.”

The statement regarding a 180/80 hearing appears to refer to New York Criminal Procedure Law 180.80, which concerns a detainee’s right where the State has failed to commence a timely hearing on a felony complaint.

**VIOLATIONS OF THE FTC ACT**

41. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

42. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

**COUNT I**

**False Threats Regarding Consequences of Non-Payment**

43. In numerous instances, in connection with the collection of debts, Defendants directly or indirectly represent to consumers, expressly or by implication, that:

- a. A consumer has committed a crime, such as check fraud;
- b. Civil or criminal charges have been, or will be, filed against the consumer;
- c. A garnishment action has been, or will be, taken against the consumer;
- d. A consumer will be arrested or imprisoned; or



- e. A law enforcement officer will come to a consumer's home or place of employment.

44. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in paragraph 43, the representations have been false at the time Defendants made the representations.

45. Therefore, Defendants' representations as alleged in paragraph 43 are false or misleading and constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

## COUNT II

### **False or Unsubstantiated Representations That Consumers Owe Debts**

46. In numerous instances, in connection with the collection of alleged debts, Defendants have represented, directly or indirectly, expressly or by implication, that:

- a. A consumer is delinquent on a debt that Defendants have the authority to collect; or
- b. The consumer has a legal obligation to pay Defendants.

47. In truth and in fact, in numerous instances the representations set forth in paragraph 46 are false or misleading or were not substantiated at the time the representations were made.

48. Therefore, Defendants' representations as set forth in paragraph 46 are false or misleading and constitute deceptive acts or practices, in or affecting commerce, in violation of the FTC Act, 15 U.S.C. § 45(a).

#### VIOLATIONS OF THE FDCPA

49. In 1977, Congress passed the FDCPA, 15 U.S.C. §§ 1692 et seq., which became effective on March 20, 1978, and has been in force since that date. Under Section 814 of the FDCPA, 15 U.S.C. § 1692*l*, a violation of the FDCPA is deemed an unfair or deceptive act or practice in violation of the FTC Act. Further, the FTC is authorized to use all of its functions and powers under the FTC Act to enforce compliance with the FDCPA.

50. Defendants are "debt collectors" as defined by Section 803(6) of the FDCPA, 15 U.S.C. § 1692a(6).

51. A "consumer," as defined in Section 803(3) of the FDCPA, 15 U.S.C. § 1692a(3), means "any natural person obligated or allegedly obligated to pay any debt."

52. A "debt" as defined in Section 803(5) of the FDCPA, 15 U.S.C. § 1692a(5), means "any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal,

family, or household purposes, whether or not such obligation has been reduced to judgment.”

53. The term “location information,” as defined in Section 803(7) of the FDCPA, 15 U.S.C. § 1692a(7), means “a consumer’s place of abode and his telephone number at such place, or his place of employment.”

### **COUNT III**

#### **False or Deceptive Representations to Consumers**

54. In numerous instances, in connection with the collection of debts, Defendants directly or indirectly use false, deceptive, or misleading representations or means, in violation of Section 807 of the FDCPA, 15 U.S.C. § 1692e, including, but not limited to:

- a. Falsely representing the character or legal status of a debt, by claiming that consumers have committed a crime or making false or unsubstantiated representations that consumers owe debts, in violation of Section 807(2)(A) of the FDCPA, 15 U.S.C. § 1692c(2)(A);
- b. Falsely representing or implying that nonpayment of a debt will result in the arrest or imprisonment of a person, when such action is not lawful or when Defendants have no intention of



taking such action, in violation of Section 807(4) of the FDCPA, 15 U.S.C. § 1692e(4);

- c. Threatening to take action that Defendants do not intend to take, such as filing a lawsuit, in violation of Section 807(5) of the FDCPA, 15 U.S.C. § 1692e(5);
- d. Failing to disclose in the initial communication with a consumer that Defendants are debt collectors attempting to collect a debt and that any information obtained will be used for that purpose, and failing to disclose in subsequent communications that the communication is from a debt collector, in violation of Section 807(11) of the FDCPA, 15 U.S.C. § 1692e(11).

#### **COUNT IV**

##### **Unlawful Communications with Third Parties**

55. In numerous instances, in connection with the collection of debts, Defendants communicate with third parties for purposes other than acquiring location information about a consumer, without having obtained directly the prior consent of the consumer or the express permission of a court of competent jurisdiction, and when not reasonably necessary to effectuate a post judgment judicial remedy, in violation of Section 805(b) of the FDCPA, 15 U.S.C. § 1692c(b).

## **COUNT V**

### **Failure to Provide Statutorily Required Notice**

56. In numerous instances, in connection with the collection of debts, Defendants fail to provide consumers, either in an initial communication or a written notice sent within five days after the initial communication, with information about the debt and the right to dispute the debt, in violation of Section 809(a) of the FDCPA, 15 U.S.C. § 1692g(a).

### **CONSUMER INJURY**

57. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the FDCPA. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

### **THIS COURT'S POWER TO GRANT RELIEF**

58. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and Section 814(a) of the FDCPA, 15 U.S.C. § 1692l(a), empower this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including

rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

**PRAYER FOR RELIEF**

59. Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the FDCPA, 15 U.S.C. §§ 1692-1692p, and the Court's own equitable powers, requests that the Court:

- a. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, temporary and preliminary injunctions, an order freezing assets, immediate access, and appointment of a receiver;
- b. Enter a permanent injunction to prevent future violations of the FTC Act and the FDCPA by Defendants;
- c. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the FDCPA, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and



d. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

Dated:

10/23/17



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