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UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

FEDERAL TRADE COMMISSION,  
  
Plaintiff,  
  
v.  
  
RAWLINS & RIVERA, INC., a Florida corporation;  
RAWLINS & RIVERA, INC., a Georgia corporation;  
RYAN & REED, INC., a Florida corporation; RYAN  
& REED, INC., a Georgia corporation; RRI, INC., a  
Florida corporation; ROBERT W. BIRD,  
individually; JANIS BRUST, individually and as an  
officer of RRI, INC.; JOE L. HUNT, SR.,  
individually and as an officer of RAWLINS &  
RIVERA, INC., a Florida corporation, and  
RAWLINS & RIVERA, INC., a Georgia corporation;  
JOE L. HUNT, JR., individually and as an officer of  
RAWLINS & RIVERA, INC., a Florida corporation;  
and SHANNON HUNT, individually and as an  
officer of RYAN & REED, INC., a Florida  
corporation, and RYAN & REED, INC., a Georgia  
corporation,  
  
Defendants.

6:07-cv-146-ORL

Case No.:

COMPLAINT FOR  
PRELIMINARY AND  
PERMANENT INJUNCTION  
AND OTHER EQUITABLE  
RELIEF

2007 JAN 31 AM 11:39  
CLERK, US DISTRICT COURT  
MIDDLE DISTRICT FLORIDA  
ORLANDO, FL

FILED

Plaintiff, the Federal Trade Commission ("FTC"), by its undersigned attorneys, for its complaint alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. § 1692*l*, to obtain temporary, preliminary, and permanent injunctive relief against Defendants to prevent them from engaging in deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and from engaging in deceptive and abusive acts or practices in violation of the FDCPA, 15 U.S.C. § 1692 *et seq.*, and to obtain other equitable relief, including rescission of contracts, restitution, disgorgement, and other ancillary equitable relief as is necessary to redress injury to consumers and the public interest resulting from Defendants' violations of the FTC Act and the FDCPA.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, and 1692*l*. This action arises under 15 U.S.C. §§ 45(a) and 1692*l*.

3. Venue in the Middle District of Florida is proper under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

### **THE PARTIES**

4. Plaintiff, the Federal Trade Commission, is an independent agency of the

United States government created by statute. 15 U.S.C. § 41 *et seq.* The FTC is charged, *inter alia*, with enforcement of 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, and the FDCPA, 15 U.S.C. § 1692 *et seq.*, which prohibits deceptive and unfair collection practices. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, seeking a permanent injunction to prevent future violations of the FTC Act and the FDCPA, and to secure such equitable relief as may be appropriate in each case, including rescission of contracts, restitution, and disgorgement. 15 U.S.C. §§ 53(b), 57b, and 1692l(a). Section 814 of the FDCPA further authorizes the FTC to use all of the functions and powers of the Commission under the FTC Act to enforce compliance with the FDCPA, including the power to enforce the provisions of the FDCPA in the same manner as if the violations were violations of an FTC trade regulation rule. 15 U.S.C. § 1692l.

5. Defendant Rawlins & Rivera, Inc., is a Florida corporation and lists its principal address in Altamonte Springs, Florida. Rawlins & Rivera, Inc., a Florida corporation, transacts, or has transacted, business in this district and throughout the United States.

6. Defendant Rawlins & Rivera, Inc., is a Georgia corporation and lists its principal address in Atlanta, Georgia. Rawlins & Rivera, Inc., a Georgia corporation, transacts, or has transacted, business in this district and throughout the United States.

7. Defendant Ryan & Reed, Inc., is a Florida corporation and lists its principal place of business in Altamonte Springs, Florida. Ryan & Reed, Inc., a Florida corporation,

transacts, or has transacted. business in this district and throughout the United States.

8. Defendant Ryan & Reed, Inc., is a Georgia corporation and lists its principal address in Norcross, Georgia. Ryan & Reed, Inc., a Georgia corporation, transacts, or has transacted, business in this district and throughout the United States.

9. Defendant RRI, Inc., is a Florida corporation and lists its principal address in Altamonte Springs, Florida. RRI, Inc. transacts, or has transacted. business in this district and throughout the United States.

10. Defendant Robert W. Bird ("Bird"), a member of the Florida bar, has acted as an actual or apparent agent of one or more of the corporate defendants in connection with the acts or practices set forth in this complaint. At times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled or had authority to control, or participated in the acts and practices set forth in this complaint. Bird transacts, or has transacted, business in this district and throughout the United States.

11. Defendant Janis Brust ("Brust") has been the president and sole director of defendant RRI, Inc. At times material to this complaint, acting alone or in concert with others, she has formulated, directed, controlled or had authority to control, or participated in the acts and practices set forth in this complaint. Brust transacts, or has transacted, business in this district and throughout the United States

12. Defendant Joe L. Hunt, Sr. ("Hunt Sr.") has been the president and sole director of defendant Rawlins & Rivera, a Florida corporation, and the sole officer of defendant Rawlins & Rivera, a Georgia corporation. At times material to this complaint,

acting alone or in concert with others, he has formulated, directed, controlled or had authority to control, or participated in the acts and practices set forth in this complaint. Hunt Sr. transacts, or has transacted, business in this district and throughout the United States.

13. Defendant Joe L. Hunt, Jr. ("Hunt Jr.") has been president of defendant Rawlins & Rivera, a Florida corporation. At times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled or had authority to control, or participated in the acts and practices set forth in this complaint. Hunt Jr. transacts, or has transacted, business in this district and throughout the United States.

14. Defendant Shannon Hunt has been the president and sole director of defendant Ryan & Reed, Inc., a Florida corporation, and the sole officer of defendant Ryan & Reed, Inc., a Georgia corporation. At times material to this complaint, acting alone or in concert with others, she has formulated, directed, controlled, or participated in the acts and practices set forth in this complaint. Shannon Hunt transacts, or has transacted, business in this district and throughout the United States.

15. Defendants Rawlins & Rivera, Inc., a Florida corporation, Rawlins & Rivera, Inc., a Georgia corporation, Ryan & Reed, Inc., a Florida corporation, Ryan & Reed, Inc., a Georgia corporation, RRI, Inc., Bird, Brust, Hunt Sr., Hunt Jr., and Shannon Hunt (collectively, "RRI" or "Defendants") are "debt collectors" as defined in Section 803(6) of the FDCPA, 15 U.S.C. § 1692a(6).

#### **COMMON ENTERPRISE**

16. Since at least 1995, defendants Rawlins & Rivera, Inc., a Florida corporation,

Rawlins & Rivera, Inc., a Georgia corporation. Ryan & Reed, Inc., a Florida corporation, Ryan & Reed, Inc., a Georgia corporation, and RRI, Inc. (collectively, the “RRI Entities”) have acted as a common enterprise while engaging in the deceptive acts and practices and other violation of law alleged below. The RRI Entities have been commonly controlled by one or more of the individual defendants, have shared employees, commingled funds, and engaged in a common scheme to collect debts through unlawful practices. In addition, each RRI entity has shared its place of business with one or more other RRI Entities. Individual defendants Bird, Brust, Hunt Sr., Hunt Jr., and Shannon Hunt have formulated, directed, controlled or had authority to control, or participated in the acts and practices of the RRI Entities that comprise the common enterprise. Because the RRI Entities have acted as a common enterprise, each of them is jointly and severally liable for the deceptive acts and practices and other law violations alleged below. The common enterprise transacts or has transacted business in this district and a substantial part of the events or omissions giving rise to the claims asserted herein have occurred in this district.

#### **COMMERCE**

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

#### **DEFENDANTS’ BUSINESS ACTIVITIES**

18. Defendants are third-party debt collectors that collect consumer debts nationwide on behalf of small businesses including beauty schools, truck driving schools, bail

bondsmen, and fitness centers.

19. Defendants collect debts on a contingency basis, charging their clients a fee that generally ranges from 35% to 60% of the amount collected. depending on factors including the age of the debt and whether other collectors tried to collect the debt prior to its placement with Defendants.

20. Since at least 1995, Defendants have operated their debt collection enterprise through a series of corporate entities. One or more of the individual defendants formed RRI, Inc., in 1995; Ryan & Reed, Inc., the Florida corporation, in 2000; Ryan & Reed, Inc., the Georgia corporation, in 2002; Rawlins & Rivera, Inc., the Florida corporation, in 2005; and Rawlins & Rivera, Inc., the Georgia corporation, in 2006. One or more of the individual defendants also operated in the late 1990s and early 2000s at least two now-defunct entities, Roberts & Roth, Inc., and Roberts & Roth Corp., and did business as Russell, Reynolds and Ingram.

21. Defendants have operated their common enterprise from offices in Seminole County, Florida. On numerous occasions, they have instructed consumers to send payment or contact them through addresses in Texas, Georgia, or Florida that are, in fact, mail drops, not Defendants' principle place of business. On these occasions, Defendants have not disclosed Defendants' principle place of business.

22. Defendants collect debts through dunning letters and telephone calls to consumers.

23. In many instances, Defendants' dunning letters include form letters that use

escalating threats that represent legal action by or on behalf of a defendant entity or the defendant entity's debt collection client is imminent. For example, some early letters to consumers state, "PLEASE CONSULT **YOUR ATTORNEY.**" Letters later in the chain assert, "FINAL NOTICE PRIOR TO LEGAL REFERRAL." In many instances, Defendants' letters also represent that the consumer can avoid the threatened legal action – and the additional cost of legal fees that the defendant entity or its client will incur – only by submitting payment to Defendants promptly.

24. In numerous instances, Defendants send consumers one or more dunning letters that use the letterhead of defendant Bird, refer to a Defendant entity as Bird's "client," and, in numerous instances, are purported to be signed by, "Robert W. Bird, Attorney At Law" (hereinafter referred to as the "Bird letter(s)").

25. One Bird letter warns, "THIS NOTICE PRECEDES ACTION THAT WILL BEGIN SHORTLY. . . . UNLESS WE HEAR FROM YOU WITHIN THE NEXT 72 HOURS, WE WILL TAKE THE NECESSARY STEPS TO INITIATE THIS ACTION."

26. Another Bird letter is titled "FINAL NOTICE AND DEMAND." It declares:

This notice is sent for the purpose of making legal demand as required by law. Unless payment is received in our office immediately, an attorney in your town may receive instructions to have the Sheriff serve you a summons and complaint; secure judgment; obtain a levy and sell at public auction any or all personal property up to the amount of this claim, together with all interest, costs and disbursements of this action.

27. Another letter sent on defendant Bird's letterhead asserts:

You have 24 hours to contact my office in order to change the chain of events that are about to take place. Govern yourself accordingly.

28. In numerous instances, in calls consumers place to a number provided in a dunning letter or in outbound dunning calls to defendants, Defendants' collectors threaten that Defendants will have the consumer arrested, sue the consumer, garnish the consumer's wages, and seize the property of the consumer or the consumer's family unless Defendants receive prompt payment. In addition, in numerous instances, Defendants' collectors make other oral representations to lead consumers to believe that legal action against the consumer has been taken, or will be taken shortly. Defendants' collectors, in some instances, also demand far more than the amount of a consumer's debt if the consumer does not pay immediately. In addition, in numerous instances, Defendants' collectors represent that the consumer would be required to pay Defendants' costs and legal fees.

29. In truth and in fact, in numerous instances, when Defendants or Defendants' collectors threaten legal action, Defendants, as third-party debt collectors, cannot bring legal action to collect consumers' debts on Defendants' own behalf, and are not authorized under their contracts with their debt collection clients to bring legal action on the clients' behalf. Thus, in numerous instances, when Defendants or Defendants' collectors threaten consumers with legal action, no legal action is taken. Further, because Defendants cannot bring a legal action against a consumer, in numerous instances, Defendants cannot legally assess costs and legal fees.

30. In numerous instances, Defendants' collectors represent to consumers that they are attorneys when, in truth and in fact, Defendants' collectors are not attorneys.

31. In numerous instances, in dunning calls and collection letters to consumers,

Defendants' collectors represent to consumers that an attorney has reviewed the consumer's case and is preparing the case for legal action when, in truth and in fact, no attorney has reviewed the consumer's case and no attorney is preparing the case for legal action.

32. In numerous instances, Defendants' collectors call consumers repeatedly or continuously, scream at consumers, and use abusive and profane language to intimidate consumers to pay Defendants.

33. In numerous instances, Defendants' collectors misrepresent to consumers the length of time a delinquent account may remain on a consumer's credit report.

34. In numerous instances, Defendants disregard written requests that consumers send for verification of their purported debts within 30 days after Defendants' collectors first contact them, and continue to contact these consumers without providing them with the requested verification.

35. In numerous instances, consumers have sent written communication to Defendants demanding that Defendants cease further communication with the consumer. Defendants, in numerous instances, disregard these requests and continue to contact the consumers in the same manner as before they received the request.

**VIOLATION OF SECTION 5 OF THE FTC ACT**

36. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce." Misrepresentations of material fact constitute deceptive acts or practices prohibited by the FTC Act.

**COUNT ONE**

37. On numerous occasions, in connection with the collection of debts, Defendants have represented to consumers, expressly or by implication, that:
- (a) Defendants' collector is an attorney or working on behalf of an attorney who has reviewed the case and is preparing legal action against a consumer;
  - (b) Defendants intend to take legal action against a consumer;
  - (c) Nonpayment of a debt will result in a consumer's arrest or imprisonment, or seizure, garnishment, or attachment of a consumer's property or wages; or
  - (d) Consumers will be liable for Defendants' legal costs.
38. In truth and in fact, on numerous occasions:
- (a) Defendants' collector is not an attorney or working on behalf of an attorney who has reviewed the case and is preparing legal action against the consumer;
  - (b) Defendants do not intend to take legal action against the consumer;
  - (c) Nonpayment of a debt will not result in a consumer's arrest or imprisonment, or seizure, garnishment, or attachment of a consumer's property or wages; and
  - (d) Consumers will not be liable for Defendants' legal costs.

39. Therefore, Defendants' representations as set forth in Paragraph 37 are false or misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT**

40. In 1977, Congress passed the FDCPA, 15 U.S.C. §§ 1692-1692o, which became effective on March 20, 1978, and has been in force ever since that date. Section 814 of the FDCPA, 15 U.S.C. § 1692l, provides that a violation of the FDCPA shall be deemed an unfair or deceptive act or practice in violation of the FTC Act.

**COUNT TWO**

41. On numerous occasions, in connection with the collection of debts, Defendants Rawlins & Rivera, Inc., a Florida corporation, Rawlins & Rivera, Inc., a Georgia corporation, Ryan & Reed, Inc., a Florida corporation, Ryan & Reed, Inc., a Georgia corporation, RRI, Inc., Brust, Hunt Sr., Hunt Jr., and Shannon Hunt have communicated 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 THREE**

42. On numerous occasions, in connection with the collection of debts, Defendants have communicated with a consumer after receiving written demand from the consumer to cease communications, in violation of Section 805(c) of the FDCPA, 15 U.S.C. § 1692c(c).

**COUNT FOUR**

43. On numerous occasions, in connection with the collection of debts, Defendants Rawlins & Rivera, Inc., a Florida corporation, Rawlins & Rivera, Inc., a Georgia corporation, Ryan & Reed, Inc., a Florida corporation, Ryan & Reed, Inc., a Georgia corporation, RRI, Inc., Brust, Hunt Sr., Hunt Jr., and Shannon Hunt have engaged in conduct the natural consequence of which is to harass, oppress, or abuse a person, in violation of Section 806 of the FDCPA, 15 U.S.C. § 1692d, including, but not limited to:

- (a) Using obscene or profane language or language the natural consequence of which is to abuse the hearer, in violation of Section 806(2) of the FDCPA, 15 U.S.C. § 1692d(2); and
- (b) Causing a telephone to ring or engaging a person in telephone conversation repeatedly or continuously with the intent to annoy, abuse, or harass a person at the number called, in violation of Section 806(5) of the FDCPA. 15 U.S.C. § 1692d(5).

**COUNT FIVE**

44. On numerous occasions, in connection with the collection of debts, Defendants have used 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) Defendants have falsely represented the character, amount, or legal status of a debt, or any services rendered or compensation which may be lawfully received by a debt collector for collection of a debt, in violation of sections 807(2)(A) and (B) of the FDCPA, 15 U.S.C. §§ 1692e(2)(A) and (B).
- (b) Defendants have falsely represented or implied that an individual is an attorney or that a communication is from an attorney, in violation of Section 807(3) of the FDCPA, 15 U.S.C. § 1692e(3);
- (c) Defendants have falsely represented or implied that nonpayment of a debt will result in the arrest or imprisonment of a person or seizure, garnishment, or attachment of a person's property or wages, 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);
- (d) Defendants have threatened to take action that is not lawful or 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. § 1692(5); and

- (e) Defendants have used false representations or deceptive means to collect or attempt to collect a debt or to obtain information concerning a consumer, in violation of Section 807(10) of the FDCPA, 15 U.S.C. § 1692e(1).

**COUNT SIX**

45. On numerous occasions, in connection with the collection of a debt, when the consumer has notified Defendants in writing within the thirty-day period pursuant to Section 809(a) of the FDCPA, 15 U.S.C. § 1692g(a), that the debt, or any portion thereof, is disputed. Defendants have continued to attempt to collect the debt before providing verification of the debt to the consumer, in violation of Section 809(b) of the FDCPA, 15 U.S.C. § 1692g(b).

**CONSUMER INJURY**

46. Consumers nationwide have suffered or will suffer substantial monetary loss as a result of Defendants' violations of Section 5(a) of the FTC Act and the FDCPA. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

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

47. Sections 13(b) and 19 of the FTC Act, 15 U.S.C. § 53(b) and 57b. and Section 814(a) of the FDCPA, 15 U.S.C. § 1692l(a). empower this Court to grant injunctive and other ancillary relief, including consumer redress, disgorgement, and restitution to prevent and remedy any violations of any provision of law enforced by the FTC.

48. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy injury caused by Defendants' law violations.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b. and Section 814(a) of the FDCPA, 15 U.S.C. § 1692l(a), and the Court's own equitable powers, requests that the Court:

1. 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, a temporary restraining order, preliminary injunction, and other ancillary relief;
2. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
3. Enter a permanent injunction to prevent future violations of the FDCPA by Defendants;
4. 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 of contracts, the refund of monies paid,  
and the disgorgement of ill-gotten gains by Defendants; and

5. 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.

Dated: 1/31/07

Respectfully submitted.

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