

OPERATION
Collection  **Protection**

Recent Federal, State, & Local Actions* | September 7, 2016

* Additional *non-public* actions were taken by Operation Collection Protection partners.

Operation Collection Protection – Recent Action List
Federal Trade Commission / FTC.gov



Matter Name Company Location Action Location	Type of Action	Date/Matter Information	Responsible Agency	Press Contact Press Release or Order
FEDERAL TRADE COMMISSION				
<p>Commercial Recovery Systems, Inc.</p> <p>(Plano, Texas)</p> <p>(Eastern District of Texas, Sherman Division)</p>	<p>Civil Lawsuit: Seeking permanent injunction and civil penalties. Alleging violations of Section 5 of the FTC Act and Sections 807 (2), (3), (4), and (5) of the FDCPA.</p>	<p>January 20, 2015: Complaint filed</p> <p>April 18, 2016: Summary Judgment GRANTED against defendants Commercial Recovery Systems, Inc. and Timothy L. Ford.</p>	<p>U.S. Department of Justice & Federal Trade Commission</p> <p>(Case filed by U.S. Dept. of Justice on behalf of the FTC)</p>	<p>Mitchell J. Katz 202-326-2161</p> <p><u>Summary Judgment Opinion & Order:</u> https://www.ftc.gov/system/files/documents/cases/160408crsmemorder.pdf</p>
<p>Credit Protection Association, Inc.</p> <p>(Dallas, Texas)</p> <p>(Northern District of Texas, Dallas Division)</p>	<p>Civil Lawsuit: Seeking permanent injunction and civil penalties. Alleging violations of Section 5 of the FTC Act, the FCRA, and the Furnisher Rule.</p>	<p>May 9, 2016: Complaint filed</p> <p>May 10, 2016: Stipulated Final Order ENTERED enjoining the company from further violation of the law and requiring payment of a \$72,000 civil penalty.</p>	<p>U.S. Department of Justice & Federal Trade Commission</p> <p>(Case filed by U.S. Dept. of Justice on behalf of the FTC)</p>	<p>Jay Mayfield 202-326-2181</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2016/05/debt-collector-settles-ftc-charges-it-violated-fair-credit</p>



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<p><i>The Primary Group Inc.</i></p> <p>(Roswell, Georgia)</p> <p>(Northern District of Georgia)</p>	<p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief for allegedly violating the FTC Act and the FDCPA by using deceptive text messages, emails, and phone calls in which they claimed to be process servers and threatened lawsuits, arrest, or imprisonment, and unlawfully disclosed debts to third parties.</p>	<p>May 11, 2015: Complaint filed</p> <p>May 19, 2016: Summary Judgment GRANTED on all counts against Gail Daniels and The Primary Group Inc. banning the defendants from debt collection activities and granting monetary relief in the amount of total revenues (\$980,000).</p>	<p>Federal Trade Commission</p>	<p>Frank Dorman 202-326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2016/06/ftc-action-debt-collector-banned-debt-collection-business</p>

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<p>BAM Financial, LLC</p> <p>(Irvine, California)</p> <p>(Central District of California)</p>	<p>Civil Lawsuit:</p> <p>Seeking permanent injunction and equitable monetary relief for allegedly violating the FTC Act and the FDCPA by collecting unsubstantiated debts, pretending to be process servers, and falsely threatening to report consumers to government authorities.</p>	<p>October 19, 2015: Complaint filed</p> <p>July 11, 2016: Stipulated Final Order ENTERED banning Defendants from debt collection activities and imposing a \$4,802,646 judgment that will be partially suspended upon the surrender of certain assets.</p>	<p>Federal Trade Commission</p>	<p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2016/07/ftc-action-abusive-debt-collectors-banned-collection-business</p>
<p>Kelly S. Brace, et al.</p> <p>(Buffalo, New York)</p> <p>(Western District of New York, Buffalo Division)</p>	<p>Civil Lawsuit:</p> <p>Seeking permanent injunction and equitable monetary relief. Alleged violations of Section 5 of the FTC Act, various sections of the FDCPA (15 U.S.C. §§ 1692(c)-(e) & (g), and analogous New York State laws.</p>	<p>October 5, 2015: Complaint filed</p> <p>August 18, 2016: Stipulated Final Order ENTERED banning Defendants from debt collection activities and imposing a judgment of more than \$18.4 million that will be partially suspended upon the surrender of certain assets.</p>	<p>Federal Trade Commission</p> <p>&</p> <p>New York Attorney General</p> <p>(case filed jointly)</p>	<p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2016/08/ftc-action-debt-collector-banned-collection-business</p>

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<p><i>Unified Global Group, LLC</i> (Amherst, New York) (Western District of New York)</p>	<p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief for allegedly violating the FTC Act and the FDCPA by using deceptive text messages, emails and robocalls, and unlawfully contacting consumers’ friends, families, and co-workers about supposed debts.</p>	<p>May 11, 2015: Complaint filed</p> <p>August 26, 2016: Stipulated Final Order ENTERED banning Unified Global Group LLC, ARM WNY LLC, Audubon Financial Bureau LLC and Domenico D’Angelo from debt collection activities and imposing a judgment of approximately \$27 million that will be partially suspended upon the surrender of certain assets.</p>	<p>Federal Trade Commission</p>	<p>Frank Dorman (202) 326-2674</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2016/09/ftc-actions-debt-collectors-banned-debt-collection-business</p>
<p><i>National Payment Processing LLC</i> (Tucker, Georgia) (Northern District of Georgia)</p>	<p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief for allegedly violating the FTC Act and the FDCPA by collecting unsubstantiated debts, impersonating law enforcement and threatening arrest or lawsuits, and unlawfully contacting third parties about supposed debts.</p>	<p>October 30, 2015: Complaint filed</p> <p>August 29, 2016: Stipulated Final Order ENTERED banning Defendants from debt collection activities and imposing a judgment of more than \$4.4 million.</p>	<p>Federal Trade Commission</p>	<p>Frank Dorman (202) 326-2674</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2016/09/ftc-actions-debt-collectors-banned-debt-collection-business</p>

CONSUMER FINANCIAL PROTECTION BUREAU

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<p><i>Pressler & Pressler, LLP & New Century Financial Services, Inc.</i></p> <p>(New Jersey)</p> <p>(Washington DC)</p>	<p>Administrative Action:</p> <p>Action taken against the debt collection law firm Pressler & Pressler, LLP, two principal partners, and New Century Financial Services, Inc., a debt buyer. CFPB found that the companies and individuals made false or empty allegations about consumer debts, filed lawsuits based on unreliable or false information, and harassed consumers with unsubstantiated court filings.</p>	<p>April 25, 2016:</p> <p>Consent Orders bar the companies and individuals from illegal practices that can deceive or intimidate consumers, such as filing lawsuits without determining if debts in question are valid. The orders also require the firm and the named partners to pay \$1 million, and New Century to pay \$1.5 million to the Bureau's Civil Penalty Fund.</p>	<p>Consumer Financial Protection Bureau</p>	<p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/policy-compliance/enforcement/actions/pressler-pressler-llp-sheldon-h-pressler-and-gerard-j-felt/</p>

COLORADO



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<p><i>RM Jackson and Associates, PC</i></p> <p>(Greenwood Village, Colorado)</p> <p>(Denver, Colorado)</p>	<p>Administrative Action: Enforcement action and fines for violations of the Colorado FDCPA.</p>	<p>March 29 , 2016:</p> <p>Stipulation and Final Agency Order – provides for \$30,900 in penalties and injunctive relief.</p>	<p>Colorado Attorney General</p>	<p>Annie Skinner (720) 508-6553</p>
<p><i>National Credit Adjusters</i></p> <p>(Hutchinson, KS)</p> <p>(Denver, Colorado)</p>	<p>Administrative Action: Enforcement action and fines for violations of the CO FDCPA.</p>	<p>July 13, 2016:</p> <p>Stipulation and Final Agency Order – provides for \$47,100 in fines and injunctive relief.</p>	<p>Colorado Attorney General</p>	<p>Annie Skinner (720) 508-6553</p>

IDAHO



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<p><i>State of Idaho, Department of Finance, Consumer Finance Bureau v. APG & Associates aka APGOFNY.COM</i></p> <p>(Company location unknown)</p> <p>(Boise, Idaho)</p>	<p>Administrative Action: Alleging violations of Idaho Code § 26-2223(1) and (2) ICAA; collecting without a license and false threats of law enforcement coming to debtor's home.</p>	<p>June 13, 2016: Order to Cease & Desist Issued</p> <p>Pursuant to Idaho Code 26-2244 (1) the Respondent and its agents are ordered to Cease and Desist from acts, practices, or omissions which constitute a violation of the Act, including engaging in debt collection in Idaho.</p>	<p>Idaho Department of Finance</p>	<p>Jo Ann Lanham (208) 332-8067</p> <p><u>Cease & Desist Order:</u> http://www.finance.idaho.gov/ConsumerFinance/Actions/Administrative/APG_& Associates_aka_APGOFNY.COM-2016-9-03-Order_to_Cease_and_Desist.pdf</p>

MISSOURI



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<p><i>StarProse Corporation</i> (Registered in Delaware) (Camden County, MO)</p>	<p>Civil Lawsuit: Seeking preliminary and permanent injunctions, restitution, and civil penalties against StarProse Corporation and Jeffrey Scott Kowalski. Kowalski, a resident of Michigan and the CEO of StarProse Corporation, for attempting to collect personal tax information and non-existent debts from numerous Missouri consumers.</p> <p>Criminal Lawsuit Pending</p>	<p>June 22, 2016: Filed Petition for Preliminary and Permanent Injunctions, Restitution, Civil Penalties, and Other Court Orders.</p> <p>Case Pending</p>	<p>Missouri Attorney General</p>	<p>Nanci Gonder (573) 751-5272</p> <p><u>Press Release:</u> http://ago.mo.gov/home/news-archives/2016-news-archives/ag-koster-files-suit-against-michigan-man-for-attempting-to-collect-tax-information-non-existent-debts-from-missouri-consumers</p>
NEW YORK				
<p><i>National Credit Adjusters, LLC</i> (Hutchinson, KS) (New York, NY)</p>	<p>Administrative Enforcement: Defendants purchased and collected on illegal payday loans from New York consumers.</p>	<p>May 17, 2016: Consent Order ENTERED requiring discharge of more than \$2.26 million in New York consumers' payday loan debts, refunds totaling \$724,577 to more than 3,000 New Yorkers, and payment of a \$200,000 penalty.</p>	<p>New York Department of Financial Services</p>	<p>Richard Loconte 212-709-1690</p> <p><u>Press Release:</u> http://www.dfs.ny.gov/about/press/pr1605181.htm</p>



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<p><i>Webcollex LLC (d/b/a CKS)</i></p> <p>(Chesapeake, VA)</p> <p>(New York, NY)</p>	<p>Administrative Enforcement: Defendants purchased and collected on illegal payday loans from New York consumers.</p>	<p>May 17, 2016: Consent Order ENTERED requiring \$66,129 in refunds to the 52 New York consumers affected by unlawful practices, discharge of \$52,941 in debt to 106 New Yorkers, and payment of a \$25,000 penalty.</p>	<p>New York Department of Financial Services</p>	<p>Richard Loconte 212-709-1690</p> <p>Press Release: http://www.dfs.ny.gov/about/press/pr1605181.htm</p>
<p><i>FTC & People of the State of New York v. Kelly S. Brace, et al.</i></p> <p>(Buffalo, New York)</p> <p>(Western District of New York, Buffalo Division)</p>	<p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief. Alleged violations of Section 5 of the FTC Act, various sections of the FDCPA (15 U.S.C. §§ 1692(c)-(e) & (g), and analogous New York State laws.</p>	<p>October 5, 2015: Complaint filed</p> <p>August 18, 2016: Stipulated Final Order ENTERED banning Defendants from debt collection activities and imposing a judgment of more than \$18.4 million that will be partially suspended upon the surrender of certain assets.</p>	<p>New York Attorney General & Federal Trade Commission</p> <p>(case filed jointly)</p>	<p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2016/08/ftc-action-debt-collector-banned-collection-business</p>

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OHIO				
<p><i>State of Ohio v. Rotech Holdings, Ltd., Glenn R. Lista, and Sean M. Lista</i></p> <p>(Buffalo area, New York)</p> <p>(Franklin County Court of Common Pleas, Columbus, Ohio)</p>	<p>Civil Lawsuit: Seeking declaratory judgment, permanent injunctive relief, consumer damages, and civil penalties for unfair, deceptive, and unconscionable debt collection practices.</p>	<p>October 30 2015: Complaint filed</p> <p>July 28, 2016: Agreed Consent Judgment ENTERED permanently enjoining defendants from engaging in business as debt collectors in the State of Ohio & requiring payment of \$25,000 to the AG's State Enforcement Fund and \$9,700.00 in consumer damages.</p>	<p>Ohio Attorney General</p>	<p>Dan Tierney (614) 466-3840</p> <p>Kate Hanson (614) 466-3840</p>



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PENNSYLVANIA				
<p><i>Hamilton Law Group, P.C.</i></p> <p>(Allentown, Pennsylvania)</p> <p>(Commonwealth Court of Pennsylvania)</p>	<p>Civil Lawsuit:</p> <p>Sought permanent injunction, restitution, and civil penalties for alleged violations of PA’s Consumer Protection Law and Fair Credit Extension Uniformity Act. It was alleged that the debt collection law firm was deceptive in its attempts to collect medical debts from family members based on PA’s filial responsibility law, 23 PA.C.S.A §4603, by misrepresenting the law and the relatives’ liability under the law.</p>	<p>May 29, 2015: Complaint filed</p> <p>July 11, 2016:</p> <p>Consent Decree ENTERED prohibiting the debt collection law firm from collecting medical debts based on the filial responsibility law without a court order of filial support. The decree also requires payment of restitution and removal of disputed amounts from consumers’ credit.</p>	<p>Pennsylvania Attorney General</p>	<p>Jeffrey Johnson 717-783-6491</p> <p>Press Release: https://www.attorneygeneral.gov/Media_and_Resources/Press_Releases/Press_Release/?pid=2618</p>

