

OPERATION Collection Protection

Federal Actions | November 4, 2015

| Matter Name Company Location Action Location | Type of Action | Date/Matter Information | Responsible Agency | Press Contact Press Release or Order |
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| FEDERAL TRADE COMMISSION ACTIONS | | | | |
| <p><i>Vantage Point Services, LLC et. al.</i></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 NY state laws.</p> | <p>January 5, 2015:</p> <p>Complaint filed</p> <p><i>Ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver</p> <p>Granted</p> <p>Case Pending</p> | <p>Federal Trade Commission & New York Attorney General</p> <p>(case filed jointly)</p> | <p>Mitchell J. Katz (202) 326-2161</p> <p><u>Press Release:</u> http://www.ftc.gov/news-events/press-releases/2015/02/ftc-new-york-attorney-general-crack-down-abusive-debt-collectors</p> |



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| <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>Case Pending</p> | <p>Federal Trade Commission & U.S. Department of Justice</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>Press Release:</u> http://www.ftc.gov/news-events/press-releases/2015/01/ftc-sues-stop-texas-debt-collector-coercing-consumers-falsely</p> |
| <p>4 Star Resolution LLC et. al.</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 NY state laws.</p> | <p>February 9, 2015: Complaint filed</p> <p><i>Ex parte</i> TRO with asset freeze, restraining order, and appointment of receiver Granted</p> <p>Preliminary injunction Granted</p> <p>Case Pending</p> | <p>Federal Trade Commission & New York Attorney General</p> <p>(case filed jointly)</p> | <p>Mitchell J. Katz (202) 326-2161</p> <p><u>Press Release:</u> http://www.ftc.gov/news-events/press-releases/2015/02/ftc-new-york-attorney-general-crack-down-abusive-debt-collectors</p> |



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| <p><i>K.I.P., LLC, et. al.</i></p> <p>(Aurora, Illinois)</p> <p>(Northern District of Illinois, Eastern Division)</p> | <p>Civil Lawsuit:</p> <p>Seeking permanent injunction and equitable monetary relief against an alleged fake debt scam. Alleged violations of Section 5 of the FTC Act, Sections 805(a), 806(2), 806(5), 807(2)(A), 807(4), 807(5), and 809(a) of the FDCPA, and analogous Illinois state laws.</p> | <p>April 6, 2015:</p> <p>Complaint filed</p> <p><i>Ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver</p> <p>Granted</p> <p>November 3, 2015:</p> <p>Stipulated Final Order filed with the Court, banning defendants from the debt collection business, prohibiting defendants from making misrepresentations about any product or service, and imposing judgment of more than \$6.4 million.</p> | <p>Federal Trade Commission & Illinois Attorney General</p> <p>(case filed jointly)</p> | <p>Frank Dorman (202) 326-2674</p> <p><u>Press Release (Complaint):</u> https://www.ftc.gov/news-events/press-releases/2015/04/ftc-illinois-attorney-general-halt-chicago-area-operation-charged</p> <p><u>Press Release (Final Order):</u> https://www.ftc.gov/news-events/press-releases/2015/11/ftc-federal-state-local-law-enforcement-partners-announce</p> |
| <p><i>Bayview Solutions, LLC, et. al.</i></p> <p>(St. Petersburg, Florida)</p> <p>(District of Columbia)</p> | <p>Civil Lawsuit:</p> <p>Seeking a permanent injunction against a debt portfolio broker that allegedly posted unencrypted documents online disclosing consumers' sensitive personal information, in violation of the unfairness provisions of Section 5 of the FTC Act.</p> | <p>October 13, 2014: Complaint filed</p> <p>April 20, 2015:</p> <p>Stipulated Final Order Entered requiring the implementation of an information security program and independent audits for 20 years.</p> | <p>Federal Trade Commission</p> | <p>Jay Mayfield (202) 326-2181</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2015/04/debt-brokers-settle-ftc-charges-they-exposed-consumers</p> |



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| <p><i>Cornerstone and Company, LLC, et. al.</i></p> <p>(Riverside, California)</p> <p>(District of Columbia)</p> | <p>Civil Lawsuit: Seeking a permanent injunction against a debt portfolio broker that allegedly posted unencrypted documents online disclosing consumers’ sensitive personal information, in violation of the unfairness provisions of Section 5 of the FTC Act.</p> | <p>August 27, 2014: Complaint filed</p> <p>April 20, 2015: Stipulated Final Order Entered requiring the implementation of an information security program and independent audits for 20 years.</p> | <p>Federal Trade Commission</p> | <p>Jay Mayfield (202) 326-2181</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2015/04/debt-brokers-settle-ftc-charges-they-exposed-consumers</p> |
| <p><i>Green Tree Servicing LLC</i></p> <p>(St. Paul, Minnesota)</p> <p>(District of Minnesota)</p> | <p>Civil Lawsuit: Against a national mortgage servicing company that, among other allegations: (1) made abusive collection calls; (2) misrepresented amounts people owed; (3) misrepresented that consumers must use a quick pay service that cost \$12 per payment; (4) withdrew unauthorized payments; and (5) failed to honor loan modification agreements between consumers and their prior servicers, in violation of the FTC Act, FDCPA, FCRA, Consumer Financial Protection Act, and the Real Estate Settlement Procedures Act.</p> | <p>April 21, 2015: Complaint filed</p> <p>April 23, 2015: Stipulated Final Order Entered enjoining the company from further violation of the law and requiring payment of \$48 million to affected consumers and a \$15 million civil penalty.</p> | <p>Federal Trade Commission & Consumer Financial Protection Bureau</p> <p>(case filed jointly)</p> | <p>Frank Dorman, FTC (202) 326-2674</p> <p><u>FTC Press Release:</u> https://www.ftc.gov/news-events/press-releases/2015/04/national-mortgage-servicing-company-will-pay-63-million-settle</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 <i>Ex parte</i> TRO, and later, a preliminary injunction, with asset freeze and restraining order Granted</p> <p>Case Pending</p> | Federal Trade Commission | <p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2015/05/ftc-halts-three-debt-collection-operations-allegedly-threatened</p> |
| <p><i>Unified Global Group, LLC</i></p> <p>(Amherst, New York)</p> <p>(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 <i>Ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver Granted</p> <p>Case Pending</p> | Federal Trade Commission | <p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2015/05/ftc-halts-three-debt-collection-operations-allegedly-threatened</p> |
| <p><i>Premier Debt Acquisitions LLC</i></p> <p>(North Tonawanda, New York)</p> <p>(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, voicemails, and phone calls to impersonate state or law enforcement officials, falsely threaten consumers with lawsuits or arrest, and falsely threaten to charge consumers with criminal fraud, garnish their wages, and seize their property.</p> | <p>May 11, 2015: Complaint filed <i>Ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver Granted</p> <p>Case Pending</p> | Federal Trade Commission | <p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2015/05/ftc-halts-three-debt-collection-operations-allegedly-threatened</p> |



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| <p><i>Centro Natural Corp. et. al.</i></p> <p>(Davie, Florida)</p> <p>(Southern District of Florida)</p> | <p>Civil Lawsuit:</p> <p>Seeking permanent injunction and equitable monetary relief against an alleged fake debt scam targeting Spanish-Speaking Consumers. Alleged violations of Section 5 of the FTC Act, Sections 807(1), 807(2), 807(3), 807(4), 807(5), 807(7), and 807(10) of the FDCPA, and multiple sections of the Telemarketing Sales Rule.</p> | <p>October 20, 2014: Complaint filed, <i>ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver Granted</p> <p>June 30, 2015: Stipulated Final Order Entered banning defendants from debt collection and telemarketing activities and imposing judgments on the defendants totaling nearly \$6.8 million, which are suspended upon the transfer of \$776,000 worth of assets, including Florida real estate.</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/2015/07/ftc-action-puts-end-fraudulent-debt-collection-scheme-targeted</p> |



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| <p><i>Broadway Global Master Inc., In-Arabia Solutions Inc., and Kirit Patel</i></p> <p>(Tracy, California)</p> <p>(Eastern District of California)</p> | <p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief for allegedly harassing consumers and pretending to be agents of law enforcement or fake government agencies, and illegally processing more than \$5.2 million in payments from consumers for payday loan debts they did not owe.</p> | <p>April 3, 2012: Complaint filed, <i>ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver Granted</p> <p>September 9, 2015: Stipulated Final Order Entered banning defendants from the debt collection business, prohibiting defendants from making misrepresentations about any product or service, and imposing judgments totaling more than \$3.4 million, which are suspended upon the transfer of \$608,500, which will be used for consumer redress.</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/2015/09/ftc-action-stops-scammers-who-collected-millions-phantom-payday</p> |
| <p><i>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 TRO, and later a preliminary injunction, with asset freeze and restraining order Granted</p> <p>Case Pending</p> | <p>Federal Trade Commission & New York Attorney General</p> <p>(case filed jointly)</p> | <p>Frank Dorman (202) 326-2674</p> <p><u>Press Release:</u> https://www.ftc.gov/news-events/press-releases/2015/11/ftc-federal-state-local-law-enforcement-partners-announce</p> |



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| <p>BAM Financial</p> <p>(Irvine, California)</p> <p>(Central District of California)</p> | <p>Civil Lawsuit: 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 <i>Ex parte</i> TRO with asset freeze, restraining order, and appointment of receiver Granted</p> <p>Case Pending</p> | <p>Federal Trade Commission</p> | <p>Frank Dorman (202) 326-2674</p> <p>Press Release: https://www.ftc.gov/news-events/press-releases/2015/11/ftc-federal-state-local-law-enforcement-partners-announce</p> |
| <p>National Check Registry</p> <p>(Buffalo, New York)</p> <p>(Western District of New York)</p> | <p>Civil Lawsuit: Seeking permanent injunction and equitable monetary relief for allegedly violating Section 5 of the FTC Act, various sections of the FDCPA, and analogous New York State laws.</p> | <p>July 21, 2014: Complaint filed, <i>ex parte</i> TRO, and later, a preliminary injunction, with asset freeze, restraining order, and appointment of receiver Granted</p> <p>October 16, 2015: Stipulated Final Order Entered banning defendants from the debt collection business, prohibiting defendants from making misrepresentations about any product or service, and imposing judgments totaling more than \$8.3 million that will be suspended upon payment of \$112,000 by Joseph Bella and the surrender of certain bank accounts, two cars and two boats.</p> | <p>Federal Trade Commission & 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/2015/11/ftc-federal-state-local-law-enforcement-partners-announce</p> |



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| CONSUMER FINANCIAL PROTECTION BUREAU ACTIONS | | | | |
| <p><i>ECMC Group, Inc. and Zenith Education Group</i></p> <p>(Oakdale, Minnesota)</p> <p>(Washington DC)</p> | <p>Settlement In Lieu of Civil Lawsuit:</p> <p>Settling potential liability for numerous alleged violations in the extension and collection of Corinthian College private student loans.</p> | <p>September 2014: Complaint filed against Corinthian College, ECMC’s predecessor in interest, alleging predatory lending and violations of the FDCPA.</p> <p>February 2, 2015: Settlement Reached – Provides for \$480 million in student loan forgiveness, the provision of information to credit bureaus directing the deletion of negative information related to the loans, and assurances that the third-party holder of the loans will refrain from suing or threatening to sue borrowers.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p><u>Press Release:</u> http://www.consumerfinance.gov/newsroom/cfpb-secures-480-million-in-debt-relief-for-current-and-former-corinthian-students/</p> |



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| <p><i>Universal Debt and Payment Solutions, LLC, et. al.</i></p> <p>(Tucker, Georgia)</p> <p>(Northern District of Georgia, Atlanta Division)</p> | <p>Civil Lawsuit: Seeking a permanent injunction, redress, and civil penalties against a robo-call phantom debt collection company, and its service providers, for allegedly threatening consumers with arrest, wage garnishment, and “financial restraining orders” to collect debts that were not owed to them, in violation of the Fair Debt Collection Practices Act and the Consumer Financial Protection Act.</p> | <p>March 26, 2015: Complaint filed and Temporary Restraining Order Granted.</p> <p>April 7, 2015: Preliminary Injunction Entered halting the misconduct and freezing the assets of the individual defendants and their businesses.</p> <p>September 1, 2015: Motion to Dismiss Denied.</p> <p>Case Pending</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p><u>Press Release:</u> http://www.consumerfinance.gov/newsroom/cfpb-sues-participants-in-robo-call-phantom-debt-collection-operation/</p> |



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| <p><i>National Corrective Group, Inc., American Justice Solutions, Inc., Victim Services, Inc., and Mats Jonsson</i></p> <p>(San Clemente, California)</p> <p>(District of Maryland)</p> | <p>Civil Lawsuit: Seeking permanent injunction and civil penalties against a nationwide debt collection operation collecting bounced checks. Alleging violations of the Consumer Financial Protection Act and Sections 807(3), (4), (5), (9), (10), (11), (14) and 809(a) of the FDCPA.</p> | <p>March 31, 2015: Complaint and stipulated final order filed. The order prohibits the companies from stating or implying that they are a state or district attorney and from falsely representing that failure to pay will result in arrest or imprisonment, and requires payment of a \$50,000 civil penalty.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-takes-action-against-bad-check-debt-collector/</p> |
| <p><i>Green Tree Servicing LLC</i></p> <p>(St. Paul, Minnesota)</p> <p>(District of Minnesota)</p> | <p>Civil Lawsuit: Against a national mortgage servicing company that, among other allegations: (1) made abusive collection calls; (2) misrepresented amounts people owed; (3) misrepresented that consumers must use a quick pay service that cost \$12 per payment; (4) withdrew unauthorized payments; and (5) failed to honor loan modification agreements between consumers and their prior servicers, in violation of the FTC Act, FDCPA, FCRA, Consumer Financial Protection Act, and the Real Estate Settlement Procedures Act.</p> | <p>April 21, 2015: Complaint filed</p> <p>April 23, 2015: Stipulated Final Order Entered enjoining the company from further violation of the law and requiring payment of \$48 million to affected consumers and a \$15 million civil penalty.</p> | <p>Consumer Financial Protection Bureau & Federal Trade Commission</p> <p>(case filed jointly)</p> | <p>Moira Vahey (202) 435-7170</p> <p>CFPB Press Release: http://www.consumerfinance.gov/newsroom/cfpb-and-federal-trade-commission-take-action-against-green-tree-servicing-for-mistreating-borrowers-trying-to-save-their-homes/</p> |



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| <p><i>Security National Automotive Acceptance Company</i></p> <p>(Mason, Ohio)</p> <p>(Southern District of Ohio, Western Division)</p> | <p>Civil Lawsuit: Seeking a permanent injunction, redress, and civil penalties against an auto loan company for aggressive and unlawful collection tactics against servicemembers, in violation of the Consumer Financial Protection Act.</p> | <p>June 17, 2015: Complaint filed</p> <p>October 26, 2015: Stipulated Final Order Issued</p> <p>October 29, 2015: Administrative Order Issued</p> <p>Company ordered to correct its business practices, pay \$2,274,855.70 in redress to consumers and \$1 million to the CFPB civil money penalty fund.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-takes-action-against-servicemember-auto-lender-for-aggressive-debt-collection-tactics/</p> |
| <p><i>Syndicated Office Systems, LLC</i></p> <p>(Dallas, Texas)</p> <p>(Washington DC)</p> | <p>Administrative Action: CFPB found that medical debt collector failed to conduct timely FCRA investigations in response to 13,000 consumer disputes and failed to send notices required by FDCPA 15 §1692g to more than 10,000 consumers, unlawfully collecting over \$2,000,000 from consumers who did not receive the notices.</p> | <p>June 18, 2015: Administrative Order Issued</p> <p>Ordered to correct its business practices, pay \$5,100,000 in redress to consumers and \$500,000 to the CFPB civil money penalty fund, and to cease collecting \$300,000 worth of debt.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-takes-action-against-medical-debt-collector/</p> |



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| <p><i>Northway Financial Group, et al.</i></p> <p>(Canada and Malta)</p> <p>(Southern District of New York)</p> | <p>Civil Lawsuit: Seeking a permanent injunction, redress, and civil penalties for making false threats, using illegal wage assignment clauses, and collecting debts that are void under state law, in violation of the Consumer Financial Protection Act.</p> | <p>July 6, 2015 Complaint filed</p> <p>Case Pending</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-sues-offshore-payday-lender/</p> |



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| <p><i>Chase Bank, USA N.A. and Chase Bankcard Services, Inc.</i></p> <p>(Newark, Delaware)</p> <p>(Washington DC and in 47 states)</p> | <p>Administrative Action: CFPB, 47 States, and DC found that the large credit card bank sold debt buyers inaccurate information used to collect debts and robo-signed inaccurate affidavits and sworn pleadings.</p> | <p>July 8, 2015: 49 Separate Administrative Orders Issued</p> <p>Ordered Chase Bank to cease collecting on 528,000 accounts; pay \$50 million in refunds to consumers; confirm debts before selling to debt buyers; not sell debts with inadequate documentation; require its debt buyers not to resell accounts; notify consumers when their debts are sold and make their account information available to them; withdraw, dismiss, or terminate all collection litigation filed after 1/1/09; cease robo-signing affidavits; verify debts before filing lawsuits; and pay \$30 million in civil penalties to the CFPB, and \$106 million to 47 states and DC. The OCC also ordered Chase to pay \$30 million in civil penalties in a related action.</p> | <p>Consumer Financial Protection Bureau</p> <p>&</p> <p>Attorneys General from 47 States and District of Columbia</p> <p>(actions taken jointly)</p> <p>Office of the Comptroller of the Currency concurrently announced a civil penalty assessed against Chase in a related action.</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-47-states-and-d-c-take-action-against-jpmorgan-chase-for-selling-bad-credit-card-debt-and-robo-signing-court-documents/</p> |



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| <p><i>Frederick J. Hanna & Associates, et al.</i></p> <p>(Marietta, Georgia)</p> <p>(Northern District of Georgia, Atlanta Division)</p> | <p>Civil Lawsuit: Seeking a permanent injunction, redress, and civil penalties against debt collection law firm and its partners for misrepresenting the level of attorney involvement in debt collection lawsuits and filing false affidavits in violation of the Fair Debt Collection Practices Act and the Consumer Financial Protection Act.</p> | <p>July 14, 2014: Complaint filed</p> <p>July 14, 2015: Motion to Dismiss Denied</p> <p>Case Pending</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p>Press Release: http://www.consumerfinance.gov/newsroom/cfpb-files-suit-against-debt-collection-lawsuit-mill/</p> |
| <p><i>Encore Capital Group, Inc., Midland Funding LLC, Midland Credit Management, Inc., and Asset Acceptance Capital Corp.</i></p> <p>(San Diego, California)</p> <p>(Washington DC)</p> | <p>Administrative Action: The CFPB found that Encore, the nation’s largest debt buyer and collector, attempted to collect debts that it knew, or should have known, were inaccurate or could not legally be enforced, filed lawsuits against consumers without having the intent to prove the debts, if contested, filed misleading collection affidavits, and made misrepresentation to consumers in collecting debt in violation of the Fair Debt Collection Practices Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act.</p> | <p>September 8, 2015: Consent Order Issued</p> <p>Ordered company to correct its business practices, cease threatening lawsuits without evidence, cease collecting unverified, suspect debt; cease filing misleading affidavits and making deceptive statements when collecting debt; refund approximately \$36 million and cease collecting approximately \$125 million worth of debt secured by a judgment or pending lawsuit in which the company misrepresented that undisputed debts were assumed valid; refund approximately \$5.3 million for misrepresenting that it could sue on time-barred debts; and pay a penalty of \$10 million to the CFPB’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/newsroom/cfpb-takes-action-against-the-two-largest-debt-buyers-for-using-deceptive-tactics-to-collect-bad-debts/</p> |



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| <p><i>Portfolio Recovery Associates, LLC</i></p> <p>(Norfolk, Virginia)</p> <p>(Washington DC)</p> | <p>Administrative Action: The CFPB found that Portfolio Recovery Associates, the nation's second largest debt buyer and collector, attempted to collect debts that it knew, or should have known, were inaccurate or could not legally be enforced, filed lawsuits against consumers without having the intent to prove the debts, if contested, filed misleading collection affidavits, and made misrepresentation to consumers in collecting debt in violation of the Fair Debt Collection Practices Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act.</p> | <p>September 8, 2015: Consent Order Issued</p> <p>Ordered company to correct its business practices, cease threatening lawsuits without evidence, cease collecting unverified, suspect debt; cease filing misleading affidavits and making deceptive statements when collecting debt; refund approximately \$19 million for misrepresenting that collectors were calling on behalf of attorneys and that litigation was imminent or already ongoing, and for suing on time-bared debts; vacate approximately \$3.4 million worth of judgments on lawsuits that were filed after the expiration of the applicable statute of limitations; and pay a penalty of \$8 million to the CFPB's Civil Penalty Fund.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p><u>Press Release:</u> http://www.consumerfinance.gov/newsroom/cfpb-takes-action-against-the-two-largest-debt-buyers-for-using-deceptive-tactics-to-collect-bad-debts/</p> |



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| <p><i>Westlake Services, LLC, d/b/a Westlake Financial Services, LLC, and Wilshire Consumer Credit, LLC, d/b/a Wilshire Commercial Capital, LLC</i></p> <p>(Los Angeles, California)</p> <p>(Washington DC)</p> | <p>Administrative Action:</p> <p>The CFPB found that that an indirect auto finance company and its auto title lending subsidiary deceived consumers by calling under false pretenses and using phony caller ID information, falsely threatened to refer borrowers for investigation or criminal prosecution, and illegally disclosed information about debts to borrowers' employers, friends, and family.</p> | <p>September 30, 2015: Consent Order Issued</p> <p>Ordered the companies to correct their debt collection practices; provide consumers \$44.1 million in cash relief and balance reductions; and pay a civil penalty of \$4.25 million.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p><u>Press Release:</u> http://www.consumerfinance.gov/newsroom/cfpb-orders-indirect-auto-finance-company-to-provide-consumers-44-1-million-in-relief-for-illegal-debt-collection-tactics/</p> |
| <p><i>Supervisory Highlights, Summer 2015</i></p> <p>(Examinations conducted across the U.S.)</p> <p>(Washington DC)</p> | <p>Supervisory Examinations:</p> <p>Described supervisory findings that financial institutions engaging in consumer debt collection:</p> <ul style="list-style-type: none"> • Had weaknesses in compliance management, including board oversight, oversight of service providers and complaint-handling; • Misled consumers about how they would handle FCRA disputes, in violation of Section 807 of the FDCPA, 15 U.S.C. § 1692e(10); and • Responded to indirect disputes by deleting tradelines without conducting an investigation, in violation of Section 623 of the FCRA, 15 U.S.C. § 1681s-2(b)(1). | <p>June 23, 2015: Published Supervisory Highlights, Summer 2015</p> <p>Report highlighting supervision work in the area of debt collection generally completed between January 2015 and April 2015.</p> | <p>Consumer Financial Protection Bureau</p> | <p>Moira Vahey (202) 435-7170</p> <p><u>Supervisory Highlights:</u> http://files.consumerfinance.gov/f/201506_cfpb_supervisory-highlights.pdf</p> |



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| U.S. Department of Justice Actions | | | | |
| <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>Case Pending</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>Press Release: http://www.justice.gov/opa/pr/united-states-files-enforcement-action-against-texas-debt-collection-company-current</p> |
| <p>Maria Luzula, Juan Rodriguez Cuya, Angeluz Florida Corporation and Angeluz Miami, LLC</p> <p>(Miami, Florida)</p> <p>(Southern District of Florida)</p> | <p>Criminal Charges: Charges stemmed from the operation of Angeluz Florida Corporation in Miami and call centers in Peru that lied to and threatened Spanish-speaking victims into paying fraudulent settlements for nonexistent debts</p> | <p>June 10, 2014: Defendants charged.</p> <p>October 17, 2014: Defendants convicted of 26 felony counts of conspiracy, fraud and attempted extortion.</p> <p>December 22, 2014: Sentencing – Maria Luzula sentenced to 165 months in prison.</p> <p>January 27, 2015: Sentencing – Juan Alejandro Rodriguez Cuya sentenced to 210 months in prison for his operation of Angeluz Florida Corporation.</p> | <p>Consumer Protection Branch, Civil Division, U.S. Department of Justice</p> | <p>Press Release: http://www.justice.gov/civil/cpb/case/united-states-v-maria-luzula-juan-rodriguez-cuya-angeluz-florida-corporation-and-angeluz</p> |



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| <p><i>Cesar Luis Kou Reyna</i></p> <p>(Miami, Florida)</p> <p>(Southern District of Florida)</p> | <p>Indictment:</p> <p>Charged that defendant, through Fonomundo FC Corp in Miami and Mater Call and other affiliated call centers in Peru, used telephone calls to Spanish-speaking consumers in the United States, threatening lawsuits, arrest, deportation, and harmed credit to coerce victims into paying fraudulent settlements for nonexistent debts.</p> | <p>August 27, 2015: Defendants charged</p> <p>October 14, 2015: Defendant pleads guilty to one count of conspiracy to commit mail fraud and wire fraud</p> | <p>Consumer Protection Branch, Civil Division, U.S. Department of Justice</p> | <p><u>Press Release (Charged):</u> http://www.justice.gov/opa/pr/peruvian-man-charged-leading-conspiracy-defraud-and-extort-spanish-speaking-consumers-through</p> <p><u>Press Release (Plead):</u> http://www.justice.gov/opa/pr/peruvian-man-pleads-guilty-threatening-and-defrauding-spanish-speaking-consumers-through-call</p> |



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| <p><i>TRAVELL THOMAS, the co-owner, chief executive officer, and president of a Buffalo, New York-based debt collection company (the “Company”), MAURICE SESSUM, a co-owner and chief operating officer of the Company, ANTHONY BRZEZOWSKI, the Company’s director of operations, three Company managers – JIMMY STOKES, HEATHER GASTA, and TACOBY THOMAS – and five Company debt collectors – ANTHONY CABA, COLUMBUS SIMMONS, CHARLES STARKS, WILLIAM CLARK, and MICHAEL CALLANDRA</i></p> <p>(Buffalo, New York)</p> <p>(Southern District of New York)</p> | <p>Indictment:</p> <p>11 charged with wire fraud and conspiracy to commit wire fraud in connection with a nationwide debt collection scheme that took in more than \$31 million from thousands of victims across the United States As alleged, the defendants engaged in what is believed to be the largest fraudulent debt collection scheme ever to be prosecuted, falsely threatening arrest and prosecution of countless Americans, including those who suffered from disabilities</p> | <p>October 27, 2015: Charges unsealed</p> | <p>U.S. Attorney’s Office, Southern District of New York</p> | <p>Press Release: http://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-charges-fifteen-defendants-31-million-fraudulent-and-coercive</p> |



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| <p><i>Mark Lavin John Salatino, Jessica Mann, And Jennifer Sherk</i></p> <p>(Buffalo, New York)</p> <p>(Southern District of New York)</p> | <p>Guilty Pleas: Guilty pleas unsealed as to 4 persons in connection with case charging an additional 11 persons with wire fraud and conspiracy to commit wire fraud in connection with a nationwide debt collection scheme that took in more than \$31 million from thousands of victims across the United States As alleged, the defendants engaged in what is believed to be the largest fraudulent debt collection scheme ever to be prosecuted, falsely threatening arrest and prosecution of countless Americans, including those who suffered from disabilities</p> | <p>October 27, 2015: Guilty pleas unsealed</p> | <p>U.S. Attorney's Office, Southern District of New York</p> | <p>Press Release: http://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-charges-fifteen-defendants-31-million-fraudulent-and-coercive</p> |

