

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
AT CLEVELAND

STATE OF OHIO, <i>ex rel.</i>	)	CASE NO. 1:09-cv-02251-JG
RICHARD CORDRAY	)	
ATTORNEY GENERAL OF OHIO	)	JUDGE JAMES S. GWIN
	)	
Plaintiff,	)	<b><u>AGREED CONSENT</u></b>
	)	<b><u>JUDGMENT AND ENTRY</u></b>
v.	)	<b><u>AND ORDER</u></b>
	)	
NATIONAL ENTERPRISE SYSTEMS, INC.	)	
	)	
Defendant.	)	

**PREAMBLE**

This matter came to be heard upon the filing of a complaint by the Ohio Attorney General of Ohio alleging that the Defendant, National Enterprise Systems, Inc. (hereinafter “NES” or “Defendant”) has violated the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq. and the Substantive Rules enacted thereunder and the Fair Debt Collection Practices Act at 15 U.S.C. 1692 et seq. By signing this entry, Defendant submits to the personal jurisdiction of this Court and consents to the entry of this Consent Judgment Entry and Order (“Consent Judgment”) pursuant to R.C. 1345.07(F).

Defendant hereby consents to the Court’s finding of the following facts, conclusions of law, and order and to the imposition of this Consent Judgment and to the rights of Plaintiff to enforce this Consent Judgment. Pursuant to R.C. 1345.07(F), this Consent Judgment is not evidence of any prior violation of R.C. Chapter 1345 by Defendant. Pursuant to R.C. 1345.10, this Consent Judgment is not admissible as *prima facie* evidence of the facts on which it is based for any subsequent proceedings brought by any party under R.C. 1345.09.

**FINDINGS OF FACT**

1. Defendant National Enterprise Systems, Inc. (hereinafter “NES” or “Defendant”) is an Ohio corporation that does business in Cuyahoga County and in the State of Ohio and has its principal place of business located at 29125 Solon Road, Solon, Ohio 44139.
2. Defendant is, and has been at all times relevant to this action, engaged in providing debt collection services by regularly collecting, or attempting to collect, from consumers debts that are due or alleged to be due.
3. Various creditors or entities place accounts with Defendant for purposes of trying to collect from consumers.
4. Defendant has allegedly committed unfair or deceptive acts or practices in violation of the Consumer Sales Practices Act and the Fair Debt Collection Practices Act.

**FACTS ALLEGED BY THE PLAINTIFF**

5. Plaintiff alleges the following facts as set forth in paragraphs five through thirty-two. Defendant denies these factual allegations.
6. Defendant regularly collected, or attempted to collect debts, by using prohibited debt collection methods in the State of Ohio, including in Cuyahoga County.
7. Defendant has attempted to collect on debts that are not owed by the consumers in question.
8. Defendant has attempted to collect on debts that have not been verified by Defendant as valid debts owed by the consumers in question.
9. Defendant has attempted to collect on alleged debts through collection letters sent to consumers and through telephone calls made by Defendant’s debt collector employees.
10. During telephone calls, Defendant’s collectors have frequently used abusive language that intimidated consumers into paying the alleged debts in question.

11. Defendant's collectors have harassed consumers to pay alleged debts by continuing to make calls to the consumer's place of employment after the consumer instructs Defendant to cease calling that number.
12. Defendant's collectors have called consumers before 8 a.m. and after 9 p.m.
13. Defendant's collectors have placed multiple phone calls to consumers within a matter of minutes for the purpose of harassing and intimidating consumers into paying their debts.
14. Defendant's collectors have called consumers' coworkers, family members, and other third parties not connected to or liable for the debt and divulged information about the consumer's alleged debt.
15. Defendant's collectors have continued calling and harassing third parties after the third parties have provided them with location information.
16. Defendant has "spoofed" the caller ID of third parties by blocking the display from showing Defendant's phone number and instead reflecting a phone number that is not its own, including the number of the debtor or a family member or friend of the debtor.
17. When a consumer requested that Defendant send documents that verify that they owe the alleged debt, Defendant refused to do so or represented that it would do so, but did not, and continued collection activities.
18. Defendant has attempted to collect on alleged debts after it receives written notification from consumers that the consumer disputes the debt in question.
19. Defendant has failed to remove phone numbers from an account after being informed that the person from whom Defendant seeks to collect the debt is not at that phone number.
20. Defendant has pressured and convinced consumers into making payments to Defendant despite the fact they did not owe the alleged debt in question.

21. Defendant's collectors have induced consumers to give Defendant bank account or credit card information for payment on the alleged debt by giving the consumer false or misleading information or making threats of actions that cannot be taken.
22. Defendant has withdrawn money from a consumer's bank account, despite the fact that the consumer did not authorize such withdrawals from the bank account.
23. Defendant has refused to accept payment from consumers willing to mail a check and has only accepted bank account or credit card information, in order to process the payments quickly or immediately.
24. Defendant has collected or attempted to collect fees and other costs in addition to the alleged debt owed.
25. Defendant has refused to enter into a payment plan with consumers that cannot pay the alleged debt in full.
26. Defendant has offered to settle alleged debts with an arbitrary, but quickly approaching deadline that created a false sense of urgency in the consumer.
27. Defendant has failed to honor or confirm settlement agreements with consumers and continued to collect on the full debt.
28. Defendant's debt collectors have represented to consumers, expressly or by implication, that they are an attorney for Defendant, when in fact the debt collector is not an attorney.
29. Defendant's debt collectors have represented to consumers, expressly or by implication, that Defendant will take legal action if the alleged debt is not paid, when in fact Defendant cannot take formal legal action against consumers for failing to pay the alleged debt.

30. Defendant's debt collectors have represented to consumers, expressly or by implication, that Defendant will file a lien against the consumer's property if the alleged debt is not paid when there is no legal ground to do so.
31. Defendant's debt collectors have represented to consumers, expressly or by implication, that the consumer can be arrested or imprisoned for failing to pay the alleged debt in question, when in fact the consumer cannot be arrested or imprisoned for failing to pay the alleged debt.
32. Defendant's debt collectors have represented to consumers, expressly or by implication, that Defendant will garnish the consumer's wages if the alleged debt is not paid when there is no legal ground to do so.

#### **CONCLUSIONS OF LAW**

1. Jurisdiction over the subject matter of this action lies with this Court pursuant to 15 U.S.C. 1692k of the Fair Debt Collection Practices Act.
2. Furthermore pursuant to this Court's supplemental jurisdiction over this action pursuant to 28 U.S.C. 1367, jurisdiction over the subject matter of this action lies with this Court with respect to the state law claims under the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq.
3. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B), in that some of the transactions complained of herein, and out of which this action arose, occurred in Cuyahoga County.
4. Provisions of R.C. 1345.01 et seq. and 15 U.S.C. 1692 et seq. govern the business practices of Defendant. Defendant has contested the applicability of R.C. 1345.01 et seq.

5. The Attorney General is the proper party to commence these proceedings under the authority of R.C. 1345.07, and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of Ohio. Defendant has not conceded the ability of the Attorney General to bring claims (1) on behalf of non-Ohio residents, and (2) under federal law.
6. A party acts as a “supplier” as that term is defined in R.C. 1345.01(C) when Defendant is engaged in the business of effecting consumer transactions by enforcing or attempting to enforce the payment of a debt allegedly owed by a consumer, which arose from a consumer transaction, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D), to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
7. Defendant is a “debt collector” as that term is defined in 15 U.S.C. 1692a(6) as Defendant has, at all times relevant herein, used an instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another, to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
8. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) by communicating or threatening to communicate that a consumer owes a debt when communicating with any person other than the consumer for the purpose of acquiring location information.

9. A supplier commits unfair or deceptive acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) by harassing or threatening to harass third parties in the attempts to get the consumer to pay the alleged debt.
10. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by communicating with a consumer in the collection of a debt at any time or place known or which should be known to be inconvenient to the consumer, including inconvenient hours and/or at the consumer's place of employment.
11. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by communicating with a consumer in the collection of a debt after being notified in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer.
12. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by failing to cease collecting a debt or any disputed portion thereof upon notification of dispute or request for the name of the original creditor by the consumer, prior to the debt collector obtaining verification of the debt.
13. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt.

14. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by using obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.
15. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.
16. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by attempting to collect an alleged debt by telephone without the meaningful disclosure of the caller's identity, except as provided by law.
17. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by falsely representing the character, amount, or legal status of any debt or any services rendered or compensation which may be lawfully received by any debt collector for the collection of a debt.
18. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by falsely representing or implying that any individual is an attorney or that any communication is from an attorney.
19. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by using any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

20. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by using any false, deceptive, or misleading representations or means in connection with the collection of a debt by threatening to take any action that cannot legally be taken or that is not intended to be taken.
21. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by threatening to take any action that cannot legally be taken or that is not intended to be taken.
22. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by falsely representing or implying to consumers that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any of the consumer's property or wages of any person unless such action is lawful and the debt collector intends to take such action.
23. A supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by using unfair or unconscionable means to collect or attempt to collect debts by collection of any amount (including interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.
24. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692b(2), by communicating that a consumer owes a debt when communicating with any person other than the consumer for the purpose of acquiring location information.

25. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692b(3), by communicating with any person other than the consumer more than once unless requested to do so by such person or the debt collector reasonably believes that the earlier response of such person is erroneous or incomplete and that such person now has correct or complete location information.
26. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(a)(1), by communicating with a consumer in the collection of a debt at any unusual time or a time or place known or which should be known to be inconvenient to the consumer.
27. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(a)(3), by communicating with a consumer in the collection of a debt at the consumer's place of employment if the debt collector knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication.
28. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(b), by communicating with a person other than the consumer in the collection of a debt, except as provided in 15 U.S.C. 1692b, without the prior consent of the consumer.
29. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(c), by communicating with a consumer after being notified in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer, except as allowed by law.
30. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692d, by engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt.

31. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692e, by using any false, deceptive, or misleading representations or means in connection with the collection of a debt.
32. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692f, by using unfair or unconscionable means to collect or attempt to collect any debt.
33. A debt collector violates the Fair Debt Collection Practices Act, 15 U.S.C. 1692g(b), by failing to cease collecting a debt or any disputed portion thereof upon notification of dispute or request for the name of the original creditor by the consumer, until after it had obtained verification of the debt or any copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or names and address of the original creditor, was mailed to the consumer.

**ORDER**

For purposes of affecting this Consent Judgment Entry and Order, it is therefore ORDERED, ADJUDGED AND DECREED that:

1. Plaintiff's request for a Declaratory Judgment is GRANTED; and it is therefore DECLARED that the acts and practices enumerated in the Conclusions of Law set forth above in Paragraphs (8) through (33) violate the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq., and the Substantive Rules enacted thereunder and the Fair Debt Collection Practices Act 15 U.S.C. 1692 et seq., in the manner set forth therein. Although judgment is granted, Defendant has contested that the acts and practices enumerated in the Conclusions of Law set forth above in Paragraphs (8) through (33) violate the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq., and the Substantive Rules enacted thereunder.

2. Defendant, its agents, servants, representatives, sales persons, employees, independent contractors, successors, assigns, and all persons acting on behalf of Defendant, directly or indirectly, through any corporate device or private device, partnership or association in connection with any consumer transaction, are hereby permanently enjoined from violating the Consumer Sales Practices Act, R.C. 1345.01 et seq. and the Fair Debt Collection Practices Act, 15 U.S.C. 1692 et seq.
3. Defendant is hereby further permanently enjoined from:
  - (a) Committing unfair or deceptive acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A) by failing to comply with the Fair Debt Collection Practices Act, 15 U.S.C. 1692 – 1692p;
  - (b) Communicating or threatening to communicate that a consumer owes a debt when communicating with any person other than the consumer for the purpose of acquiring location information, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A);
  - (c) Harassing or threatening to harass third parties in the attempts to get the consumer to pay the alleged debt, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A);
  - (d) Communicating with a consumer in the collection of a debt at any unusual time or a time or place known or which should be known to be inconvenient to the consumer, including inconvenient hours and/or at the consumer's place of employment, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
  - (e) Communicating with a consumer in the collection of a debt after being notified in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);

- (f) Failing to cease collecting a debt or any disputed portion thereof upon written notification of dispute or written request for the name of the original creditor by the consumer, prior to the debt collector obtaining verification of the debt, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (g) Engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (h) Using obscene or profane language or language the natural consequence of which is to abuse the hearer or reader, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (i) Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (j) Attempting to collect an alleged debt by telephone without the meaningful disclosure of the caller's identity, except as provided by law, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (k) Falsely representing the character, amount, or legal status of any debt or any services rendered or compensation which may be lawfully received by any debt collector for the collection of a debt, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (l) Falsely representing or implying that any individual is an attorney or that any communication is from an attorney, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);

- (m) Using any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (n) Using any false, deceptive, or misleading representations or means in connection with the collection of a debt by threatening to take any action that cannot legally be taken or that is not intended to be taken, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (o) Threatening to take any action that cannot legally be taken or that is not intended to be taken, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (p) Falsely representing or implying to consumers that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any of the consumer's property or wages of any person unless such action is lawful and the Defendant intends to take such action, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (q) Using unfair or unconscionable means to collect or attempt to collect debts by collection of any amount (including interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law, in violation of the Consumer Sales Practices Act, R.C. 1345.02(A) and R.C. 1345.03(A);
- (r) Communicating that a consumer owes a debt when communicating with any person other than the consumer for the purpose of acquiring location information, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692b(2);

- (s) Communicating with any person other than the consumer more than once unless requested to do so by such person or the Defendant reasonably believes that the earlier response of such person is erroneous or incomplete and that such person now has correct or complete location information, in violation the Fair Debt Collection Practices Act, 15 U.S.C. 1692b(3);
- (t) Communicating with a consumer in the collection of a debt at any unusual time or a time or place known or which should be known to be inconvenient to the consumer, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(a)(1);
- (u) Communicating with a consumer in the collection of a debt at the consumer's place of employment if the Defendant knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication, in violation of Fair Debt Collection Practices Act, 15 U.S.C. 1692c(a)(3);
- (v) Communicating with a person other than the consumer in the collection of a debt, except as provided in 15 U.S.C. 1692b, without the prior consent of the consumer, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(b);
- (w) Communicating with a consumer after being notified in writing that the consumer refuses to pay a debt or that the consumer wishes the Defendant to cease further communication with the consumer, except as allowed by law, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692c(c);
- (x) Engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692d;

(y) Using any false, deceptive, or misleading representations or means in connection with the collection of a debt, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692e;

(z) Using unfair or unconscionable means to collect or attempt to collect any debt, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692f;

(aa) Failing to cease collecting a debt or any disputed portion thereof upon written notification of dispute or written request for the name of the original creditor by the consumer, until the Defendant obtains verification of the debt or any copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or names and address of the original creditor, is mailed to the consumer by the Defendant, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. 1692g(b).

4. IT IS FURTHER ORDERED that Defendant shall implement the following best practices and shall:

(a) Train employees to comply with applicable state and federal law;

(b) Train employees to answer the following questions on first contact with the consumer:

(i) Who is the original creditor?

(ii) What is the exact name, spelling, and address of the debtor listed on the information provided by the creditor?

(iii) How do I dispute/disagree with the debt?

(iv) Can you provide me with proof that I owe this debt?

(v) How do I request that I no longer be contacted concerning the debt?

(vi) How do I request that I no longer be contacted at work concerning the debt?

(vii) Which debts will my payments apply to?

- (c) Send written communication within five days of first contact and include the amount of the debt, the name of creditor, notice that the consumer has thirty days to dispute debt, how to dispute the debt and how to ask for validation of the debt;
- (d) Provide consumers with a repayment agreement letter explaining the amount of payment, the total number of payments the consumer owes under the agreement and has agreed to make, the date when they will be withdrawn or made, and the name and contact information, including telephone number, for whom the consumer can contact if they need to discuss the payment plan with the Defendant.
- (e) In Defendant's originally created documents, maintain confidentiality of all financial information, including, but not limited to, truncating social security and credit card numbers in written correspondence with debtors or third parties;
- (f) Upon discovery that the debtor is deceased, not attempt collection against spouses of deceased debtors;
- (g) Maintain collectors activity logs;
- (h) Send consumer a post-dated check or debit confirmation letter or receipt. If an amount is disputed and cannot be otherwise verified, the disputed money will be returned to the consumer;
- (i) Not accept partial payment on a debt for the express purpose of extending the statute of limitations without first informing the consumer that the debt is time barred and payment is voluntary and warning the consumer that if he or she pays anything the obligation to pay is revived;
- (j) Include the following in settlement agreements:
  - i. Total amount due

- ii. Settlement amount
  - iii. Monthly payment amount (if on a payment plan)
  - iv. Approval of creditor (holder of account)
5. IT IS FURTHER ORDERED that for a period of two (2) years from the date of this entry, Defendant and each of their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them in connection with their acts as a debt collector in the collection of a debt from a consumer shall make the following disclosure clearly and conspicuously on the backer of each written collection communication that is sent to a consumer for the purpose of collecting a debt:

OHIO: Federal and state law prohibit certain methods of debt collection and require that we treat you fairly. You can stop us from contacting you by writing a letter that tells us to stop the contact. Sending such a letter does not make a debt go away if you owe it. Once we receive your letter, we may not contact you again, except to let you know that there will not be any more contact or that we intend to take a specific action.

If you have concerns about the way we are collecting your debt, please contact the Ohio Attorney General's Office online at [www.ohioattorneygeneral.gov](http://www.ohioattorneygeneral.gov) or [www.speakoutohio.gov](http://www.speakoutohio.gov); by phone at 1-800-282-0515 8 A.M. to 7 P.M. Monday through Friday; or by mail at 30 E. Broad St., 14<sup>th</sup> Floor, Columbus, Ohio 43215.

6. IT IS FURTHER ORDERED that Defendant shall pay Two Hundred Seven Thousand Five Hundred Dollars and 00/100 Cents (\$207,500.00) in consumer restitution. The State will distribute the funds to eligible consumers in a claim procedure determined by the State.

(a) For the purpose of restitution, the term "eligible consumer" means and includes any consumer (1) who was contacted by Defendant or an employee of Defendant on or between July 21, 2007, and the date on which this Judgment is signed and (2) who filed a valid complaint with the Ohio Attorney General or the Greater Cleveland Better Business Bureau in relation to the collection of a debt by Defendant between July 21, 2007, and the

date on which this Judgment is entered. Any funds under this provision not allocated to consumers within six months of the effective date of this judgment will become part of the Consumer Protection Enforcement Fund. Consumers receiving restitution will sign a release of claims against Defendant and Defendant's current and former employees, officers, shareholders, attorneys and agents through the date of the signing of this judgment. The release will only release claims for the consumer's debt of which they complained to the Ohio Attorney General or Better Business Bureau about and is being resolved in this matter. Plaintiff and Defendant will approve said release before sending to consumers.

(b) Deadline to Pay Restitution. Defendants shall pay the restitution to the Ohio Attorney General's Office in three installments. Payment shall be due as follows: (1) first payment of \$51,875.00 due upon entry of this Consent Judgment, (2) second payment of \$51,875.00 due thirty (30) days after entry of this Consent Judgment, (3) third payment of \$51,875.00 due sixty (60) days after entry of this Consent Judgment, and (4) fourth payment of \$51,875.00 due ninety (90) days after entry of this Consent Judgment. The Attorney General's Office will disburse the money to consumers as determined in accordance with this Judgment. Payment shall be made by delivering a certified check or money order, made payable to the "Ohio Attorney General's Office," to:

**Patricia Anderson  
Administrative Secretary  
Consumer Protection Section  
30 E. Broad Street, 14<sup>th</sup> Floor  
Columbus, Ohio 43215.**

7. IT IS FURTHER ORDERED that Defendant shall negotiate in good faith, through the office of the Attorney General, any consumer complaints filed with the Ohio Attorney General's

Office concerning Defendant's conduct occurring prior to the filing date of this Consent Judgment, which are brought by consumers that are discovered after entering into this Consent Judgment.

8. IT IS FURTHER ORDERED that Defendant shall pay Two Hundred Seven Thousand Five Hundred Dollars and 00/100 Cents (\$207,500.00) to the Office of the Ohio Attorney General to be placed in the Consumer Protection Enforcement Fund of the Ohio Attorney General's Office. Said payment shall be used as provided by R.C. 1345.51, including reimbursement for investigative and administrative costs and attorney's fees associated with this matter. Payment shall be due as follows: Payment shall be due as follows: (1) first payment of \$51,875.00 due upon entry of this Consent Judgment, (2) second payment of \$51,875.00 due thirty (30) days after entry of this Consent Judgment, (3) third payment of \$51,875.00 due sixty (60) days after entry of this Consent Judgment, and (4) fourth payment of \$51,875.00 due ninety (90) days after entry of this Consent Judgment. Those payments are to be made via a certified check or money order, made payable to the "Ohio Attorney General's Office," delivered to:

**Patricia Anderson**  
**Administrative Secretary**  
**Consumer Protection Section**  
**30 E. Broad Street, 14<sup>th</sup> Floor**  
**Columbus, Ohio 43215**

9. IT IS FURTHER ORDERED that Defendant maintain in its possession and control for a period of two (2) years all business records relating to Defendant's debt collection activities in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable seventy-two (72) hour notice, to inspect and/or copy any and all records. Recordings of debt

collection telephone conversations are excepted from the two (2) year requirement, but must be maintained for six (6) months.

10. IT IS FURTHER ORDERED that any violation of the Orders set forth in Paragraphs 1 through 8 above shall constitute contempt.

11. Failure of the Attorney General to timely enforce any term, condition, or requirement of this Consent Judgment shall not provide, nor be construed to provide, Defendant a defense for noncompliance with any term of this Consent Judgment or any other law, rule, or regulation; nor shall it stop or limit the Attorney General from later enforcing any term of this Consent Judgment or seeking any other remedy available by law, rule, or regulation.

12. IT IS FURTHER ORDERED that nothing in this Consent Judgment shall in any way preclude any investigation or enforcement action against Defendant under any legal authority granted to the State for transactions not subject to this action.

13. IT IS FURTHER ORDERED that Defendant shall not represent directly or indirectly or in any way whatsoever that the Court or the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of Defendant's business operation.

14. IT IS FURTHER ORDERED that each party shall bear its own costs associated with this matter.

15. This Court shall retain jurisdiction to enforce compliance with this Consent Judgment.

IT IS SO ORDERED.

Dated: April 8, 2010

s/ James S. Gwin  
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JUDGE JAMES S. GWIN

Approved:

/s/ Michael R. Sliwinski

MICHAEL R. SLIWINSKI (0076728)  
TERESA A. HEFFERNAN (0080732)  
Assistant Attorney General  
Consumer Protection Section  
615 W. Superior Ave. 11<sup>th</sup> Floor  
Cleveland, Ohio 44113-1899  
(216) 787-3104  
(877) 616-5276 (fax)  
michael.sliwinski@ohioattorneygeneral.gov

Counsel for the Plaintiff

/s/ Jeffrey Turner

JEFFREY TURNER (0063154)  
Surdyk, Dowd, and Turner Co., LPA  
1 Prestige Place, Suite 700  
Miamisburg, Ohio 45342  
(937) 222-2333  
(937) 222-1970 (fax)  
jturner@sdtlawyers.com

Counsel for the Defendant