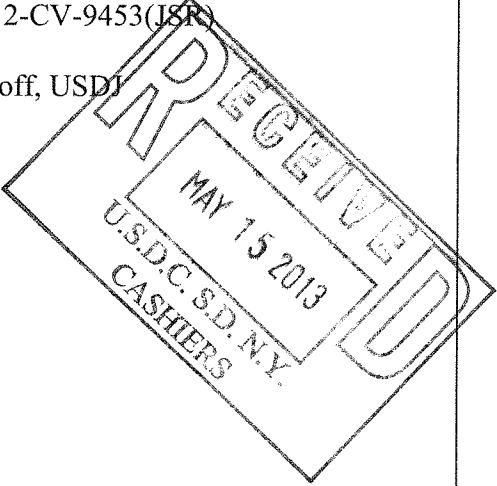


**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

<p>JAMES LACOURTE, on behalf of himself and all others similarly situated,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">- against -</p> <p>JPMORGAN CHASE & CO., NCO GROUP, INC. n/k/a EXPERT GLOBAL SOLUTIONS, INC., NCO FINANCIAL SYSTEMS, INC., ONE EQUITY PARTNERS a/k/a ONE EQUITY PARTNERS HOLDING CORPORATION a/k/a ONE EQUITY PARTNERS LLC a/k/a ONE EQUITY PARTNERS II, L.P., FORSTER & GARBUS LLP and DOES 1 THROUGH 150 LAW FIRM AFFILIATES OF NCO GROUP, INC. AND NCO FINANCIAL SYSTEMS, INC.,</p> <p style="text-align: center;">Defendants</p>	<p>Case No. 12-CV-9453(JSR)</p> <p>Jed S. Rakoff, USDJ</p> <div style="text-align: center;"></div>
--	--

SECOND AMENDED CLASS ACTION COMPLAINT¹

1. Pursuant to Civil Case Management Plan ordered by this Court (Dkt. No. 57),

¹ Insofar as this Court in the April 26, 2013 Order dismissed in part or in whole Plaintiff's claims against defendants originally-named in this action, Plaintiff continues to include those claims in this Second Amended Class Action Complaint to preserve all dismissed claims for appeal or a subsequent motion for leave to file further amendments to the pleadings, and expressly does not waive any claims against any defendant named in the prior complaints filed in this action.

The Court's Civil Case Management Plan (Dkt. No. 57) granted leave to file an amendment of Plaintiff's First Amended Class Action Complaint and claims through May 15, 2013. This Second Amended Class Action Complaint amends, revises and supplements Plaintiff's claims and allegations in support of the FDCPA and New York Judiciary Law §487 claims, including the claims asserted against defendant NCO Group, Inc. Plaintiff believes the Court's silence in its April 26, 2013 Order (Dkt. No. 56) as to whether the claims against NCO Group, Inc. were dismissed with or without prejudice, and its order granting leave to file this Second Amended Class Action Complaint, indicates that the FDCPA and New York Judiciary Law §487 claims asserted against NCO Group, Inc. were dismissed without prejudice, and as a result of this amended complaint those claims against NCO Group, Inc. are repleaded and reinstated.

This Second Amended Class Action Complaint contains new, supplemented or revised allegations in Paragraphs 1, 8, 12, 39, 53, 58, 59, 61, 65(ee), 66, 113-126, 206 and 250.

Plaintiff, James LaCourte, by and through his counsel of record, on behalf of himself and all others similarly situated, on behalf of the Class and Subclasses defined herein, alleges the following, upon information and belief, against Defendants JPMorgan Chase & Co. (“Chase”), NCO Group, Inc. n/k/a Expert Global Solutions, Inc. (“NCO”), NCO Financial Systems, Inc. (“NCOF”), One Equity Partners a/k/a OEP Holding Corporation a/k/a One Equity Partners LLC a/k/a One Equity Partners II, L.P. (“One Equity Partners”), Forster & Garbus LLP, and Does 1 through 150 Affiliate Law Firms of NCO Group, Inc. (“Defendants”), for violation of the Fair Debt Collection Practices Act (“FDCPA”), 18 U.S.C. §1692 *et seq.*, the Fair Credit Reporting Act (“FCRA”), 18 U.S.C. 1681 *et seq.*, the New York General Business Law §349, New York Judiciary Law §487, and Conspiracy to violate the FDCPA, FCRA, New York GBL§349 and/or New York Judiciary Law §487, as follows:²

NATURE OF THE ACTION

2. Plaintiff brings this action on behalf of himself and a Class and Subclasses of consumers who have been the subject of unlawful and deceptive debt collection and credit reporting practices employed by Defendants, individually and collectively.

3. Included among the unlawful conduct are Defendants’ filing of lawsuits against consumers and debtors for debts which they do not owe, or do not owe in the amounts claimed, and without investigating or verifying the accuracy of the debt claims in their efforts to mass generate judgment accounts from consumer collection accounts, while knowing, or intentionally failing to know, that the consumers do not owe the underlying debt, in whole or in part.

² The parties have agreed to the voluntary dismissal, without prejudice, of the claim alleged in Plaintiff’s Class Action Complaint for violation of the Racketeer Influenced Corrupt Organizations Act.

Defendants intentionally do not obtain, or cannot obtain, proof that the consumers actually owe the alleged debt, in whole or in part.

4. Defendants, and in particular NCO, NCOF, Forster & Garbus and the Does 1 – 150 Affiliate Law Firms, working under the management, ownership, dominion and control of One Equity Partners and Chase, engaged in further violations of the FDCPA based on the abusive, harassing, misleading and deceptive manner in which they routinely attempt to collect debts from consumers and debtors.

5. Defendants routinely violate the FCRA by furnishing false and/or inaccurate information to credit bureaus, and regardless of whether they furnished the originally false or inaccurate information to the credit bureaus, by failing to correct or remove information from consumers' credit reports that they knew, or should reasonably know is false and/or inaccurate.

6. As alleged herein, Defendants individually, collectively, systematically, willfully, recklessly and/or negligently violate the FDCPA, the FCRA, New York General Business Law ("GLB") Section 349, New York Judiciary Law Section 487 and for participating in a conspiracy to violate the FDCPA, FCRP, New York GBL Section 349 and New York Judiciary Law Section 487.

JURISDICTION AND VENUE

7. Plaintiff invokes the subject matter jurisdiction of this Court pursuant to 28 U.S.C. §1331, which confers original jurisdiction upon this Court for all civil actions arising under the laws of the United States, and pursuant to 15 U.S.C. §1692k(d) and 15 U.S.C. §§ 1681n, 1681o and 1681p. This Court has supplemental jurisdiction over the Plaintiff's state law

and common law claims pursuant to 28 U.S.C. §1367(a).

8. Plaintiff further invokes the subject matter jurisdiction of this Court pursuant to 28 U.S.C. §1332(d).

9. This Court has personal jurisdiction over Defendants because a substantial portion of the wrongdoing alleged herein took place in New York. Defendants are authorized to do business in New York and have sufficient minimum contacts with New York so as to render the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

10. Venue is proper in this District under 28 U.S.C. §1391.

THE PARTIES

11. Plaintiff James LaCourte is domiciled in, and is a citizen of, Huntington, New York.

12. Defendant NCO Group, Inc. n/k/a Expert Global Solutions, Inc. (“NCO”), a Delaware corporation headquartered at 507 Prudential Road, Horsham, Pennsylvania, 19044, is the largest debt collector in the United States with an annual revenue of \$1.2 billion in 2011. NCO is an indirect majority owned and controlled subsidiary of Chase. NCO is a holding company and conducts its business operations, in part, through its subsidiaries. NCO interfaces with consumers through a network of wholly-owned subsidiaries operating as debt collection agencies, including, but not limited to, the following, as well as other entities d/b/a NCO: AC Financial Services, Inc.; AssetCare, Inc.; Compass International Services Corporation; Compass Teleservices, Inc.; FCA Funding, Inc.; FCA Leasing, Inc.; JDR Holdings, Inc.; NCO ACI Holdings, Inc.; RMH Teleservices, Inc.; NCOF; NCO Funding Inc.; Management Adjustment

Bureau Funding, Inc.; NCPM Acquisition Corp. and NCO Portfolio Management (“NCOP”). NCO also interfaces with consumers through a network of attorney law firm affiliates, including Forster & Garbus LLP and Does 1 – 150, retained for the purpose of suing consumers and debtors of NCO or its creditor clients. NCO is owned, controlled and dominated by Chase and One Equity Partners. NCO is a debt collector and furnisher of information to credit reporting agencies. Defendant NCO Financial Systems, Inc. (“NCOF”) is a wholly-owned and controlled subsidiary of NCO, and indirectly-owned, controlled and dominated by defendants Chase and One Equity Partners, that maintains its headquarters at 507 Prudential Road, Horsham, Pennsylvania, 19044. NCOF is a debt collector and furnisher of information to credit reporting agencies.

13. Defendant JP Morgan Chase & Co. (“Chase”) maintains corporate headquarters at 270 Park Avenue, New York, New York, 10017-2070. Chase provides investment banking, financial services for consumers and businesses, financial transaction processing, asset and wealth management and private equity services. Chase is a debt collector and furnisher of information to credit reporting agencies by reason of its ownership, control and domination over NCO, NCOF and One Equity Partners.

14. One Equity Partners is the private equity arm of Chase and the majority shareholder of NCO, owning approximately 85% of the common stock of NCO. One Equity Partners Holding Corporation, One Equity Partners LLC and One Equity Partners II, L.P. each maintain their corporate headquarters at 320 Park Avenue, New York, New York. According to a list of Chase’s “subsidiaries” annexed to its Form 10-Ks filed with the United States Securities and Exchange Commission (“SEC”) One Equity Partners Holding Corporation is incorporated

in Delaware and One Equity Partners II, L.P. was formed in the Cayman Islands. Filings with the SEC represent that One Equity Partners Holding Corporation controls the managing member of One Equity Partners, LLC and that One Equity Partners' Holding Corporation is the ultimate general partner of One Equity Partners II, L.P. One Equity Partners is a debt collector and furnisher of information to credit reporting agencies both based on One Equity Partners' and its officers' and directors' own direct acts and management of NCO and NCOF, and by reason of One Equity Partners' ownership, control and domination over NCO and NCOF.

15. Defendant Forster & Garbus LLP ("Forster & Garbus") is a law firm and debt collector located at 60 Motor Parkway, Commack, New York 11725. Forster & Garbus is one of the approximately 150 Law Firm Affiliates of NCO and NCOF. Forster & Garbus is a debt collector and furnisher of information to credit reporting agencies.

16. Defendant Does 1 through 150 are the nationwide Law Firm Affiliates of NCO and NCOF that operate for the purpose of collecting alleged debts and filing of debt collection lawsuits against consumers for NCO's and NCOF's creditor clients. Although the names and locations of the Defendant Does 1 through 150 are not fully known to Plaintiff and his counsel at this time, Defendant Does 1 through 150 can be readily identified in the books and records of NCO and NCOF. Does 1 through 150 Affiliated Law Firms are debt collectors and furnishers of information to credit reporting agencies.

STATEMENT OF FACTS

DEBT COLLECTION ALCHEMY:

TURNING QUESTIONABLE COLLECTION ACCOUNTS INTO CASH AND COURT JUDGMENTS

17. In 2000, Chase recouped \$130 million a year from bad consumer debt. By 2009, Chase's recoveries on consumer credit card debt alone exceeded \$1.2 billion. From 2009 to

2011, Chase charged off more than \$20 billion in consumer credit card accounts. Chase's recovery of, and profit from, consumer debt is accomplished, in part, through its subsidiaries NCO and NCOF. *See OCC Probing JPMorgan Chase Credit Card Collections*, by Jeff Horowitz, American Banker, March 12, 2012.

18. NCO and its subsidiaries are collectively the largest debt collector in the United States with an annual revenue of \$1.2 billion in 2011.

19. Increasingly, debt collectors and debt buyers are commencing debt collection lawsuits in order to collect from consumers. Under New York law, a creditor or debt collector bears the proof in legal actions and must submit admissible evidence demonstrating that the debt buyer is the rightful owner of the account and that the defendant consumer actually owes the debt in the precise amount claimed. *See, e.g., American Express Bank FSB v. Zweigenheft*, NYLJ 1202588868411 (N.Y. Civ. Ct. Kings Co. Jan. 29, 2013); *Citibank v. Martin*, 807 N.Y.S. 2d 284 (N.Y. Civ. Ct. N.Y. Co. 2005). Debt collectors acting for their creditor clients, however, generally do not obtain account documentation prior to commencing a lawsuit against a consumer for debt collection. Instead, debt collectors bring lawsuits based on the skeletal electronic files received from third parties, or less.

20. Because of the high rate of default by consumer defendants in debt collection lawsuits, however, debt collectors and their creditor clients are rarely required to prove their allegations through actual evidence of the alleged underlying consumer debt. Indeed, consumers appear to defend themselves in approximately only 10% of the debt collection cases brought in the New York Civil Court, and default judgments are entered in the vast majority of debt collection lawsuits filed against consumers and alleged debtors.

21. Consumer collection accounts which have been turned into enforceable court judgments through debt collection lawsuits command a much higher value in the debt market than collection accounts which haven't been reduced to a judgment. This is because once the collection account has been reduced to a court judgment, the owner of the judgment can use strong-armed post-judgment collection remedies against the consumer, which include wage garnishment, attachment of bank accounts, and asset seizure. Thus, in the debt market, a portfolio of "judgment accounts" is worth significantly more than a portfolio of "collection accounts."

22. The least expensive and quickest type of judgment to obtain is the default judgment. Generally, a creditor needs only the following to obtain a default judgment against the consumer: (1) a form complaint; (2) an affidavit by an employee of the creditor attesting to the accuracy of the amount owed; (3) proof of service at the consumer's last known address; and (4) a form default order for the court's execution.

23. As The New York Times reported on August 12, 2012, "many of the [consumer debt collection] lawsuits rely on erroneous documents, incomplete records and generic testimony from witnesses, according to judges who oversee the cases." See Jessica Silver-Greenberg, *Problems Riddle Moves to Collect Credit Card Debt*, The New York Times, (Aug. 12, 2012). The Honorable Noach Dear, a civil court judge in Brooklyn, New York stated, "I would say that roughly 90 percent of the credit card lawsuits are flawed and can't prove the person owes the debt." *Id.* As The New York Times reported:

Interviews with dozens of state judges, regulators and lawyers, however, indicated that such flaws are increasingly common in credit card suits. In certain instances, lenders are trying to collect money from consumers who have already paid their bills....

The problem, according to judges, is that credit card companies are not always following the proper legal procedures, even when they have the right to collect money. Certain cases hinge on mass-produced documents because lenders do not provide proof of outstanding debts, like the original contract or payment history.

Id. See also *Chase Bank USA, N.A. v. Gersis*, 2011 NY Slip Op 51068(U) (N.Y. Civ. Ct. Kings Co. June 15, 2011) (“In sum, the offered ‘robo-testimony’ [by Chase] was insufficient to establish its case by a preponderance of the credible evidence.”) (Dear, J.; dismissing case against *pro se* credit card consumer).

24. The Wall Street Journal echoed the same criticism by another New York Judge:

It isn’t clear how common the problem is, though Philip Straniere, a state-court judge in Richmond County, N.Y., and other judges say deficiencies are worse than in foreclosure cases. “It’s a significant problem ... that’s widespread and yet given virtually no attention,” Judge Straniere said. Last year, Judge Straniere dismissed 150 credit-card-collection suits filed by J.P. Morgan, concluding paperwork submitted by the bank “appeared to be signed in large numbers by only a few individuals.”

Jessica Silver-Greenberg, *Lender Drops Pursuit of Debt*, The Wall Street Journal (June 24, 2011).

25. According to the Federal Trade Commission (“FTC”), “[w]hen accounts are transferred to debt collectors, the accompanying information often is so deficient that the collectors seek payment from the wrong consumer or the wrong account from the correct consumer. FTC, *Collecting Consumer Debts: The Challenges of Change* (2009) at 22, available at <http://www.ftc.gov/bcp/workshopt/debtcollection/dcwr.pdf>. A recent review of the consumer litigation system by the FTC found that “credit card issuers and other companies were basing some lawsuits on incomplete or false paperwork.” See *Problems Riddle Moves to Collect Credit Card Debt*, by Jessica Silver-Greenberg, *The New York Times*, August 12, 2012.

Tom Pahl, the assistant director of the FTC's Division of Financial Practices stated, "Our concerns center on the fact that debt collection lawsuits are a pure volume business. . . . The documentation is very bare bones." *Id.*

26. The New York Times also reported that:

The errors in credit card suits often go undetected, according to the judges. Unlike in foreclosures, the borrowers typically do not show up in court to defend themselves. As a result, an estimated 95 percent of lawsuits result in default judgments in favor of lenders. With a default judgment, credit card companies can garnish a consumer's wages or freeze bank accounts to get their money back.

. . .

Many judges said that their hands are tied. Unless a consumer shows up to contest a lawsuit, the judges cannot question the banks or comb through the lawsuits to root out suspicious documents. Instead, they are generally required to issue a summary judgment, in essence an automatic win for the bank.

Jessica Silver-Greenberg, *Problems Riddle Moves to Collect Credit Card Debt*, The New York Times (Aug. 12, 2012).

27. Thus, the valuation of a particular debt portfolio is not based on the legitimacy of the debt itself, but on the likelihood that a debtor will succumb to the pressure exerted by the threat or entry of a court judgment. *See* FTC, *Collecting Consumer Debts: Challenges of Change* (2009) at 20. The odds are stacked against the alleged consumer debtor. *See* Claudia Wilner *et al.*, *Debt Deception: How Debt Buyers Abuse The System To Prey On Lower-Income New Yorkers*, Neighborhood Econ. Dev. Advocacy Project (2010), available at www.nedap.org/pressroom/documents/DEBT_DECEPTION_FINAL_WEB.pdf (noting that 95% of 457,322 lawsuits filed by twenty-six debt buyers against people residing in low- or moderate-income neighborhoods ended in default judgments, and not a single consumer in the study was represented by counsel.); Jessica Silver-Greenberg, *Boom in Debt Buying Fuels*

Another Boom- In Lawsuits, The Wall Street Journal (Nov. 28, 2010) (reporting that industry estimates 94% of collections end in default and that “[t]he majority of borrowers don’t have a lawyer, some don’t know they are even being sued, and others don’t appear in court, say judges.”).

28. A reasonable consumer may feel forced to pay an invalid debt, rather than face the consequences of having a judgment entered against him or her:

[T]he judgment will impose costs on the consumer by damaging the consumer’s credit rating . . . [which] does more than merely raise the consumer’s cost of credit. A damages credit score can make it difficult to rent an apartment, find a job, or even purchase automobile insurance. . . . credit reports typically do not record the filing of the lawsuit, but they do record judgments. Therefore, a civil filing serves as a credible threat to inflict harm on the [consumer] defendant and may induce the [consumer] defendant to pay.

Richard Hayes, *Broke But Not Bankrupt: Consumer Debt Collection In State Courts*, 60 Fla. L. Rev. 1, 20 (2008).

29. As a result, debt collectors and their creditor clients have been empowered to flood the court system with actions to collect on consumer debt, including debt which is already paid-off or time barred. FTC, *Challenges of Change* at 24. *See also*, Judicial Counsel of Cal., *Trial Court Caseload Increases to Over 10 Million Filings, Data Points 1* (2010) (reporting “[a]n estimated 96,000 consumer debt-collection cases were filed in 2009 in Alameda, Contra Costa and San Francisco Counties alone, up from 53,665 in 2007); Urban Justice Ctr., *Debt Weight: The Consumer Credit Crisis In New York City and Its Impact on the Working Poor 1* (2007) (annual filing of debt collection cases in New York City increased by more than 60% between 2002 and 2007).

30. Indeed, in 2009, the FTC received 37,052 complaints from consumers stating

that they had been targeted by debt collectors who were trying to collect debts that were not owed, in amounts over what was owed, or which had been discharged in bankruptcy. *See* FTC, *Annual Report 2012: Fair Debt Collection Practices Act* at 6-10 (available at www.ftc.gov/os/2010/P104802fdcpa2010annrpt.pdf). The FTC noted that its 2009 complaint data, however, “may understate the extent to which consumers have concerns about the practice of debt collectors” because consumers generally may not be aware of the FTC’s enforcement role or may only file complaints with collectors, creditors or other enforcement agencies. *Id.* at 2.

31. The FTC recently reiterated that, “The FTC receives more consumer complaints about debt collectors, including debt buyers, than about any other single industry. Many of these complaints appear to have their origins in the quantity and quality of information that collectors have about debts.” FTC, *The Structure and Practices of the Debt Buying Industry* (January 2013) at i (the “FTC 2013 Report”). Limited to only debt buyers, themselves debt collectors, the FTC 2013 Report estimates that “that each year buyers sought to collect about one million debts that consumers asserted they did not owe.” *Id.* at iv.

32. Those errant debt collection efforts translate into false credit reporting that further injures consumers. “The CRAs [Credit Reporting Agencies] obtain records related to consumers’ credit history from data furnishers including creditors, collection agencies, and public sources.” FTC, *Report to Congress Under Section 319 of the Fair and Accurate Credit Transactions Act of 2003* (Dec. 2012) at 2 (the “FTC 2012 FACTA Report”).

33. The FTC 2012 FACTA Report concluded that the most frequent cause of errors on consumer credit reports resulted from inaccurate credit reporting concerning collection

accounts. *See id.* at 51.

34. The FTC conclusions are apparent from the activities of debt collectors like NCO, NCOF, Forster & Garbus and the other Defendants in this action.

35. For example, a wrongful termination complaint filed by a former Chase and NCO manager in Texas state court, removed to federal court, styled *Almonte v. JP Morgan Chase Bank, N.A.*, alleged that Chase required its employees to bundle and sell for further debt collection the consumer debts that did not have adequate documentation, debts that listed incorrect balances, debt subject to bankruptcy proceedings and debts claimed to be reduced to judgment, but which were missing the judgments or otherwise defective. The federal court denied a motion by Chase to dismiss that former manager's lawsuit, which thereafter settled. That former manager, Ms. Almonte, subsequently filed a whistle-blower complaint with the SEC.

36. About that lawsuit, it was reported that,

Linda Almonte, a former team leader in Chase's San Antonio credit card services division, accused the bank of firing her for objecting to the sale of \$200 million in legal judgments obtained by bank attorneys. Half the accounts lacked adequate documentation of judgment and one-sixth listed the wrong amounts owed, Almonte claimed in a suit filed in U.S. District Court for the Western District of Texas. In its response, Chase did not dispute inaccuracies in the debt balances and documentation. Instead, it said its sales agreement allowed for errors and thus was proper. "[T]he parties explicitly agreed that the judgments were purchased 'as is' and 'with all faults,'" Chase's attorney wrote. Chase was unsuccessful in getting the case dismissed and settled it on undisclosed terms last April; it ceased filing new consumer debt lawsuits in many states the same month.

Jeff Hurwitz, *JPM Chase Quietly Halts Suits Over Consumer Debts*, *American Banker* (Jan.10, 2012).

PLAINTIFF JAMES LACOURTE'S FACTUAL ALLEGATIONS

37. Plaintiff James LaCourte was the holder of an American Express credit or charge card, account number ending 1000, which was used by Plaintiff primarily for personal, family and household purposes.

38. In or about February 2009, Mr. LaCourte negotiated a full settlement of his American Express credit or charge card debt. Beginning in April, 2009 and continuing through August 2010, Plaintiff LaCourte made the agreed settlement payments in the total amount of \$4,128.02 to completely repay his debt to American Express. Accordingly, as of August 2010, Plaintiff LaCourte owed no monies to American Express.

39. Nevertheless, beginning in October 2010, after Plaintiff LaCourte had fully repaid his debt to American Express, NCO, NCOF and Forster & Garbus launched an abusive and harassing debt collection campaign falsely representing that Plaintiff LaCourte owed a debt to American Express in the amount of \$2,752.01 and demanding by mail and telephone on at least twenty-nine separate occasions, that Plaintiff LaCourte pay \$2,752.01. Those false, abusive and harassing debt collection telephone calls or letters were made or sent on the following dates, among others, over the United States mails and wires: October 18, 2010 (letter), October 20, 2010 (telephone call), October 27, 2010 (telephone call), November 4, 2010 (telephone call), November 11, 2010 (telephone call), November 17, 2010 (telephone call), November 24, 2010 (telephone call), December 7, 2010 (telephone call to employer); December 9, 2010 (letter), December 10, 2010 (letter), December 13, 2010 (telephone call), December 17, 2010 (telephone call), December 20, 2010 (telephone call), December 21, 2010

(telephone call), December 29, 2010 (telephone call), January 3, 2011 (telephone call), January 4, 2011 (telephone call), January 7, 2011 (telephone call), January 11, 2011 (telephone call), January 18, 2011 (telephone call), January 21, 2011 (telephone call), January 27, 2011 (telephone call), February 2, 2011 (telephone call), February 17, 2011 (telephone call), February 21, 2011 (letter), February 22, 2011 (letter), February 23, 2011 (telephone call), February 25, 2011 (telephone call), December 29, 2011 (telephone call), March 1, 2012 (letter and attachments).

40. Among the debt collection letters sent by NCO and NCOF to Plaintiff LaCourte was a letter dated October 18, 2010 (Ex. B hereto). In that letter, NCO and NCOF represent that: “This is an attempt to collect a debt. Any information obtained will be used for that purpose. This communication is from a debt collector.”

41. Among the debt collection letters sent by Forster & Garbus to Plaintiff LaCourte was a letter dated December 9, 2010 (Ex. C hereto). In that letter, Forster & Garbus represents that: “This is an attempt to collect a debt. Any information obtained will be used for that purpose. This communication is from a debt collector.”

42. In communications with NCO, NCOF or Forster & Garbus since September 2010, Plaintiff LaCourte informed NCO, NCOF and Forster & Garbus that he did not owe any debt to American Express, including specifically the debt falsely and repeatedly demanded by NCO, NCOF and Forster & Garbus.

43. In response to Plaintiff LaCourte’s disputes of the debt to NCO, NCOF and Forster & Garbus, none of them sought to verify the debt with American Express or with prior debt collectors that they knew had been in contact with Plaintiff, or to provide Plaintiff with a

verification of the debt.

44. Nevertheless, on January 17, 2011, NCO and NCOF retained Forster & Garbus to file a lawsuit against Plaintiff LaCourte in the New York state courts concerning the same credit card debt which had been previously settled and paid in full by Mr. LaCourte. The action was captioned *American Express Centurion Bank v. James LaCourte*, Index No. 714/11, State of New York, County of Suffolk, 2nd District Babylon (the “*LaCourte Action*”).

45. Prior to filing the lawsuit on behalf of (but without the involvement of) American Express, demanding \$2,752.01 plus interest, NCO’s and NCOF’s records indicate that they sent their files concerning Plaintiff to Forster & Garbus.

46. Consistent with its policies and procedures, NCO and NCOF was orchestrating the *LaCourte Action* and retained Forster & Garbus to abuse the New York state court system to collect a false debt from Plaintiff that NCO, NCOF and Forster & Garbus knew, or with reasonably diligence should have known, was a false debt.

47. NCO and NCOF admitted in the Report filed with this Court, in this action, pursuant to Federal Rule of Civil Procedure 26(f), that, “NCO Financial subsequently placed the debt with Defendant Fo[r]ster & Garbus, LLP (‘F&G’) to file a lawsuit against Plaintiff,”. Absent from Defendants’ admission was any claim that American Express, the nominal plaintiff in the *LaCourte Action*, approved the lawsuit against Plaintiff prior to its filing or verified the facts alleged in that lawsuit commenced by NCO, NCOF and Forster & Garbus against Plaintiff LaCourte.

48. The “Formal Complaint” (Ex. D hereto) filed by Forster & Garbus against Plaintiff LaCourte, at the direction of NCO and NCOF, represents: “WE ARE DEBT

COLLECTORS;”

49. In the debt collection letter dated February 21, 2011, Forster & Garbus represented to Plaintiff LaCourte that: “WE ARE REQUIRED, UNDER FEDERAL LAW, TO ADVISE YOU THAT WE ARE DEBT COLLECTORS AND ANY INFORMATION WE OBTAIN WILL BE USED IN ATTEMPTIONG TO COLLECT THIS DEBT.”

50. Numerous statements in the Formal Complaint were false and deceptive, including:

(a). “THERE REMAINS AN AGREED BALANCE ON SAID ACCOUNT OF 2,752.01, DUE AND OWING. NO PART OF SAID SUM HAS BEEN PAID ALTHOUGH DULY DEMANDED.”

(b). “DEFENDANT(S) IS IN DEFAULT AND DEMAND FOR PAYMENT HAS BEEN MADE.”

(c). “PLAINTIFF STATED AN ACCOUNT TO DEFENDANT WITHOUT OBJECTION BY DEFENDANT.”

(d). “PLAINTIFF STATED AN ACCOUNT TO DEFENDANT WITHOUT OBJECTION THAT THERE IS NOW DUE PLAINTIFF FROM DEFENDANT(S) THE AMOUNT SET FORTH IN THE COMPLAINT, NO PART OF WHICH HAS BEEN PAID, ALTHOUGH DULY DEMANDED.”

51. Forster & Garbus signed the complaint in the *LaCourte Action* pursuant to the New York Rules of the Chief Administrator, Part 130-1.1a, certifying that, “to the best of that person’s knowledge, information and belief, formed after an inquiry reasonable under the circumstances, (1) the presentation of the paper or the contentions therein are not frivolous as defined in section 130-1.1(c) of this Subpart, and (2) where the paper is an initiating pleading, (i) the matter was not obtained through illegal conduct, or that if it was, the attorney or other persons responsible for the illegal conduct are not participating in the matter or sharing in any

fee earned therefrom, and (ii) the matter was not obtained in violation of 22 NYCRR 1200.41-a.” (Emphasis added).

52. As recently as January 4, 2012, NCO’s and NCOF’s files state that neither NCO, NCOF nor Forster & Garbus had received any “media” concerning the debt they alleged was owed by Plaintiff. Nevertheless, NCO, NCOF and Forster & Garbus, knowing they did not possess any “media” (or back-up information), attempted to collect a false debt from Plaintiff, which NCO, NCOF and Forster & Garbus knew was false, on at least twenty-nine occasions by mail or telephone, and filed a lawsuit against him in a state court.

53. On or about February 25, 2011, Plaintiff filed by mail an Answer in the *LaCourte Action* denying all claims made by NCO and Forster & Garbus in the name of American Express (Ex. E hereto). Plaintiff undertook the expense of preparing, filing and serving that Answer. Plaintiff incurred additional expense as a result of attending court appearances in the *LaCourte Action*. Plaintiff incurred further and additional out-of-pocket expenses defending the *LaCourte Action*.

54. Plaintiff’s Answer filed in the *LaCourte Action* disputing the debt is listed in NCO’s and NCOF’s file concerning Plaintiff LaCourte as of March 2, 2011.

55. Even after receiving Plaintiff LaCourte’s written Answer disputing the debt, NCO, NCOF and Forster & Garbus did not attempt to verify the debt with American Express or with the prior debt collectors they knew had been in contact with Plaintiff.

56. In April, 2011, Plaintiff retained counsel to assist his defense in the *LaCourte Action*, which included obtaining records maintained by NCO, NCOF and American Express concerning the false debt that was the subject to the *LaCourte Action*.

57. Even after Plaintiff filed his answer in the *LaCourte Action* disputing the alleged debt, and after counsel appeared for Plaintiff in the *LaCourte Action*, NCO, NCOF and/or Forster & Garbus, continued to directly contact Plaintiff for the purpose of collecting the false debt.

58. Plaintiff appeared personally in the *LaCourte Action* in December 2011 to assist his defense of that frivolous debt collection lawsuit, and was injured thereby, including the cost and expense of attending the court hearing and by reason of lost wages.

59. Plaintiff's counsel appeared in the *LaCourte Action* on April 11, 2012 to assist Plaintiff's defense of that frivolous debt collection lawsuit.

60. After the *LaCourte Action* was pending for seventeen months, on July 27, 2012, the parties to the *LaCourte Action* executed a Stipulation Discontinuing Action With Prejudice. It was admitted and conceded in that Stipulation by Forster & Garbus, and indirectly by NCO and NCOF, that: "the debt claimed in Plaintiff's [American Express'] Complaint is not owed by Defendant [James LaCourte] and was settled and paid,...."

61. Plaintiff's counsel appeared for the *LaCourte Action* on August 3, 2012 to assist Plaintiff's defense of that frivolous debt collection lawsuit to personally file the Stipulation Discontinuing Action With Prejudice in the New York state court.

62. Although NCO, NCOF and Forster & Garbus had ignored Plaintiff LaCourte's dispute of the alleged debt for over seventeen months, not until becoming concerned on July 24, 2012 (Ex. F hereto) that "[LaCourte] has filed a complaint which can turn into a lawsuit stating that the account was settled," did NCO and NCOF attempt to verify the debt. As discussed below, NCO's and NCOF's policies forbade Forster & Garbus from investigating or verifying

Plaintiff's debt prior to instituting debt collection and a lawsuit against Plaintiff.

63. The July 24, 2012 email (Ex. F hereto) demonstrates that NCO and NCOF knew, and Forster & Garbus knew as a result of having received NCO's and NCOF's files concerning Plaintiff LaCourte, that: i) Plaintiff LaCourte had made every one of his scheduled payments from April 2009 through and including August 2010, even listing those settlement payments by date of payment in a chart included in the email; and ii) another collection agency had been in contact with Plaintiff LaCourte concerning the same alleged debt.

64. When NCO and NCOF finally attempted to investigate and verify Plaintiff LaCourte's alleged debt in an email (Ex. F hereto) to the prior debt collector they knew existed, listing each of Plaintiff LaCourte's settlement payments NCO and NCOF knew were made, Defendants learned in a single day that Plaintiff LaCourte had fully settled and paid his debt to American Express by August 2010.

65. Defendants, acting individually, collectively and in furtherance of the conspiracy alleged herein, made false and deceptive misrepresentations to Plaintiff, and to third parties about Plaintiff, including the following:

- (a). On October 18, 2010, NCO and NCOF sent a letter to Plaintiff using the United States mails falsely representing that he owed a debt of \$2,752.01;
- (b). On October 20, 2010, NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (c). On October 27, 2010, NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (d). On November 4, 2010, NCO and NCOF used the telephone wires to call

Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(e). On November 11, 2010, NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(f). On November 17, 2010, NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(g). On November 24, 2010, NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(h). On December 9, 2010, Forster & Garbus sent a letter to Plaintiff using the United States mails falsely representing that he owed a debt of \$2,752.01;

(i). On December 10, 2010, Forster & Garbus sent a letter to Plaintiff using the United States mails falsely representing that he owed a debt of \$2,752.01;

(j). On December 13, 2010, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(k). On December 17, 2010, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(l). On December 17, 2010, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's employer and falsely represent that Plaintiff owed a debt;

(m). On December 20, 2010, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

- (n.) On December 21, 2010, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (o.) On December 29, 2010, Forster & Garbus or NCO used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (p.) On January 3, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (q.) On January 4, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (r.) On January 7, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (s.) On January 11, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (t.) On or about January 17, 2011, Forster & Garbus, at the direction of NCO and NCOF, filed a Formal Complaint with the District Court of the State of New York, County of Suffolk, 2nd District, Babylon falsely representing that Plaintiff owed a debt of \$2,752.01, plus interest, which Formal Complaint was served on Plaintiff using the United States mails;

- (u). On January 18, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (v). On January 21, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (w). On January 27, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01
- (x). On February 2, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (y). On February 17, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;
- (z). On February 21, 2011, Forster & Garbus sent a letter to Plaintiff using the United States mails falsely representing that he owed a debt of \$2,752.01;
- (aa). On February 22, 2011, Forster & Garbus or NCO and NCOF sent a letter to Plaintiff using the United States mails falsely representing that he owed a debt of \$2,752.01;
- (bb). On February 23, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of

\$2,752.01;

(cc). On February 25, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01;

(dd). On December 29, 2011, Forster & Garbus or NCO and NCOF used the telephone wires to call Plaintiff's home and falsely represent that Plaintiff owed a debt of \$2,752.01 after knowing he was represented by counsel;

(ee). On March 1, 2012, NCOF sent a letter to Plaintiff's counsel, annexing NCOFs account notes, falsely representing that Plaintiff owed a debt to American Express.

66. In addition to the debt collection communications set forth in the prior paragraph, Plaintiff or his counsel personally appeared to the defend or terminate the *LaCourte Action* in December 2011, April 11, 2012 and August 3, 2012.

67. Plaintiff LaCourte is not the only consumer who has been sued in court for a debt that was not owed as a result of his or her dealings with NCO and NCOF. Tens of thousands of consumers have been sued nationwide as a result of NCO's, NCOF's, Forster & Garbus' and Does 1 to 150 Law Firm Affiliates' efforts, performed at the behest and under the control of Chase and One Equity Partners, to turn questionable and unverified consumer debt or collection accounts into enforceable court judgments, regardless of whether the consumer actually owes the alleged underlying debt, in whole or in part.

FURNISHING A FALSE DEBT TO THE CREDIT BUREAUS THAT HAS NOT BEEN CORRECTED OR REMOVED BY DEFENDANTS FROM PLAINTIFF LACOURTE'S CREDIT REPORTS

68. The false American Express debt that Defendants sought for seventeen months to collect from Plaintiff LaCourte was furnished to credit bureaus, including Equifax, Experian

and TransUnion.

69. That false debt appears on Plaintiff LaCourte's credit reports prepared by Equifax, Experian and TransUnion.

70. Upon information and belief, NCO, NCOF and/or Forster & Garbus furnished information concerning the false American Express debt that they attempted to collect from Plaintiff LaCourte to one or more credit bureaus beginning on April 30, 2009, and continuing to the present.

71. Regardless whether any Defendant furnished information concerning the false American Express debt to one or more credit bureaus, Defendants have each failed to correct that false and inaccurate debt appearing on Plaintiff LaCourte's credit reports, even after stipulating to dismissal of the *LaCourte Action* and therein admitting the false American Express debt was not owed.

72. As a result of the false debt appearing on Plaintiff LaCourte's credit reports, and not being corrected and removed from his credit reports, Plaintiff LaCourte was denied credit on or about July 31, 2012 by Bethpage Federal Credit Union, and was thereby further injured and continues to be injured as a result of Defendants' unlawful acts.

NCO'S POLICIES AND PROCEDURES FORBADE ITS LAW FIRM AFFILIATES FROM VERIFYING DEBTS, COMMUNICATING WITH THE CREDITORS OR OBTAINING BACKUP MEDIA

73. In its Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2010, at page 6, NCO represents that it operates "Attorney Network Services" through which NCO "coordinate[s] and implement[s] legal collection solutions undertaken on behalf of our clients through the management of nationwide legal resources specializing in collection litigation. Our collection support staff manages the attorney

relationships and facilitates the transfer of necessary documentation.”

74. NCO and NCOF employ a network of at least 150 debt collection affiliate law firms nationwide to commence the debt collection lawsuits on behalf of NCO and/or the credit card issuers against consumers.

75. NCO and NCOF apply three key performance measures for affiliate law firms: (1) the speed at which consumer collection accounts are reduced to judgment accounts; (2) the number of consumer collection accounts reduced to judgment accounts; and (3) the amount of money collected on each judgment account. NCO’s continued placement of the litigation accounts with an affiliate law firm depends on the law firm’s ability to meet the three performance targets of speed, quantity, and amount of money recovered. As a result, accuracy and legitimacy are sacrificed.

76. NCO and NCOF take a “factory approach” to litigation by filing a high volume of lawsuits filed by Defendant Does 1 through 150 Law Firm Affiliates nationwide against alleged consumer debtors based on scant and unverified information. NCO and NCOF use an *Attorney Network Standard Operating Procedure* manual which all Defendant Does 1 through 150 Law Firm Affiliates in the NCO and NCOF attorney network must follow when retained by NCO and NCOF for the performing of debt collection and filing of debt collection lawsuits against consumers. The *Attorney Network Standard Operating Procedure* manual applies to all lawsuits commenced on behalf of NCO’s and NCOF’s creditor clients including, but not limited to, American Express, Discover Card, Capitol One, Applied Card, Bank of America, Ford Motor Credit, CitiFinancial, Chevy Chase, Direct TV, First Marblehead, and NCOP.

77. NCO’s and NCOF’s policy and procedure manuals confirm their involvement

and control over lawsuits filed against Plaintiff and other Class and Subclass members by their attorney network law firms, including Forster & Garbus and Does 1 - 150. Those policies and procedures are set forth in substantial part in a document styled *NCO Financial Systems Attorney Network Standard Operating Procedures (the "Attorney Firm SOP v.2.1" or "Attorney Firm SOP")*.

78. The *Attorney Firm SOP* makes clear in Appendix D that, "Attorney Firms are required to follow NCO's Network Attorney Standard Operating Procedures."

79. The *Attorney Firm SOP* further states in Section 2.0 that, "Attorney Firms are held accountable to these standards as defined in the contract between NCO Financial Systems, and our subcontracted attorneys."

80. The *Attorney Firm SOP* further states in Section 2.0 that, "While many of the standards listed are requisite to our relationship, this document serves as a formal declaration of the standards that NCO requires of its network Attorney Firms."

81. The penalty for non-compliance by affiliate law firms to NCO's and NCOF's policies and procedures is the loss of collection and lawsuit referrals:

Failure to follow the above referenced guidelines will result in the end of account placements. If the Attorney Firm does not meet these requirements, NCO reserves the rights to terminate work on existing, placed accounts.

Attorney Firm SOP v.2.1 §4.1.17.1.

82. NCO and NCOF affiliate law firms are paid on commission. Appendix A to the *Attorney Firm SOP* confirms, "the firms will be paid on commission in a manner based on Cost First."

83. A Chase document styled, "NCO Group Attorney Network Services Overview"

confirms the payment relationship between NCO and its affiliate law firms: “Attorney Firm Compensation[:] • NCO’s network firms are compensated via a contingency fee structure and paid a commission on every dollar collected.”

84. According to the *Attorney Firm SOP*, NCO and NCOF expects that all accounts forwarded to their affiliate law firms will result in a suit decision, *i.e.*, a default judgment against the consumer, within 30-60 days from the date of placement with the affiliated law firm.

85. The NCO and NCOF affiliate law firms are not paid unless, and until, they obtain a judgment or settlement against the consumer. The *Attorney Firm SOP* states at Section 4.1.11.1, “The firm should not submit attorney fees prior to judgment.” The NCO *Attorney Firm SOP* (not the creditors plaintiffs) also advised the law firms when, and on what terms, they could negotiate settlements of lawsuits filed against consumers. *See Attorney Firm SOP §4.1.5 and Appx. A.*

86. Collection activity by the NCO and NCOF law firms affiliates is expected to start immediately, even before the filing of any lawsuit, and to continue during the pendency of any filed lawsuits. The *Attorney Firm SOP* requires the following collection efforts in addition to the filing of lawsuits:

Account Activation:

- 1 Account should be loaded to the attorney collection system within two business days of the “Placed” status on eRe.
- 2 The first demand letter should be sent within two business days of the load date.
- 3 The first collection call should take place within five business days of the load date.

First 30 days of Placement:

- 1 Each telephone number sent on the account should receive at least two

- phone attempts per week for the first 30 days of placement.
- 2 Attempts should include at least one prime-time attempt (evening after 5 pm or weekend) per week.
 - 3 Any return mail or skip accounts should be skip traced (either manually or systemically by batch) for good address/phone # and assets.
 - 4 The Attorney Firm will research account assets and assess for potential litigation any non-skip accounts that do not get a secured payment.
 - 5 When account level scores are provided in placement files, higher scores should receive a greater work effort for collection calls and skip tracing sloped so that these accounts receive greater attention.

On-Going Collection Efforts:

- 1 NCO expects that during the litigation process, wherever feasible, the accounts continue to receive collection calls.

87. The *Attorney Firm SOP* does not permit the affiliate law firms to communicate with the creditors, even though those same creditors are the nominal plaintiffs in the lawsuits filed by NCO's and NOCF's law firm affiliates, including Forster & Garbus and Does 1 to 150. Section 4.2.1 of the *Attorney Firm SOP* clearly states: "***All communications regarding accounts will be conducted between the Attorney Firm and NCO only.***" (Emphasis added). NCO in turn undertakes the responsibility of communicating with the creditors who are the nominal lawsuit plaintiffs. See *Attorney Firm SOP §4.2.4.1* ("NCO will be responsible for forwarding all information requests and questions to either the Client and/or a witness agent.").

88. The prohibition on Forster & Garbus' and other NCO affiliate law firms' communication with its own clients is further set forth in Appendix B of the *Attorney Firm SOP*, which states:

NCO will interact directly with the Client. In some instances, attorneys may interact directly with the Client only after a request is made through NCO and the Client approves. **Only in urgent situations**, the firm, and a Client may make contact providing that NCO has also been informed of the situation. If a Client initiates contact with an Attorney Firm directly, the firm is responsible, for the purposes of inventory control and tracking, to notify NCO of the communication.

In essence, the Attorney Firm's first point of contact is NCO. All statements, notices, information, etc. will go through NCO. [Emphasis in original].

89. Not only are NCO and NCOF affiliate law firms, including Forster & Garbus and Does 1 – 150, not permitted to communicate with their own clients, but NCO and NCOF forbid them from confirming the existence of a debt by reviewing the creditors backup documents, or “media,” before filing a lawsuit.

Do not routinely request media. Request media via the firm’s appropriate Attorney Representative only if a dispute arises or if the Court requires media for a default judgment entry.” [Emphasis in original].

Attorney Firm SOP v.2.1 §4.3.5. On information and belief, the same policies and procedures are used when lawsuits are filed against thousands of other Class and Subclass members, including Plaintiff LaCourte.

90. While NCO and NCOF law firm affiliates are forbidden to obtain the “media,” NCO and NCOF acknowledge that the media is needed to confirm the legitimacy of the consumer debt. An NCO document styled *AmEx Attorney Suit Workflow*, states: “4) The attorney firm for filing suit in many jurisdictions will require supporting documentation (Media) from NCO.” Nevertheless, it is NCO’s and NCOF’s practice to neither obtain, nor permit its affiliate law firms, including Forster & Garbus, to obtain media necessary to investigate and verify debts prior to instituting debt collection or lawsuits.

91. Without backup media, debt collectors cannot know if the debt they are seeking to collect is a valid debt or stated in the correct amount. “Without access to the original creditor's business records and procedures, collections agents cannot truthfully attest to the validity of the debt they’re seeking to collect.” Jeff Horwitz, ‘*Robo’ Credit Card Suits Menace*

Banks, American Banker (Jan. 30, 2012). *See also* FTC, *Challenges of Change*, at 22.

92. NCO and NCOF authorized the lawsuit against Plaintiff LaCourte by Forster & Garbus without first obtaining the “media” concerning his alleged debt.

93. As recently as January 4, 2012, NCO’s and NCOF’s account records for Plaintiff LaCourte indicate that neither they nor Forster & Garbus had received any “media” concerning the debt they alleged was owed by Plaintiff. Nevertheless, NCO, NCOF and Forster & Garbus, knowing they did not possess any “media” (or back-up information), made false, abusive and harassing debt demands to Plaintiff LaCourte on at least twenty-nine occasions by mail or telephone, and filed a lawsuit against him in New York state court.

94. Forster & Garbus, and indirectly NCO and NCOF conceded in the July 27, 2012 Stipulation Discontinuing Action With Prejudice filed in the *LaCourte Action* that Plaintiff LaCourte did not owe the claimed American Express debt.

NCO’S AND NCOF’S COLLECTION AND LITIGATION FACTORY KNOWINGLY AND RECKLESSLY TARGETS CONSUMERS WHO DO NOT OWE THE ALLEGED DEBTS

95. NCO and its subsidiaries are collectively the largest debt collector in the United States with an annual revenue of \$1.2 billion in 2011. NCO was also among the largest debt buyers in the United States.

96. NCO is majority-owned, controlled and dominated by One Equity Partners and indirectly majority-owned, controlled and dominated by Chase. At all relevant times, the officers at NCO and NCOF were cross-pollinated with former Chase executives.

97. NCO’s operations were almost exclusively funded by Chase through a series of public offerings underwritten by Chase and subscribed to primarily by Chase. Specific debt sales between Chase and NCO were financed by loans made by Chase. According to a former

NCO and Chase manager, Chase employees, including Chase attorneys, oversee and direct NCO's and NCOF's debt collection operations.

98. Tens of millions of consumer accounts have been thrown into NCO's and NCOF's litigation factory. The volume and pace of debt collection lawsuits has outstripped the record-keeping capabilities of the lawsuit originators. Routinely, these lawsuits target consumers who have repaid their debts or otherwise do not owe the debts alleged, like Plaintiff LaCourte.

99. NCO and NCOF forward only the electronic consumer data to its affiliate law firms, including Forster & Garbus and Defendant Does 1 through 150 Law Firm Affiliates. NCO and NCOF, moreover, will not pay an affiliate law firm to perform any pre-filing verification to determine the accuracy of the electronic consumer data.

100. "When accounts are transferred to debt collectors, the accompanying information often is so deficient that the collectors seek payment from the wrong consumer or demand the wrong amount from the correct consumer," and FTC workshop found. *See* FTC, *Challenges of Change*, at p. 22.

101. NCO and NCOF typically enter into one of two types of commercial relationships with a debt owner which result in that debt owner "on boarding" consumer credit or collection accounts to NCO's and NCOF's computerized collection platform. First, NCO and its subsidiaries (including NCOP) may act as a debt buyer and purchase title and ownership of a portfolio of consumer debt. Second, NCO and NCOF may act as the Litigation Service Provider for an original creditor or a debt owner. Regardless which commercial relationship is entered into, NCO and NCOF use a standard "on boarding" procedure for collection accounts.

Each original creditor or debt owner sends NCO and NCOF in batch form selective electronic consumer information which NCO and NCOF then uploads onto their computerized collection platform. The electronic consumer information received by NCO and NCOF is intentionally scant and fails to contain any legacy information concerning the consumer's loan and payment history.

102. Because NCO and NCOF do not obtain or upload the legacy consumer loan information onto their computerized collections platform, NCO and NCOF can never verify the accuracy of the limited data points in the electronic consumer information which is uploaded to the collection platform. The electronic consumer information which NCO and NCOF do obtain, moreover, fails to provide critical information concerning the underlying account, such as the original loan agreement, the payment history, notices of bankruptcy filings, court ordered discharges, settlements, cease and desist orders, notice of death of consumers, and other important information that would verify whether the alleged debt was in fact valid. Neither NCO and NCOF perform any due diligence on the electronic consumer information before uploading it to the computerized collection platform at NCO and NCOF. NCO and NCOF, moreover, require no data retention practices on behalf of the original creditor or debt owner during the uploading or "on boarding" process.

103. NCO and NCOF maintain an eRecoverEase ("eRE") website for the purpose of orchestrating and managing the debt collection lawsuits brought by Forster & Garbus and the Defendant Does 1 through 150 Law Firm Affiliates nationwide. New account placements, suit/collection updates, remittance and cost and payment reimbursement information is communicated between the Defendant Does 1 through 150 Law Firm Affiliates and NCO and

NCOF via the eRE website.

104. NCO's and NCOF's computer systems are supposed to manage the process of collecting consumer debt and/or reducing that debt to a court judgment. However, NCO's and NCOF's computer systems are rife with known glitches which make the systems unreliable and which generate erroneous information concerning consumer collection accounts. Rather than correct these known glitches, NCO and NCOF have come to rely on them to increase profits.

105. One known material glitch with the NCO and NCOF computerized collection platform is the "returned by automation" glitch, also referred to as the "RBA Bug." When an affiliate law firm settles an unpaid consumer collection account, that affiliate law firm should enter a P-code for "paid in full" or "settled in full" ("SIF") into the NCO and NCOF "eSE" system, which in turn, should upload the new P-code status. However, the RBA Bug prevented the P-code from being uploaded to reflect the accurate status of that particular consumer account. As a result, NCO and NCOF has continued unlawful collection efforts on tens of thousands of consumer accounts, if not more, that have been properly paid or settled.

106. Indeed, NCO manager Paschco Montoya alerted Chase, NCO and NCOF employees that several systematic computer errors had been identified with respect to consumer collection accounts which had been "settled in full" or "SIF." American Express collection accounts, among others placed with NCO and NCOF, had been infected with the RBA Bug. American Express was made aware of the RBA Bug and revised its contract with NCO so that NCO and NCOF would pay a \$10,000 fine to American Express for every collection account that originated from American Express and which "caught" the RBA Bug. American Express, however, did not discontinue doing business with NCO and NCOF despite its awareness of the

RBA Bug.

107. NCO and NCOF, moreover, rely on the P-code to provide updated information to credit bureaus concerning the status of the consumers' loans. As a result, and in light of NCO's and NCO's knowledge of, and failure to remedy, the RBA Bug, which prevented the P-code from being uploaded to individual consumer collection accounts, NCO and NCOF knowingly provided credit bureaus with false and erroneous information about consumers' loan status.

108. NCO and NCOF drafted and revised contracts with American Express Company, Citigroup, Inc., Bank of America Corporation, and Capital One Financial Corporation in order to carve out liability for specific known compliance problems.

109. Every month, NCO and NCOF managers would meet with employees of certain original creditors and debt owners, including American Express, Citigroup, Bank of America and Capital One. Through these monthly meetings, it came to be known at NCO and NCOF that all of these companies were sending inaccurate consumer collection account information to NCO and NCOF as part of the electronic consumer files which were uploaded onto NCO's and NCOF's computerized collection platform. Moreover, these companies routinely pressured NCO and NCOF to file more debt collection lawsuits faster in order to turn collection accounts into the more valuable judgment accounts.

110. NCO's and NCOF's debt collection lawsuit factory, which seeks to turn invalid or inaccurate consumer debt into collectible judgments, is also dependent on the "robo-signing" of affidavits by employees of the original creditor who have no actual knowledge of the underlying debt, the amount thereof, and whether the consumer actually owes the alleged debt. This practice is common and well known in the debt collection lawsuit industry. *See Vassalle v.*

Midland Funding, LLC, No. 3:11-CV-00096, 2011 WL 3557045 (N.D. Ohio Aug. 12, 2011) (settling class action with 1.4 million consumers involving allegations of “robo-signing” of affidavits falsely claiming personal knowledge concerning the underlying debt for use in collection lawsuits).

111. NCO and NCOF provide “signature ready” affidavits to the Defendant Does 1-150 Law Firm Affiliates and instruct them to use these affidavits. *See Attorney Firm SOP v.2.1* §4.4. NCO and NCOF have developed an electronic affidavit generation system. Each day, the NCO and NCOF computer system generates thousands of affidavits. NCO and NCOF sends these affidavits back to the original creditor for signature, and then the executed affidavits are returned to NCO and NCOF. NCO and NCOF then forward the affidavits to the Defendant Does 1-150 Law Firm Affiliates.

112. Defendants thus know, or reasonably should know and intentionally and recklessly fail to know, that consumer debts they attempt to collect routinely are not owed by the consumer, either in whole or in part.

NCO GROUP, INC. DIRECTLY PARTICIPATED AND CONSPIRED IN, AND PROFITED FROM UNLAWFUL DEBT COLLECTION AND LITIGATION PRACTICES

113. NCO and its employees directly participated in the debt collection operations, including Attorney Network Services, that injured Plaintiff and Class and Subclass members.

114. NCO’s Form 10-K for the year ended December 31, 2010, on pages 5-10, discussing its “Services,” states that: “We provide the following BPO [Business Process Outsourcing] Services:”

(a). **“Accounts Receivable Management**

We provide a wide range of ARM services to our clients by utilizing an extensive

technological infrastructure. Although traditional ARM services have focused on the recovery of delinquent accounts (third-party), we also engage in the recovery of current accounts receivable and early stage delinquencies (generally, accounts that are 180 days or less past due) (first-party). We generate ARM revenue from the recovery of delinquent accounts receivable on a contingency fee basis and from contractual collection services and other related services.

ARM services typically include the following activities:

Engagement Planning. We customize solutions for our clients based on a number of factors, including account size and demographics, the client's specific requirements and our management's estimate of the collectibility of the account. We integrate our standard processes for accounts receivable management, developed from decades of accumulated experience, to create a customized recovery solution. In many instances, the approach will evolve and change as the relationship with the client develops, and both parties evaluate the most effective means of recovering accounts receivable. Our systematic approach to accounts receivable management removes most decision making from the recovery staff and is designed to ensure uniform, cost-effective performance.

Once the approach has been defined, we electronically or manually transfer pertinent client data into our information system. When the client's records have been established in our system, we begin the recovery process.

Account Notification. We initiate the recovery process by forwarding a preliminary letter that is designed to seek payment of the amount due or open a dialogue with the client's customers. This letter also serves as an official notification to each client's customer of his or her rights as required by the Federal Fair Debt Collection Practices Act. We continue the recovery process with a series of mail and telephone notifications. Telephone representatives remind the client's customer of their obligation, inform them that their account has been placed for collection with us and begin a dialogue to develop a payment program.

Skip Tracing. In cases where the client's customer's contact information is unknown, we systematically search the U.S. Post Office National Change of Address service, consumer databases, electronic telephone directories, credit agency reports, tax assessor and voter registration records, motor vehicle registrations, military records, and other sources. The geographic expansion of banks, credit card companies, national and regional telecommunications companies, and national and regional hospital chains, along with the mobility of consumers, has increased the demand for locating the client's customers. Once we have located the client's customer, the notification process can begin.

First Party/Early Stage Delinquency Calls. Although companies understand the importance of contacting customers early in the delinquency cycle, some do not possess

the resources necessary to sustain consistent and cost-effective outbound telephone campaigns. We provide a customized, service approach to contact our clients' customers and remind them of their obligation to pay their accounts.

We typically conduct reminder calls to recently past due customers and courtesy collection calls to more seriously delinquent customers. Our representatives leave courteous messages if telephone contact attempts are unsuccessful after the second day.

Third Party Collection Services. The most common challenges encountered by companies are how to prompt seriously delinquent customers to make payment before they are charged off as uncollectible or to collect the full balance after charge-off. Our third party collection services communicate a sense of urgency to seriously delinquent customers during these periods, reducing net charge-offs and the cost of collection.

Credit Reporting. Credit bureau reporting is used as a collection tool in accordance with NCO's policy, applicable laws, and client guidelines. At a client's request, we will electronically report delinquent accounts to one or more of the national credit bureaus where it will remain for a period of up to seven years. The possible denial of future credit often motivates the resolution of past due accounts.

Payment Processing. After we receive payment from the client's customer, depending on the terms of our contract with the client, we can either remit the amount received minus our fee to the client or remit the entire amount received to the client and subsequently bill the client for our collection services.

Attorney Network Services. We coordinate and implement legal collection solutions undertaken on behalf of our clients through the management of nationwide legal resources specializing in collection litigation. Our collection support staff manages the attorney relationships and facilitates the transfer of necessary documentation.

Agency Management. We help our clients manage their accounts receivable management vendors. We establish consistent performance reporting and hold agencies to rigorous performance standards. We monitor and audit all of the agencies in our clients' network for quality to ensure they are meeting all performance standards.

NCOePayments. We provide our clients' customers with multiple secure payment options, accessible via the telephone and the Internet, 24 hours a day, 365 days a year. We also provide contact center solutions utilizing our extranet technology, allowing representatives to take payments directly from the customer.

Consumer Loan Servicing. We provide consumer loan servicing for a variety of consumer assets through an end-to-end servicing model, from asset generation to deficiency collections.

Transworld Systems. Our subsidiary, Transworld Systems Inc., provides first- and third-party early stage and past due account recovery services for small, medium and large businesses through a demand letter series, reminder calls, or a customized program to fit individual business needs.

University Accounting Services. Our subsidiary, University Accounting Service, LLC, provides student loan billing and related services for institutions of higher education.

Healthcare Services. We provide revenue cycle management and several specialty services for healthcare providers such as:

- Consulting and Management Services — includes assistance in designing and managing a broad spectrum of revenue cycle management and back office services targeted to our clients' specific needs.
- Patient Access Services— includes scheduling, insurance verification, pre-registration, eligibility screening, financial counseling, etc.
- Health Information Management — includes clinical documentation integrity, coding, transcription, etc.
- Accounts Receivable Management — includes claims management and electronic billing, denial and remittance management, collection services, etc.
- Customer Care — includes patient satisfaction and physician satisfaction.”

(b). **“Customer Relationship Management**

Our CRM services allow our clients to strengthen their customer relationships by providing a high level of support to their customers and generate incremental sales by acquiring new customers. We design and implement customized outsourced customer care solutions including the following:

Customer Care and Retention. Our representatives specialize in developing and maintaining the relationships that our clients value. Customer care programs vary depending upon each client's specific goals, but often include services such as customer development and outbound and inbound calling campaigns. Our representatives handle customer care inquiries such as billing questions, product and service inquiries, and complaint resolution. We also place calls on behalf of clients in welcoming new customers, retaining current customers, delivering notifications and conducting market research or satisfaction surveys. Our programs include specialized training in order to ensure that each representative is a seamless extension of our clients' businesses.

Customer Acquisition and Sales. We support inbound and outbound sales efforts by conducting customized programs designed to acquire new customers, renew current customers, and win back or win over targeted customers. We execute multiple phases of the sales order process, pre- and post-sale, from answering product related questions and

making sales presentations to up selling, cross selling and order processing.

Product and Technical Support. In support of the increasing dependence of customers and businesses on technology, prompt and accurate responses to technology inquires, product-related support issues, and service related concerns has become a cornerstone to maintaining high customer satisfaction and achieving retention goals. Our product support services include help desk, troubleshooting, warranty, recall, and upgrade support. We strive for first call resolution and are committed to meeting client service level requirements. We believe that our highly trained customer contact staff is knowledgeable in all components of technical support and help desk related service requirements, and is adept at troubleshooting, evaluation and escalation procedures and resolving complaints quickly and effectively to increase our clients' customer retention and loyalty.

Interactive Voice Response. We use interactive voice response (IVR) technology to cost-effectively facilitate customer care for our clients. Customers can efficiently obtain account balance information, transfer funds, place an order, check status of an order, pay a bill, or answer a survey. Incoming calls are routed to representatives through systematic call transfer protocols or as a result of a toll-free number being included on customer correspondence. The process is completely automated, and if the caller wants to speak to a representative they can choose to be connected to a live NCO customer service professional. This combination of live and recorded telephone interaction benefits the customer through efficient, 24-hour service, and decreased operating costs.

Email Management. An important component to attracting and retaining customers is easy accessibility. Our email management services allow our clients' customers to communicate with them day or night, 24 hours a day, seven days a week. Our response generation and intelligent routing provide an efficient means to respond to customer needs while increasing our clients' operational effectiveness and decreasing their costs.

Web Chat. We have the ability to communicate with clients' customers through our live Web chat service. Faster than email, our Web chat solution allows customers to interact with agents in real time. We can leverage our Web chat technology to provide customer care, answer product questions, or offer technical support.

Text Messaging Services. Using text messaging, we can relay a wide variety of information, including information about new services, promotions, or important information like confirmation numbers.

In-Language Contact. Our global network of call centers support all major languages, including English, Spanish, French, Arabic, Korean, Hindi, Polish, Russian, Tagalog, and numerous Asian dialects. We have a wealth of experience supporting multilingual programs and can work with clients to meet any language requirement.

Order Processing. We support multiple phases of order processing, including answering product-related questions and making sale presentations, up selling and cross selling, order entry, and providing post-sale support.”

(c). **“Technology and Infrastructure**

We have implemented a scalable technical infrastructure that can flexibly support growing client volume while delivering a high level of reliability and service. Our customer contact centers feature advanced technologies, including predictive dialers, automated call distribution systems, digital switching, Voice over Internet Protocol (‘VoIP’) technologies, digital recording, workforce management systems and customized computer software, including the NCO ACCESS Interface Manager. This is a graphical user interface we developed for use in large-scale outsourcing engagements that enables better data integration, enhanced reporting, representative productivity, implementation speed, and security. As a result, we believe we are able to address outsourced business process activities more reliably and more efficiently than our competitors. Our IT staff is comprised of over 400 professionals. We provide our services through the operation of over 100 centers that are linked through an international wide area network.

We maintain disaster recovery contingency plans and have implemented procedures to protect against the loss of data resulting from power outages, fire and other casualties. We believe fast recovery and continuous operation are ensured with multiple redundancies, uninterruptible power supplies and contracted backup and recovery services. We have implemented security systems to protect the integrity and confidentiality of our computer systems and data, and we maintain comprehensive business interruption and critical systems insurance on our telecommunications and computer systems. Our systems also permit secure network access to enable clients to establish real time communications with us and monitor operational activity. We employ a variety of industry leading measures including advanced firewalls, data encryption, role specific access permissions, and site security to ensure data remains safe and secure.

We continue to be an early adopter of the Credit Card Industry best practices and compliance for data protection. A Level I, audit/assessment is conducted annually by an outside third-party firm, resulting in the satisfactory compliance with the Payment Card Industry (‘PCI’), VISA Cardholder Information Security Program (‘CISP’), MasterCard Site Data Protection (‘SDP’) Program and American Express Data Security System (‘DSS’) requirements. VISA and MasterCard have validated NCO as a Level I provider, which is the most stringent level in the PCI schema.

In 2009, the FSA changed its requirements to establish a continuous monitoring program to ensure that controls are reviewed on a consistent basis and that documentation is up to date. To that end, the U.S. Department of Education required that its third party collections agencies comply with the Federal Information Security

Management Act (FISMA) and to ensure that the system maintains its accreditation and “Authorization to Process” by the end of October 2009. On October 22, 2009, NCO received the formal “Security Authorization to Operate Decision” from the Department of Education. This process will continue on an annual basis.

Our ARM call centers utilize both virtual and onsite predictive dialers with a total of over 5,400 stations to address our low-balance, high-volume accounts, and our CRM centers utilize approximately 500 predictive dialer stations to conduct our clients’ outbound calling campaigns. These systems scan our databases, simultaneously initiate calls on all available telephone lines, and determine if a live connection is made. Upon determining that a live connection has been made, the computer immediately switches the call to an available representative and instantaneously displays the associated account record on the representative’s workstation. Calls that reach other signals, such as a busy signal, telephone company intercept or no answer, are tagged for statistical analysis and placed in priority recall queues or multiple-pass calling cycles. NCO systems also automate almost all record keeping and workflow activities including letter and report generation. We believe that our automated method of operations dramatically improves the productivity of our staff.”

(d). **“Quality Assurance and Client Service**

We believe a reputation for quality service is critical to acquiring and retaining clients. Therefore, our representatives are supervised, by both NCO and our clients, for strict compliance with client specifications, our policies, and applicable laws and regulations. We regularly measure the quality of our services by capturing and reviewing such information as the amount of time spent talking with clients’ customers, level of customer complaints and operating performance. In order to provide ongoing improvement to our telephone representatives’ performance and to ensure compliance with our policies and standards, as well as federal, state and local guidelines, quality assurance personnel supervise each telephone representative on a frequent basis and provide ongoing training to the representative based on this review. Our information systems enable us to provide clients with reports on a real-time basis as to the status of their accounts and clients can choose to network with our computer system to access such information directly.

We maintain a client service department to promptly address client issues and questions and alert senior executives of potential problems that require their attention. In addition to addressing specific issues, a team of client service representatives contact clients on a regular basis in order to establish a close relationship, determine clients’ overall level of satisfaction, and identify practical methods of improving their satisfaction.

Additionally, we provide a consumer help website designed to allow our clients’ customers to communicate with us 24 hours a day, seven days a week, 365 days a year.

Consumers can choose to contact us via email or telephone, or they can choose to have one of our representatives call them. We have a dedicated team of representatives to support this website.”

(e). **“Client Relationships**

Our active client base currently includes over 14,000 companies in the financial services, telecommunications, healthcare, retail and commercial, education and government, utilities, technology and transportation/logistics sectors. Our 10 largest clients in 2010 accounted for approximately 36.8 percent of our consolidated revenue excluding reimbursable costs and fees. Our largest client during the year ended December 31, 2010, was in the telecommunications sector and represented 7.1 percent of our consolidated revenue, excluding reimbursable costs and fees, for the year ended December 31, 2010. In 2010, we derived 43.4 percent of our revenue from financial services (which includes the banking and insurance sectors), 17.4 percent from telecommunications companies, 9.8 percent from healthcare organizations, 9.0 percent from retail and commercial entities, 8.2 percent from education and government organizations, 7.2 percent from utilities, 2.8 percent from transportation/logistics companies and 2.2 percent from technology companies, in each case excluding purchased accounts receivable.

Our ARM contracts generally define, among other things, fee arrangements, scope of services and termination provisions. Clients may usually terminate such contracts on 30 or 60 days notice. In the event of termination, however, clients typically do not withdraw accounts referred to us prior to the date of termination, thus providing us with an ongoing stream of revenue from such accounts, which diminishes over time. Under the terms of our contracts, clients are not required to place accounts with us but do so on a discretionary basis.

Our CRM contracts are generally for terms of up to three years. Contracts are typically terminable by either party upon 60 days notice; however, in some cases, particularly in our longer term inbound contracts which often require substantial capital expenditures on our part, a client may be required to pay us a termination fee in connection with an early termination of the contract.

In addition, certain inbound CRM contracts may contain minimum volume commitments requiring our clients to provide us with agreed-upon levels of calls during the terms of the contracts. Our fees for services rendered under these contracts are based on pre-determined contracted chargeable rates that may include a base rate per minute or per hour plus a higher rate or “bonus” rate if we meet pre-determined objective performance criteria, such as sales generated during a defined period, and may be reduced by any contractual monthly performance penalties to which the client may be entitled. Additionally, we may receive additional discretionary client determined bonuses based upon criteria established by our clients.

Some of our customer contracts provide for limited currency rate protection below certain pre-determined exchange rate levels and limited gain sharing above certain pre-determined exchange rate levels. Such contracts may mitigate certain currency risks, however, there can be no assurance that new contracts will be successfully negotiated with such provisions or that existing contract provisions will result in the reduction of currency risk for such contracts.”

(f). **“Personnel and Training**

Our success in recruiting, hiring and training a large number of employees is critical to our ability to provide high quality BPO services to our clients. We seek to hire personnel with previous experience in the industry or with experience as telephone representatives. We generally offer internal promotion opportunities and competitive compensation and benefits.

All of our call center personnel receive comprehensive training that consists of three stages: introduction training, behavioral training and functional training. These programs are conducted through a combination of classroom and role-playing sessions. Prior to customer contact, new employees receive one week of training in our operating systems, procedures and telephone techniques and instruction in applicable federal and state regulatory requirements. Our personnel also receive a wide variety of continuing professional education and on-going refresher training, as well as additional product training on an as-needed basis.

As of December 31, 2010, we had a total of approximately 25,200 full-time employees and 1,700 part-time employees, of which approximately 20,500 were telephone representatives. In addition, as of December 31, 2010, we utilized approximately 1,100 telephone representatives and 600 sales professionals through subcontractors. We believe that our relations with our employees are good.

Typically, our employees are not represented by a labor union. However, from time to time, our facilities are targeted by union organizers. We are not aware of any current union organizing efforts at any of our facilities.”

(g). **“Sales and Marketing**

Our sales force is organized to best match our sales professionals’ experience and expertise with the appropriate target market. Our core sales force, composed of approximately 50 sales professionals, is organized by industry and geographical location to ensure the highest level of focus and service to potential and existing business partners. This group is focused on forming and cultivating strategic, long-term partnerships with large, multinational firms in order to maximize outsourcing opportunities via our full suite of BPO services. Additionally, we have a sales force of

approximately 600 people, working on a contract basis, focused on selling account recovery services for small, medium and large businesses.

Our in-house marketing department provides innovative customer contact solutions and sales support by performing a wide range of personalized services such as customer database administration, advertising, marketing campaigns and direct mailings, collateral development, trade show and site visit management, market and competitive research, and more. These functions are all integrated with our client relationship management system to provide a seamless interface between our sales team and our marketing department. We also maintain a dedicated team of skilled writers who prepare detailed, professional responses to formal requests for proposals and requests for information.”

[Underling added].

115. NCO’s Form 10-Ks for the years ended December 31, 2009 and December 31, 2011 describe its “Services” in a manner substantially similar to its 2010 Form 10-K, including Services described as “Third Party Collection Services” and “Attorney Network Services.”

116. NCO maintains a website, www.ncogroup.com.

117. NCO promotes its debt collection services on its website, distinct from any services provided by its subsidiaries. A page from NCO’s website states as follows:

Who is NCO?

NCO Group delivers real world results around the real world. If you are looking for collection agencies, BPO companies, or call center outsourcing, NCO Group needs to be on the top of your list.

Thousands of organizations from a wide variety of industries have selected NCO over other collection agencies and BPO companies. NCO Group was also recently named to Fortune magazine’s prestigious “Global Outsourcing 100” list.

Source: <http://www.ncogroup.com> (bold in original). The copyright on this website page states: “Copyright ©2013 NCO Group, Inc.” This NCO website page is annexed hereto as Exhibit G (highlighting added).

118. Another page from NCO’s website describes’ NCO Group’s active participation

in its debt collection and litigation services:

NCO is an industry leader in providing clients with successful business process outsourcing (BPO) solutions. Our outsourcing portfolio includes accounts receivable management, customer management services, and back office services for a diversified customer base. Since NCO's inception in 1926, our goal has remained constant - to reduce client operating expenses, increase cash flow, and improve their customers' experience. Our best-in-class, results-driven reputation, strong financial track record, and proven business model makes NCO the choice for BPO solutions.

To meet and surpass the growing and complex needs of our clients, NCO's services support essential functions across key portions of the customer lifecycle, including acquisition, growth, care, resolution, and retention. NCO provides its services through Customer Lifecycle Management, a unique customer-driven model that delivers our optimal performance, leading-edge technology, proven efficiency, and exceptional quality.

NCO operates a global network of over 100 operations centers running on a centralized data platform with the flexibility to respond to a rapidly changing marketplace, and to scale operations to meet client specifications. Our clients are empowered to successfully address immediate business needs, while enabling long-term growth.

Source: http://www.ncogroup.com/About_NCO/Profile.html (bold in original). The copyright on this website page states: "Copyright ©2013 NCO Group, Inc." This NCO website page is annexed hereto as Exhibit H (highlighting added).

119. Numerous executives, managers and officers are simultaneously employed by NCO and NCOF and directly participate in NCO's and NCOF's debt collection operations.

120. Upon information and belief, Jay King simultaneously serves as a NCO Senior Vice President and the co-head of NCOF Accounts Receivable Management ("ARM").

121. Michael Barrist was the Chief Executive Officer of NCO while simultaneously holding that same position at NCOF.

122. Joshua Gindlin is an Executive Vice President and General Counsel of NCO

while simultaneously holding those same positions at NCOF.

123. John Schwab is an Executive Vice President of NCO while simultaneously holding that same position at NCOF.

124. Upon information and belief, Jay King simultaneously serves as a NCO Senior Vice President and the co-head of NCOF Accounts Recoverable Management (“ARM”).

125. Upon information and belief, NCOF senior executives Tim Galloway (co-head ARM), Pete Grandelli (Senior Vice President, Strategic Business Units), Tony L’Abbate (Senior Vice President, Accounts Receivable Management Operations Control) and John Campbell (President, Global Sales & Marketing) are also employed by NCO.

126. Upon information and belief, in 2013 NCO posted an employment notice for a Vice President of Operations for Attorney Network Services.

ONE EQUITY PARTNERS AND ITS MANAGEMENT DIRECTLY PARTICIPATED IN AND PROFITED FROM THE UNLAWFUL ACTS AND OWNS, CONTROLS AND DOMINATES NCO AND NCOF

127. The NCO Form 10-K filed with the SEC for the year ending December 31, 2010, at page 20, states that One Equity Partners owns, controls and dominates NCO’s affairs and policies: “We are controlled by an investor group led by One Equity Partners, a private equity firm, and its affiliates” who “control the election of our [NCO’s] directors and thereby have the power to control our [NCO’s] affairs and policies, including the appointment of management.” NCO also pays One Equity Partners \$3 million a year for “management services.”

128. The NCO Form 10-K filed with the SEC for the year ending December 31, 2011 similarly provides:

One Equity Partners (“OEP”) is the majority stockholder of the Company. The Company pays OEP a management fee of \$3.0 million per year, plus reimbursement of expenses, for management, advice and related services. These

fees are included in selling, general and administrative expenses.

OEP is managed by OEP Holding Corporation, a wholly owned indirect subsidiary of JPMorgan Chase & Co. (“JPM”), and JPM is a client of the Company [NCO].

129. According to a May 16, 2006 One Equity Partners press release entitled *One Equity Partners acquires NCO Group, Inc.*, “NCO Group, Inc. (‘NCO’ or the ‘Company’) (NASDAQ: NCOG), a leading provider of business process outsourcing services, announced today that its Board of Directors received yesterday a proposal from Michael J. Barrist, Chairman and Chief Executive Officer of the Company, to acquire all of the outstanding shares of the Company for \$27.50 per share in cash. Mr. Barrist intends to partner in this transaction with One Equity Partners II, L.P.”

130. The One Equity Partners May 16, 2006 press release was updated to confirm that, “One Equity Partners closed on its acquisition of NCO Group on November 15, 2006.”

131. The One Equity Partners May 16, 2006 press release, like all One Equity Partners press releases, represents that One Equity Partners is “The Private Investment Arm of JPMorgan Chase & Co.”

132. Other One Equity Partners press releases, including its December 12, 2007 release, describe NCO as “a portfolio company of One Equity Partners (‘OEP’), a private equity investment fund.”

133. One Equity Partners used its ownership, dominion and control over NCO to merge NCO with other companies owned and controlled by One Equity Partners.

134. On July 7, 2011, One Equity Partners announced it was acquiring a company called APAC Customer Services, Inc. (“APAC”).

135. In a November 29, 2011 Form 8-K filed by NCO with the SEC, it disclosed:

As previously disclosed, APAC Customer Services, Inc. (referred to as “APAC”), a leading international provider of outsourced services and solutions, was acquired by One Equity Partners (referred to as “OEP”), the majority stockholder of NCO Group, Inc. (referred to as “us”, “our” or the “Company”), on October 14, 2011. OEP has informed us that it funded such acquisition with \$300 million of equity and a \$159 million bridge loan. ***At such time, OEP had further informed us that OEP intended to seek to combine APAC with the Company*** to build market leadership in business process outsourcing and customer care solutions (referred to as the “Combination”) [Emphasis added].

136. An April 3, 2012 One Equity Partners press release announced the completion of the merger of NCO and APAC. The deal was structured as a merger of APAC into NCO. Upon consummation of the merger, NCO changed its name to “Expert Global Solutions, Inc.”

137. A December 11, 2007 NCO Form 8-K filed with the SEC discussed NCO’s acquisition of Outsourcing Solutions Inc. (“OSI”). The NCO press release, dated December 12, 2007, annexed to that Form 8-K described One Equity Partners’ ownership of NCO and involvement in NCO’s acquisition of OSI: “NCO is a portfolio company of One Equity Partners (‘OEP’), a private equity investment fund. OEP will provide NCO with a portion of the funding for the acquisition of OSI through an additional investment. NCO expects to fund the remainder of the purchase price with borrowings under its senior credit facility.” A March 12, 2008 NCO Form 8-K disclosed that the “portion” of the funding for NCO’s acquisition of OSI provided by One Equity Partners was \$208,900,000.00.

138. Aside from One Equity Partners controlling ownership, dominion and control over NCO, One Equity Partners, since 2006 has controlled NCO’s Board of Directors. The November 15, 2006 NCO Form 8-K filed with the SEC disclosing the completion of One Equity Partners’ acquisition of NCO confirmed that: “Pursuant to the Stockholders’

Agreements described above in Section 5 of Item 1.01, subject to certain exceptions, OEP has the right to designate five of Parent's and Company's directors, ..." including two supposedly "independent directors. One Equity Partners exerts this same control over the renamed NCO's, or Expert Global Solutions, Inc.'s, Board of Directors.

139. Colin Farmer is member of the Expert Global Solutions, Inc. Board of Directors, believed to comprise five members, while simultaneously being employed and serving as a Managing Director of One Equity Partners.

140. Henry Briance is member of the Expert Global Solutions, Inc. Board of Directors, while simultaneously being employed and serving as a Managing Director of One Equity Partners.

141. Thomas Kichler is member of the Expert Global Solutions, Inc. Board of Directors, while simultaneously being employed and serving as a Managing Director of One Equity Partners.

142. One Equity Partners' control over NCO's Board of Directors is mandated by agreements between One Equity Partners and NCO. According to a March 13, 2008 NCO Form 8-K filed with the SEC, "Under a Stockholder's Agreement dated as of November 15, 2006 among us, One Equity Partners II, L.P. and certain of its affiliates, referred to collectively as "OEP", and our other stockholders, OEP has the right to designate three directors."

143. That same NCO Form 8-K represents that upon One Equity Partners' acquisition of NCO, "On November 15, 2006, we [NCO] entered into a ten-year management agreement with OEP pursuant to which OEP provides business and organizational strategy and financial advisory services. Pursuant to the management agreement, we pay OEP \$3.0 million per year

plus reimbursement of expenses.”

144. In addition to being liable for its own direct acts, One Equity Partners’ ownership, control and dominion over NCO and NCO were so extensive as to render NCO and NCOF mere instrumentalities of One Equity Partners.

CHASE OWNS, CONTROLS, DOMINATES AND PROFITS FROM ONE EQUITY PARTNERS AND INDIRECTLY OWNS, CONTROLS, DOMINATES AND PROFITS FROM NCO AND NCOF

145. Filings with the SEC by One Equity Partners, including a Schedule 13D/A filed on April 11, 2006, identify the “principle business” of One Equity Partners Holding Corporation as follows: “To act as a holding company for JPMorgan Chase & Co. in making private equity investments.”

146. Filings with the SEC by One Equity Partners, including a Schedule 13D/A filed on April 11, 2006, identify the “principle business” of One Equity Partners LLC as follows: “To make private equity investments for JPMorgan Chase & Co.”

147. Filings with the SEC by One Equity Partners, including a Schedule 13D/A filed on April 11, 2006, identify the “principle business” of One Equity Partners Co-Investors LLC as follows: “To hold and manage investments for certain employees of JPMorgan Chase & Co.”

148. One Equity Partners press releases dated May 23, 2012 and December 28, 2012, respectively, represent that One Equity Partners is “the proprietary investment arm of J.P. Morgan Chase & Co.” that “manages \$10 billion of investments and commitments for JPMorgan Chase & Co. in direct private investment transactions.”

149. Richard Cashin is Managing Partner of One Equity Partners, according to its website, the President of One Equity Partners Holding Corporation, One Equity Partners LLC, while simultaneously serving on the Executive Committee of Chase. Upon information and

belief, Richard Cashin is also the Managing Partner of One Equity Partners II, L.P.

150. Numerous members of One Equity Partners Holding Corporation's Board of Directors simultaneously serve as executive management of Chase. As of a Schedule 13D filing by APAC with the SEC on July 6, 2011, three Chase executives served on the One Equity Partners Holding Corporation Board of Directors.

151. According to the One Equity Partners' website: "Our sole funding relationship with JPMorgan Chase & Co. enables us to be as patient as needed to achieve success."

152. One Equity Partners Holding Corporation and One Equity Partners II, L.P. are listed among Chase's "subsidiaries" in Exhibit 21 to Chase's 2011 Form 10-K filed with the SEC.

153. One Equity Partners Holding Corporation and One Equity Partners II, L.P. are listed among Chase's "subsidiaries" in Exhibit 21.1 to Chase's 2010 Form 10-K filed with the SEC.

154. NCO's 2011 Form 10-K lists payments from Chase of \$12.6 million in 2009, \$10.0 million in 2010 and \$7 million in 2011.

155. NCO's 2011 Form 10-K lists dividend payments from NCO to Chase in 2009 exceeding \$8 million.

156. According to NCO's 2011 Form 10-K: "JPMorgan Chase Bank, N.A., an affiliate of JPM, is a lender under the Company's Credit Facility."

157. Like One Equity Partners, Chase has used its ownership, dominion and control over NCO to merge NCO with other companies owned and controlled by Chase.

Business process outsource giant NCO Group plans to acquire loan-service firm Systems & Services Technologies Inc. (SST) in a deal between two ARM-

industry firms majority-owned or largely controlled by banking behemoth JPMorgan Chase. Terms of the deal weren't disclosed. Brian Callahan, NCO's vice president of financial reporting, told insideARM.com the deal did not require a filing with the U.S. Securities and Exchange Commission. JPMorgan Chase bought St. Joseph, Mo.-based SST in 2005. Callahan said One Equity Partners, an investment arm of Chase, owns about 85 percent of NCO. One Equity Partners teamed with NCO's President and CEO Michael J. Barrist and other NCO executives to take the company private in November last year in a deal valued at \$1.2 billion.

Burney Simpson, *NCO Financial Systems Informative - NCO Group Acquires Loan Servicing Firm / JPMorgan Chase*. insideARM.com.

158. A January 2, 2008 NCO Form 8-K filed with the SEC confirmed that Chase not only orchestrated NCO's merger with Systems & Services Technologies Inc. ("SST"), but was a party to the merger agreement:

Pursuant to an Agreement and Plan of Merger by and among NCO, Systems & Services Technologies Merger Corp. ("SST Merger Sub"), SST and JPMorgan Chase Bank, National Association dated as of August 27, 2007 (the "SST Merger Agreement"), as amended by Amendment No. 1 dated as of December 12, 2007, SST merged with SST Merger Sub, which survived the merger as a wholly-owned subsidiary of NCO. SST was a wholly-owned subsidiary of JPMorgan Chase Bank, National Association. JPMorgan Chase Bank, National Association is an affiliate of One Equity Partners, the principal stockholder of NCO.

159. The *Agreement and Plan of Merger*, dated August 27, 2007, required NCO to pay JPMorgan Chase Bank, N.A. \$23.35 million in cash and NCO preferred stock to acquire SST.

160. Chase's ownership, control and dominion over One Equity Partners, NCO and NCOF rendered them mere instrumentalities of Chase.

**DEFENDANTS AND THEIR UNLAWFUL ACTS ARE
FREQUENT TARGETS OF REGULATORY ENFORCEMENT**

Nineteen States Investigate and Charge NCOF with FDCPA and FCRA Violations

161. In February 2012, the Attorneys General of nineteen (19) states³ entered into a settlement, following an investigation, with debt collector NCOF to resolve allegations of deceptive and unfair debt collection practices, including allegations that consumers were forced to pay NCOF for debts which they did not owe. Pursuant to this settlement, NCOF agreed to pay \$575,000 to the 19 states for consumer protection enforcement efforts and an additional \$50,000 for each participating state to refund consumers with valid claims. New York State was not part of this settlement.

162. Consented judgments or Assurances of Discontinuance entered into by NCOF with the Settling Attorneys General expressly did not release any consumer claims or causes of action. For example, the Assurance of Voluntary Compliance executed by the State of Ohio and NCOF (the “Ohio AVC”) provides that: “Nothing contained herein shall be construed to waive any individual right of action by a Consumer or any action by a local, state, federal, or other governmental entity.”

163. The Attorneys’ Generals’ investigation found NCOF to have violated the FDCPA, FCRA and state consumer protection laws, and succeeded in enjoining NCOF’s violations in their respective states. The Ohio AVC lists those violations and enjoined acts,

³ The states which were part of the February 2012 settlement with NCO Financial Systems, Inc. were: Alaska, Arkansas, Idaho, Illinois, Iowa, Kentucky, Louisiana, Michigan, Nebraska, Nevada, New Mexico, North

which are incorporated in this Complaint acts and practices violating Plaintiff and/or the Class:

6.2 Compliance with Specific Laws. Through this Assurance, NCOF shall not:

- a. Violate the FDCPA, 15 U.S.C. §1692 et seq.;
- b. Violate the FCRA, 15 U.S.C. §1681 et seq.;
- c. Communicate that Consumers owe Debts when communicating with any person other than the Consumers for the purposes of acquiring location information, in violation of the FDCPA, 15 U.S.C. §1692b(2);
- d. Communicate with persons other than the Consumer more than once, when not requested to do so by such person, and when NCOF does not reasonably believe that the earlier response of such person was erroneous or incomplete and that such person now has correct or complete location information, in violation of the FDCPA, 15 U.S.C. §1692b(3);
- e. Communicate with Consumers in connection with the collection of Debts at times or places NCOF knows or should know to be inconvenient to the Consumers, including during inconvenient hours, in violation of the FDCPA, 15 U.S.C. §1692c(a)(1);
- f. Communicate with Consumers in connection with the collection of Debts, without the prior consent of the Consumers, after knowing that the Consumers were represented by attorneys with respect to the alleged Debts, in violation of the FDCPA, 15 U.S.C. §1692c(a)(2);
- g. Communicate with Consumers in connection with the collection of Debts at the Consumers' places of employment when NCOF knows or should know that the Consumers' employers prohibit the Consumers from receiving such communications, in violation of the FDCPA, 15 U.S.C. §1692c(a)(3);
- h. Communicate with Consumers in connection with the collections of Debts, except as otherwise provided by law, after being notified in writing that the Consumers refuse to pay the Debts or that the Consumers wish NCOF to cease further communications with the Consumers, in violation of the FDCPA, 15 U.S.C. §1692c(c);
- i. Engage in conduct the natural consequence of which was to harass, oppress, or abuse persons in connection with the collection of a Debt, in

Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, Vermont, and Wisconsin.

violation of the FDCPA, 15 U.S.C. §1692d;

j. Use obscene or profane language in connection with the collection of Debts, in violation of the FDCPA, 15 U.S.C. §1692d(2);

k. Place multiple telephone calls within a short period of time to Consumers for purposes of annoying or harassing Consumers at the called numbers, in violation of the FDCPA, 15 U.S.C. §1692d(5);

l. Attempt to collect alleged Debts by telephone without providing the meaningful disclosure of the caller's identity, in violation of the FDCPA, 15 U.S.C. §1692d(6);

m. Use false or misleading representations to collect or attempt to collect Debts or to obtain Location Information, in violation of the FDCPA, 15 U.S.C. §1692e;

n. Falsely represent the character, amount, or legal status of Debts or services rendered or compensation which may be lawfully received by Debt Collectors for the collection of Debts, in violation of the FDCPA, 15 U.S.C. §1692e(2)(A)(B);

o. Represent or imply to Consumers that nonpayment of Debts will result in the arrest or imprisonment of the Consumers, or the seizure, garnishment, attachment, or sale of any of the Consumers' property or wages when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. §1692e(4);

p. Threaten to take legal actions when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. §1692e(5);

q. Use 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 FDCPA, 15 U.S.C. §1692e(10);

r. Use unfair or unconscionable means to collect or attempt to collect Debts, in violation of the FDCPA, 15 U.S.C. §1692f;

s. Collect or attempt to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the Debts or permitted by law, in violation of the FDCPA, 15 U.S.C. §1692f(1);

t. Take or threaten to take nonjudicial actions against Consumers' real or

personal properties or wages when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. §1692f(6);

u. Fail to provide written notices to Consumers, within five days after initial telephone contact, that contained the following information: the amount of the Debt; the name of the Creditor; a statement that unless the Consumer disputes the validity of the Debt within thirty days NCOF will assume the Debt is valid; the process by which the Consumer may request verification of a Debt; and a statement that upon the Consumer's written request within thirty days, NCOF would provide the name of the original Creditor, if different from the current Creditor, in violation of the FDCPA, 15 U.S.C. § 1692g(a);

v. Fail to cease collection activities upon the receipt of written notifications from Consumers of disputes, or requests for the names of the original Creditors or for verification of the Debts alleged to be owed, until the NCOF mails verifications or the debts to the Consumers, in violation of the FDCPA, 15 U.S.C. §1692g(b);

w. Attempt to collect on Debts that are not owed by the Consumers contacted by the NCOF;

x. Fail to remove telephone numbers from collection account records and continue to place telephone calls to those numbers after being informed that the person from whom NCOF sought to collect the Debts cannot be reached at the numbers called;

y. Communicate with third parties more than once after the third parties provide NCOF with Location Information or indicate that they do not have the Location Information being sought, unless NCOF has a reasonable belief that the earlier response of such person was erroneous or incomplete and that such person now has correct or complete Location Information, pursuant to FDCPA, 15 U.S.C. §1692b(3);

z. Except as permitted by law, communicate with or divulge information to third parties, without the prior consent of the Consumers, regarding alleged Debts owed by Consumers in an effort to embarrass or persuade the Consumers to pay the Debts;

aa. Fail to inform Consumers, upon receiving oral requests for verification of Debts, that requests to verify Debts must be made in writing, or failing or refusing to provide Consumers with the address to where the written requests must be mailed, or both;

bb. Collect or attempt to collect on settled Debts;

cc. Fail to honor or confirm settlement agreements in writing with Consumers and continue to attempt to collect additional amounts or the full amount of the Debts allegedly owed;

dd. Withdraw money from Consumers' bank accounts, on dates or in dollar amounts, not authorized by Consumers;

ee. Collect or attempt to collect on Debts that have been discharged in bankruptcy;

ff. Collect or attempt to collect on Debts when the Consumer has notified under applicable state law to determine that the Consumer is responsible for the specific Debt in question.

The State of New York Sues Forster & Garbus

164. In July 2009, the New York Attorney General sued Forster & Garbus, among others, in a lawsuit brought in the name of the Chief Administrative Judge of the New York State Unified Court System, and styled *Pfau v. Forster & Garbus, et al.* (N.Y. Sup. Ct. Erie Co. Index No. 8236/2009).

165. According to a July 22, 2009 New York Attorney General press release, the lawsuit sought “to throw out an estimated 100,000 default judgments improperly obtained against New York consumers.”

166. The Verified Petition filed by the New York Attorney General alleged that respondents, including Forster & Garbus and other law firms retained by NCO, NCOF and/or Chase, including Sharinn & Lipshie, P.C. and Zwicker & Associates P.C.:

[O]btained thousands of default judgments from courts in the judicial districts of New York State on behalf of their clients by fraud, misrepresentation, illegality, unconscionability, lack of due service, violations of law or other illegalities or where such default judgments were obtained in cases in which those defendants or respondents would be uniformly entitled to interpose a defense predicated upon but not limited to the foregoing defenses.

Verified Petition, ¶37.

167. Forster & Garbus resolved the *Pfau* action by Consent Order in or about June 2010, after the New York Supreme Court granted an Order to Show Cause requiring the respondents, including Forster & Garbus, to show cause why the relief sought by the New York Attorney General should not be granted.

New York Investigates NCO and NCOF for Fraudulent Debt Collection

168. In July 2008, the New York Attorney General began investigating whether NCOF engaged in the use of fraudulent caller-identification information when communicating by telephone with consumers, frequently referred to as “spoofing.” The Attorney General served subpoenas on NCOF, and others, and conducted investigative interviews of NCOF employees.

169. In March 2010, NCOF resolved the New York Attorney General’s investigation and charges by agreeing to an Assurance of Discontinuance.

The State of Texas Charges NCOF with Violations of the its Deceptive Trade Practices – Consumer Protection Act and Debt Collection Act

170. In a December 2008, the State of Texas, acting through the Texas Attorney General, and following an investigation, charged NCOF with violations of the Texas Deceptive Trade Practices – Consumer Protection Act and Texas Debt Collection Act.

171. Texas alleged those violations of NCOF, acting as a “third party debt collector” that contacts several million Texas consumer annually.

172. NCOF resolved the Texas action by entering into an Assurance of Voluntary Compliance, entered by a Texas court, requiring NCOF to cease the alleged violations and to pay \$400,000 in settlement payments, restitution, attorneys’ fees and investigation costs.

The FTC Sues NCO, NCOF and NCO Portfolio Management for Violating the FCRA

173. In or about 2004, FTC sued NCO, NCOF and NCO Portfolio Management, Inc. (NCO's debt-buying subsidiary) for routine and repetitive violations of the FCRA, and in particular 15 U.S.C. §1681s.

174. Paragraph 7 of the FTC's complaint averred: "Defendant NCO Group, Inc., dominates or controls the operations of defendants NCO Financial Systems, Inc., and NCO Portfolio Management, Inc."

175. Paragraph 8 of the FTC's complaint averred: "Defendant NCO Financial Systems, Inc., is a 'debt collector' as that term is defined in Section 803(6) of the FDCPA, 15 U.S.C. §1692a(6). As part of its debt collection activities, defendant furnishes information to consumer reporting agencies. As such, defendant is subject to Section 623 of the FCRA, 15 U.S.C. §1681s-2, which imposes a series of duties and prohibitions upon any person or entity that furnishes information to a consumer reporting agency."

176. In what was then the largest civil penalty paid for any FCRA violation, the United States District Court for the Eastern District of Pennsylvania entered a Consent Order requiring the payment of \$1.5 million by NCO, NCOF and NCOP.

The OCC is Investigating Chase's Debt Collection Practices

177. It has been reported that the Office of the Comptroller of the Currency (the "OCC"), and perhaps other federal agencies and regulators, are currently investigating Chase's debt collection practices.

178. Among the Chase conduct being investigated by the OCC is the "robo-signing" of affidavits by Chase employees used to support lawsuit against Chase credit card consumers.

The affidavits are signed by a small handful of persons who have little or no knowledge of the underlying debt. For example, just three employees at the Chase offices in San Antonio, Texas, Ruben Alcarz, Deborah Hicks and Kevin Fletcher, were predominantly responsible for signing the majority of affidavits used in debt collection litigation against Chase debtors nationwide. All three Chase employees had the job title of “Attorney Liaisons.” Collection affidavits require the signer to be familiar with the bank’s pertinent records. However, these three employees rarely, if ever, reviewed the “books and records” concerning the consumers’ collection accounts. *See OCC Probing JPMorgan Chase Credit Card Collections*, *American Banker*, by Jeff Horowitz, March 12, 2012. Instead, the employees routinely signed stacks of affidavits on airplane flights and in meetings and considered the task akin to busy work. *Id.* Howard Hardin, another former Chase employee, reported to the *American Banker* that “We did not verify a single one” of the affidavits which attested to the alleged amounts of the underlying consumer debts. Hardin stated, “We were told [by superiors], ‘We’re in a hurry. Go ahead and sign them.’” *Id.*

179. Due to the ongoing OCC investigation and problems uncovered during that investigation, it was reported that, “JPMorgan Chase & Co. has quietly ceased filing lawsuits to collect consumer debts around the nation, dismissing in-house attorneys and virtually shutting down a collections machine that as recently as nine months ago was racking up hundreds of millions of dollars in monthly judgments.” Jeff Hurwitz, *JPM Chase Quietly Halts Suits Over Consumer Debts*, *American Banker* (Jan.10, 2012). The article continues, “In a sign that Chase acted with urgency, numerous regional collections teams were fired in mid-2011 at the order of the New York bank's headquarters, according to people familiar with the events.”

“Nobody told anybody anything. It was very traumatic,” says a former Chase attorney who asked to remain anonymous because of a nondisclosure agreement. “I think there were investigations by the [Office of the Comptroller of the Currency] and other government entities. If we’re not there, we can’t be interviewed.”

Id.

180. Even while Chase reportedly ceased filing debt collection cases in its own name during the pendency of federal and state investigations, Chase continued to sell its debt portfolios to others for collection. See Jeff Hurwitz, *State AGs Probing Sales of Credit Card Debt*, American Banker (September 17, 2012) (“Chase is still sending accounts to debt buyers, however.”)

The SEC is investigating a Whistle Blower Complaint Against Chase and NCO

181. In November 2010, former Chase and NCO manager, Linda Almonte, filed a whistle blower complaint with the SEC, implicating Chase, NCO and NCOF, and their affiliate debt collection law firms, in a host of debt-collection, debt seller and debt buyer improprieties. In April 2012, Ms. Almonte supplemented and refiled her SEC whistle blower complaint pursuant to the Dodd-Frank Act.

182. Ms. Almonte was hired as the Director of Client Services for NCO. In that position, Ms. Almonte was responsible for maintaining NCO relationships with its key creditor clients. She reported directly to Paschco Montoya, NCO’s Vice President responsible for overseeing NCO’s and NCOF’s Attorney Network. Following her employment at NCO, Ms. Almonte was hired by Chase as the Vice President of Process Execution. At Chase, Ms. Almonte reported to Jason Lazenbat, Chase Card Services Operations Manager, and indirectly to Edmond Helaire, Chase Card Services Operations Director.

183. According to Ms. Almonte’s whistle blower complaints, “NCO’s operations

were nearly exclusively funded by Chase Bank through a series of public offerings (underwritten by Chase Bank and subscribed to primarily by Chase Bank).”

184. According to Ms. Almonte’s whistle blower complaints, “Specific debt sales between Chase Bank and NCO were financed by loans made by Chase Bank. Indeed Ms. Almonte attended meetings where Chase employees, (including Chase Bank attorneys) oversaw and directed the NCO operation.”

185. According to Ms. Almonte’s whistle blower complaints, “NCO misled the investment community in numerous SEC filings by failing to properly disclose the extent of the known internal problems associated with its litigation process on credit card accounts.”

186. According to Ms. Almonte’s whistle blower complaints, “NCO Group, Inc. (NCO) is primarily in the self-described business of ‘receivables Management’. To the average person, NCO is just a really big collection agency. It is also the largest Litigation Service Provider in the United States. Until August 2011, it was also a large Debt Purchaser. The SEC has jurisdiction over NCO as NCO issues debt and preferred securities governed by federal securities laws. As explained below, Chase Bank through its subsidiaries controls and owns NCO.”

187. According to Ms. Almonte’s whistle blower complaints, “In 2008, NCO issued \$220 million in preferred stock. OEP and related entities purchased at least \$208 million of that offering. In December 2008, NCO issued \$10 million in a second preferred share offering. OEP and related entities purchased substantially all of that offering. In 2009, NCO privately placed yet a third preferred stock offering for \$40 million. OEP and related entities invested at least \$35 million in that offering.”

188. According to Ms. Almonte's whistle blower complaints, "Banks and collection agencies setup large attorney networks throughout the country and any unpaid accounts were quickly funneled into these attorney networks. These law firms and debt market participants organized themselves into trade associations and gave themselves large trophies each year for the law firm that could reduce the most number of unpaid consumer accounts into judgments. Quicker judgments meant more business, which equated to more profit."

189. According to Ms. Almonte's whistle blower complaints, "In addition, during Ms. Almonte's employment at Chase she was asked to travel with Jason Lazinbat and Melissa Janvier to the NCO Attorney Network Site where she previously worked in Baltimore to perform a 'due diligence' on the Attorney Network for the purpose of placing \$2.4 billion dollars of recalled National Arbitration Forum accounts that had previously been in arbitration with the now bankrupt Mann Bracken/Axiant after a Congressional Investigation. Direct emails and concerns along with documented account issues such as audits of additional fees being added to accounts ranging from \$100-\$1800 for arbitration fees and large percentages of accounts that consumers were reporting as paid in full or settled in full and the firm and 44 subvendors never updated the accounts. Chase knowingly made the decision to place these accounts with the firms Hanna and Zwicker when NCO would take too long for the system mapping along with [sic] sold countless of these accounts with the known defects as documented in internal emails already provided to the SEC."

190. According to Ms. Almonte's whistle blower complaints, "NCO (and at times the Debt Owner if not NCO) placed performance metrics on each Affiliate Law Firm and allocated files to Affiliate Law Firms based on those performance metrics. Generally speaking, the two

key performance metrics were (1) speed and quantity of Collection Accounts reduced to Judgment Accounts and (2) amount of money collected on each Judgment Account.”

191. According to Ms. Almonte’s whistle blower complaints, “NCO mandated that every Affiliate Law Firm interact with NCO primarily electronically through a computer system/’website’ that NCO termed the eRecoverEase website (or ‘ERE’).”

192. According to Ms. Almonte’s whistle blower complaints, “Affiliated Law Firms then receive electronically from NCO through the ERE system all information they need to reduce a Collection Account into a default Judgment Account. NCO will not pay an Affiliate Law Firm to perform any pre-filing verification to determine the accuracy of the Electronic Consumer Data forwarded to the Affiliate Law Firm. In fact the only information transmitted to Affiliate Law Firms through the ERE system are the few data points in the standard Electronic Consumer Information that NCO captured in the On Boarding Process.”

193. According to Ms. Almonte’s whistle blower complaints, “Because NCO does not have in its possession the Legacy Consumer Information, NCO can never verify the veracity of the data points in the Electronic Consumer Information. While an employee at NCO, Almonte did not witness any attempt by NCO to audit or verify the accuracy of the information during the On Boarding Process.”

194. According to Ms. Almonte’s whistle blower complaints, “NCO does not perform any due diligence on the Original Creditor or Debt Owner to ensure the existence of the basic documents evidencing the existence of the debt which provides the basis for NCO to sue the consumer.”

195. According to Ms. Almonte’s whistle blower complaints, “While at NCO and

then at Chase Bank, Almonte interacted with all Target Companies and concluded that each Target Company routinely sent to NCO known account balances with known errors and other problems through the NCO litigation processes.”

196. According to Ms. Almonte’s whistle blower complaints, “Once NCO sends the Electronic Consumer Information to an Affiliate Law Firm to reduce it to a judgment, the Affiliate Law Firm has no way to perform any meaningful diligence on the file before filing lawsuit. Indeed, NCO does not allow a law firm to contact the Original Creditor prior to filing a lawsuit without first requesting a meeting through NCO. While at NCO, it was standard operating procedure to reward Affiliate Law Firms who asked no pre-filing diligence questions and penalize those law firms that did ask pre-filing questions.”

197. According to Ms. Almonte’s whistle blower complaints, “During the Pre-Judgment Collection Process, if a consumer questions the validity of the debt or asks for clarification on certain aspects of the debt, NCO has no internal means to answer those questions or concerns. NCO therefore simply sets that consumer up for another call or moves the account to litigation. This is particularly troubling, as now NCO has consumer-instigated questions about the accuracy of the underlying debt, yet NCO's practice was not to verify the information, but rather to begin a lawsuit. Moreover, the fact that a consumer questions the validity of the debt is never communicated to the Affiliate Law Firm, which to an independent law firm could be instrumental in drafting the pleadings in the litigation.”

198. According to Ms. Almonte’s whistle blower complaints, “NCO, Chase Bank and other Target Companies drafted and redrafted contracts amongst the parties to carve out specific known compliance problems. Prior to 2009, for example, Chase Bank had detailed contracts

with all litigation vendors including NCO. Almonte and others at Chase Bank began running outside corporate audits to measure vendor compliance with these detailed contractual provisions. It became clear that the vendors were dramatically out of compliance and that each noncompliance would require specific disclosures to the federal regulators. To avoid this regulatory scrutiny, Chase Bank and other Target Companies simply rewrote the contract so that the known violations did not amount to noncompliance of the new, vaguely worded contract.”

199. According to Ms. Almonte’s whistle blower complaints, “NCO was obsessed with measuring the performance of its Affiliate Law Firms. The top three metrics were speed, number of judgments and the number and amount collected on each account. It was these performance numbers that drove the NCO decision as to where to place the litigation accounts, without any regard to the NCO audit of these top performers. This created an environment where speed and profit trumped consumer protection and data accuracy.”

200. According to Ms. Almonte’s whistle blower complaints, “NCO had known material bugs in the NCO Computer System that materially affected consumers, yet NCO took limited or no action to resolve the underlying mishaps caused by these known computer bugs. The first is what is termed within NCO as the ‘returned by automation’ problem. It lasted so long and became such a problem that NCO employees dubbed it the ‘RBA Bug’. When an Affiliate Law Firm would settle an unpaid account, that Affiliate Law Firm would properly enter a ‘Settled in Full’ or ‘Paid in Full’ P-Code into the NCO ESE system, which in turn would upload the new P-Code status into NCO Computer System. The RBA Bug quite simply lost the status change information and failed to update the particular consumer account on the NCO Computer System with the information that the account is either ‘paid in full’ or ‘settled in full’.

Consequently, NCO (or if NCO sold the account to a third party Debt Buyer) continued collection efforts on tens of thousands - if not hundreds of thousands – of consumer accounts that had been properly paid or settled.”

201. According to Ms. Almonte’s whistle blower complaints, “Not only did the RBA Bug cause thousands upon thousands of consumers to face double or triple collections, but NCO used the P-Code to update the credit bureaus on the status of the loan so all of these same consumers have negative, erroneous information on their credit reports.”

202. According to Ms. Almonte’s whistle blower complaints, “NCO specifically mandated that an Affiliated Law Firm was not allowed to contact the Original Creditor and that all communications must go through the ESE system and through NCO.”

Federal and State Investigations of Defendants are Ongoing

203. “Mississippi Attorney General Jim Hood and a separate group of AGs have been investigating JPMorgan Chase’s handling of credit card debt since last spring, and the Consumer Financial Protection Bureau, a federal agency created under the Dodd-Frank Act with authority over banks and nonbanks alike, launched systematic examinations of major debt collectors at the beginning of 2013.” Jeff Horwitz, *Banks Face Backlash Against Card Collection Practices, Collections and Credit Risk* (January 17, 2013).

CLASS ACTION ALLEGATIONS

204. Plaintiff brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of a class of persons against whom debt collection activities, including, but not limited to, lawsuits, have been or are being taken and/or orchestrated by Defendants and their affiliates in an effort to collect on debt which Defendants knew were not owed or have

failed to verify is actually owed, either in whole or in part, by the consumer (the “Class”), Plaintiff also brings this action on behalf of a Subclass of persons against whom Defendants have taken the following actions in violation of the FDCPA:

- (a). Communicating with consumers in connection with the collection of debts at times or places Defendants know or should know to be inconvenient to Consumers, including during inconvenient hours;
- (b). Communicating with consumers in connection with the collection of debts, without the prior consent of consumers, after knowing that the consumers were represented by attorneys with respect to the alleged Debts;
- (c). Communicating with consumers in connection with the collections of debts, except as otherwise provided by law, after being notified in writing that the consumers refuse to pay the debts or that consumers wish Defendants to cease further communications with the consumers;
- (d). Placing multiple telephone calls within a short period of time to consumers for purposes of annoying or harassing consumers at the called numbers;
- (e). Attempting to collect alleged debts by telephone without providing the meaningful disclosure of the caller’s identity;
- (f). Collecting or attempting to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the Debts or permitted by law; and/or
- (g). Contacting third parties (except those permitted by 15 U.S.C. §1692c(b)) without the prior consent of consumers in connection in with the collection of any debt.

205. Plaintiff also brings this action on behalf of a Subclass (the “FCRA Subclass”) of persons on behalf of whom Defendants have furnished, or failed to correct, information they have furnished or know or should reasonably know to be furnished, to consumer reporting agencies that is false, deceptive and/or misleading.

206. Plaintiff also brings this action on behalf of a Subclass (the

“New York Judiciary Law §487 Subclass”) of persons who were named as defendants in lawsuits filed in New York by Forster & Garbus and/or any Doe Defendant on behalf of, or at the direction of, NCO and/or NCOF.

207. Plaintiff does not know the exact size or identities of the proposed Class or Subclasses, since such information is in the exclusive control of Defendants. Plaintiff believes that the Class and Subclasses encompass many hundreds to thousands of individuals whose identities can be readily ascertained from Defendants’ books and records.

208. Common question of law and fact raised in this action include the following:

- (a) Whether Defendants have orchestrated debt collection efforts which seek to collect on consumer debt which Defendants know, or reasonably should know and fail to know, is debt which is not owed, in whole or in part, by the consumer, including (1) orchestrating and commencing legal actions against consumers to collect on debt which is not owed, in whole or in part; and (2) mass generating and robo-signing of affidavits for use in said debt collection lawsuit.
- (b) Whether Defendants violated the FDCPA;
- (c) Whether, on behalf of a subclass of persons in New York State, Defendants violated New York General Business Law §349;
- (d) Whether Defendants violated the Fair Credit Reporting Act;
- (e) Whether Plaintiff and the other members of the Class are entitled to damages, restitution, declaratory relief and/or injunctive relief as a result of Defendants’ conduct, and the proper measure of damages and other relief; and
- (f) Whether Defendants conspired to violate the FDCPA, FCRA, New York GBL

§349 and/or New York Judiciary Law §487.

209. Plaintiff will fairly and adequately protect the interests of the Class and Subclasses. Plaintiff has retained able counsel with extensive experience in deceptive consumer practices, including violations of the FDCPA, the FCRA, and GBL §349, as well as in class action litigation. The interests of Plaintiff are coincident with, and not antagonistic to, the interests of the other Class and Subclass members.

210. The questions of law and fact common to the members of the Class and Subclasses predominate over any questions affecting only individual members, including legal and factual issues relating to liability and damages.

211. The prosecution of separate actions by individual members of the Class and Subclasses would create a risk of inconsistent or varying adjudications with respect to individual Class and Subclass members, which would establish incompatible standards of conduct for Defendants.

212. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Since the damages suffered by individual members of the Class and Subclasses may be relatively small, the expense and burden of individual litigation make it impossible for the members of the Class individually to redress the wrongs done to them. The Class is readily definable, and prosecution of this action as a class action will eliminate the possibility of repetitious litigation. Plaintiff will encounter no difficulty in managing this action as a class action.

FRAUDULENT CONCEALMENT AND EQUITABLE TOLLING

213. Defendants have engaged in deceptive, misleading, and fraudulent efforts to

conceal the true nature of their unlawful conduct from Plaintiff, the Classes and Subclasses through acts of omission and misrepresentations. Defendants have intended to and have, in fact, accomplished their concealment through misrepresentations and omissions, as described herein.

214. As a result and proximate cause of Defendants' concealment and because Defendants represent or represented that debts are owed, or owed in the amounts represented, Class and Subclass members were likely to be reasonably unaware of Defendants' unlawful acts and the claims alleged in this action.

215. A reasonably diligent consumer, including members of the Class and Subclasses, could not have learned of their claims alleged in this action, or all the material events giving rise to their claims in this action, prior to the filing of this lawsuit. The claims alleged in this action have been tolled since that time.

216. Class and Subclass members' lack of knowledge as to the existence of their claims against Defendants was not due to any fault or lack of reasonable diligence on their part, but rather due entirely or substantially to the acts of Defendants designed to conceal and hide the true nature of their unlawful conduct. To the contrary, Plaintiff has been diligent in bringing his claims in this action, both individually and on behalf of the Class and Subclasses.

217. Class and Subclass members' claims alleged in this action were tolled, equitably and/or as a result of Defendants' fraudulent concealment, at least until the filing of this action. To the extent it is asserted by Defendants that any of Plaintiff's individual claims are untimely, Plaintiff's claims to the extent not timely were tolled, equitably and/or as a result of Defendants' fraudulent concealment.

FIRST CAUSE OF ACTION

VIOLATION OF FAIR DEBT COLLECTION PRACTICES ACT

(ALL DEFENDANTS)

218. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

219. Plaintiff and the other members of the Class are “consumers” as that term is defined in 15 U.S.C. §1692a(3).

220. Defendants are each “debt collectors” as that term is defined in 15 U.S.C. §1692a(6). NCO, NCOF and Forster & Garbus have admitted in communications to Plaintiff that they are debt collectors as defined by the FDCPA.

221. Defendants have violated the FDCPA, 15 U.S.C. §§ 1692c(a)(1), 1692c(a)(2), 1692c(b), 1692c(c), 1692d, 1692d(5), 1692d(6), 1692e, 1692e(2), 1692e(4), 1692e(5), 1692e(10), 1692e(13), 1692f and 1692f(1).

222. Defendants have violated the FDCPA 15 U.S.C. §§ 1692c(a)(1), 1692c(a)(2), 1692c(b), 1692c(c), 1692d, 1692d(5), 1692d(6) by attempting to collect alleged debts in manners that violated those statutory and consumer protections, including: (a). Communicating with consumers in connection with the collection of debts at times or places Defendants know or should know to be inconvenient to Consumers, including during inconvenient hours; (b). Communicating with consumers in connection with the collection of debts, without the prior consent of consumers, after knowing that the consumers were represented by attorneys with respect to the alleged Debts; (c). Communicating with consumers in connection with the collections of debts, except as otherwise provided by law, after being notified in writing that the

consumers refuse to pay the debts or that consumers wish Defendants to cease further communications with the consumers; (d). Placing multiple telephone calls within a short period of time to consumers for purposes of annoying or harassing consumers at the called numbers; (e) Attempting to collect alleged debts by telephone without providing the meaningful disclosure of the caller's identity; and/or (f) Contacting third parties (except those permitted by 15 U.S.C. §1692c(b)) without the prior consent of consumers in connection with the collection of any debt.

223. Defendants have violated the FDCPA, 15 U.S.C. §§ 16929(e) and (f) by using false representations and deceptive and unconscionable means to collect or attempt to collect consumer debt for the reasons contained in the Ohio AOD, including: (a) causing lawsuits to be filed *en masse* against consumers for debt collection when Defendants know, or reasonably should know and fail to investigate, discover or verify, that the alleged underlying debt which is the subject of the litigation, is not valid, in whole or in part, or in the amounts sought; and (b) causing the mass production of affidavits and the robo-signing thereof for use in said lawsuits; and/or (c) collecting or attempting to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the Debts or permitted by law.

224. Moreover, the Assurances of Voluntary Compliance entered into by the Attorneys General of nineteen states that settled FDPCA and FCRA violations with NCOF, including the Ohio AVC dated January 23, 2012 and attached hereto as Exhibit A, requires that NCOF cease and desist its violations of the FDCPA, 15 U.S.C. §1692, including, misleading representations to collect or attempt to collect debts, including but not limited to, the following

FDCPA violations imposed by Defendants on Plaintiff, the Class and Subclasses and are incorporated herein:

Section 6.2

e. Communicate with Consumers in connection with the collection of Debts at times or places NCOF knows or should know to be inconvenient to the Consumers, including during inconvenient hours, in violation of the FDCPA, 15 U.S.C. §1692c(a)(1);

f. Communicate with Consumers in connection with the collection of Debts, without the prior consent of the Consumers, after knowing that the Consumers were represented by attorneys with respect to the alleged Debts, in violation of the FDCPA, 15 U.S.C. §1692c(a)(2);

h. Communicate with Consumers in connection with the collections of Debts, except as otherwise provided by law, after being notified in writing that the Consumers refuse to pay the Debts or that the Consumers wish NCOF to cease further communications with the Consumers, in violation of the FDCPA, 15 U.S.C. §1692c(c);

i. Engage in conduct the natural consequence of which was to harass, oppress, or abuse persons in connection with the collection of a Debt, in violation of the FDCPA, 15 U.S.C. §1692d;

k. Place multiple telephone calls within a short period of time to Consumers for purposes of annoying or harassing Consumers at the called numbers, in violation of the FDCPA, 15 U.S.C. §1692d(5);

l. Attempt to collect alleged Debts by telephone without providing the meaningful disclosure of the caller's identity, in violation of the FDCPA, 15 U.S.C. §1692d(6);

m. Use false or misleading representations to collect or attempt to collect Debts or to obtain Location Information, in violation of the FDCPA, 15 U.S.C. §1692e;

n. Falsely represent the character, amount, or legal status of Debts or services rendered or compensation which may be lawfully received by Debt Collectors

for the collection of Debts, in violation of the FDCPA, 15 U.S.C. §1692e(2)(A)(B);

o. Represent or imply to Consumers that nonpayment of Debts will result in the arrest or imprisonment of the Consumers, or the seizure, garnishment, attachment, or sale of any of the Consumers' property or wages when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. §1692e(4);

p. Threaten to take legal actions when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. §1692e(5);

q. Use 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 FDCPA, 15 U.S.C. §1692e(10);

r. Use unfair or unconscionable means to collect or attempt to collect Debts, in violation of the FDCPA, 15 U.S.C. §1692f;

s. Collect or attempt to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the Debts or permitted by law, in violation of the FDCPA, 15 U.S.C. §1692f(1);

v. Fail to cease collection activities upon the receipt of written notifications from Consumers of disputes, or requests for the names of the original Creditors or for verification of the Debts alleged to be owed, until the NCOF mails verifications or the debts to the Consumers, in violation of the FDCPA, 15 U.S.C. §1692g(b);

bb. Collect or attempt to collect on settled Debts;

cc. Fail to honor or confirm settlement agreements in writing with Consumers and continue to attempt to collect additional amounts or the full amount of the Debts allegedly owed;

225. Defendants have violated and continue to violate the FDPCA, causing actual and/or statutory injuries to Plaintiff, the Class and Subclasses, in the manner alleged in this Complaint and found by the investigating Attorneys General, and alleged in the Ohio AVC..

226. As a result of Defendants' past and continuing violations of the FDCPA, including 15 U.S.C. §§ 1692c(a)(1), 1692c(a)(2), 1692c(b), 1692c(c), 1692d, 1692d(5), 1692d(6), 1692e, 1692e(2), 1692e(4), 1692e(5), 1692e(10), 1692e(13), 1692f and 1692f(1), Plaintiff and the other members of the Class and FDCPA Subclass have suffered actual and statutory damages and bring claims for all available relief pursuant to 15 U.S.C. §1692k.

SECOND CAUSE OF ACTION

VIOLATION OF THE FAIR CREDIT REPORTING ACT

(ALL DEFENDANTS)

(DISMISSED AND PRESERVED)

227. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

228. Plaintiff and the other members of the Class and FCRA Subclass are “consumers” as that term is defined in the FCRA 28 U.S.C. §1681b(c).

229. Defendants are furnishers of consumer information to “consumer reporting agencies” and as that term is defined in the FCRA §1681a(f).

230. The FCRA 15 U.S.C. §1681s-2, provides, in relevant part, that furnishers of consumers’ information to consumer reporting agencies must provide accurate information:

(g) Duty of Furnishers of Information to Provide Accurate Information

(1) Prohibition

(A) *Reporting information with actual knowledge of errors.* A person shall not furnish any information relating to a consumer to any consumer reporting agency if the person knows or has reasonable cause to believe that the information is inaccurate.

231. In addition, the FCRA 15 U.S.C. §1681s-2(a)(1)(B) requires furnishers to correct and update information provided to consumer reporting agencies if the furnisher determines that the information provided is not complete or accurate and further requires the furnisher to stop providing inaccurate consumer information to credit reporting agencies.

232. Defendants have violated the FCRA 15 U.S.C. §1681s-2 by willfully and negligently providing information relating to consumer credit reporting agencies which

Defendant know, or reasonably should know, or are reckless in not knowing, is false or inaccurate, in whole or in part, and by failing to correct incomplete or inaccurate information which has been provided to the consumer credit reporting agencies.

233. Defendants violated the FCRA with respect to Plaintiff LaCourte by furnishing, or failing to correct, information to the credit bureaus that he owed a false and inaccurate debt to American Express, even after the Stipulation of Discontinuance entered in the *LaCourte Action*.

234. As a result of Defendants violations of the FCRA, pursuant to 15 U.S.C. §§ 1681n and 1681o, Plaintiff and the other members of the Class and FCRA Subclass have suffered actual and/or statutory damages and bring claims for all available relief pursuant to the FCRA.

THIRD CAUSE OF ACTION

VIOLATION OF NEW YORK GENERAL BUSINESS LAW SECTION 349

(ALL DEFENDANTS)

(DISMISSED AND PRESERVED)

235. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

236. Plaintiff asserts this claim on behalf of himself and all similarly situated persons who reside in New York (the “GBL 349 Subclass”).

237. Plaintiff and the GBL 349 Subclass members are “persons” within the meaning of GBL §349(h).

238. GBL §349(a) states: “Deceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful.”

239. Defendants engaged in deceptive acts and practices in the form of misrepresentations and/or material omissions during the conduct of business in and from New York in violation of GBL §349(a) by engaging in the methods, acts, practices, and conduct described in this Complaint, including the following:

- (a). Violating the FDCPA;
- (b). Violating the FCRA;
- (c). Violating the New York Fair Credit Reporting Act, GBL §380 *et seq.*;
- (d). Representing that debts were owed when they were not owed, or not owed in the amount represented by Defendants;

- (e). Representing that debts were owed before Defendants performed an investigation as to whether the debts were owed, or owed in the amounts represented by Defendants, including attempts to collect debts without possessing “media” from the creditor verifying the debt;
- (f) Attempting to collect debts after a consumer disputes the debt, or amount of debt sought to be collected;
- (g). Using any false, deceptive, misleading, abusive, harassing or threatening method to collect an alleged debt from a consumer;
- (h) Causing lawsuits to be filed *en masse* against consumers for debt collection when Defendants know, or reasonably should know and fail to discover, investigate or verify, that the alleged underlying debt which is the subject of the litigation, is not valid, in whole or in part, or in the amounts sought;
- (i) Causing the mass production of affidavits and the robo-signing thereof for use in said lawsuits;
- (j) Making false or inaccurate representations about consumer debts credit reporting agencies and/or failing to take corrective action concerning the false or inaccurate information provided to consumer credit reporting agencies;
- (k). The use by any lawyer or law firm, or those assisting or conspiring with any lawyer or law firm, of any method to collect a debt, or attempt to attempt to collect a debt, that violates the New York Judiciary Law Section 487;
- (l) The use by any lawyer or law firm, or those assisting or conspiring with any lawyer or law firm, of any method to collect a debt, or attempt to attempt to collect a

debt, that violates the New York Rules of Professional Conduct, including Rules 1.4, 1.5(c), 1.7(a)(2), 3.1, 5.4(c) and 5.8.

240. By engaging in the conduct alleged in this Complaint, Defendants engaged in misleading acts and practices in that its conduct had a tendency and likelihood to, and did in fact, deceive Plaintiff and the GBL 349 Subclass among the persons to whom such conduct was and is targeted.

241. Defendants' deceptive acts and practices adversely impacted Plaintiff and Subclass members, and therefore, constitute consumer-oriented conduct under GBL §349, that resulted in an actual and direct harm to Plaintiff and Subclass members.

242. The deceptive acts and practices of Defendants have directly, foreseeably, and proximately caused actual losses, damages and injuries, including financial losses, to Plaintiff and the other members of the New York Subclass. Among the pecuniary injuries suffered by Plaintiff were costs incurred by him to defend the *LaCourte Action* and injuries resulting from false and inaccurate information concerning the alleged American Express debt listed in his credit reports, and never removed or corrected from his credit reports by Defendants.

243. Plaintiff and the GBL 349 Subclass are entitled to pursue claims against Defendants during the GBL 349 Subclass Period for damages, statutory damages, treble damages, exemplary damages, injunctive relief, costs and attorney's fees pursuant to GBL §349(h) to redress Defendants' violations of GBL §349(a).

244. Subclass members who were sixty-five years of age or older at the time of Defendants' violations of GBL §349 are entitled to pursue additional claims pursuant to GBL §349-c to redress Defendants' violations of GBL §349(a) perpetrated against one or more

elderly persons.

245. In addition to actual and pecuniary losses, Plaintiff and the GBL 349 Subclass suffered actual harm as a result of Defendants' violations GBL §349(a), including but not limited to the annoyance, harassment, time, frustration, anger and anxiety incurred by Plaintiff and the Class due to Defendants' violations of GBL §349.

246. Plaintiff and the other members of the GBL 349 Subclass have no adequate remedy of law.

FOURTH CAUSE OF ACTION

NEW YORK JUDICIAL LAW SECTION 487

(AGAINST FORSTER & GARBUS LLP AND DOES 1 THROUGH 150 LAW FIRM AFFILIATES OF NCO AND NCOF OPERATING IN NEW YORK)

247. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

248. New York law states that “an attorney or counsel who ... is guilty of any deceit or collusion, or consents to any deceit or collusion, with intent to deceive the court or any party . . . [i]s guilty of a misdemeanor, and in addition to the punishment prescribed therefor by the penal law . . . forfeits to the party injured treble damages, to be recovered in a civil action.” N.Y. Jud. Law §487(l).

249. As stated herein, Forster & Garbus and Does 1 through 150 Law Firm Affiliates of NCO and NCOF that conduct business in New York, violated Section 487 of the New York Judiciary Law by engaging in deceit or collusion, or consenting to deceit or collusion, with the intention to deceive the courts and opposing party consumers, by *inter alia*, commencing debt collection lawsuits on behalf of NCO and NCOF and/or their creditor clients, with no knowledge of the alleged underlying debt or without having verified the alleged debts or performing a diligent investigation of the validity and amount of the alleged debts.

250. Forster & Garbus and Does 1 through 150 Law Firm Affiliates of NCO and NCOF that conduct business in New York committed the above-described acts willfully and/or knowingly and have caused injury and damages to Plaintiff and the other members of the Class, and unless enjoined, will cause further irreparable injury. As a direct and proximate result, Plaintiff and the other members of the New York Judiciary Law §487 Subclass have suffered

compensable harms and are entitled to recover actual and treble damages.

FIFTH CAUSE OF ACTION

CONSPIRACY TO COMMIT VIOLATIONS OF THE NEW YORK JUDICIARY LAW §487

(NCO, NCOF, FORSTER & GARBUS AND DOES 1 TO 150)

251. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

252. Forster & Garbus and Does 1 through 150 Law Firm Affiliates of NCO (collectively “Law Firm Defendants”), NCOF and NCO agreed and conspired to violate New York Judiciary Law §487 by *inter alia*, agreeing that the Law Firm Defendants would commence debt collection lawsuits on behalf of NCO and NCOF and/or their creditor clients, when the Law Firm Defendants had no knowledge of the alleged underlying debt, or had not verified the alleged debts or had not performed a diligent investigation of the validity and amount of the alleged debts.

253. The Law Firm Defendants, NCO and NCOF have committed overt acts in furtherance of this conspiracy including 1) the exchange between them of (a) the *NCO Financial Systems Attorney Network Standard Operating Procedures* and (b) contracts between NCO and the Law Firm Defendants; 2) the delivery by NCO of documents relating to Plaintiff, the Class and Subclasses to the Law Firm Defendants and 3) the filing of lawsuits by the Law Firm Defendants against Plaintiff, the Class and Subclasses.

254. These overt acts in furtherance of the conspiracy to violate New York Judiciary Law §487 were intentional and not inadvertent.

255. The conspiracy and acts in furtherance of their conspiracy have directly,

foreseeably, and proximately caused actual losses, damages and injuries, including financial losses, to Plaintiff, the Class and Subclass.

SIXTH CAUSE OF ACTION

**CONSPIRACY TO COMMIT VIOLATIONS OF THE FDCPA, FCRA
AND/OR NEW YORK GBL §349**

(ALL DEFENDANTS)

(DISMISSED AND PRESERVED)

256. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

257. Defendants have engaged in conduct, acts and practices that violates the FDCPA, FCRA and/or New York GBL §349.

258. Defendants have agreed to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

259. Among the formal agreements between and among Defendants in furtherance of their conspiracy to the FDCPA, FCRA and/or New York GBL §349 are: (a) the *NCO Financial Systems Attorney Network Standard Operating Procedures* between and among NCO, NCOF and Forster & Garbus (or Does 1 to 150) and (b) the “contract[s] between NCO Financial Systems and our subcontracted attorneys” referenced in Section 2.0 of the *NCO Financial Systems Attorney Network Standard Operating Procedures*.

260. Upon information and belief, to be confirmed during discovery, Defendants made informal agreements between and among themselves in furtherance of their conspiracy to the FDCPA, FCRA and/or New York GBL §349.

261. Defendants have committed overt acts in furtherance to their agreements to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

262. Defendants overt acts and assistance to their co-Defendants to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349 was intentional, in furtherance of a plan and was not inadvertent.

263. Defendants' conspiracy(ies) and agreements and acts in furtherance of their conspiracy(ies) have directly, foreseeably, and proximately caused actual losses, damages and injuries, including financial losses, to Plaintiff, the Class and Subclass.

SEVENTH CAUSE OF ACTION

**CONSPIRACY TO COMMIT VIOLATIONS OF THE FDCPA, FCRA
AND/OR NEW YORK GBL §349**

(ALL DEFENDANTS EXCEPT FORSTER & GARBUS AND DOES 1 - 150)

(DISMISSED AND PRESERVED)

264. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

265. Defendants have engaged in conduct, acts and practices that violates the FDCPA, FCRA and/or New York GBL §349.

266. Defendants have agreed to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

267. Among the formal agreements between and among Defendants in furtherance of their conspiracy to the FDCPA, FCRA and/or New York GBL §349 are: (a) the Management Agreement between and among One Equity Partners and NCO; and (b) the Stockholders' Agreement between and among One Equity Partners and NCO.

268. Upon information and belief, to be confirmed during discovery, Defendants made informal agreements between and among themselves in furtherance of their conspiracy to the FDCPA, FCRA and/or New York GBL §349.

269. Defendants have committed overt acts in furtherance to their agreements to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

270. Defendants overt acts and assistance to their co-Defendants to engage in the

conduct, acts and practices that have violated the FDCPA, FCRA and/pr New York GBL §349 and/or was intentional, in furtherance of a plan and was not inadvertent.

271. Defendants' conspiracy(ies) and agreements and acts in furtherance of their conspiracy(ies) have directly, foreseeably, and proximately caused actual losses, damages and injuries, including financial losses, to Plaintiff, the Class and Subclass.

EIGHTH CAUSE OF ACTION

**CONSPIRACY TO COMMIT VIOLATIONS OF THE FDCPA, FCRA AND/OR
NEW YORK GBL §349**

(ALL DEFENDANTS EXCEPT FORSTER & GARBUS AND DOES 1 - 150)

(DISMISSED AND PRESERVED)

272. Plaintiff restates, realleges and incorporates by reference the foregoing paragraphs.

273. Plaintiff alleged this claim to the extent NCO, NCOF, One Equity Partners and/or Chase argue they are separate entities not responsible for the acts, including unlawful acts, performed by their direct or indirect parent or subsidiary co-defendants in this lawsuit.

274. Defendants have engaged in conduct, acts and practices that violates the FDCPA, FCRA and/or New York GBL §349.

275. Defendants have agreed to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

276. Among the formal agreements between and among Defendants in furtherance of their conspiracy to the FDCPA, FCRA and/or New York GBL §349 are: (a) the contracts for debt collection services between and among NCO, NCOF and Chase; and (b) the contracts between and among NCO, One Equity Partners and/or Chase to providing financing or investments for NCO and NCO to perform its debt collection, legal service and credit reporting operations.

277. Upon information and belief, to be confirmed during discovery, Defendants made informal agreements between and among themselves in furtherance of their conspiracy to

the FDCPA, FCRA and/or New York GBL §349.

278. Defendants have committed overt acts in furtherance to their agreements to provide assistance to their co-Defendants, or some of them, to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349.

279. Defendants overt acts and assistance to their co-Defendants to engage in the conduct, acts and practices that have violated the FDCPA, FCRA and/or New York GBL §349 was intentional, in furtherance of a plan and was not inadvertent.

280. Defendants' conspiracy(ies) and agreements and acts in furtherance of their conspiracy(ies) have directly, foreseeably, and proximately caused actual losses, damages and injuries, including financial losses, to Plaintiff, the Class and Subclass.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated, prays for judgment against Defendants, jointly and severally, as follows:

A. An order certifying this case as a class action under Fed. R. Civ. P. Rule 23, and appointing Plaintiff and his counsel to represent the Class and Subclass;

B. An order declaring that Defendants' alleged acts and practices constitute violation of the Fair Debt Collection Practices Act;

C. An order declaring that Defendants' alleged acts and practices constitute violation of the Fair Credit Reporting Act;

D. An order declaring that Defendants' alleged acts and practices constitute violation of the New York General Business Law §349;

E. A permanent injunction against Defendants to enjoin continuing to harm Plaintiff and the other members of the Class and Subclass;

F. An order for Defendants' specific performance of its contractual obligations together with other relief required by contract law;

G. Restitution to Plaintiff and the other members of the Class and Subclasses;

H. Actual damages for injuries suffered by Plaintiff and the other members of the Class and Subclasses;

I. Statutory damages pursuant to the FDCPA;

J. Statutory damages pursuant to the FCRA;

K. Statutory damages pursuant to GBL §349 and the relief provided by GBL §349-c;

- L. Treble damages pursuant to N.Y. Jud. Law §487; and
- M. Reasonable attorney's fees and costs of this action, statutory pre-judgment interest, and such other relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial by jury to the extent authorized by law.

DATED: May 15, 2013

TUSA P.C.

/s/ Joseph S. Tusa
Joseph S. Tusa
1979 Marcus Avenue, Ste. 201
Lake Success, NY 11042
Tel. (516) 622-2212
Joseph.tusapc@gmail.com

**GISKAN SOLOTAROFF ANDERSON
& STEWART LLP**

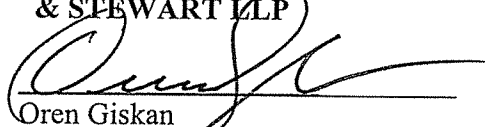

Oren Giskan
Catherine E. Anderson
Jason Solotaroff
11 Broadway, Ste. 2150
New York, New York 10004
Tel. (212) 847-8315
canderson@gslawny.com
ogiskan@gslawny.com
jsolotaroff@gslawny.com

EXHIBIT A

**STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION SECTION**

STATE OF OHIO)	DOCKET NO. 365737
)	
IN THE MATTER OF:)	<u>ASSURANCE OF</u>
NCO FINANCIAL SYSTEMS, INC.)	<u>VOLUNTARY COMPLIANCE</u>

PREAMBLE

This Assurance of Voluntary Compliance (hereinafter referred to as "Assurance") is entered into between the Attorneys General of the States and Commonwealths of Alaska, Arkansas, Idaho, Illinois, Iowa, Kentucky, Louisiana, Michigan, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, Vermont, and Wisconsin (referred to collectively as the "Multi-State Working Group" or the "Participating States"), acting on behalf of their respective states, and pursuant to their respective Consumer protection and/or debt collection statutes¹, and NCO Financial Systems, Inc., a Pennsylvania corporation that engages in business in each of the Participating States.

¹ Alaska, Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 et seq.; Arkansas, Ark. Code Ann. §4-88-101 et seq.; Idaho, Idaho Consumer Protection Act, Idaho Code section 48-601 et seq.; Illinois, Illinois Collection Agency Act, 225 ILCS 425/1 et seq. and the Illinois Consumer Fraud & Deceptive Business Practices Act, 815 ILCS 505/1 et seq.; Iowa, Iowa Consumer Fraud Act: Iowa Code section 714.16 and Iowa Debt Collection Practices Act: Iowa Code sections 537.7101 – 537.7103; Kentucky, Kentucky Consumer Protection Act, KRS 367.110 et seq.; Louisiana, Unfair Trade Practices and Consumer Protection Law, LSA-R.S. 51:1401 et seq.; Michigan, Regulation of Collection Practices Act, MCL 445.251, et seq.; Nebraska, NE Consumer Protection Act, NRS. §§59-1601 et seq. and NE Uniform Deceptive Trade Practices Act, NRS. §§87-301 et seq.; Nevada, Nevada Deceptive Trade Practices Act, NRS 598.0903 et. seq.; New Mexico, New Mexico Unfair Practices Act, NMSA 1978, Sec. 57-12-1 et seq. (1967); North Carolina, North Carolina Collection Agency Act, N.C. Gen. Stat. § 58-70-1, et seq., and the North Carolina Unfair Practices Act, N.C. Gen. Stat. § 75-1.1, et seq.; North Dakota, North Dakota Century Code (N.D.C.C.) § 51-15-01 et seq.; and N.D.C.C. ch. 13-05.; Ohio, Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq.; Oregon, Oregon Unlawful Trade Practices Act, Oregon Revised Statute (ORS) 646.605 to 646.656, including Oregon’s Unlawful Collection Practices Act, ORS 646.639.; Rhode Island, R.I. Gen. Laws §6-13.1-1, et seq., commonly referred to as the Rhode Island Deceptive trade Practices Act; R.I. Gen. Laws §19-14.9-1, et seq., commonly referred to as the Rhode Island Fair Debt Collection Act; South Carolina, South Carolina Unfair Trade Practices Act, South Carolina Code Ann. Sections 39-5-10, et seq.; Vermont, Vermont Consumer Fraud Act, 9 V.S.A. s 2451, et seq. and Vermont’s Consumer Fraud Rule 104; Wisconsin, Wis. Stats. § 427.104 and Wis. Adm. Code DFI-Bkgch. ch. 74.

I. GENERAL PROVISIONS

Recognizing that the State of Ohio, by and through Attorney General Michael DeWine, and NCO Financial Systems, Inc. (“NCOF”), by its counsel, have consented to the entry of this Assurance, agree as follows:

1.1 Venue is proper over this Assurance and its enforcement because the alleged violations of the Ohio Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq., the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692 et seq., and the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et seq. occurred here in the State of Ohio.

1.2 Attorney General DeWine has authority under R.C. 1345.06 to bring consumer protection and debt collection actions on behalf of the State of Ohio.

1.3 This Assurance shall be governed by the laws of the State of Ohio.

1.4 This Assurance is entered into by NCOF as a free and voluntary act and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Assurance.

1.5 Nothing in this Assurance constitutes any agreement by the Parties concerning the characterization of the amounts paid pursuant to this Assurance for purposes of the Internal Revenue Code or any state tax laws, or the resolution of any other matters.

1.6 This Assurance constitutes a complete settlement and release of all claims on behalf of the signatory Attorneys General against NCOF with respect to all civil claims, causes of action, damages, fines, costs or penalties for alleged violations of the States’ respective Consumer Protection Acts cited in footnote 1, arising from any acts, policies or practices which were known prior to the Effective Date of this Assurance and which were related to or based

upon NCOF's debt collection practices and were addressed as identified in Paragraphs 6.2a-ff of this Assurance.

1.7 The States and NCOF have agreed to the entry of this Assurance without trial of any issue of fact or law. This Assurance is entered into only for the purpose of resolving the issues raised in this Assurance and does not bind any other officers or agencies of the respective States to this Assurance. This Assurance shall not be construed to nor does it resolve or preclude any other action, civil, criminal, or administrative.

1.8 Nothing contained herein shall be construed to waive any individual right of action by a Consumer or any action by a local, state, federal, or other governmental entity.

1.9 Nothing in this Assurance shall in any way preclude any investigation or enforcement action against NCOF under any legal authority granted to the State for any activities related to NCOF's business practices, as well as transactions not subject to this action.

1.10 NCOF shall not represent directly or indirectly or in any way whatsoever imply that the Signatory Attorney General has sanctioned, condoned, or approved any part or aspect of NCOF's business practices, current efforts to reform its practices, or any further practices that NCOF may adopt or consider adopting.

II. DEFINITIONS

For purposes of this Assurance, the following words or terms shall have the following meaning:

2.1 "Affiliate" means a business entity that is owned by, operated by, controlled by, or under common control with another business entity.

2.2 "Call Center" means any physical location from which NCOF places or receives Consumer credit Debt Collection phone calls.

2.3 “Collection Center” means any physical location from which NCOF sends or receives Consumer credit Debt correspondence.

2.4 “Communication” means the conveying of information regarding a Debt directly or indirectly to any person through any medium, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(2).

2.5 “Consumer” means any natural person obligated or allegedly obligated to pay any Debt, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(3).

2.6 “Creditor” means any person who offers or extends credit creating a Debt or to whom a Debt is owed, but such term does not include any person to the extent that he receives an assignment or transfer of a Debt in default solely for the purpose of facilitating collection of such Debt for another, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(4).

2.7 “Debt” means any obligation or alleged obligation of a Consumer to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family or household purposes, whether or not such obligation has been reduced to judgment, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(5).

2.8 “Debt Collector” means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any Debts, as defined by 15 U.S.C. § 1692(a)(5), or who regularly collects or attempts to collect, directly or indirectly, Debts owed or due or asserted to be owed or due another, as that term is defined in the FDCPA, 15 U.S.C. §§ 1692(a)(6)(A) – (F), and/or as that term is defined under applicable state law.

2.9 "Debt Collection" means any activity the principal purpose of which is to collect, or attempt to collect, directly or indirectly, Debts owed, or asserted to be owed, or due, regardless of whether collection of the Debt is governed by the FDCPA, to the extent that any individual state Attorney General has jurisdiction over non-Consumer Debt Collection activities.

2.10 "Effective Date" shall mean the latest date by which all Parties have executed this Assurance or the date on which this Assurance is filed.

2.11 "Furnisher of Credit Information" to "consumer reporting agencies" means a person who furnishes information to consumer reporting agencies relating to Consumers, as those terms are defined or used in the FCRA, 15 U.S.C. §§ 1681-1681(x).

2.12 "Location information" means a Consumer's place of abode and the Consumer's telephone number at such place or at the Consumer's place of employment, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(7).

2.13 "Multi-State Executive Committee" shall refer to a committee comprising representatives from the States of Illinois, Louisiana, Nevada, New Mexico, and Ohio.

2.14 "Multi-State Working Group" or "Participating States" shall refer to the States and Commonwealths of Alaska, Arkansas, Idaho, Illinois, Iowa, Kentucky, Louisiana, Michigan, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, Vermont, and Wisconsin collectively.

2.15 "NCOF" shall mean NCO Financial Systems, Inc., doing business under its own name, or under any other business names, including its officers, directors, agents, representatives, salespersons, employees, instructors, affiliates, successors, and assigns, and all persons acting in concert or participation with NCOF, directly or indirectly, whether acting

individually, or acting on behalf of NCOF or at its direction, through any corporate device, partnership or association through which they may now or hereafter act or conduct business.

- a. "NCOF" shall not mean an "Independent Contractor" who is a person or entity who provides services and who, in the provision of such services, is free from direction and control over the means and manner of providing the services, subject only to the right of NCOF to specify the desired result. Independent contractor status cannot be a subterfuge to avoid employee status, including an apparent agency relationship.
- b. "NCOF" shall not mean JP Morgan Chase.

2.16 "Ohio Assurance" shall refer to the Ohio Assurance of Voluntary Compliance entered into between the State of Ohio Office of the Attorney General and NCOF.

2.17 "Parties" to this Assurance shall mean the State of Ohio Office of the Attorney General and NCO Financial Systems, Inc. as defined in Paragraph 2.15 above.

2.18 "Representative" means an employee of NCOF and/or any and all other persons, corporations, partnerships, or other entities that NCOF has the power or right to control and direct in the material details and means of how their work is to be performed.

2.19 "Supplier" means a seller, lessor, assignor, franchisor, or other person engaged in the business of effecting or soliciting Consumer transactions, whether or not the person deals directly with the Consumer, as that term is defined in R.C. 1345.01(C).

2.20 "Time-barred" Debt means any Debt that is beyond the applicable statute of limitations.

III. REPRESENTATIONS AND WARRANTIES

3.1 NCOF warrants and represents that it and its predecessors are engaged in trade and commerce within the Participating States by, among other things, the operation of a Debt Collection business, as a Debt Collector, as that term is defined in the FDCPA, 15 U.S.C. § 1692(a)(6)..

3.2 NCOF warrants and represents that it and its predecessors are “Furnishers of Credit Information” to consumer reporting agencies as that term is defined in Section II of this Assurance and in the FCRA, 15 U.S.C. §§ 1681-1681(x).

3.3. NCOF warrants and represents that it and its predecessors are “Suppliers” as that terms is defined in Section II of this Assurance and in R.C. 1345.01(C).

3.4 NCOF and the Participating States warrant and represent that they negotiated the terms of this Assurance in good faith.

IV. BACKGROUND AND STATEMENT OF FACTS

4.1 NCO Group, Inc. is the ultimate corporate parent of NCOF.

4.2 NCOF is a Pennsylvania corporation that engages in business in each of the Participating States, of which its principal place of business is 507 Prudential Road, Horsham, Pennsylvania, 19044.

4.3 NCOF is, and has been at all times relevant to this action, engaged in providing Debt Collection services by regularly collecting, or attempting to collect, Debts that were due or alleged to be due from Consumers.

4.4 NCOF has been assigned Debts for collection from various Creditors or entities for the purpose of attempting to collect those Debts from Consumers.

4.5 NCOF has attempted to collect on alleged Debts through collection letters sent to Consumers from NCOF's collection centers.

4.6 NCOF has attempted to collect on alleged Debts through telephone calls made by NCOF's Debt Collector employees from NCOF's Call Centers.

V. ALLEGATIONS

The Participating States allege that NCOF has engaged in conduct in violation of the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and the FCRA, 15 U.S.C. § 1681 et seq., including, but not limited to, the following: (1) engaging in or using unfair or deceptive Debt Collection acts and/or practices in violation of the CSPA, R.C. 1345.01 et seq., and/or in violation of the FDCPA at 15 U.S.C. §§ 1692b(2), 1692b(3), 1692c(a)(1), 1692c(a)(2), 1692c(a)(3), 1692c(c), 1692d, 1692d(2), 1692d(5), 1692d(6), 1692g(a) and 1692g(b); (2) engaging in or using false, deceptive, or misleading representations or means in connection with the collection of Debts in violation of the CSPA, R.C. 1345.01 et seq., and/or in violation of the FDCPA at 15 U.S.C. §§ 1692e, 1692e(2)(A)(B), 1692e(4), 1692e(5), and 1692e(10); (3) engaging in or using unfair means to collect or attempt to collect Debts in violation of the CSPA, R.C. 1345.01 et seq., and/or in violation of the FDCPA at 15 U.S.C. §§ 1692f, 1692f(1), and 1692f(6); (4) furnishing credit information to consumer reporting agencies in violation of the FCRA at 15 U.S.C. §§ 1681s-2(a)(1)B, 1681s-2(a)(3), and 1681s-2(b); and (5) otherwise violating the CSPA, R.C. 1345.01 et seq., the FDCPA, and/or the FCRA.

NCOF denies these allegations.

VI. ASSURANCE

6.1 **Compliance with All Laws.** NCOF shall comply with the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and the FCRA, 15 U.S.C. § 1681 et seq.

6.2 **Compliance with Specific Laws.** Through this Assurance, NCOF shall not:

- a. Violate the FDCPA, 15 U.S.C. § 1692 et seq.;
- b. Violate the FCRA, 15 U.S.C. § 1681 et seq.;
- c. Communicate that Consumers owe Debts when communicating with any person other than the Consumers for the purposes of acquiring location information, in violation of the FDCPA, 15 U.S.C. § 1692b(2);
- d. Communicate with persons other than the Consumer more than once, when not requested to do so by such person, and when NCOF does not reasonably believe that the earlier response of such person was erroneous or incomplete and that such person now has correct or complete location information, in violation of the FDCPA, 15 U.S.C. § 1692b(3);
- e. Communicate with Consumers in connection with the collection of Debts at times or places NCOF knows or should know to be inconvenient to the Consumers, including during inconvenient hours, in violation of the FDCPA, 15 U.S.C. § 1692c(a)(1);
- f. Communicate with Consumers in connection with the collection of Debts, without the prior consent of the Consumers, after knowing that the Consumers were represented by attorneys with respect to the alleged Debts, in violation of the FDCPA, 15 U.S.C. § 1692c(a)(2);

- g. Communicate with Consumers in connection with the collection of Debts at the Consumers' places of employment when NCOF knows or should know that the Consumers' employers prohibit the Consumers from receiving such communications, in violation of the FDCPA, 15 U.S.C. § 1692c(a)(3);
- h. Communicate with Consumers in connection with the collections of Debts, except as otherwise provided by law, after being notified in writing that the Consumers refuse to pay the Debts or that the Consumers wish NCOF to cease further communications with the Consumers, in violation of the FDCPA, 15 U.S.C. § 1692c(c);
- i. Engage in conduct the natural consequence of which was to harass, oppress, or abuse persons in connection with the collection of a Debt, in violation of the FDCPA, 15 U.S.C. § 1692d;
- j. Use obscene or profane language in connection with the collection of Debts, in violation of the FDCPA, 15 U.S.C. § 1692d(2);
- k. Place multiple telephone calls within a short period of time to Consumers for purposes of annoying or harassing Consumers at the called numbers, in violation of the FDCPA, 15 U.S.C. § 1692d(5);
- l. Attempt to collect alleged Debts by telephone without providing the meaningful disclosure of the caller's identity, in violation of the FDCPA, 15 U.S.C. § 1692d(6);
- m. Use false or misleading representations to collect or attempt to collect Debts or to obtain Location Information, in violation of the FDCPA, 15 U.S.C. § 1692e;

- n. Falsely represent the character, amount, or legal status of Debts or services rendered or compensation which may be lawfully received by Debt Collectors for the collection of Debts, in violation of the FDCPA, 15 U.S.C. § 1692e(2)(A)(B);
- o. Represent or imply to Consumers that nonpayment of Debts will result in the arrest or imprisonment of the Consumers, or the seizure, garnishment, attachment, or sale of any of the Consumers' property or wages when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. § 1692e(4);
- p. Threaten to take legal actions when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. § 1692e(5);
- q. Use 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 FDCPA, 15 U.S.C. § 1692e(10);
- r. Use unfair or unconscionable means to collect or attempt to collect Debts, in violation of the FDCPA, 15 U.S.C. § 1692f;
- s. Collect or attempt to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the Debts or permitted by law, in violation of the FDCPA, 15 U.S.C. § 1692f(1);
- t. Take or threaten to take nonjudicial actions against Consumers' real or personal properties or wages when there is no legal authority or intention to do so, in violation of the FDCPA, 15 U.S.C. § 1692f(6);

- u. Fail to provide written notices to Consumers, within five days after initial telephone contact, that contained the following information: the amount of the Debt; the name of the Creditor; a statement that unless the Consumer disputes the validity of the Debt within thirty days NCOF will assume the Debt is valid; the process by which the Consumer may request verification of a Debt; and a statement that upon the Consumer's written request within thirty days, NCOF would provide the name of the original Creditor, if different from the current Creditor, in violation of the FDCPA, 15 U.S.C. § 1692g(a);
- v. Fail to cease collection activities upon the receipt of written notifications from Consumers of disputes, or requests for the names of the original Creditors or for verification of the Debts alleged to be owed, until the NCOF mails verifications or the debts to the Consumers, in violation of the FDCPA, 15 U.S.C. § 1692g(b);
- w. Attempt to collect on Debts that are not owed by the Consumers contacted by the NCOF;
- x. Fail to remove telephone numbers from collection account records and continue to place telephone calls to those numbers after being informed that the person from whom NCOF sought to collect the Debts cannot be reached at the numbers called;
- y. Communicate with third parties more than once after the third parties provide NCOF with Location Information or indicate that they do not have the Location Information being sought, unless NCOF has a reasonable belief that the earlier response of such person was erroneous or incomplete and that such

person now has correct or complete Location Information, pursuant to FDCPA, 15 U.S.C. § 1692b(3);

- z. Except as permitted by law, communicate with or divulge information to third parties, without the prior consent of the Consumers, regarding alleged Debts owed by Consumers in an effort to embarrass or persuade the Consumers to pay the Debts;
- aa. Fail to inform Consumers, upon receiving oral requests for verification of Debts, that requests to verify Debts must be made in writing, or failing or refusing to provide Consumers with the address to where the written requests must be mailed, or both;
- bb. Collect or attempt to collect on settled Debts.
- cc. Fail to honor or confirm settlement agreements in writing with Consumers and continue to attempt to collect additional amounts or the full amount of the Debts allegedly owed;
- dd. Withdraw money from Consumers' bank accounts, on dates or in dollar amounts, not authorized by Consumers;
- ee. Collect or attempt to collect on Debts that have been discharged in bankruptcy.
- ff. Collect or attempt to collect on Debts when the Consumer has notified NCOF that they are the victim of identity theft, until NCOF takes the appropriate steps under applicable state law to determine that the Consumer is responsible for the specific Debt in question.

6.3 **General Compliance:** Within thirty calendar days of the Effective Date of this Assurance, NCOF shall:

- a. Train employees to answer all questions on first contact with the Consumer in a respectful manner;
- b. Send written communication within five calendar days of the first telephone contact with a Consumer and include the amount of the Debt, the name and contact information of the Creditor, notice that the Consumer has thirty calendar days to dispute the Debt, how to dispute the Debt, and how to request validation of the Debt;
- c. In all collection notices, always itemize the amount owed;
- d. Maintain confidentiality of all financial information, including, but not limited to, truncating social security and credit card numbers, in compliance with R.C. 1349.18 and the CSPA, R.C. 1345.02, or other applicable state, federal and local law regarding maintenance of the confidentiality of all financial information;
- e. Attempt collection against any spouses of deceased debtors only if NCOF first validates the Debt, obtains and possesses information supporting a good faith claim that the surviving spouse is legally obligated on the Debt and provides this information to the surviving spouse²;
- f. Maintain collectors' activity logs with detailed information and/or codes for deciphering abbreviations, including, but not limited to:
 - (1) The exact number called;

² This provision shall be subject to the final rules promulgated by the Federal Trade Commission ("FTC") clarifying how to collect decedents' debts.

- (2) The exact name of the debtor trying to be reached;
 - (3) The duration of the call, noting the time the call began;
 - (4) Whether a message was left and with whom;
 - (5) When possible, the exact name of the person with whom the Debt Collector spoke;
 - (6) A summary of what was said (a) in the first contact message, (b) in any subsequent messages, and (c) in any offers to settle the Debt;
 - (7) If a settlement was offered, the terms of the settlement, including the total amount to be paid and the payment schedule; and
 - (8) The reason for communicating with a third-party in connection with a collection attempt.
- g. In connection with NCOF's business activities in collecting or attempting to collect on Debts, NCOF must, prior to withdrawing funds from Consumers' bank accounts, whether by automatic debit, simulated check or otherwise, obtain the following information from the Consumer:
- (1) The name and address of the Consumer;
 - (2) The account number from which funds will be withdrawn;
 - (3) The routing number of the account from which funds will be withdrawn;
 - (4) The check number or numbers (if applicable);
 - (5) The exact dollar amount of the funds to be withdrawn in each installment (if applicable);
 - (6) The exact date or dates the funds will be withdrawn; and
 - (7) Express authorization for the funds to be withdrawn from the account.

If funds are to be withdrawn from a Consumer's account in installments, the information in items (1) through (7) above shall additionally be sent to the Consumer in writing at least three but

not more than ten calendar days prior to each installment payment being withdrawn from the account in accordance with the FDCPA.

h. Confirm all settlement agreements by mailing written documents to

Consumers within seven calendar days of the agreement that include:

- (1) Total amount owed;
- (2) Itemization of all fees;
- (3) Interest;
- (4) Principal;
- (5) Date Debt incurred;
- (6) Approval of Creditor (holder of the account);
- (7) Agreement to update status of debt if previously reported by NCOF to a credit reporting agency; and
- (8) Agreement to provide written confirmation to validate when the settlement amount is paid in full.

i. NCOF will direct its affiliate, NCO Portfolio Management, Inc., and related Debt buying companies to not sell or provide a Debt to any other entity, other than the client from which it was obtained, if an investigation reveals that the Debt cannot be substantiated as complete and accurate or that the Debt has been paid or that the Consumer was victim of identity theft.

j. Cease collecting or attempting to collect Debts when the Consumer has notified NCOF that the Consumer is the victim of identity theft until NCOF takes the appropriate steps under applicable state law to determine that the Consumer is responsible for the specific Debt in question.

6.4 **Reporting.** To the extent that a Debt has been credit reported, as part of the regular NCOF credit reporting update process, NCOF shall notify credit reporting agencies within thirty calendar days of either of the following:

- a. Any verbal or written Consumer dispute, including notification by the Consumer that the Consumer is the victim of identity theft and thus not responsible for the Debt; or
- b. Receipt of the results of an investigation as to the accuracy or completeness of information previously reported, including that such Debt has been paid.

6.5 **Notice to Consumers.** Within thirty calendar days of and for a period of five years from the Effective Date of this Assurance, NCOF and its owners, officers, directors, agents, employees, salespersons, Representatives, Independent Contractors, Affiliates, and all persons or entities in active concert or participation with NCOF in connection with NCOF's actions as a Debt Collector in the collection of Debts from Consumers shall make the following disclosure clearly and conspicuously on the back of each written collection communication that is sent to a Consumer for the purpose of collecting a Debt:

Federal and State law prohibit certain methods of debt collection and require that we treat you fairly. For Ohio residents, please view our website at www.ncogroup.com to review your rights under Federal and State law.

6.6 NCOF shall not be considered to be out of compliance with these compliance procedures in the event any Representative or Independent Contractor misrepresents its activities to NCOF or conceals the true nature of its activities, so long as NCOF can show that it has taken the steps noted in Section VII below to ascertain the truth and discipline the Representatives and Independent Contractors engaged in misrepresentations to NCOF.

VII. COMPLIANCE MONITORING

To the extent they are not already the existing practices, NCOF agrees to adopt and implement the following policies and procedures:

7.1 NCOF shall maintain measures reasonably necessary to ensure that its Representatives, as defined herein, are properly trained and are otherwise performing their duties in compliance with all applicable laws, including, but not limited to, the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq. NCOF shall further adhere to its policy of disciplining, up to and including the termination of, Representatives that have not complied with the requirements of this Assurance and/or all applicable laws, including, but not limited to the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq. NCOF shall maintain all records referenced in this paragraph and shall, within fourteen days of receiving a request from the Signatory Attorney General, produce a copy of all such records.

7.2 When NCOF hires, retains, and/or enters into an agreement with an Independent Contractor, as defined herein, NCOF shall notify and require, through representations and warranties in their contracts with all Independent Contractors, that each Independent Contractor (1) must comply with the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq., (2) refrain from engaging in the acts and practices described in Section VI, Paragraphs 6.2a-6.2ff, and (3) comply with the practices set forth in Section VI, Paragraphs 6.3a-6.3j. Further, NCOF shall clearly and conspicuously notify such Independent Contractor that any and all of their Debt Collection acts and/or practices must be consistent with NCOF's policies and procedures consistent with the terms of this Assurance. NCOF shall train and sufficiently monitor Independent Contractors in accordance with the

provisions stated herein. Should NCOF learn that any Independent Contractor is acting in violation of the law or the requirements of this Assurance, NCOF shall immediately take action to enforce its contractual rights with such Independent Contractor regarding the violations, including as described herein. NCOF shall monitor and enforce its contractual rights, up to and including termination of any Independent Contractor which is in violation of the law, this Assurance, or its contract with NCOF.

7.3 Unless otherwise noted herein, NCOF shall create, to the extent not already existing, and shall adopt and implement written procedures reasonably expected to create continuing compliance and otherwise comply with any and all terms of this Assurance within thirty calendar days after the Effective Date of this Assurance.

7.4 NCOF shall create, to the extent not already existing, and shall maintain written policies and procedures reasonably necessary to ensure Consumer complaints are quickly responded to and that a good faith effort is made to resolve such complaints in a timely manner. Such policies and procedures shall include, but are not limited to:

- a. Policies and procedures reasonably necessary to ensure that all Consumer complaints are sufficiently documented, with such documentation containing the following minimum information: (1) the name and account number (or other identifying information) of each Consumer; (2) a summary of the Consumer's complaint and action taken by NCOF to resolve the complaint; (3) the name and other sufficient identifying information of the Representative(s) and/or Independent Contractor(s) involved with such complaint; and (4) a summary of any actions taken by NCOF with regard to the handling of the complaint by the

Representative(s) and/or Independent Contractor(s), including any disciplinary action taken against the Representative(s) and/or Independent Contractor(s). NCOF shall retain all such records and documentation for a period of three years.

- b. Policies and procedures necessary to generally ensure that Consumer complaints to NCOF are answered in a timely manner.
- c. Policies and procedures necessary to generally ensure compliance with validation requests by Consumers. Such policies and procedures may include any lawful conduct with regards to electing to close accounts and cease related collection efforts.

7.5 NCOF shall maintain copies of all policies and procedures referenced in Paragraph 7.4 of this Assurance and shall, within fourteen calendar days of receiving a request from the Signatory Attorney General, produce a copy of all such policies and procedures.

7.6 For a period of eighteen months starting November 1, 2011, NCOF shall monitor twenty-five thousand (25,000) randomly selected Debt Collection phone calls placed by NCOF's Representatives during that time period. NCOF personnel will monitor and evaluate calls for the following:

- a. Whether NCOF's Representatives making Debt Collection phone calls to Consumers beginning with a statement that includes the words: "This call may be monitored or recorded;"
- b. Whether NCOF's Representatives appropriately document the status/disposition associated with the Consumer contacts in the collection system; and
- c. Whether any of the following occurs when NCOF's Representatives make Debt

Collection phone calls:

- (1) Except as permitted by applicable law, disclosure of the existence of a Debt or NCOF's third party Debt Collector status to anyone other than the Consumer;
- (2) Misrepresenting NCOF's status as a third party Debt Collector, or NCOF's Representatives identifying themselves as anything but a Debt Collector to a Consumer;
- (3) A Consumer is subjected to profanity, rudeness, or inappropriate threats;
- (4) The Consumer is contacted at work if the collector knows or has reason to know that the Consumer's employer prohibits the Consumer from receiving such communication at work;
- (5) A message is left for the Consumer at another number other than the Consumer's home or business after the Consumer has already been reached;
- (6) A Consumer has been improperly threatened with potential legal action or wage garnishment;
- (7) All written cease and desist requests were honored; and
- (8) Except as required by applicable law, any voice message for a return call is left, beyond anything other than the collector's name, telephone number, and ID code.

7.7 NCOF shall monitor its Representatives and the calls they make, and its Consumer Debt accounts over a period of eighteen months from the date of this Assurance ("Reporting Period") to ensure that NCOF and its Representatives are complying with relevant laws, policies and procedures, including but not limited to those set forth herein.

7.8 NCOF shall issue a report ("Report") to the Participating States every six months during the Reporting Period, which shall begin on November 1, 2011, which shall include the evaluation of NCOF's compliance with this Assurance and the factual basis for said evaluation. In the event the Attorney General receives a third party request for a Report issued by NCOF pursuant to this Assurance, the Attorney General will notify NCOF of the third party request so

that NCOF may seek any type of protection afforded under applicable state law, including but not limited to a protective order. The Attorney General commits to provide NCOF with at least ten calendar days' advance notice before complying with any third party request for a Report, to the extent permitted by state law and with any required lesser advance notice.

7.9 In the event any Report should show a violation of the law or the requirements of this Assurance, or NCOF should learn any of its Representatives or Independent Contractors are acting in violation of the law or the requirements of this Assurance, NCOF shall immediately take appropriate action relating to its Representatives or Independent Contractors and will enforce its contractual rights with such Independent Contractors regarding the violations, including as described herein. NCOF shall monitor and enforce its contractual rights, up to and including termination of any Representative or Independent Contractor that violates the law, this Assurance, or its contract with NCOF.

7.10 **Retention of Documents.** NCOF shall generate, retain and make readily available to the Participating States for inspection, upon reasonable notice and without the necessity of a subpoena or other legal process, all material records and documents reasonably necessary to document compliance with this Assurance. NCOF shall maintain these records and documents for a minimum of four years after the final Report.

VIII. CONSUMER RESTITUTION

NCOF shall set aside Fifty Thousand Dollars (\$50,000) per each Signatory State to be available for restitution for Consumer redress. For a period of three years from the Effective Date of this Assurance, NCOF shall pay claims for restitution to the State of Ohio Office of the Attorney General, as provided herein, not to exceed a total payment in the amount of Fifty Thousand Dollars (\$50,000). During that time period, the State of Ohio may submit a claim for

restitution to NCOF demonstrating a prima facie showing that, as a result of third party Debt Collection efforts undertaken by NCOF, a Consumer of the state: (1) paid a third party Consumer Debt to NCOF that was not owed by the Consumer; (2) overpaid interest on a third party Consumer Debt not supported by the underlying agreement between the debtor and the original holder of the Debt or as otherwise permitted by law; or (3) paid an amount on a third party Consumer Debt in excess of an amount NCOF agreed to settle the account. NCOF will refund the Consumer an amount equal to the Consumer's overpayment to NCOF within thirty calendar days of receipt of the State's claim for restitution, unless NCOF provides information within that thirty calendar day period that raises a question of fact regarding the validity of the claim. If such evidence is provided by NCOF, the State will have thirty calendar days to evaluate the validity of the claim. The State of Ohio Attorney General's decision will be final and binding upon the State and NCOF. Nothing in this paragraph limits or restricts the right of a state or of an individual Consumer to seek restitution or pursue any other remedy provided by law, regardless whether the amount set aside under this paragraph has been depleted.

IX. PAYMENT TO THE STATE

9.1 NCOF shall pay Five Hundred Seventy-Five Thousand Dollars (\$575,000.00) to be divided and paid by NCOF directly to the following sixteen Signatory Attorney Generals of the Multistate Working Group in amount to be designated by and in the sole discretion of the Multistate Executive Committee: Alaska, Arkansas, Idaho, Illinois, Iowa, Louisiana, Michigan, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, and Wisconsin.

9.2 Upon the Effective Date of the Ohio Assurance, the Multistate Executive Committee will provide NCOF with instructions for the payments to be distributed under this

Section. Said payment shall be paid within thirty calendar days of the Effective Date of this Assurance and shall be used by the Signatory Attorney General for such purposes that may include, but are not limited to, attorneys' fees, investigative costs, Consumer education, litigation funds, local Consumer aid funds, public protection or Consumer protection purposes or other purposes as allowed by state law at the sole discretion of each Signatory Attorney General.

X. COMPLIANCE PROCESS WITH ASSURANCE

10.1 NCOF shall keep for three years records sufficient to establish its compliance with the terms of this Assurance and shall permit an authorized representative of the Signatory Attorney General within ten calendar days' notice to inspect and/or copy any such records during normal business hours. Such records must be maintained in a secure manner, in compliance with Gramm-Leach-Bliley Act and the laws of the Participating States, to prevent identity theft.

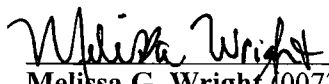
10.2 In the event that any Signatory Attorney General has reason to believe that NCOF has failed to abide by this Assurance, and absent exigent circumstances, the Signatory Attorney General shall give NCOF fifteen calendar days' notice (the "Notice") before filing a motion or other pleading seeking to enforce this Assurance. The Notice shall be in writing and shall set forth those provisions of the Assurance that the Signatory Attorney General believes have been violated. The fifteen calendar day period ("Notice Period") shall provide NCOF an opportunity to respond to the assertions of the Signatory Attorney General and the parties may use the Notice Period to attempt a resolution of the concerns. Within the Notice Period, NCOF shall provide the Signatory Attorney General with a written response containing NCOF's reply to the assertions made in the Notice and the steps that NCOF has taken or will take to resolve the alleged violation(s). The Signatory Attorney General and NCOF agree to attempt to resolve any alleged violation(s) of this Assurance through good faith negotiation prior to the Signatory

Attorney General initiating any action for enforcement. This provision does not preclude any Signatory Attorney General from filing an action without complying with this provision if such Signatory Attorney General believes such immediate action is necessary to protect Consumers from immediate harm.

10.3 In the event that any Signatory Attorney General initiates legal action or incurs any costs to compel NCOF to abide by this Assurance, upon proof of the violation, NCOF shall be liable to the Signatory Attorney General for any such reasonable costs associated with proving that violation, including, but not limited to, a reasonable sum for attorneys' fees.

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

JOINTLY APPROVED FOR ENTRY AND SUBMITTED BY:




Melissa G. Wright (0077843)
Associate Assistant Attorney General
Consumer Protection Section
30 East Broad Street, 14th Floor
Columbus, Ohio 43215
(614) 466-8169
(866) 528-7423 (facsimile)

10/3/11
Date _____

Counsel for the Ohio Attorney General

FOR NCO FINANCIAL SYSTEMS, INC.



Joshua Gindin
Executive Vice President and General Counsel

10/4/11

Date



David Israel (LA Bar No. 7174)
SESSIONS, FISHMAN, NATHAN & ISRAEL, LLC
Lakeway Two, Suite 200
3850 N. Causeway Blvd.
Metairie, Louisiana 70002-7227
(504) 846-7900
(504) 828-3737 (facsimile)
disrael@sessions-law.biz

9/30/11

Date

Counsel for NCO Financial Systems, Inc.

**STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION SECTION**

STATE OF OHIO	:	DOCKET NO. 365737
	:	
IN THE MATTER OF:	:	AGREED AMENDMENT TO
NCO FINANCIAL SYSTEMS, INC.	:	ASSURANCE OF VOLUNTARY COMPLIANCE

On October 4, 2011, Ohio Attorney General Michael DeWine and NCO Financial Systems, Inc. (“NCOF” or collectively, the “Parties”) entered into an Assurance of Voluntary Compliance (“Assurance”). Pursuant to subsequent discussions regarding implementation of certain provisions of the Assurance, the Parties hereby agree to replace the following subsections in their entirety with the language stated below.

6.3 **General Compliance:** As detailed in ¶¶ 7.1 and 7.2 herein, within thirty calendar days of the Effective Date of this Addendum, NCOF shall:

- c. In connection with all Debt Collection notices where an oral or written request is made by the Consumer to do so, itemize all amounts owed or provide a “break-out” of the total amount owed as made available by NCOF’s client. If NCOF is unable to itemize the amounts owed or cannot obtain that information from NCOF’s Debt Collection client, NCOF will consider the account disputed, will close the account, and will cease any and all Debt Collection efforts related to that account;
- h. As detailed in ¶¶ 7.1 and 7.2 herein, confirm all settlement agreements by mailing written documents to Consumers within seven calendar days of the settlement agreement that include:

(2) Itemization of all fees as made available by NCOF's Debt Collection client, if requested by the Consumer, either orally or in writing. If NCOF is unable to itemize the fees and amounts owed or cannot obtain that information from NCOF's client, NCOF will consider the account disputed, will close the account, and will cease any and all Debt Collection efforts related to that account. Further, the settlement agreement between NCOF and the Consumer will be considered null and void as it pertains to the now-disputed account and the Consumer will no longer be held to the terms of such agreement;

(3) Itemization of the interest charged on the account as made available by NCOF's Debt Collection client, if requested by the Consumer, either orally or in writing. If NCOF is unable to itemize the interest charged or cannot obtain that information from NCOF's client, NCOF will consider the account disputed, will close the account, and will cease any and all Debt Collection efforts related to that account. Further, the settlement agreement between NCOF and the Consumer will be considered null and void as it pertains to the now-disputed account and the Consumer will no longer be held to the terms of such agreement;

(4) Itemization of the principal balance owed on the account as made available by NCOF's Debt Collection client, if requested by the Consumer, either orally or in writing. If NCOF is unable to

itemize the principal balance owed or cannot obtain that information from NCOF's client, NCOF will consider the account disputed, will close the account, and will cease any and all Debt Collection efforts related to that account. Further, the settlement agreement between NCOF and the Consumer will be considered null and void as it pertains to the now-disputed account and the Consumer will no longer be held to the terms of such agreement;

6.5 **Notices to Consumers.** Within one-hundred fifty (150) calendar days of and for a period of five years from the Effective Date of this Addendum, NCOF and its owners, officers, directors, agents, employees, salespersons, Representatives, Independent Contractors, Affiliates, and all persons or entities in active concert or participation with NCOF in connection with NCOF's actions as a Debt Collector in the collection of Debts from Consumers shall:

- a. Make the following disclosure clearly and conspicuously on the back or front of each written collection communication issued via automatic print or processing, whether completed in-house at NCOF or by an outside printer vendor, that is sent to a Consumer for the purpose of collecting a Debt:

Federal and State law prohibit certain methods of debt collection and require that we treat you fairly. State residents should view our website at www.ncogroup.com to review your rights under Federal and State law.

Provision 6.5(a) excludes from this notice requirement only those written collection communications that are drafted and issued in response to a specific Consumer inquiry or are drafted and issued to address specific

Consumer needs and are not otherwise based on any type of pre-printed form or template.

- b. Make the following disclosure clearly and conspicuously on NCOF's website, www.ncogroup.com:

Consumers may request orally or in writing details regarding any debt being collected by NCOF, including an itemization of the principal balance owed, including an itemization of all fees, interest, and any other amount charged to the account.

7.1 NCOF shall maintain measures reasonably necessary to ensure that its Representatives, as defined herein, are properly trained and are otherwise performing their duties in compliance with all applicable laws, including, but not limited to, the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq. Further, NCOF shall train its Representatives that if a Consumer requests, either orally or in writing, an itemization or "break-out" of the total Debt owed and NCOF does not already possess the information requested, the Representatives shall contact NCOF's Debt Collection client to obtain that information and, if available, will provide that information to the Consumer. If NCOF is unable to obtain the information from NCOF's client, NCOF shall instruct its Representatives to consider the account disputed, to close the account, and to cease any and all Debt Collection efforts related to that account. Any settlement agreement previously reached between NCOF and the Consumer pertaining to the referenced account will be considered null and void as it pertains to the now-disputed account and the Consumer will no longer be held to the terms of such agreement. NCOF shall further adhere to its policy of disciplining, up to and including the termination of, Representatives that have not complied with the requirements of this Assurance and/or all applicable laws, including, but not limited to the CSPA, R.C. 1345.01 et seq., the

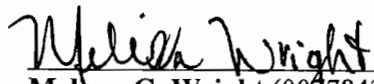
FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq. NCOF shall maintain all records referenced in this paragraph and shall, within fourteen days of receiving a request from the Signatory Attorney General, produce a copy of all such records.

7.2 When NCOF hires, retains, and/or enters into an agreement with an Independent Contractor, as defined herein, NCOF shall notify and require, through representations and warranties in their contracts with all Independent Contractors, that each Independent Contractor (1) must comply with the CSPA, R.C. 1345.01 et seq., the FDCPA, 15 U.S.C. § 1692 et seq., and/or the FCRA, 15 U.S.C. § 1681 et seq., (2) refrain from engaging in the acts and practices described in Section VI, Paragraphs 6.2a-6.2ff, and (3) comply with the practices set forth in Section VI, Paragraphs 6.3a-6.3j. Further, NCOF shall clearly and conspicuously notify such Independent Contractor that any and all of their Debt Collection acts and/or practices must be consistent with NCOF's policies and procedures consistent with the terms of this Assurance. NCOF shall train and sufficiently monitor Independent Contractors in accordance with the provisions stated herein. Further, NCOF shall train its Independent Contractors that if a Consumer requests, either orally or in writing, an itemization or "break-out" of the total Debt owed, and NCOF does not already possess the information requested, the Independent Contractor shall contact NCOF's Debt Collection client to obtain that information and, if available, will provide that information to the Consumer. If NCOF is unable to obtain the information from NCOF's client, NCOF shall instruct its Independent Contractors to consider the account disputed, to close the account, and to cease any and all Debt Collection efforts related to that account. Any settlement agreement previously reached between NCOF and the Consumer pertaining to the referenced account will be considered null and void as it pertains to the now-disputed account and the Consumer will no longer be held to the terms of such

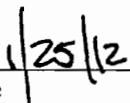
agreement. Should NCOF learn that any Independent Contractor is acting in violation of the law or the requirements of this Assurance, NCOF shall immediately take action to enforce its contractual rights with such Independent Contractor regarding the violations, including as described herein. NCOF shall monitor and enforce its contractual rights, up to and including termination of any Independent Contractor which is in violation of the law, this Assurance, or its contract with NCOF.

This Amendment is not intended to apply to any other provisions or subparagraphs of the October 4, 2011 Assurance not listed above. Any and all other paragraphs and subparagraphs in the Assurance executed on October 4, 2011 are still fully valid and enforceable and NCOF shall function in full accordance with that Assurance.

JOINTLY APPROVED FOR ENTRY AND SUBMITTED BY:



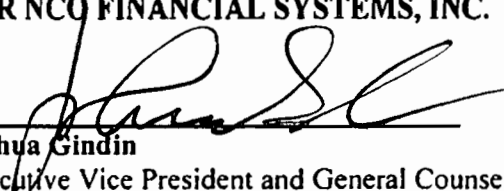
Melissa G. Wright (0077843)
Associate Assistant Attorney General
Consumer Protection Section
30 East Broad Street, 14th Floor
Columbus, Ohio 43215
(614) 466-8169
(866) 528-7423 (facsimile)



Date

Counsel for the Ohio Attorney General

FOR NCO FINANCIAL SYSTEMS, INC.



Joshua Gindin
Executive Vice President and General Counsel

Date

1/23/12



David Israel (LA Bar No. 7174)
Sessions, Fishman, Nathan & Israel, LLC
Lakeway Two, Suite 200
3850 N. Causeway Blvd.
Metairie, Louisiana 70002-7227
(504) 846-7900
(504) 828-3737 (facsimile)
disrael@sessions-law.biz

Date

1/20/12

Counsel for NCO Financial Systems, Inc.

EXHIBIT B

PO BOX 15630
Dept 03
WILMINGTON DE 19850

NCO Financial Systems, Inc.
1804 Washington Blvd, Mailstop 450, Baltimore, MD 21230



Calls to or from this company may be monitored
or recorded for quality assurance.

1-800-829-6136
OFFICE HOURS:
8AM-9PM MON THRU THURSDAY
8AM-5PM FRIDAY
8AM-12PM SATURDAY
Oct 18, 2010



NO9686
JAMES LACOURTE
HUNTINGTN STA NY 11746-1504

CREDITOR: AMERICAN EXPRESS
CREDITOR'S ACCOUNT #: [REDACTED] 1000
REGARDING: CID758981768012USD
CURRENT BALANCE DUE: \$ 2752.01

890000

Please be advised that the creditor listed above has placed the above account with us to collect.

You may also make payment by visiting us online at www.ncofinancial.com. Your unique registration code is CNO96860-3494XA. To receive future notices for the account(s) by e-mail, visit www.ncofinancial.com for details.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of the debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice, this office will obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

THIS COLLECTION AGENCY IS LICENSED BY THE
DEPARTMENT OF CONSUMER AFFAIRS OF THE CITY OF NEW
YORK; LICENSE#1073736
CONTACT ALEX DREW AT NCO FINANCIAL SYSTEMS, INC.

Our Account #	Current Balance Due
NO9686 JAMES LACOURTE	\$2752.01

Payment Amount ↓

\$

Check here if your address or phone number has
changed and provide the new information below.

Make Payment To:

.....
NCO FINANCIAL SYSTEMS
PO BOX 15456
WILMINGTON DE 19850-5456

010300N096864000000140000000002752016

EXHIBIT C

60 Motor Parkway
Commack, NY 11725-5710
- M870007144750068 -

3 5 0000766 A
792930



PERSONAL & CONFIDENTIAL

FORSTER & GARBUS LLP
A NEW YORK LAW FIRM

RONALD FORSTER - Adm. in NY Only
MARK A. GARBUS - Adm. in NY Only
EDWARD J. DAMSKY - Adm. in NY Only
GLENN S. GARBUS - Adm. in NY, NJ & CT
JOEL D. LEIDERMAN - Adm. in NY Only

TESS E. GUNTHER - Adm in NY & CT
KRISTEN S. MANTYLA - Adm in NY Only
MICHAEL J. FLORIO - Adm in NY Only
ANNETTE T. ALTMAN - Adm in NY Only
NILI FARZEN - Adm in NY Only
TINA B. DAVIDSON - Adm in NY Only
KEVIN M. KNAB - Adm in NY Only

December 9, 2010

AMOUNT DUE ▶ \$2,752.01
Reference Number ▶ M870007144750
Account Number ▶ [REDACTED] 1000
Re ▶ AMERICAN EXPRESS CENTURION BAN

1-631-393-9400
1-866-514-6949 Ext. 694
Representative Name: MS HARRIS
Monday thru Thursday 8:00AM – 9:00PM EST
Friday 8:00AM – 5:00PM EST



JAMES LACOURTE

[REDACTED]
HUNTINGTN STA NY 11746-1504

Dear James Lacourte,

Your account has been placed with this office for collection. If this account is not disputed, we shall expect your payment in full.

At this time, no attorney with this firm has personally reviewed the particular circumstances of your account.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that you dispute the validity of this debt or any portion thereof, this office will obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor. (Please note that we are required, under Federal Law, to advise you that we are debt collectors and any information we obtain will be used in attempting to collect this debt.)

NYC Dept. of Consumer Affairs #1259596.

Please mail all correspondence and payments to the address listed below.

Office Location: 500 Bi-County Blvd, Suite 300, West Wing
Farmingdale, NY 11735-3931

**PLEASE CONTACT OUR OFFICE FOR INFORMATION ON LOW COST,
QUICK AND EASY TRANSFER OF FUNDS**

♦ DETACH HERE ♦

MAKE CHECK PAYABLE TO: **FORSTER & GARBUS LLP as attorneys** AND RETURN COUPON WITH PAYMENT TO PO BOX 9030, FARMINGDALE, NY 11735-9030 IN ENCLOSED ENVELOPE

JAMES LACOURTE

[REDACTED]
HUNTINGTN STA NY 11746-1504

AMOUNT DUE ▶ \$2,752.01
Reference Number ▶ M870007144750
Re ▶ AMERICAN EXPRESS CENTURION BAN

Rep. Code ▶ 2N
Date ▶ December 9, 2010

➔ Please Note Current

BEST TIME TO CALL

Home Phone # _____

Work Phone # _____

Cell Phone # _____

M870007144750



Forster & Garbus LLP
PO Box 9030
Farmingdale, NY 11735-9030

FGG
F&GG.V7
792930

EXHIBIT D

AMERICAN EXPRESS CENTURION BANK

PLAINTIFF,

- AGAINST -

JAMES LACOURTE

DEFENDANT(S).

PLAINTIFF, BY ITS ATTORNEY(S), COMPLAINING OF THE DEFENDANT(S), UPON INFORMATION AND BELIEF, ALLEGES:

1. THAT THE DEFENDANT(S) RESIDES IN THE COUNTY IN WHICH THIS ACTION IS BROUGHT; OR THAT THE DEFENDANT(S) TRANSACTED BUSINESS WITHIN THIS DISTRICT AND THIS CAUSE OF ACTION AROSE OUT OF SAID TRANSACTION.

2. PLAINTIFF IS A CORPORATION.

3. UPON INFORMATION AND BELIEF THE DEFENDANT IN PERSON OR THROUGH AN AGENT PURCHASED GOODS AT DEFENDANT'S SPECIAL INSTANCE AND REQUEST ON A CREDIT CARD ISSUED BY PLAINTIFF PURSUANT TO A CREDIT AGREEMENT, A COPY OF WHICH WAS FURNISHED TO DEFENDANT.

4. THERE REMAINS AN AGREED BALANCE ON SAID ACCOUNT OF 2,752.01, DUE AND OWING. NO PART OF SAID SUM HAS BEEN PAID ALTHOUGH DULY DEMANDED.

5. DEFENDANT(S) IS IN DEFAULT AND DEMAND FOR PAYMENT HAS BEEN MADE.

SECOND CAUSE OF ACTION

6. PLAINTIFF STATED AN ACCOUNT TO DEFENDANT WITHOUT OBJECTION BY DEFENDANT.

INTEREST IS AT THE CONTRACT RATE OF:.0900.

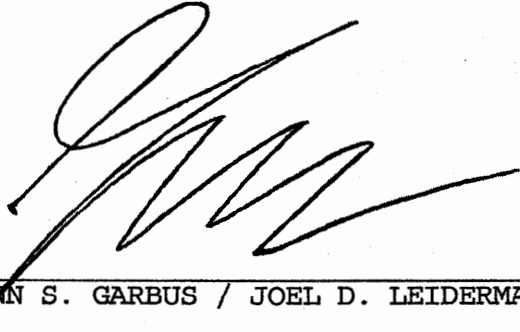
2ND CAUSE/ACTION: PLAINTIFF STATED AN ACCOUNT TO DEFENDANT WITHOUT OBJECTION THAT THERE IS NOW DUE PLAINTIFF FROM DEFENDANT(S) THE AMOUNT SET FORTH IN THE COMPLAINT, NO PART OF WHICH HAS BEEN PAID, ALTHOUGH DULY DEMANDED.

WHEREFORE, PLAINTIFF DEMANDS JUDGMENT AGAINST DEFENDANT(S) FOR THE SUM OF 2,752.01 WITH INTEREST THEREON FROM THE 9 DAY OF DECEMBER, 2010, TOGETHER WITH THE COSTS AND DISBURSEMENTS OF THIS ACTION

WE ARE DEBT COLLECTORS; ANY INFORMATION OBTAINED WILL BE USED IN ATTEMPTING TO COLLECT THIS DEBT.

FORSTER & GARBUS LLP
ATTORNEY(S) FOR PLAINTIFF
60 MOTOR PARKWAY
COMMACK, NY 11725

DATED: THE 17 DAY OF JANUARY, 2011



GLENN S. GARBUS / JOEL D. LEIDERMAN

PURSUANT TO PART 130-1.1-a OF THE RULES OF THE CHIEF ADMINISTRATOR THIS SIGNATURE APPLIES TO THE ATTACHED SUMMONS AND COMPLAINT

EXHIBIT E

DISTRICT COURT OF THE COUNTY OF SUFFOLK,

2nd DISTRICT
HELD AT Lindenhurst

AMERICAN EXPRESS Centurian Bank

Plaintiff

against
JAMES LA COURTE

Defendant

SUFFOLK COUNTY
DISTRICT COURT
2011 FEB 25 11 AM 11:51 AM 11:50

ANSWER

Defendant appears this 25 day of Feb, 20 11

and denies the truth of plaintiff's alleged cause of action.*

James L. Courte
Defendant in Person.
[Redacted] HUNTINGTON STA., NY, 11741
Defendant's Address.

VERIFICATION

State of New York,
County of Suffolk ss.:

telephone # [Redacted]

JAMES LA COURTE, being duly sworn, deposes and says that ... he is the defendant in the within action; that ... he has read the foregoing answer and knows the contents thereof; that the same is true to his own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters ... he believes it to be true.

Sworn to before me, this

25 day of Feb, 20 11 x James L. Courte

James - CLERK

*Or insert statement of defense as may be made.

EXHIBIT F

Luke, Bradley

From: Clark, Kelly [KClark@ncirm.com]
Sent: Tuesday, July 24, 2012 4:56 PM
To: Morel, Carolina; Allen, Gloria S; Waterworth III, William J
Subject: RE: settled?

Carolina, yes, notes indicate this acct was settled for \$4,128.02 – date of last pmt 8/30/2010

Thanks.

Kelly M. Clark | Sr. Manager, Client Services/Correspondence

Nationwide Credit®

P: (800) 220-7747 | ext: 263116 | F: (480) 586-3155
KClark@NCIRM.com | www.NCIRM.com

Nationwide Credit is a member of the Altisource family of companies

From: Morel, Carolina [mailto:carolina.morel@ncogroup.com]
Sent: Tuesday, July 24, 2012 7:50 AM
To: Allen, Gloria S; Waterworth III, William J; Clark, Kelly
Subject: settled?
Importance: High

Hi Everyone,

I am hoping to get some assistance for the account below. The cm has filed a complaint which can turn into a lawsuit stating that this account was settled. I see the account was with your agency as an IColl and wanted to know if your agency offered a settlement and if the cm fulfilled the terms of the offer. In you could get back to me today I would greatly appreciate it. I believe Leiser Burton might have reached out to you but she has been out of the office and I need to respond. Please review and advise. Thanks in advance.

LACOURTE, JAMES
XX [REDACTED] 1000

Date of Pymt	Amt of Pymt
4/30/2009	\$ 600.00
6/19/2009	\$ 175.00
7/20/2009	\$ 175.00
8/18/2009	\$ 175.00
9/18/2009	\$ 175.00
10/19/2009	\$ 175.00
11/18/2009	\$ 175.00
12/18/2009	\$ 175.00
1/27/2010	\$ 300.00
2/28/2010	\$ 300.00

3/29/2010	\$ 300.00
4/27/2010	\$ 300.00
5/28/2010	\$ 300.00
6/28/2010	\$ 300.00
7/28/2010	\$ 300.00
8/30/2010	\$ 203.02
	\$ 4,128.02

Carolina Morel
Client Services Manager
NCO Financial Systems Inc.
500 N. Franklin Tpk.
Ramsey, NJ 07446
Tel: (201) 512-2615
Fax: 866-901-8022

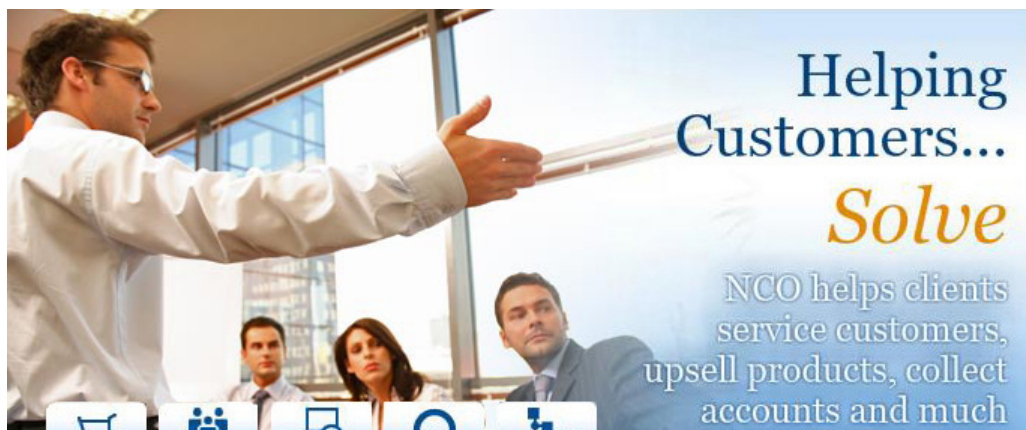
This email message and any attachments are intended solely for the use of the addressee. If you are not the intended recipient, you are prohibited from reading, disclosing, reproducing, distributing, disseminating or otherwise using this transmission. If you have received this message in error, please promptly notify the sender by reply email and immediately delete this message from your system.
This message and any attachments may contain information that is confidential, privileged or exempt from disclosure. Delivery of this message to any person other than the intended recipient is not intended to waive any right or privilege. Message transmission is not guaranteed to be secure or free of software viruses.
THIS COMMUNICATION IS FROM A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT; ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. HOWEVER, IF THE DEBT IS IN ACTIVE BANKRUPTCY OR HAS BEEN DISCHARGED THROUGH BANKRUPTCY, THIS COMMUNICATION IS NOT INTENDED AS AND DOES NOT CONSTITUTE AN ATTEMPT TO COLLECT A DEBT.

EXHIBIT G



[Site Map](#) | [Contact](#) | [Français](#)

[Home](#) | [About NCO](#) | [Locations](#) | [Services](#) | [Industries](#) | [Careers](#) | [Resources](#) | [Search](#)



CONSUMER HOTLINE

Phone: [\(800\) 550-9619](tel:(800)550-9619)
 Fax: [\(866\) 269-8669](tel:(866)269-8669)
 Texas Consumers: [Please Click HERE](#)
 Received a letter from NCO? [Please Click HERE](#)
 Federal & State Rights [Please Click HERE](#)

[Contact Consumer Assistance >>](#)



INQUIRE ABOUT NCO SERVICES

[Contact a Business Specialist >>](#)



LAUNCH YOUR CAREER

[Collapse](#)

Who is NCO?

NCO Group delivers real world results around the real world. If you are looking for collection agencies, BPO companies, or call center outsourcing, NCO Group needs to be on the top of your list.

Thousands of organizations from a wide variety of industries have selected NCO over other collection agencies and BPO companies. NCO Group was also recently named to Fortune magazine's prestigious "Global Outsourcing 100" list.

[Read More >](#)

Assistance Links

For NCO Financial Systems, Inc consumer assistance go to www.consumerhelpunit.org »

Did you receive a notice in the mail? »

Questions about an account? »

AODA – For Ontario Residents »

Site Links

- [Home](#)
- [About](#)
- [Industries](#)
- [Services](#)
- [Locations](#)
- [Client Login](#)
- [Employees](#)
- [Careers](#)
- [Events](#)
- [Resources](#)
- [News](#)
- [Contact](#)
- [Site Map](#)

Call Center Outsourcing | Collection Agencies | Business Process Outsourcing | Debt Recovery | CRM Outsourcing | BPO Companies
 For NCO Financial Systems, Inc consumer assistance click here | Informative Articles

Copyright ©2013 NCO Group, Inc. All rights reserved. | [Terms and Conditions](#) | [Privacy Policy](#) | [Questions about an account?](#) | [Did you receive a notice in the mail?](#)

EXHIBIT H



[Site Map](#) | [Contact](#) | [Français](#)

[Home](#) | [About NCO](#) | [Locations](#) | [Services](#) | [Industries](#) | [Careers](#) | [Resources](#) | [Search](#)

Profile

Our goal remains constant - help clients reduce operating expenses, increase cash flow, and improve their customers' experience.



NCO is an industry leader in providing clients with successful business process outsourcing (BPO) solutions. Our outsourcing portfolio includes accounts receivable management, customer management services, and back office services for a diversified customer base. Since NCO's inception in 1926, our goal has remained constant - to reduce client operating expenses, increase cash flow, and improve their customers' experience. Our best-in-class, results-driven reputation, strong financial track record, and proven business model makes NCO the choice for BPO solutions.

To meet and surpass the growing and complex needs of our clients, NCO's services support essential functions across key portions of the customer lifecycle, including acquisition, growth, care, resolution, and retention. NCO provides its services through Customer Lifecycle Management, a unique customer-driven model that delivers our optimal performance, leading-edge technology, proven efficiency, and exceptional quality.

NCO operates a global network of over 100 operations centers running on a centralized data platform with the flexibility to respond to a rapidly changing marketplace, and to scale operations to meet client specifications. Our clients are empowered to successfully address immediate business needs, while enabling long-term growth across the entire customer lifecycle.



SECTION LINKS

- » [Profile](#)
- » [Leadership](#)
- » [Features & Benefits](#)
- » [NCO Fact Sheet](#)
- » [Memberships](#)



WANT TO KNOW MORE?

[Contact a Business Specialist >>](#)

STAY AHEAD. STAY CONNECTED.

- [Join us on Facebook.](#)
- [Follow us on Twitter.](#)
- [Follow us on LinkedIn.](#)

Mission & Vision Statements

NCO's mission is to be the global leader in providing outsourced business processes. We build quality partnerships and use our operational expertise to create value for our customers, employees, and shareholders.

NCO's vision is based on the core values of our commitment to integrity, commitment to teamwork, and our commitment to quality. The core purpose of our organization is to deliver quality customer-focused outsourcing services.

Call Center Outsourcing | Collection Agencies | Business Process Outsourcing | Debt Recovery | CRM Outsourcing | BPO Companies
 For NCO Financial Systems, Inc consumer assistance click here | Informative Articles
 Copyright ©2013 NCO Group, Inc. All rights reserved. | [Terms and Conditions](#) | [Privacy Policy](#) | [Questions about an account?](#) | [Did you receive a notice in the mail?](#)