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JAMES N. HAYLEN, Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA

FEDERAL TRADE COMMISSION

Plaintiff,

v.

GLOBAL PROCESSING SOLUTIONS, LLC (k/a Global Processing Solutions, Inc.), a Georgia limited liability

INTRINSIC SOLUTIONS, LLC
Intrinsic Solutions, LLC, a Georgia limited liability

NORTH CENTRAL INVESTMENT COMPANY, INC., a Georgia corporation,

CAPITAL SECURITY INVESTMENTS, LLC, a Georgia limited liability

DIVERSE FINANCIAL ENTERPRISES, INC., a Georgia corporation,

AMERICAN CREDIT ADJUSTERS LLC, a Georgia limited liability

ADVANCED METAL FINISHING, LLC, a Georgia limited liability

APEX NATIONAL SERVICES, LLC, a Georgia limited liability

MITCHELL & MAXWELL INVESTIGATIVE SERVICES, LLC (k/a Mitchell & Maxwell Investigative Services, LLC), a Georgia liability

MIRAGE DISTRIBUTION, LLC, a Georgia limited liability

Case No.

COMPLAINT FOR INJUNCTION AND EQUITABLE RELIEF

1:17-cv-04192

LAMAR SNOW, individual,
corporate officer,

JAYLAN MCDUFFIE, individual,
and as a corporate officer, and

GLENIS WALLACE, individual,
Wallace, individual, and as a
corporate officer,

Defendants.

Plaintiff, the Federal Trade Commission, brings this complaint

alleges:

1. The FTC brings this action under Section 15(a), 15(b), and 15(c) of the

Consumer

temporary preliminary injunction, and an order of restitution, for the return of money paid, disgorgement
of ill-gotten monies, and any equitable relief. Defendant's practices in violation of Section 15(a) of the FTC Act, 15 U.S.C. § 45(a), and the
FDCPA, 15 U.S.C. §§ 1692-1692n, in connection with Defendants' unfair
debt collection practices.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 1692, and 1692n.

3. Venue is proper in this district under 28 U.S.C. § 1391(a)(2).

(c)(1), (c)(2), and (c)(3).

PLAINTIFF

4. The FTC is an independent agency of the United States Government

created by statute, 15 U.S.C. §§ 41-45, and the FTC Act, 15 U.S.C. § 45(a).

The FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or

practices in or affecting commerce. The FTC also has authority under 15

U.S.C. §§ 1692-1692p, which prohibits abusive deceptive or

collection practices and imposes duties upon debt collectors.

5. The FTC is authorized to initiate its enforcement actions

its enforcement actions under 15 U.S.C. § 45(a) and 15 U.S.C. § 1692(a).

secure such equitable relief as it may deem appropriate, including

rescission or reformation of contracts, damages, and the award of civil penalties

and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 45(a), 45(b)(2)(A),

1692(a).

DEFENDANTS

6. The Corporate Defendants are Citicredit Processing Solutions, LLC,

Intrinsic Solutions, LLC, Capital Services Co., LLC, and Capital Services

Collections, Inc., Diverse Financial Enterprises, Inc., and Diverse Financial

Adjustment, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Defendant Services, LLC, a Delaware limited liability company.

Services, LLC, is a Delaware limited liability company.

7. The Individual Defendant, Lamar Snow, is a resident of the State of Georgia.

Glentis = Glen Wallace

8. Defendant Global Processing Solutions, LLC, is a Delaware limited liability company.

Global Processing Solutions, Inc. is a limited liability company organized under the laws of the State of Georgia.

Global Processing Solutions, Inc. is a limited liability company organized under the laws of the State of Georgia.

out at 933 Monroe Drive, Snellville, Georgia 30077. Defendant Global Processing Solutions, Inc. is a limited liability company organized under the laws of the State of Georgia.

Global Processing Solutions, Inc. is a limited liability company organized under the laws of the State of Georgia.

throughout the United States.

9. Defendant International Data Solutions, LLC, is a Delaware limited liability company.

International Data Solutions, LLC, is a limited liability company organized under the laws of the State of Georgia.

its principal place of business is located at 1690 Highway 20, Snellville, Georgia 30077.

Snellville, Georgia 30077. Defendant International Data Solutions, LLC, is a limited liability company organized under the laws of the State of Georgia.

business in this district and is a limited liability company organized under the laws of the State of Georgia.

10. Defendant North Center Collection, LLC, is a Delaware limited liability company.

North Center Collection, LLC, is a limited liability company organized under the laws of the State of Georgia.

Covington Highway, Decatur, Georgia 30035. Defendant North Center Collection, LLC, is a limited liability company organized under the laws of the State of Georgia.

transacts or has transacted business in this district and is a limited liability company organized under the laws of the State of Georgia.

United States.

11. Defendant Capital Security Investments, LLC is a limited liability

company organized in Georgia. Capital Security Investments, LLC has its

principal place of business at 2140 McGee Road, Snellville, Georgia

30078. Capital Security Investments, LLC has its principal

business in the United States and throughout the United States.

12. Defendant Diverse Financial Enterprises, Inc. is a Georgia

corporation. Diverse Financial Enterprises, Inc. has its principal

business out as 2140 McGee Road, Suite 200, Snellville, Georgia 30078.

Diverse Financial Enterprises, Inc. has its principal business in the

district and throughout the United States.

13. Defendant American Credit Systems, LLC is a limited liability

company organized in Georgia. American Credit Systems, LLC has its

principal place of business out as 2140 McGee Road, Snellville, Georgia

30078. American Credit Systems, LLC has its principal

business in the United States and throughout the United States.

14. Defendant Advanced Mediation Group, LLC is a limited liability

company organized in Georgia. Advanced Mediation Group, LLC has its

principal place of business out as 2140 McGee Road, Snellville, Georgia

30078. Advanced Mediation Group, LLC has its principal

business in the United States and throughout the United States.

15. Defendant Apex National Services, LLC is a limited liability company organized in Georgia. Apex National Services has held its principal place of business out as 160 Courtyard Street, Suite A100, Atlanta, Georgia 30303. Apex National Services transacts or has transacted business in this district and throughout the State of Georgia.

16. Defendant Mitchell & Maxwell, LLC (f/k/a Mitchell & Maxwell) is a limited liability company organized in Georgia. Mitchell & Maxwell has held its principal place of business out as 2140 McGee Road, Suite 600, Spalding County, Georgia 30077. Mitchell & Maxwell transacts or has transacted business in this district and throughout the State of Georgia.

17. Defendant Mirage Distribution, LLC is a limited liability company organized in Georgia. Mirage Distribution has held its principal place of business out as 9004 N. Druid Hill Road, Suite 140, Decatur, Georgia 30022. Mirage Distribution transacts or has transacted business in this district and throughout the State of Georgia.

18. Defendant [Name] is a limited liability company organized in Georgia. [Name] has held its principal place of business out as [Address], [City], Georgia [Zip]. [Name] transacts or has transacted business in this district and throughout the State of Georgia.

times material to this Complaint, acting alone or in concert with others

Snow has formulated, directed, controlled, advised, and the authority to control, or

participated in the [redacted] of the [redacted] of the [redacted] of the [redacted]

the acts and practices set forth in this Complaint. Defendant Snow resides in

this district and, in connection with the matters alleged herein, consents or

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

19. Defendant Jahaan McDuffie is or has been an officer and authorized

bank [redacted]

American Credit Adjusters. He also has acted as a [redacted] of [redacted]

from the corporate accounts of [redacted] Global Processing Solutions and has been a

corporate contact for Apex National Services. At times material to this

Complaint, acting alone or in concert with others, McDuffie has formulated,

directed, controlled, advised, and the authority to control, or participated in the

and practices of [redacted] of [redacted] of [redacted], including the acts and practices

set forth in this Complaint. Defendant McDuffie resides in this district and

in connection with the [redacted] of [redacted] of [redacted]

business in this district and throughout the United States.

20. Defendant Glentis "Glen" Wallace is or has been an officer and

authorized bank signatory or Apex National Services, Mitchell & Maxwell,

and Mirage Distribution. At times material to this Complaint, acting alone or

in concert with others, Wallace has authorized, directed, controlled, supervised, managed, had the authority to control, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this Complaint. Defendant Wallace resides in this district and, in connection with the matters alleged herein, has transacted business in this district and throughout the United States.

21. Defendants Snow, McDuffie, and Wallace have operated their debt-collection enterprise through various business entities, including but not limited to the Corporate Defendants.

COMMON ENTERPRISE

22. Corporate Defendants have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Corporate Defendants have conducted the business practices described above through an interrelated network of businesses that have common ownership, officers, managers, business functions, employees, and office locations, and that commingled funds. Because Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendants Snow, McDuffie, and Wallace have formulated, directed, controlled, had the authority to control, or participated

in the acts and practices of the [redacted] common enterprise.

COMMERCE

23. [redacted] substantial course of [redacted] commerce, as [redacted] is defined in Section 4 of the [redacted], 18 U.S.C. § 44.

DEFENDANTS' BUSINESS ACTIVITIES

24. Defendants' debt collection [redacted] consumers have committed a crime and face dire consequences—including a lawsuit, garnishment, and even imprisonment, if a sum [redacted] is not paid. Defendants also make use of unsubstantiated allegations that consumers owe debts, illegally contact third parties (such as consumers' friends, relatives, employers and co-workers), and fail to provide statutorily-required disclosures and notices.

25. Defendants have reaped considerable profits from their combination of aggressive misrepresentations, unsubstantiated or false claims that consumers owe debts, and blatant disregard for basic disclosure requirements. Since January 2015, Defendants have [redacted] and collected more than \$2 billion dollars in consumer payments.

False and Unsubstantiated Claims that Consumers Owe Debts

29. In numerous instances, Defendants have made

unsubstantiated claims that consumers owe debts

30. In many instances, Defendants have

purportedly obtained consumers' payment information

that the debts had not been paid off

31. In other instances, Defendants have advised

consumers who have paid their debts that they

instances, Defendants have advised consumers

with more false information, including

consequences.

32. Defendants have also exercised a surveillance

purported debt as the result of ID theft with a

client has "paid" their debt, they have their necessary paperwork

have 24 hours from the time of the call otherwise acct will be closed

invasion of privacy.

38. Defendants who have failed to provide consumers with a written notice within five days after the initial communication and the consumer has not been the subject of a debt verification of the debt or a copy of a debt verification copy of such verification debt collector.

39. In numerous instances, Defendants have refused to provide consumers with this notice despite consumers' repeated requests and as a result consumers have not been informed of the validity of a debt.

40. Indeed, Defendants' scripts are deceptive to consumers who are told for "something in the mail/paperwork" information the consumer is requesting hearing which will be Dispute hearing" and that "an attorney can consumer's "attorney can

on to state that the "hearing will also include the right of a consumer to be heard."

The statement regarding a "right of a consumer to be heard" appears in the following New York

Criminal Procedure Law § 130.00 (1)(1) (b) (i) (ii) (iii) (iv) (v) (vi) (vii) (viii) (ix) (x) (xi) (xii) (xiii) (xiv) (xv) (xvi) (xvii) (xviii) (xix) (xx) (xxi) (xxii) (xxiii) (xxiv) (xxv) (xxvi) (xxvii) (xxviii) (xxix) (xxx) (xxxi) (xxxii) (xxxiii) (xxxiv) (xxxv) (xxxvi) (xxxvii) (xxxviii) (xxxix) (xl) (xli) (xlii) (xliiii) (xliv) (xlv) (xlvi) (xlvii) (xlviii) (xlvix) (xlvx) (xlvxi) (xlvii) (xlviii) (xlvix) (xlvx) (xlvxi) (xlvii) (xlviii) (xlvix) (xlvx) (xlvxi)

State has failed to commence a timely hearing on a motion for summary judgment.

VIOLATIONS OF THE FTC ACT

41. Section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. § 57(a)(1), prohibits the following

deceptive acts or practices:

42. Misrepresentations or deceptive acts or practices prohibited by Section 5(a)(1) of the FTC Act.

deceptive acts or practices prohibited by Section 5(a)(1) of the FTC Act.

COUNT I

False Threats Regarding Consequences

43. In numerous instances, Defendants have engaged in the following deceptive acts or practices:

Defendants directly or indirectly, represent to consumers, expressly or by

implication, that:

a. A consumer will be arrested or imprisoned or

b. Civil or criminal charges have been or will be filed against

consumer,

c. A garnishment action has been or will be filed against

consumer.

d. A consumer will be arrested or imprisoned or

e. A law enforcement officer will come to a consumer's home or place of employment.

44. In truth and in fact, in numerous instances in which Defendants have made the above promises, such promises have not been made and have been false at the time Defendants made them.

45. Therefore, Defendants' representations as alleged in paragraphs 43 and 44 are false or misleading in interstate or foreign commerce, in violation of Section 5(a) of the FTC Act.

COINT II

False or Unsubstantiated Representations That Consumers Can Debt

46. In numerous instances, in connection with the collection of alleged debts, Defendants have represented, either directly or indirectly, by implication, that:

- a. A consumer is delinquent on a debt that Defendants have authority to collect; or
- b. The consumer has a duty to pay Defendants.

47. In truth and in fact, in numerous instances the representations set forth in paragraphs 46 are false or misleading or were not substantiated at the time the representations were made.

48. Therefore, Defendants' representations as set forth in ~~the above~~ are false or misleading and constitute deceptive acts or practices, in or affecting commerce, in violation of the FTC Act, 15 U.S.C. § 15(a).

VIOLETIONS OF THE FCRA

49. In 1977, Congress passed the Fair Credit Reporting Act, 15 U.S.C. § 1681, which became effective on 12/18/77, and has been in force since that time.

Under Section 814 of the FCRA, 15 U.S.C. § 1681c, a credit report is deemed an unfair or deceptive act or practice in or affecting commerce.

Further, the FTC is authorized to issue orders to enforce the FCRA.

The FTC Act defines "unfair or deceptive acts or practices" as follows:

50. Defendants are "debt collectors" as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6).

51. A "consumer," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(3), means "any natural person who is obligated to pay or who is attempting to pay any debt."

52. A "debt," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6), means "any obligation or debt, including any obligation or debt for the payment of which a person is liable, or any obligation or debt for the payment of which a person is attempting to pay."

any debt."

53. A "debt collector," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6), means "any person who regularly collects or attempts to collect debts owed or due to another person, or who attempts to collect such debts through any means, including the use of any communication, in connection with the collection of such debts."

54. A "debt collector," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6), means "any person who regularly collects or attempts to collect debts owed or due to another person, or who attempts to collect such debts through any means, including the use of any communication, in connection with the collection of such debts."

55. A "debt collector," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6), means "any person who regularly collects or attempts to collect debts owed or due to another person, or who attempts to collect such debts through any means, including the use of any communication, in connection with the collection of such debts."

56. A "debt collector," as defined in Section 814 of the FCRA, 15 U.S.C. § 1681c(6), means "any person who regularly collects or attempts to collect debts owed or due to another person, or who attempts to collect such debts through any means, including the use of any communication, in connection with the collection of such debts."

for his family or household, whether or not such

reduced to [redacted]

53. The [redacted] location information [redacted] in Section 1692c(2)(v), the
FDCA, 16 U.S.C. § 1692c(2)(v), [redacted] as "a consumer's place of abode and
telephone number at such place, or his place of employment."

COONT III

False or Deceptive Representations to Consumers

54. In numerous instances, in connection with the collection of debts, [redacted]
Defendants directly or indirectly [redacted]
representations or omissions in violation of Section 1692c of the FDCA, 16 U.S.C.
§ 1692c, including, but not limited to:

- a. Falsely representing the character or legal status of [redacted],
claiming that consumers have committed a crime or making false
or unsubstantiated representations that consumers owe debts, in
violation of Section 1692c(2)(A) of the FDCA, 16 U.S.C. §
1692c(2)(A);
- b. Falsely representing or implying that nonpayment of a debt will

result in [redacted] of arrest or imprisonment, when such a person is [redacted]

action [redacted] Defendants have [redacted]

taking such action, in violation of Section 807(4) of the FDCPA.

15 U.S.C. § 1692e(4).

- e. Threatening to take action that Defendants do not intend to take such as filing a lawsuit, in violation of Section 807(5) of the FDCPA, 15 U.S.C. § 1692e(5).
- d. Failing to disclose in the initial communication with a consumer that Defendants are debt collectors attempting to collect a debt and that any information obtained will be used for debt collection and failing to disclose in subsequent communications that the communication is from a debt collector, in violation of Section 807(11) of the FDCPA, 15 U.S.C. § 1692i(11).

COUNT IV

Unlawful

55. In numerous instances, in the collection of debts, Defendants communicate with third parties for the purpose of acquiring location information about a consumer without having obtained, directly, or the prior consent of, the consumer or the express permission of a court of competent jurisdiction, and which are reasonably foreseeable as a post judgment judicial remedy, in violation of Section 807(6) of the FDCPA, 15 U.S.C. § 1692c(b).

COUNT V

Failure to Provide Statutorily Required Notice

56. In numerous instances in connection with the collection of delinquent

Defendants fail to provide consumers, either in an initial communication or in

written notice sent within five days after the initial communication with

information about the debt, the amount, and the plan to ensure the debt is paid.

Section 809(a) of the FDCPA, 15 U.S.C. § 1692(a)(1).

CONSUMER INJURY

57. Consumers have suffered and will continue to suffer severe and significant injury

as a result of Defendant's violation of FTC Act and the FDCPA. In addition, the

addition of these products have been unjustly enriched as a result of their

unlawful acts or practices. These acts of predatory lending by this Court's Defendants

are likely to continue to injure consumers, reap unjust enrichment, and harm

the public interest.

THIS COURT'S POWER TO GRANT RELIEF

58. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and section 812(a) of

the FDCPA, 15 U.S.C. § 1692j(a), empower this Court to grant injunctive and

such other relief as the Court may deem appropriate to halt and redress

violations of any provision of law enforced by the FTC. The Court has the

exercise of its equitable jurisdiction, and may award such relief as it deems appropriate.

d. Award Plaintiff

other and additional relief as the Court

pr

Respectfully submitted,

DAVID C. SHONKA

Acting General Counsel

Dated:

10/22/17


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