

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN
MILWAUKEE DIVISION**

RACHEL HOLMES, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

FINANCIAL BUSINESS AND CONSUMER
SOLUTIONS, INC., and JEFFERSON CAPITAL
SYSTEMS, INC.,

Defendants.

Case No.: 18-cv-227

CLASS ACTION COMPLAINT

Jury Trial Demanded

INTRODUCTION

1. This class action seeks redress for collection practices that violate the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.* (the “FDCPA”).

JURISDICTION AND VENUE

2. The court has jurisdiction to grant the relief sought by the Plaintiffs pursuant to 15 U.S.C. § 1692k and 28 U.S.C. §§ 1331 and 1337. Venue in this District is proper in that Defendants directed their collection efforts into the District.

PARTIES

3. Plaintiff Rachel Holmes is an individual who resides in the Eastern District of Wisconsin (Milwaukee County).

4. Plaintiff is a “consumer” as defined in the FDCPA, 15 U.S.C. § 1692a(3), in that Defendants sought to collect from her debts allegedly incurred for personal, family or household purposes, namely a consumer line of credit.

5. Defendant Financial Business and Consumer Solutions, Inc. (“FBCS”) is a debt collection agency with its principal offices located at 330 South Warminster Road, Suite 353, Hatboro, PA 19040.

6. FBCS is engaged in the business of a collection agency, using the mails and telephone to collect consumer debts originally owed to others.

7. FBCS is engaged in the business of collecting debts owed to others and incurred for personal, family or household purposes.

8. FBCS is a debt collector as defined in 15 U.S.C. § 1692a.

9. Defendant Jefferson Capital Systems, LLC (“JCS”) is a foreign limited liability company and debt collection agency with its principal place of business located at 16 McLeland Road, St. Cloud, Minnesota 56303.

10. JCS is engaged in the business of collecting debts, both owed to others and acquired after default, and incurred for personal, family or household purposes.

11. The FDCPA defines a “debt” as “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.”

12. The FDCPA defines a “debt collector” as “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, *or* who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another.” 15 U.S.C. § 1692a(6) (emphasis added); *see Barbato v. Greystone All., LLC*, Civil Action No. 3:13-2748, 2017 U.S. Dist. LEXIS 172984 (M.D. Pa. Oct. 19, 2017); *Tepper v. Amos Fin., LLC*, No. 15-cv-5834, 2017 U.S. Dist. LEXIS 127697 *20-22 (E.D. Pa. Aug. 9, 2017) (“the statute provides two possible paths for a plaintiff to prove that a particular defendant is a ‘debt collector.’ Subject to certain exceptions not relevant here, the defendant will be a debt collector if either (1) its ‘principal

purpose . . . is the collection of any debts,’ or (2) it ‘regularly collects or attempts to collect . . . debts owed or due . . . another.’”).

13. The primary purpose of JCS’s business, and JCS’s principal purpose, is the collection of consumer debts. *See, eg. Mitchell v. LVNV Funding, LLC*, No. 2:12-CV-523-TLS, 2017 U.S. Dist. LEXIS 206440 *16 (N.D. Ind. Dec. 15, 2017) (“‘[t]here is no business purpose in purchasing charged off debts if the ultimate goal is not to collect them,’ and that ‘[d]ebt buyers don’t buy debts to use them as wallpaper, but to turn them into money’” (citing Pl.’s Reply Br.)).

14. JCS’s website contains an “About Us” webpage, which states:

Jefferson Capital is an industry-leading provider of traditional and unique recovery services for consumer charged-off accounts. Our clients include creditors and national debt buyers. We offer services such as a Payment Rewards Collections Program, purchasing and servicing of secured and unsecured bankruptcies, as well as traditional purchasing of distressed portfolios.

<http://www.jeffersoncapitalinternational.com/us/about-jefferson-capital.html>.

15. In addition to telephone and mail-based debt collection activities, JCS is a frequent litigant in Wisconsin courts. . A general search on Wisconsin Circuit Court Access (“CCAP”) for JCS returns the error message: “Your request could not be processed. Your search has returned more than 5000 rows. Please try again.”

16. CCAP shows that JCS *filed* 135 civil and small claims actions in Milwaukee County in January 2018 alone. Upon information and belief, virtually all or actually all of those cases are collection actions against Wisconsin consumers.

17. JCS is a debt collector as defined in 15 U.S.C. § 1692a.

FACTS

18. On or about February 15, 2017, FBCS mailed a debt collection letter to Plaintiff regarding debt allegedly owed to JCS. A copy of this letter is attached to this complaint as Exhibit A.

19. The debt referenced in Exhibit A was incurred to purchase personal, family, or household goods.

20. Upon information and belief, Exhibit A is a form letter, generated by computer, and with the information specific to Plaintiff inserted by computer.

21. Upon information and belief, Exhibit A is a form debt collection letter used by FBCS to attempt to collect alleged debts.

22. Exhibit A is the first letter that FBCS sent to Plaintiff with respect to Plaintiff's alleged debt.

23. In the section of the letter providing details of the Plaintiff's account, Exhibit A indicates that the "Outstanding Balance" is \$1,503.08.

24. The following section indicates:

"We can accept this reduced amount under your preferred option:

1. Pay the full amount of \$901.85 to us in one payment.
2. Pay \$180.37 as a down-payment and the remaining balance of \$721.48 30 days after your first payment is received
3. You may have an opportunity to split your settlement into 3 payments of \$300.62 each. Call our office for details.

25. The first option for payment refers to the \$901.85 as both a "reduced amount" and the "full amount."

26. The second option for payment likewise indicates that there would be a remaining balance of \$721.48 after a payment of \$180.37, which does not add up to the current outstanding balance of \$1,503.

27. The unsophisticated consumer would be confused as to both the total balance of the account as well as the amount of the offer for settlement.

28. The third option compounds the confusion about the meaning of “full amount” by stating that “you may have an opportunity to split your settlement into 3 payments of \$300.62 each” because a consumer who made three payments, each in the amount of \$300.62, would pay a total of \$901.86, not \$901.85.

29. Such misrepresentations are material because they mislead the unsophisticated consumer about the amount and character of the debt. 15 U.S.C. § 1692e(2)(a).

30. The Seventh Circuit has held that a debt collector must state the amount of the debt without “obscur[ing] it by adding confusing other information (or misinformation).” *Miller v. McCalla, Raymer, Padrick, Cobb, Nichols, & Clark, L.L.C.*, 214 F.3d 872, 2000 U.S. App. LEXIS 12178 (7th Cir. Ill. 2000); *Marshall-Mosby v. Corporate Receivables, Inc.*, 205 F.3d 323, 326 (7th Cir. 2000); *Bartlett v. Heibl*, 128 F.3d 497, 500 (7th Cir. 1997).

31. Stating that a payment or sum of payments is payment in full when the amount is mathematically short of being payment in full is misleading and confusing to the unsophisticated consumer. Many consumers send payments that they believe to be payment of a debt “in full,” only to be contacted months or years later by collectors seeking the leftover balance plus late fees, interest and other costs, sometimes in the hundreds or thousands of dollars.

32. Exhibit A is also confusing and misleading as to the date by which payment must be made to effectuate settlement.

33. Option 2 in Exhibit A states:

2. Pay \$180.37 as a down-payment and the remaining balance of \$721.48 30 days after your 1st payment is received
Exhibit A.

34. Exhibit A states:

FBCS, Inc. is not obligated to renew this offer.

Exhibit A.

35. By imposing a deadline for payment of “the remaining balance” and stating that FBCS is “not obligated to renew this offer,” Exhibit A represents to the unsophisticated consumer that time is of the essence in effectuating settlement.

36. Although Exhibit A represents to the unsophisticated consumer that time is of the essence, Exhibit A does not provide a settlement expiration date other than the deadline in Option 2 that the consumer must pay “the remaining balance of \$721.48 30 days after your 1st payment is received.”

37. Upon information and belief, the representation in Exhibit A that time is of the essence is a material false, deceptive, and misleading representation.

38. In the absence of an expiration date and alongside a statement that the debt collector is “not obligated to renew this offer,” the unsophisticated consumer would understand the representation that time is of the essence to mean that FBCS could, and would, rescind the settlement offer at any time and without notice.

39. Upon information and belief, the debtor can settle the account for \$901.85, or less, at any time.

40. In order to preserve debt collectors’ negotiating positions and prevent the settlement process from disintegrating, while still enforcing the congressional mandate prohibiting debt collectors from making false, deceptive, and misleading representations, the Seventh Circuit has established “safe harbor” language regarding settlement offers in collection letters:

As in previous cases in which we have created safe-harbor language for use in cases under the Fair Debt Collection Practices Act, we think the present concern can be adequately addressed yet the unsophisticated consumer still be protected against receiving a false impression of his options by the debt collector's including with the offer the following language: "We are not obligated to renew this offer." The word "obligated" is strong and even the unsophisticated consumer will realize that there is a renewal possibility but that it is not assured.

Evory, 505 F.3d 769 at 775-76.

41. While Exhibit A tracks this safe-harbor language, without an expiration date, the language does not have its intended effect.

42. As a practical matter, the unsophisticated consumer is not an FDCPA lawyer. She does not know that the purpose of the statement that "we are not obligated to renew this offer" is to make her "realize that there is a renewal possibility but that it is not assured."

43. Instead, where the debt collector states that it is not obligated to renew an offer but does not include an expiration date by which payment must be made, the unsophisticated consumer would understand the safe-harbor language to mean that the offer was subject to revocation.

44. The unsophisticated consumer may even believe that the law requires a debt collector to include the Seventh Circuit's safe-harbor language *because* it will rescind the offer.

45. Without an expiration date, the unsophisticated consumer would interpret a debt collector's statement that it is "not obligated to renew" as an implied threat to revoke the settlement offer at any time and without notice.

46. Where the Seventh Circuit prescribes safe-harbor language, this language is not "blessed" as generally acceptable---rather, the Seventh Circuit has made it clear that its safe-harbor language applies only in the specific "type" of case addressed in the opinion and that very language may, in fact, violate the FDCPA under other circumstances. *Boucher v. Fin. Sys. of*

Green Bay, 2018 U.S. App. LEXIS 1094, at *17 (7th Cir. 2018) (“debt collectors cannot immunize themselves from FDCPA liability by blindly copying and pasting the *Miller* safe harbor language without regard for whether that language is accurate under the circumstances.”); *Evory*, 505 F.3d at 775-76 (“we think the *present concern* can be adequately addressed . . .”); *Bartlett v. Heibl*, 128 F.3d 497, 501 (7th Cir. 1997) (“We commend this redaction as a safe harbor . . . for the kind of suit Bartlett has brought and now won. The qualification ‘for the kind of suit that Bartlett has brought and now won’ is important. We are not certifying our letter against challenges based on other provisions of the statute; those provisions are not before us.”); *see also O’Chaney v. Shapiro and Kreisman, LLC*, 2004 U.S. Dist LEXIS 5116, at *13 (N.D. Ill. Mar. 25, 2004) (rejecting the argument that a debt collector could avoid liability for use of safe harbor language where the Seventh Circuit expressly limited the reach of the language to different claims).

47. The safe-harbor language used in Exhibit A was created specifically for cases where a debt collection letter stated a settlement date certain. Without a date certain, the language is false, deceptive, misleading, and confusing, and gives rise to FDCPA liability.

48. Moreover, FBCS’ failure to provide an expiration date for its settlement offer is a material misrepresentation because it misleads the unsophisticated consumer about a material term of the settlement offer. *Evory*, 505 F.3d at 775-76; *see Smith v. Nat’l Enter. Sys., Inc.*, 2017 U.S. Dist. LEXIS 47701, *13 (W.D. Okla. Mar. 30, 2017) (because debt collector's purported time-sensitive settlement offer included an obviously misprinted expiration date that had already passed, "any consumer receiving [it] would be left to wonder about a material term of the offer, that is, the deadline for acceptance.").

49. The unsophisticated consumer, not knowing when the settlement offer expired, would feel intimidated into paying rather than questioning the demand for payment. *See Muha v. Encore Receivable Mgmt.*, 558 F.3d 623, 629-30 (7th Cir. 2009) (confusing language alongside the debt validation notice necessarily distracts the reader from the notice of his statutory rights).

50. Exhibit A is also confusing and misleading as to the character of the debt and the name of the creditor to whom the debt is owed.

51. Exhibit A states:

Please be advised that ownership of your below referenced FINGERHUT DIRECT MRKTING account transferred from WebBank to Bluestem Brands, Inc. and then transferred to our client Jefferson Capital Systems, LLC.

Exhibit A.

52. Exhibit A also states an “Account #” ending in 5096, a “File #” ending in 6055, and a “Current Creditor Account#” ending in 9965.

53. Upon information and belief, the “Account #” ending in 5096 was the account number associated with the debt when the account was owned by WebBank and/or Bluestem, Brands, Inc.

54. Exhibit A contains a payment remittance slip, which states only the “Account #” ending in 5096.

55. Exhibit A states that Plaintiff’s “FINGERHUT DIRECT MRKTING” account was “transferred” from WebBank to Bluestem Brands, Inc. (“Bluestem”), and then “transferred” again to “our client Jefferson Capital Systems, LLC.”

56. The unsophisticated consumer, upon seeing Exhibit A, would be confused and misled to believe the account had twice been sold as a defaulted debt, and that the debt would appear “toxic” on her credit report. Upon information and belief, Plaintiff’s account was sold to Bluestem along with all other Fingerhut accounts, and was only sold as a defaulted debt once.

See <http://www.businesswire.com/news/home/20130919005320/en/Bluestem-Brands-Announces-Agreement-Santander-Consumer-USA>.

57. Alternatively, the unsophisticated consumer, upon seeing Exhibit A, would be confused and misled to believe the account had not been sold at all.

58. The unsophisticated consumer, seeing that the only portion of Exhibit A which is returned to the debt collector identifies the debt based on the account number associated with the original creditor would wonder whether the debt had actually been sold or if the original creditor still owned the debt.

59. The unsophisticated consumer, upon receiving Exhibit A, would be confused about the identity of the creditor to whom the debt was owed. *See, e.g., Tourgeman v. Collins Fin. Servs.*, 755 F.3d 1109, 1119 n. 6 (9th Cir. 2014) (misidentifying the account number of a debt that has been sold can be a material false statement).

60. The unsophisticated consumer, upon receiving Exhibit A, would be confused about whether the account number had changed and whether a payment would be properly processed by the debt collector.

61. Plaintiff was confused by Exhibit A.

62. Plaintiff had to spend time and money investigating Exhibit A and the consequences of any potential responses to Exhibit A.

63. Plaintiff had to take time to obtain and meet with counsel, including travel to counsel's office by car and its related expenses (including but not limited to the cost of gasoline and mileage), to advise Plaintiff on the consequences of Exhibit A.

The FDCPA

64. The FDCPA creates substantive rights for consumers; violations cause injury to consumers, and such injuries are concrete and particularized. *Pogorzelski v. Patenaude & Felix APC*, No. 16-C-1330, 2017 U.S. Dist. LEXIS 89678 *9 (E.D. Wis. June 12, 2017) (“A plaintiff who receives misinformation from a debt collector has suffered the type of injury the FDCPA was intended to protect against.”); *Spuhler v. State Collection Servs.*, No. 16-CV-1149, 2017 U.S. Dist. LEXIS 177631 (E.D. Wis. Oct. 26, 2017) (“As in *Pogorzelski*, the Spuhlers’ allegations that the debt collection letters sent by State Collection contained false representations of the character, amount, or legal status of a debt in violation of their rights under the FDCPA sufficiently pleads a concrete injury-in-fact for purposes of standing.”); *Lorang v. Ditech Fin. LLC*, 2017 U.S. Dist. LEXIS 169286, at *6 (W.D. Wis. Oct. 13, 2017) (“the weight of authority in this circuit is that a misrepresentation about a debt is a sufficient injury for standing because a primary purpose of the FDCPA is to protect consumers from receiving false and misleading information.”); *Qualls v. T-H Prof'l & Med. Collections, Ltd.*, 2017 U.S. Dist. LEXIS 113037, at *8 (C.D. Ill. July 20, 2017) (“Courts in this Circuit, both before and after *Spokeo*, have rejected similar challenges to standing in FDCPA cases.”) (citing “*Hayes v. Convergent Healthcare Recoveries, Inc.*, 2016 U.S. Dist. LEXIS 139743 (C.D. Ill. 2016)); *Long v. Fenton & McGarvey Law Firm P.S.C.*, 223 F. Supp. 3d 773, 777 (S.D. Ind. Dec. 9, 2016) (“While courts have found that violations of other statutes . . . do not create concrete injuries in fact, violations of the FDCPA are distinguishable from these other statutes and have been repeatedly found to establish concrete injuries.”); *Quinn v. Specialized Loan Servicing, LLC*, No. 16 C 2021, 2016 U.S. Dist. LEXIS 107299 *8-13 (N.D. Ill. Aug. 11, 2016) (rejecting challenge to Plaintiff’s standing based upon alleged FDCPA statutory violation); *Lane v. Bayview Loan Servicing, LLC*, No. 15 C

10446, 2016 U.S. Dist. LEXIS 89258 *9-10 (N.D. Ill. July 11, 2016) (“When a federal statute is violated, and especially when Congress has created a cause of action for its violation, by definition Congress has created a legally protected interest that it deems important enough for a lawsuit.”); *Church v. Accretive Health, Inc.*, No. 15-15708, 2016 U.S. App. LEXIS 12414 *7-11 (11th Cir. July 6, 2016) (same); *see also Mogg v. Jacobs*, No. 15-CV-1142-JPG-DGW, 2016 U.S. Dist. LEXIS 33229, 2016 WL 1029396, at *5 (S.D. Ill. Mar. 15, 2016) (“Congress does have the power to enact statutes creating legal rights, the invasion of which creates standing, even though no injury would exist without the statute,” (quoting *Sterk v. Redbox Automated Retail, LLC*, 770 F.3d 618, 623 (7th Cir. 2014))). For this reason, and to encourage consumers to bring FDCPA actions, Congress authorized an award of statutory damages for violations. 15 U.S.C. § 1692k(a).

65. Moreover, Congress has explicitly described the FDCPA as regulating “abusive practices” in debt collection. 15 U.S.C. §§ 1692(a) – 1692(e). Any person who receives a debt collection letter containing a violation of the FDCPA is a victim of abusive practices. *See* 15 U.S.C. §§ 1692(e) (“It is the purpose of this subchapter to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses”).

66. 15 U.S.C. § 1692e generally prohibits a debt collector from using “any false, deceptive, or misleading representation or means in connection with the collection of any debt.”

67. 15 U.S.C. § 1692e(2)(A) specifically prohibits “the false representation of the character, amount, or legal status of any debt.”

68. 15 U.S.C. § 1692e(5) specifically prohibits “the threat to take any action that cannot legally be taken or that is not intended to be taken.”

69. 15 U.S.C. § 1692e(10) specifically prohibits the “use of any false representation or deceptive means to collect or attempt to collect any debt.”

70. 15 U.S.C. § 1692f generally prohibits a debt collector from using “unfair or unconscionable means to collect or attempt to collect any debt.”

71. 15 U.S.C. § 1692f(1) specifically prohibits “the collection of any amount . . . unless such amount is expressly authorized by the agreement creating the debt or permitted by law.”

72. 15 U.S.C. § 1692g states:

a) Notice of debt; contents

Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing—

(1) the amount of the debt;

(2) the name of the creditor to whom the debt is owed;

...

(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; and

(5) a statement that, upon the consumer’s written request within the thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

b) Disputed debts

...

Any collection activities and communication during the 30-day period may not overshadow or be inconsistent with the disclosure of the consumer's right to dispute the debt or request the name and address of the original creditor.

73. The Seventh Circuit has held that a debt collector must state the required disclosures in a non-confusing manner. *E.g., Miller v. McCalla, Raymer, Padrick, Cobb, Nichols, & Clark, L.L.C.*, 214 F.3d 872, 875 (7th Cir. 2000) (debt collector must state the amount of the debt in a non-confusing manner).

74. While *Miller* addressed a debt collector's obligation to provide the amount of the debt under 15 U.S.C. § 1692g(a)(1), the Seventh Circuit has held that the standards for claims under § 1692g(a)(2) are the same. *Janetos v. Fulton Friedman & Gullace, LLP*, 825 F.3d 317, 319 (7th Cir. 2016):

Section 1692g(a) requires debt collectors to disclose specific information, including the name of the current creditor, in certain written notices they send to consumers. If a letter fails to disclose the required information clearly, it violates the Act, without further proof of confusion.

75. Likewise, the Seventh Circuit has held that the standards for claims under 15 U.S.C. § 1692e and § 1692g are the same. *McMillan v. Collection Professionals, Inc.*, 455 F.3d 754, 759 (7th Cir. 2006):

We cannot accept the district court's view that claims brought under § 1692e or § 1692f are different from claims brought under § 1692g for purposes of Rule 12(b)(6) analysis. Whether or not a letter is 'false, deceptive, or misleading' (in violation of § 1692e) or 'unfair or unconscionable' (in violation of § 1692f) are inquiries similar to whether a letter is confusing in violation of § 1692g. After all, as our cases reflect, the inquiry under §§ 1692e, 1692g and 1692f is basically the same: it requires a fact-bound determination of how an unsophisticated consumer would perceive the letter.")

COUNT I – FDCPA

76. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.

77. FBCS's letter is misleading and confusing to the unsophisticated consumer, in that it is unclear whether the amounts listed to be paid under the various payment options represent the total balance of the alleged debt or a settlement offer.

78. The unsophisticated consumer would have no idea what was the actual balance of the account or the amount of the settlement offer.

79. Defendants violated 15 U.S.C. §§ 1692e, 1692e(2)(a), 1692f, 1692f(1), and 1692g(a)(1).

COUNT II – FDCPA

80. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.

81. Exhibit A contains false, deceptive, misleading, and confusing statements about the character of the debt and the identity of the creditor.

82. Exhibit A confusingly and misleadingly states to the unsophisticated consumer that Webbank "transferred" the debt to Bluestem Brands, Inc., which suggests to the unsophisticated consumer that the debt is being reported as toxic.

83. Exhibit A confusingly and misleadingly states the original creditor's "account number" in the payment remittance slip, which implies to the unsophisticated consumer that the debt was still associated with the original creditor.

84. Defendants violated 15 U.S.C. §§ 1692e, 1692e(2)(A), 1692e(10), and 1692g(a)(2).

85. The unsophisticated consumer would have no idea what was the actual balance of the account or the amount of the settlement offer.

86. Defendants violated 15 U.S.C. §§ 1692e, 1692e(2)(a), 1692f, 1692f(1), and 1692g(a)(1).

COUNT III – FDCPA

87. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.

88. Exhibit A includes an offer that is misleading as to the amount necessary to effectuate the settlement and when the offer may expire.

89. Exhibit A includes false statements that mislead consumers to believe that any settlement offer made is a limited time offer and failure to accept the offer before its “expiration” would result in the debtors’ inability to settle the debt for less than the full amount. *Evory*, 505 F.3d at 775-76.

90. Exhibit A includes threats to revoke the settlement offers at any time and without notice even though neither FBCS nor the creditor intended to revoke these offers and could not do so.

91. The confusing, misleading, and intimidating settlement offer also conflicts with and overshadows the debt validation notice.

92. Defendants violated 15 U.S.C. §§ 1692e, 1692e(2)(a), 1692f, 1692f(1), and 1692g(b).

CLASS ALLEGATIONS

93. Plaintiff brings this action on behalf of a Class, consisting of (a) all natural persons in the State of Wisconsin (b) who were sent initial collection letters in the form represented by Exhibit A, (c) which listed different balances, (d) for the same account on the same day, (e) seeking to collect a debt for personal, family or household purposes, (f) between February 12, 2017 and February 12, 2018, inclusive, (g) that was not returned by the postal service.

94. The Class is so numerous that joinder is impracticable. Upon information and belief, there are more than 50 members of the Class.

95. There are questions of law and fact common to the members of the class, which common questions predominate over any questions that affect only individual class members. The predominant common question is whether the Defendants complied with the FDCPA.

96. Plaintiff's claims are typical of the claims of the Class members. All are based on the same factual and legal theories.

97. Plaintiff will fairly and adequately represent the interests of the Class members. Plaintiff has retained counsel experienced in consumer credit and debt collection abuse cases.

98. A class action is superior to other alternative methods of adjudicating this dispute. Individual cases are not economically feasible.

JURY DEMAND

99. Plaintiff hereby demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that the Court enter judgment in favor of Plaintiff and the Class and against Defendants for:

- (a) actual damages;
- (b) statutory damages;
- (c) attorneys' fees, litigation expenses and costs of suit; and
- (d) such other or further relief as the Court deems proper.

Dated: February 12, 2018

ADEMI & O'REILLY, LLP

By: /s/ John D. Blythin

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EXHIBIT A

FROM:
P.O. Box 1116
Charlotte, NC 28201-1116

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FBCS Inc
330 S. WARMINSTER RD. SUITE 353
HATBORO, PA 19040
1-866-594-8639

PERSONAL & CONFIDENTIAL



February 15, 2017



Rachel Holmes
8666 S CHICAGO RD
APT 16
OAK CREEK, WI 53154-3592

Please be advised that ownership of your below referenced FINGERHUT DIRECT MRKTING account transferred from WebBank to Bluestem Brands, Inc. and then transferred to our client Jefferson Capital Systems, LLC.

Interested in saving \$601.23, read on ...

Our client, JEFFERSON CAPITAL SYSTEMS, LLC, has authorized us to accept a 40% discount off your \$1,503.08 outstanding balance to settle the account in full. The complete details of your account are:

Current Creditor <	JEFFERSON CAPITAL SYSTEMS, LLC
Debt Description <	FINGERHUT DIRECT MRKTING
Account # <	XXXXXXXXXXXX5096
Outstanding Balance <	\$1,503.08
File # <	██████████5055
Current Creditor Account #:	██████████9965
Original Creditor:	WEBBANK

We can accept this reduced amount under your preferred option:

1. Pay the full amount of \$901.85 to us in one payment
2. Pay \$180.37 as a down-payment and the remaining balance of \$721.48 30 days after your 1st payment is received
3. You may have an opportunity to split your settlement into 3 payments of \$300.62 each. Call our office for details.
4. Contact one of our agents, who have been specially trained to listen to your circumstances and guide you through the process, there may be other payment options available based on your specific situation. Call us, toll free, at 1-866-594-8639. Agents trained to handle your specific account are available:

Monday	9:00 am through 7:00 pm	Thursday	9:00 am through 7:00 pm
Tuesday	9:00 am through 7:00 pm	Friday	9:00 am through 7:00 pm
Wednesday	9:00 am through 7:00 pm	Saturday	9:00 am through 12:30 pm

(All times listed are Eastern Standard Time)

Or visit our website at www.fbc-inc.com for 24 hour payment options.

This is an attempt to collect a debt and any information obtained will be used for that purpose. This communication is from a debt collector.

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 the debt or any portion thereof is disputed, 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 the name and address of the original creditor, if different from the current creditor.

FBCS, Inc. is not obligated to renew this offer.

▲ Detach Here ▲

▲ Detach Here ▲

Detach and return this portion with your payment. Enter the requested information in the spaces provided below:

Account # XXXXXXXXXXXXXXX5096



If you would like to receive information by e-mail, please write your e-mail address below:

Hours of operation:

Monday	9:00 am - 7:00 pm
Tuesday	9:00 am - 7:00 pm
Wednesday	9:00 am - 7:00 pm
Thursday	9:00 am - 7:00 pm
Friday	9:00 am - 7:00 pm
Saturday	9:00 am - 12:30 pm

Please complete below only if your address has changed

Street		
City	State	Zip
Home Phone	Work Phone	
()	()	



FBCS
330 S. WARMINSTER RD. SUITE 353
HATBORO, PA 19040

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

Place an X in the appropriate Box: Green Bay Division Milwaukee Division

I. (a) PLAINTIFFS

Rachel Holmes

(b) County of Residence of First Listed Plaintiff Milwaukee

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Ademi & O'Reilly, LLP, 3620 E. Layton Ave., Cudahy, WI 53110
(414) 482-8000-Telephone (414) 482-8001-Facsimile

DEFENDANTS

Financial Business and Consumer Solutions, Inc., et al.

County of Residence of First Listed Defendant _____

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	PERSONAL INJURY	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	PROPERTY RIGHTS	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 660 Occupational Safety/Health	SOCIAL SECURITY	<input checked="" type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	LABOR	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 490 Selective Service
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 850 Securities/Commodities/Exchange
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 720 Labor/Mgmt. Relations & Disclosure Act	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY	PRISONER PETITIONS	<input type="checkbox"/> 740 Railway Labor Act	FEDERAL TAX SUITS	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	Habeas Corpus:	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 530 General	IMMIGRATION		<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 462 Naturalization Application		<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> 463 Habeas Corpus - Alien Detainee		<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 950 Constitutionality of State Statutes
	<input type="checkbox"/> 555 Prison Condition			

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

15 U.S.C. 1692 et seq

Brief description of cause:
Violation of Fair Debt Collection Practices Act

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ _____

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE

February 12, 2018

SIGNATURE OF ATTORNEY OF RECORD

s/ John D. Blythin

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFF _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT
for the
Eastern District of Wisconsin

RACHEL HOLMES

Plaintiff(s)

v.

FINANCIAL BUSINESS AND CONSUMER
SOLUTIONS, INC., et al.

Defendant(s)

Civil Action No. 18-cv-227

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)* FINANCIAL BUSINESS AND CONSUMER SOLUTIONS, INC.
330 South Warminster Road, Suite 353
Hatboro, PA 19040

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you receive it) – or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12(a)(2) or (3) – you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or the plaintiff’s attorney, whose name and address are:

John D. Blythin
Ademi & O'Reilly, LLP
3620 East Layton Avenue
Cudahy, WI 53110

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

STEPHEN C. DRIES, CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4(l))

This summons and the attached complaint for *(name of individual and title, if any)*:

_____ were received by me on *(date)* _____.

I personally served the summons and the attached complaint on the individual at *(place)*:

_____ on *(date)* _____ ; or

I left the summons and the attached complaint at the individual's residence or usual place of abode with *(name)*

_____, a person of suitable age and discretion who resides there, on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons and the attached complaint on *(name of individual)* _____

who is designated by law to accept service of process on behalf of *(name of organization)* _____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc.:

UNITED STATES DISTRICT COURT
for the
Eastern District of Wisconsin

RACHEL HOLMES

Plaintiff(s)

v.

FINANCIAL BUSINESS AND CONSUMER
SOLUTIONS, INC., et al.

Defendant(s)

Civil Action No. 18-cv-227

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)
JEFFERSON CAPITAL SYSTEMS LLC
c/o CORPORATION SERVICE COMPANY
8040 Excelsior Drive, Suite 400
Madison, Wisconsin 53717

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you receive it) – or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12(a)(2) or (3) – you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or the plaintiff's attorney, whose name and address are:

John D. Blythin
Ademi & O'Reilly, LLP
3620 East Layton Avenue
Cudahy, WI 53110

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

STEPHEN C. DRIES, CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4(l))

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_____ were received by me on *(date)* _____.

I personally served the summons and the attached complaint on the individual at *(place)*:

_____ on *(date)* _____ ; or

I left the summons and the attached complaint at the individual's residence or usual place of abode with *(name)*

_____, a person of suitable age and discretion who resides there, on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons and the attached complaint on *(name of individual)* _____

who is designated by law to accept service of process on behalf of *(name of organization)* _____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc.:

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [FDCPA Suit Takes Issue with Debt Collectors' 'Misleading' Letter](#)
