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

ENEIDA JOHNSON, Individually and on Behalf	) Case No.: 17-cv-342
of All Others Similarly Situated,	CLASS ACTION COMPLAINT
Plaintiff,	
vs.	
ALLTRAN FINANCIAL, LP,	) Jury Trial Demanded ) )
Defendant.	

#### **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 Plaintiff pursuant to 15 U.S.C. § 1692k and 28 U.S.C. §§ 1331 and 1337. Venue in this District is proper in that Defendant directed its collection efforts into the District.

#### **PARTIES**

- 3. Plaintiff Eneida Johnson 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 Defendant sought to collect from her a debt allegedly incurred for personal, family or household purposes.
- 5. Defendant Alltran Financial, LP ("Alltran") is a debt collection agency with its principal offices located at 5800 N. Course Dr., Houston, TX 77072.
- 6. Alltran is engaged in the business of a collection agency, using the mails and telephone to collect consumer debts originally owed to others.

7. Alltran is engaged in the business of collecting debts owed to others and incurred for personal, family or household purposes. Alltran is a debt collector as defined in 15 U.S.C. § 1692a.

#### **FACTS**

- 8. On or about November 22, 2016, Alltran mailed a debt collection letter to Plaintiff Eneida Johnson regarding an alleged debt, allegedly owed "USAA Savings Bank." A copy of this letter is attached to this complaint as Exhibit A.
- 9. Upon information and belief, the alleged debt that Alltran was attempting to collect was a personal loan, incurred and used only for personal, family or household purposes, namely purchases of household goods and services and paying household bills.
- 10. Upon information and belief, <u>Exhibit A</u> is a form letter, generated by computer, and with the information specific to Plaintiff inserted by computer.
- 11. Upon information and belief, <u>Exhibit A</u> is a form debt collection letter used by Alltran to attempt to collect alleged debts.
  - 12. <u>Exhibit A</u> contains the following settlement offer:

We have been trying to contact you with regard to the above referenced account. Our client has agreed to allow you to settle this account for less than the full balance. USAA Savings Bank has agreed to offer you a settlement of \$1,346.24, to be paid in 6 payments over a 6 month period.

Your first payment must be received within 10 days of the date of this mailing. Consecutive payments are to be made at a minimum of once every 30 days until the settlement amount is paid. Each payment must be received in the described time frame or the settlement offer will be cancelled. If the settlement is cancelled any payments already received will be credited towards the full balance.

- 13. The letter purports to offer settling the debt for about 30% of the total alleged debt.
- 14. The settlement offer in Exhibit A falsely states or implies that the settlement offer is valid only if the first payment is received within "10 days of the date of this mailing" and

"consecutive payments are to be made at a minimum of once every 30 days until the settlement amount is paid." (Exhibit A).

- 15. Upon information and belief, Alltran had authority from USAA Savings Bank to settle consumers' accounts for 30% of the amount owed, or less, at any time.
- 16. Statements such as a settlement offer is a "limited time offer," or that the offer expires on a specific date, or that payments must be received by that date, are false and misleading because the same offer is, upon information and belief, available at any time.
- 17. Such false statements are material false statements, as they impart in the unsophisticated consumer, a false belief that he or she must hurry to take advantage of a limited-time opportunity, when in reality, there is no such time limit.
- 18. 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 v. RJM Acquisitions Funding L.L.C., 505 F.3d 769, 775-76 (7th Cir. 2007).

- 19. Alltran did not use the safe harbor language in Exhibit A.
- 20. Upon information and belief, the deadline in <u>Exhibit A</u> to respond to the settlement offer is a sham. There is no actual deadline. The sole purpose of the purported deadline is to impart in the consumer a false sense of urgency.
  - 21. Plaintiff was confused by Exhibit A.

- 22. Plaintiff had to spend time and money investigating Exhibit A and the consequences of any potential responses to Exhibit A.
- 23. 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 creates substantive rights for consumers; violations cause injury to 24. consumers, and such injuries are concrete and particularized. 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. III. 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. III. 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).
- 25. 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").
- 26. 15 U.S.C. § 1692e generally prohibits "any false, deceptive, or misleading representation or means in connection with the collection of any debt."
- 27. 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."
- 28. 15 U.S.C. § 1692f generally prohibits "unfair or unconscionable means to collect or attempt to collect any debt."

#### **COUNT I – FDCPA**

- 29. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
- 30. <u>Exhibit A</u> includes false statements to the effect that the settlement offer is for a limited time only.
- 31. Upon information and belief, the creditor and/or Alltran would settle Plaintiff's and class members' debts at the offered discount and likely for less at any time, regardless of the supposed deadline.
  - 32. Defendant violated 15 U.S.C. §§ 1692e, 1692e(10) and 1692f.

#### **CLASS ALLEGATIONS**

33. Plaintiff brings this action on behalf of a Class, consisting of (a) all natural persons in the State of Wisconsin (b) who were sent an initial collection letter in the form represented by Exhibit A to the complain in this action, (c) seeking to collect a debt for personal,

family or household purposes, (d) between March 8, 2016, and March 8, 2017, inclusive, (e) that was not returned by the postal service.

- 34. The Class is so numerous that joinder is impracticable. Upon information and belief, there are more than 50 members of the Class.
- 35. 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 Defendant complied with 15 U.S.C. §§ 1692e, 1692e(10) and 1692f.
- 36. Plaintiff's claims are typical of the claims of the Class members. All are based on the same factual and legal theories.
- 37. 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.
- 38. A class action is superior to other alternative methods of adjudicating this dispute. Individual cases are not economically feasible.

#### **JURY DEMAND**

39. 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 Defendant 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: March 8, 2017

#### **ADEMI & O'REILLY, LLP**

By: s/ John D. Blythin
Shpetim Ademi (SBN 1026973)
John D. Blythin (SBN 1046105)
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(414) 482-8001 (fax) sademi@ademilaw.com jblythin@ademilaw.com meldridge@ademilaw.com dmorris@ademilaw.com

# **EXHIBIT A**

PO BOX 4043 CONCORD CA 94524-4043

November 22, 2016

ADDRESS SERVICE REQUESTED

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Eneida Johnson 4535 S WHITNALL AVE APT 20 **SAINT FRANCIS WI 53235-6019**  Alltran Financial, LP

Date: November 22, 2016 Creditor: USAA Savings Bank Account No: 0003 Alltran ID: 3490

Amount Due: \$4,487.46

Telephone: 800-466-1195, ext 8509

Alltran Financial, LP PO BOX 722929 HOUSTON TX 77272-2929 յլ[[յլ[[ՈւրմՈլ]][[լմոլ[[որմի[[Ոկմո[[դուկիր]]ոգմՈւ[Ուիմ]ի]]ի

Please detach at perforation and return with your payment.

#### **Save Money by Settling Your Account**

We have been trying to contact you with regard to the above referenced account. Our client has agreed to allow you to settle this account for less than the full balance. USAA Savings Bank has agreed to offer you a settlement of \$1,346.24, to be paid in 6 payments over a 6 month period.

Your first payment must be received within 10 days of the date of this mailing. Consecutive payments are to be made at a minimum of once every 30 days until the settlement amount is paid. Each payment must be received in the described time frame or the settlement offer will be cancelled. If the settlement is cancelled any payments already received will be credited towards the full balance.

If you are unable to take advantage of this settlement offer our client has asked us to work with you to negotiate a payment plan based upon your individual circumstances.

Please call our toll-free telephone number as soon as possible to discuss settlement of this account. We WILL work with you. You can call James Taylor at our toll-free number 24 hours a day at 800-466-1195, extension 8509. We look forward to helping you resolve this account.

Looking for a secure and more convenient way to pay your account? Make payments with your Debit Card using your mobile phone or other electronic device at www.securepaymenttransfer.com to take advantage of this simple and free service available 24 hours a day.

This communication is from a debt collector. We are required to inform you that this is an attempt to collect a debt, and any information obtained will be used for this purpose.

Sincerely,

James Taylor, ext 8509 Alltran Financial, LP P.O. Box 722929 HOUSTON TX 77272-2929

Creditor: USAA Savings Bank Account No.: Alltran ID:

Amount Due: \$4,487.46 as of November 22, 2016

Telephone: 800-466-1195, ext 8509

Office Hours (all times Central) Monday-Thursday: 8 AM to 9 PM • Friday: 8 AM to 4 PM • Saturday: 7 AM to 11 AM

#### **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

Place an X in the appropriate		Bay Division		Milwaukee Division			
I. (a) PLAINTIFFS			DEFENDANTS				
ENEIDA JOHNSON				ALLTRAN FINANCIAL, LP			
(b) County of Residence of First Listed Plaintiff Milwaukee  (EXCEPT IN U.S. PLAINTIFF CASES)			NOTE: IN LANI	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.			
Ademi & O'Reilly, LLP,	e, Address, and Telephone Numbe 3620 E. Layton Ave., Cudahy, WI ne (414) 482-8001-Facsimile		Attorneys (If Known)				
II. BASIS OF JURISI	OICTION (Place an "X" i	in One Box Only)	I. CITIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff		
1 U.S. Government				TF DEF  1 Incorporated or Pr of Business In Thi			
2 U.S. Government Defendant	☐ 4 Diversity  (Indicate Citizenshi	p of Parties in Item III)	_	2 Incorporated and of Business In A	Another State		
			Citizen or Subject of a  Foreign Country	3 Foreign Nation			
IV. NATURE OF SUI							
CONTRACT	PERSONAL INJURY		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES		
☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment	☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel &	PERSONAL INJURY  362 Personal Injury - Med. Malpractice  365 Personal Injury - Product Liability  368 Asbestos Personal Injury Product Liability  PERSONAL PROPERTY  370 Other Fraud  371 Truth in Lending  380 Other Personal Property Damage  Product Liability  PRISONER PETITIONS  510 Motions to Vacate Sentence  Habeas Corpus:  530 General  535 Death Penalty  540 Mandamus & Other  550 Civil Rights  555 Prison Condition	610 Agriculture   620 Other Food & Drug   625 Drug Related Seizure of Property 21 USC 881   630 Liquor Laws   640 R.R. & Truck   650 Airline Regs.   660 Occupational Safety/Health   690 Other   LABOR   710 Fair Labor Standards Act   720 Labor/Mgmt. Relations   730 Labor/Mgmt. Reporting & Disclosure Act   740 Railway Labor Act   790 Other Labor Litigation   791 Empl. Ret. Inc. Security Act   IMMIGRATION   462 Naturalization Application   463 Habeas Corpus - Alien Detainee   465 Other Immigration Actions	422 Appeal 28 USC 158   423 Withdrawal	400 State Reapportionment   410 Antitrust   430 Banks and Banking   450 Commerce   460 Deportation   470 Racketeer Influenced and Corrupt Organizations   480 Consumer Credit   490 Cable/Sat TV   810 Selective Service   850 Securities/Commodities/Exchange   875 Customer Challenge   12 USC 3410   890 Other Statutory Actions   891 Agricultural Acts   892 Economic Stabilization Act   893 Environmental Matters   894 Energy Allocation Act   895 Freedom of Information Act   900Appeal of Fee Determination Under Equal Access   to Justice   950 Constitutionality of State Statutes		
☑ 1 Original ☐ 2 R	Cite the U.S. Civil Sta	Appellate Court			Judgment		
VI. CAUSE OF ACTI	Brief description of ca	ause: Collection Practices Act					
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER F.R.C.P.	IS A CLASS ACTION . 23	DEMAND \$	CHECK YES only JURY DEMAND	if demanded in complaint: : ☑ Yes ☐ No		
VIII. RELATED CAS IF ANY	(See instructions):	JUDGE		DOCKET NUMBER			
DATE		SIGNATURE OF ATTOR	RNEY OF RECORD				
March 8, 2017 FOR OFFICE USE ONLY		s/ John D. Bl	lythin				

- Ca<del>se 2:17-cy-00</del>342 Filed <del>03/00/17 P</del>age 1 of 2 Pocument 1-2

#### 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

Eastern District of Wisconsin						
	,					
ENEIDA JOHI	NSON )					
Plaintiff	)					
v.	)	Civil Action No. 17-cv-342				
ALLTRAN FINAN	NCIAL, LP					
Defendant	<u> </u>					
	SUMMONS IN A CIVIL ACTION					
To: (Defendant's name and address)	ALLTRAN FINANCIAL, LP c/o C T CORPORATION SYS' 8020 EXCELSIOR DR., SUITI MADISON, WI 53717					
A lawsuit has been filed against you.  Within 21 days after service of this summons on you (not counting the day you received 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 plaintiff's attorney, whose name and address are:  John D. Blythin  Ademi & O'Reilly, LLP  3620 East Layton Avenue Cudahy, WI 53110  (414) 482-8000-Telephone						
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.						
		CLERK OF COURT				
Date:						
		Signature of Clerk or Deputy Clerk				

Civil Action No. 17-cv-342

#### PROOF OF SERVICE

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

	This summons for (nan	ne of individual and title, if any)			
was re	ceived by me on (date)	·			
	☐ I personally served	the summons on the individual at	t (place)		
			on (date)	; or	
	☐ I left the summons	at the individual's residence or us	sual place of abode with (name)		
		, a person of	f suitable age and discretion who resid	des there,	
	on (date)	, and mailed a copy to th	ne individual's last known address; or		
	☐ I served the summo	ons on (name of individual)		, wh	o is
	designated by law to a	accept service of process on behal	f of (name of organization)		
			on (date)	; or	
	☐ I returned the summ	nons unexecuted because			; or
	☐ Other (specify):				
	My fees are \$	for travel and \$	for services, for a total of \$	0.00	
	I declare under penalty	y of perjury that this information i	s true.		
Date:					
			Server's signature		
			Printed name and title		
			Server's address		

Additional information regarding attempted service, etc:

Save As...

## **ClassAction.org**

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Alltran Financial Facing Allegations of FDCPA Abuses</u>