

**IN THE UNITED STATES DISTRICT COURT  
 FOR THE NORTHERN DISTRICT OF ALABAMA  
 SOUTHERN DIVISION**

Elizabeth Ledford, individually and on	)	
behalf of all others similarly situated,	)	
	)	
Plaintiff,	)	
	)	
v.	)	No.
	)	
Portfolio Recovery Associates, LLC, a	)	
Delaware limited liability company,	)	Class Action
	)	
Defendant.	)	<u>Jury Demanded</u>

**CLASS ACTION COMPLAINT**

Plaintiff, Elizabeth Ledford, individually and on behalf of all others similarly situated, brings this action under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692, et seq. ("FDCPA"), for a finding that Defendant's collection actions violated the FDCPA, and to recover damages, and alleges:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction pursuant to § 1692k(d) of the FDCPA, and 28 U.S.C. § 1331.
2. Venue is proper in this District because: a) the acts and transactions occurred here; and, b) Plaintiff and Defendant reside here.

**PARTIES**

3. Plaintiff, Elizabeth Ledford ("Ledford"), is a citizen of the State of Alabama, residing in the Northern District of Alabama, from whom Defendant attempted to collect a delinquent, time-barred consumer debt, which was allegedly owed for a Capital One credit card.

4. Defendant, Portfolio Recovery Associates, LLC (“PRA”), is a Delaware limited liability company that acts as a debt collector, as defined by § 1692a of the FDCPA, because it regularly uses the mails and/or the telephone to collect, or attempt to collect, directly or indirectly, defaulted consumer debts that it did not originate. Defendant PRA operates a nationwide debt collection business and attempts to collect defaulted debts from consumers in virtually every state, including consumers in the State of Alabama. In fact, Defendant PRA was acting as a debt collector, as that term is defined in the FDCPA, as to the delinquent consumer debt it attempted to collect from Plaintiff.

5. Defendant PRA is a bad debt buyer that buys large portfolios of defaulted consumer debts for pennies on the dollar, which it then collects upon through other collection agencies. Defendant PRA’s principal, if not sole, business purpose is the collection of defaulted consumer debts originated by others.

6. Defendant PRA is authorized to conduct business in the State of Alabama and maintains a registered agent within the State of Alabama, see, record from the Alabama Secretary of State, attached as Exhibit A. In fact, Defendant conducts extensive business in Alabama.

### **FACTUAL ALLEGATIONS**

7. More than four years ago, Ms. Ledford fell behind on paying her bills, including a debt she allegedly owed for a Capital One Bank credit card account. Sometime after that debt became delinquent, it was allegedly purchased/obtained by PRA, which tried to collect upon it by sending Ms. Ledford form collection letters, dated February 1, 2017 and May 2, 2017. After making various “account offers”, which were

described as “savings” plans, which could result in the account being “Settled in Full”, this letter belatedly stated:

\* \* \*

The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it.

\* \* \*

Copies of these collection letters are attached as Group Exhibit B.

8. These letters, by stating that PRA “will not” sue, rather than it “cannot” sue, imply that PRA still had the option to take this action, and that it was simply choosing not to do so.

9. In fact, Defendant could not sue to collect the debt at issue because the applicable statute of limitations in the State of Alabama had expired.

10. The failure of Defendant to disclose that Defendant could not sue to collect the debt is material. The lack of a proper disclosure would leave the consumer without enough information to make a decision as to what to do about the collection of the debt at issue, and cause them to believe Defendant’s statements that the debt needed to be settled and/or would result in the alleged savings.

11. Moreover, violations of the FDCPA which would lead a consumer to alter his or her course of action as to whether to pay a debt, or which would be a factor in the consumer’s decision making process, are material, see, Lox v. CDA, 689 F.3d 818, 827 (7th Cir. 2012). Defendant’s assertion that the consumer would realize savings by paying the debt and that the account would be considered “Settled in Full” or “Paid in Full”, would cause a consumer to believe that paying the debt would result in some sort of benefit to the consumer’s financial position, when it would not.

12. Defendant's collection actions complained of herein occurred within one year of the date of this Complaint.

13. Defendant's collection communications are to be interpreted under the "least sophisticated consumer" standard, see, Jeter v. Credit Bureau, 760 F.2d 1168, 1176 (11th Cir. 1985); LeBlanc v. Unifund CCR Partners, 601 F.3d 1185, 1193-1194 (11th Cir. 2010).

**COUNT I**  
**Violation Of § 1692e Of The FDCPA –**  
**False, Deceptive Or Misleading Collection Actions**

14. Plaintiff adopts and realleges ¶¶ 1-13.

15. Section 1692e of the FDCPA prohibits a debt collector from using any false and/or any deceptive or misleading representation or means in connection with the collection of a debt, including, but not limited to, the false representation of the character, amount or legal status of any debt, see 15 U.S.C. § 1692e(2)(A). Moreover, debt collectors are barred from threatening to take any action that the collector cannot legally take, see, 15 U.S.C. § 1692e(5).

16. Attempts by debt collectors to collect time-barred debts via deceptive and misleading collection letters violate § 1692e of the FDCPA, see, Pantoja v. Portfolio Recovery Assocs., 852 F.3d 679 (7th Cir. 2017); Daugherty v. Convergent Outsourcing, 836 F.3d 507 (5th Cir. 2016); Buchanan v. Northland Group, 776 F.3d 393 (6th Cir. 2015); and McMahon v. LVNV Funding, 744 F.3d 1010 (7th Cir. 2014).

17. Although Defendant attempted to provide a disclaimer that the debt was time-barred, that disclaimer was ineffective because it failed to disclose that PRA could not legally sue, not that PRA had simply chosen not to do so.

18. Moreover, it was deceptive or misleading to claim that payment of a time-barred debt would result in any savings and/or that the debt being marked as “Settled in Full” or “Paid in Full” was some sort or benefit.

19. Thus, Defendant’s form letters violated § 1692e of the FDCPA.

20. Defendant’s violations of § 1692e of the FDCPA render it liable for actual and statutory damages, costs, and reasonable attorneys’ fees. See, 15 U.S.C. § 1692k.

**COUNT II**  
**Violation Of § 1692f Of The FDCPA --**  
**Unfair Or Unconscionable Collection Actions**

21. Plaintiff adopts and realleges ¶¶ 1-13.

22. Section 1692f of the FDCPA prohibits a debt collector from using any unfair or unconscionable means to collect or attempt to collect a debt, see, 15 U.S.C. § 1692f.

23. Although Defendant attempted to provide a disclaimer that the debt was time-barred, that disclaimer was ineffective because it failed to disclose that PRA could not legally sue, not that PRA had simply chosen not to do so. Moreover, Defendant falsely claimed that payment of a time-barred debt would result in any savings and/or that it being marked as “Settled in Full” or “Paid in Full” was some sort or benefit.

24. Defendant’s ineffective disclaimer concerning the time-barred nature of the debt and its false statements concerning “savings” constituted the use of unfair or unconscionable means to collect a debt, in violation of § 1692f of the FDCPA.

25. Defendant’s violations of § 1692f of the FDCPA render it liable for actual and statutory damages, costs, and reasonable attorneys’ fees. See, 15 U.S.C. §

1692k.

### **CLASS ALLEGATIONS**

26. Plaintiff, Elizabeth Ledford, brings this action individually and as a class action on behalf of all persons similarly situated in the State of Alabama from whom Defendant attempted to collect a delinquent, time-barred consumer debt (i.e., where the date of last payment/last statement is more than four-years from the date of the letter), allegedly owed for a Capital One credit card, via the same form collection letters (Group Exhibit B), that Defendant sent to Plaintiff, from one year before the date of this Complaint to the present. This action seeks a finding that Defendant's form letters violate the FDCPA, and asks that the Court award damages as authorized by § 1692k(a)(2) of the FDCPA.

27. Defendant regularly engages in debt collection, using the same form collection letters it sent Plaintiff Ledford, in their attempts to collect defaulted consumer debts, that it did not originate, from other consumers.

28. The Class consists of more than 35 persons from whom Defendant attempted to collect delinquent consumer debts by sending other consumers the same form collection letters they sent Plaintiff Ledford.

29. Plaintiff Ledford's claims are typical of the claims of the Class. Common questions of law or fact raised by this class action complaint affect all members of the Class and predominate over any individual issues. Common relief is therefore sought on behalf of all members of the Class. This class action is superior to other available methods for the fair and efficient adjudication of this controversy.

30. The prosecution of separate actions by individual members of the Class

would create a risk of inconsistent or varying adjudications with respect to the individual members of the Class, and a risk that any adjudications with respect to individual members of the Class would, as a practical matter, either be dispositive of the interests of other members of the Class not party to the adjudication, or substantially impair or impede their ability to protect their interests. Defendant has acted in a manner applicable to the Class as a whole such that declaratory relief is warranted.

31. Plaintiff Ledford will fairly and adequately protect and represent the interests of the Class. The management of the class action proposed is not extraordinarily difficult, and the factual and legal issues raised by this class action complaint will not require extended contact with the members of the Class, because Defendant's conduct was perpetrated on all members of the Class and will be established by common proof. Moreover, Plaintiff Ledford has retained counsel experienced in class action litigation, including class actions brought under the FDCPA.

#### **PRAYER FOR RELIEF**

Plaintiff, Elizabeth Ledford, individually and on behalf of all others similarly situated, prays that this Court:

1. Certify this action as a class action;
2. Appoint Plaintiff Ledford as Class Representative of the Class, and her attorneys as Class Counsel;
3. Find that Defendant's form collection letters violates the FDCPA;
4. Enter judgment in favor of Plaintiff Ledford and the Class, and against Defendant, for actual and statutory damages, costs, and reasonable attorneys' fees as provided by § 1692k(a) of the FDCPA; and,

5. Grant such further relief as deemed just.

**JURY DEMAND**

Plaintiff, Elizabeth Ledford, individually and on behalf of all others similarly situated, demands trial by jury.

Elizabeth Ledford, individually and on behalf of all others similarly situated,

By: /s/ David J. Philipps  
One of Plaintiff's Attorneys

By: /s/ Bradford W. Botes  
One of Plaintiff's Attorneys

Dated: September 26, 2017

David J. Philipps (Ill. Bar No. 06196285)(Pro hac vice to be sought)  
Mary E. Philipps (Ill. Bar No. 06197113)(Pro hac vice to be sought)  
Philipps & Philipps, Ltd.  
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Palos Hills, Illinois 60465  
(708) 974-2900  
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davephilipps@aol.com  
mephilipps@aol.com

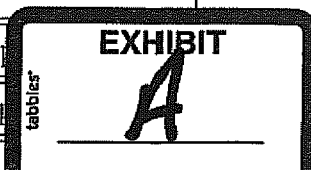
Bradford W. Botes (AL Bar No. ASB-1379043B)  
Bond, Botes, Reese & Shinn, P.C.  
600 University Park Place  
Suite 510  
Birmingham, Alabama 35209  
(205) 802-2200  
(205) 802-2209 (FAX)  
bbotes@bondnbotes.com





# Alabama Secretary of State

Portfolio Recovery Associates, LLC	
Entity ID Number	616 - 373
Entity Type	Foreign Limited Liability Company
Principal Address	140 CORPORATE BLVD NORFOLK, VA 23502
Principal Mailing Address	Not Provided
Status	Exists
Place of Formation	Delaware
Formation Date	3-20-1996
Qualify Date	9-30-2008
Registered Agent Name	CORPORATION SERVICE COMPANY INC
Registered Office Street Address	641 SOUTH LAWRENCE STREET MONTGOMERY, AL 36104
Registered Office Mailing Address	641 SOUTH LAWRENCE STREET MONTGOMERY, AL 36104
Nature of Business	COLLECTION AGENCY
Capital Authorized	
Capital Paid In	
Transactions	
Transaction Date	5-30-2013
Registered Agent Changed From	NATIONAL REGISTERED AGENTS INC 150 S PERRY ST MONTGOMERY, AL 36104
Transaction Date	5-30-2013
Agent Mailing Address Changed From	Not Provided
Transaction Date	4-28-2017
Registered Agent Changed From	CSC LAWYERS INCORPORATNG SVC INC 150 S PERRY ST MONTGOMERY, AL 36104
Scanned Documents	
Purchase Document Copies	
Document Date / Type / Pages	9-30-2008 Certificate of Formation 1
Document Date / Type / Pages	5-30-2013 Registered Agent Change 4



Document Date / Type / Pages	5-30-2013 Registered Agent Change 2 pgs.
Document Date / Type / Pages	4-28-2017 Registered Agent Change 1 pg.

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**Portfolio Recovery Associates, LLC**

**Account Details**  
NAME: ELIZABETH S LEDFORD  
ACCOUNT NUMBER: [REDACTED]  
SELLER: CAPITAL ONE BANK (USA) N.A.  
ORIGINAL CREDITOR: CAPITAL ONE BANK (USA) N.A.  
CREDITOR TO WHOM DEBT IS OWED:  
PORTFOLIO RECOVERY ASSOCIATES, LLC  
CURRENT BALANCE DUE: \$1,178.62

February 1, 2017

Dear ELIZABETH S LEDFORD,

Portfolio Recovery Associates, LLC ("PRA, LLC") is contacting you to collect the balance owed on your account.

Life happens and at times customers may fall behind on financial commitments. We are committed to working with you to design a payment plan that fits your budget. Our account representatives are waiting. Call us today or visit us online.

PRA, LLC has improved our online system to help you better access your account anytime, anywhere through your web-enabled computer or mobile device.

Sincerely,  
PRA, LLC

**Customer Service**

Paying your bill is easy with any of these options:



Pay online – anytime by visiting:  
[www.prapay.com](http://www.prapay.com)



Pay by phone  
Call 1-800-772-1413 to make payment arrangements.



Pay by mail – checks and payments to:  
PORTFOLIO RECOVERY ASSOCIATES, LLC  
P.O. Box 12914, Norfolk VA 23541

**Account Offers**



**Savings Plan**  
Pay \$825.00  
and SAVE \$353.62

The savings will be applied to the balance and your account will be considered "Settled in Full" after your final payment is successfully posted.

\*We are not obligated to renew this offer.

Your first payment must be received NO LATER than: 03/03/2017



**Savings Plan**  
Pay \$74.00 for  
12 consecutive months and  
SAVE \$290.62



**Installment Option**  
Pay \$35.71 for  
33 consecutive  
months

Your account will be considered "Paid in Full" after your final payment is successfully posted.

**Company Address:** Portfolio Recovery Associates, LLC, 120 Corporate Blvd., Norfolk, VA 23502

**Hours of Operation (EST):** 8 AM to 11 PM Mon.-Fri., 8 AM to 8 PM Sat., 11 AM to 10 PM Sun.

**Mail all checks and payments to:** PORTFOLIO RECOVERY ASSOCIATES, LLC, P.O. Box 12914, Norfolk VA 23541

**Disputes Correspondence Address:** Portfolio Recovery Associates, LLC Disputes Department, 140 Corporate Blvd., Norfolk, VA 23502 or E-mail: [PRA\\_Disputes@portfoliorecovery.com](mailto:PRA_Disputes@portfoliorecovery.com)

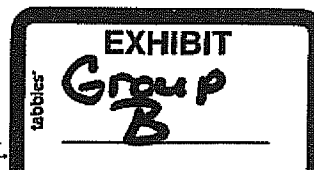
**Quality Service Specialists are available to help Mon. – Fri. 8 AM TO 5 PM (EST)**

Not happy with the way you were treated? Our company strives to provide professional and courteous service to all our customers. Contact one of our staff to discuss issues related to our quality of service to you by phone at (866) 925-7109 or by e-mail at [qualityservice@portfoliorecovery.com](mailto:qualityservice@portfoliorecovery.com).

**PRIVACY NOTICE:** We collect certain personal information about you from the following sources: (a) information we receive from you; (b) information about your transactions with our affiliates, others or us; (c) information we receive from consumer reporting agencies. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic information about you to those employees and entities that need to know that information in order to collect your account. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it.

**This communication is from a debt collector and is an attempt to collect a debt.**





**Account Details**

NAME: ELIZABETH S LEDFORD  
 ACCOUNT NUMBER [REDACTED]  
 SELLER: CAPITAL ONE BANK (USA) N.A  
 ORIGINAL CREDITOR: CAPITAL ONE BANK (USA) N.A.  
 CREDITOR TO WHOM DEBT IS OWED:  
 PORTFOLIO RECOVERY ASSOCIATES, LLC  
 CURRENT BALANCE DUE: \$1,178.62

May 2, 2017

Dear ELIZABETH S LEDFORD,

Every day Portfolio Recovery Associates, LLC ("PRA, LLC") works with people to create flexible payment arrangements to resolve their debt. We would love the opportunity to do the same for YOU.

Please contact us. We are standing by and ready to help.

Sincerely,  
 PRA, LLC

**Account Offers**



OR



1 Payment of \$1,178.62\*

1 Payment of \$825.00 and SAVE \$353.62\*

6 Monthly Payments of \$196.43\*

Pay \$147.00 for 6 consecutive months and SAVE \$296.62\*

12 Monthly Payments of \$98.21\*

Pay \$79.00 for 12 consecutive months and SAVE \$230.62\*

Your account will be considered "Paid in Full" after your final payment is successfully posted.

The savings will be applied to the balance and your account will be considered "Settled in Full" after your final payment is successfully posted.

Your first payment must be received NO LATER than: 06/02/2017

\*We are not obligated to renew this offer.

**Contact Us**



Visit us online at:  
[www.prapay.com](http://www.prapay.com)



Call Toll-Free at 1-800-772-1413 to discuss your account with us.



Portfolio Recovery Associates, LLC  
 P.O. Box 12914  
 Norfolk VA 23541

The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it.

**Hours of Operation (EST):** 8 AM to 11 PM Mon.-Fri., 8 AM to 8 PM Sat., 11 AM to 10 PM Sun.

**Company Address:** Portfolio Recovery Associates, LLC, 120 Corporate Blvd., Norfolk, VA 23502

**Mail all checks and payments to:** Portfolio Recovery Associates, LLC, P.O. Box 12914, Norfolk VA 23541

**Disputes Correspondence Address:** Portfolio Recovery Associates, LLC Disputes Department, 140 Corporate Blvd., Norfolk, VA 23502 or E-mail: [PRA\\_Disputes@portfoliorecovery.com](mailto:PRA_Disputes@portfoliorecovery.com)

**QUALITY SERVICE AVAILABLE Mon. – Fri. 8 AM TO 5 PM (EST)**

Not happy with the way you were treated? Our company strives to provide professional and courteous service to all our customers. Contact one of our staff to discuss issues related to our quality of service to you by phone at (800) 772-1413 or by e-mail at [qualityservice@portfoliorecovery.com](mailto:qualityservice@portfoliorecovery.com).

**PRIVACY NOTICE:** We collect certain personal information about you from the following sources: (a) information we receive from you; (b) information about your transactions with our affiliates, others or us; (c) information we receive from consumer reporting agencies. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic information about you to those employees and entities that need to know that information in order to collect your account. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

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

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Suit Claims Portfolio Recovery Associates Misrepresented Debt's Legal Status](#)

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