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

CHARLES LIVERMORE, Individually and on) Case No.: 17-cv-861
Behalf of All Others Similarly Situated,) CLASS ACTION COMPLAINT
Plaintiff,	{
VS.	ý
FMA ALLIANCE LTD.,) 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 Charles Livermore 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 FMA Alliance Ltd. ("FMA") is a debt collection agency with its principal offices located at 12339 Cutten Rd, Houston, TX 77066.
- 6. FMA is engaged in the business of a collection agency, using the mails and telephone to collect consumer debts originally owed to others.

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

FACTS

- 8. On or about December 6, 2016, FMA mailed a debt collection letter to Plaintiff regarding an alleged debt, allegedly owed "Discover Bank." A copy of this letter is attached to this complaint as Exhibit A.
- 9. Upon information and belief, the alleged debt that FMA was attempting to collect was a personal credit card account, used for to make purchases for personal, family or household purposes.
 - 10. The account listed in Exhibit A was not opened for a business purpose.
- 11. 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.
- 12. Upon information and belief, <u>Exhibit A</u> is a form debt collection letter used by FMA to attempt to collect alleged debts.
 - 13. <u>Exhibit A</u> contains the following settlement offer:

Our client will accept \$2126.35 to settle this obligation for less than the full balance.

To take advantage of this settlement offer, you will need to:

- ✓ Send a lump-sum payment of \$2126.35 in the envelope provided, within 15 days from the date of this letter or
- ✓ Contact us at 877-209-9171 to make other payment arrangements.
- 14. The letter purports to offer settling the debt for about 25% of the total alleged debt.

- 15. The settlement offer in <u>Exhibit A</u> falsely states or implies that the settlement offer is valid only if the consumer sends payment "within 15 days from the date of this letter." (<u>Exhibit A</u>).
- 16. Upon information and belief, FMA had authority from Discover to settle consumers' accounts for 25% of the amount owed, or less, at any time.
- 17. 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.
- 18. 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.
- 19. 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).

- 20. FMA did not use the safe harbor language in Exhibit A.
- 21. 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.
 - 22. Plaintiff was confused by Exhibit A.

- 23. The unsophisticated consumer would be confused by Exhibit A.
- 24. Plaintiff had to spend time and money investigating Exhibit A.
- 25. Plaintiff had to take time to obtain and meet with counsel, including traveling 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.
- 26. The FDCPA creates substantive rights for consumers; violations cause injury to consumers, and such injuries are concrete and particularized. Bock v. Pressler & Pressler, LLP, No. 11-7593, 2017 U.S. Dist. LEXIS 81058 *21 (D.N.J. May 25, 2017) ("through [s]ection 1692e of the FDCPA, Congress established 'an enforceable right to truthful information concerning' debt collection practices, a decision that 'was undoubtedly influenced by congressional awareness that the intentional provision of misinformation' related to such practices, 'contribute[s] to the number of personal bankruptcies, to marital instability, to the loss of jobs, and to invasions of individual privacy,"); 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. 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).

- 27. 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").
- 28. 15 U.S.C. § 1692e generally prohibits "any false, deceptive, or misleading representation or means in connection with the collection of any debt."
- 29. 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."
- 30. 15 U.S.C. § 1692f generally prohibits "unfair or unconscionable means to collect or attempt to collect any debt."

COUNT I – FDCPA

- 31. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
- 32. <u>Exhibit A</u> includes false statements to the effect that the settlement offer is for a limited time only.

- 33. Upon information and belief, the creditor and/or FMA would settle Plaintiff's and class members' debts at the offered discount and likely for less at any time, regardless of the supposed deadline.
 - 34. Defendant violated 15 U.S.C. §§ 1692e, 1692e(10) and 1692f.

CLASS ALLEGATIONS

- 35. 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 complaint in this action, (c) seeking to collect a debt for personal, family or household purposes, (d) between June 21, 2016, and June 21, 2017, inclusive, (e) that was not returned by the postal service.
- 36. The Class is so numerous that joinder is impracticable. Upon information and belief, there are more than 50 members of the Class.
- 37. 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.
- 38. Plaintiff's claims are typical of the claims of the Class members. All are based on the same factual and legal theories.
- 39. 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.
- 40. A class action is superior to other alternative methods of adjudicating this dispute. Individual cases are not economically feasible.

JURY DEMAND

41. 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: June 21, 2017

ADEMI & O'REILLY, LLP

By: s/ John D. Blythin
Shpetim Ademi (SBN 1026973)
John D. Blythin (SBN 1046105)
Mark A. Eldridge (SBN 1089944)
Denise L. Morris (SBN 1097911)
3620 East Layton Avenue
Cudahy, WI 53110
(414) 482-8000
(414) 482-8001 (fax)
sademi@ademilaw.com

jblythin@ademilaw.com meldridge@ademilaw.com dmorris@ademilaw.com

EXHIBIT A

Hours of Operation:

Mon-Thur 8:00 AM to 8:00 PM, Fri 8:00 AM to 5:00 PM Central Time

Saturday 8:00 AM to 12:00 PM Central Time

Personal & Confidential

12/06/2016

Creditor:

Discover Bank

Regarding Your Discover Card

<u>XXX</u>XXXXXXXXXXXX1769

Account #: File #:

6480

Total Balance Due:

\$8505.36 as of 12/06/2016

FMA Alliance, Ltd.

12339 Cutten Road Houston, Texas 77066 877-209-9171

File #:

6480

*** We can save you \$6379.01! ***

Dear CHARLES LIVERMORE:

Our client will accept \$2126.35 to settle this obligation for less than the full balance.

To take advantage of this settlement offer, you will need to:

- ✓ Send a lump-sum payment of \$2126.35 in the envelope provided, within 15 days from the date of this letter or
- ✓ Contact us at 877-209-9171 to make other payment arrangements.

Notice About Electronic Check Conversion: When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.

This settlement may have tax consequences.

This has been sent to you by a debt collector.

This is an attempt to collect a debt. Any information obtained will be used for that purpose.

*** Please detach and return lower portion with payment ***

FMBB438-1207-806705531-00003-3

DEPT 287 8466124016126 PO BOX 4115 CONCORD CA 94524

I TRAKKAN DIBAN DIRI KANA KANA DIRIK BANKA BANKA KIRIK DIRIK BANKA BANKA BANKA BANKA BANKA DIRIK BANKA BANKA BANKA

12/06/2016

ADDRESS SERVICE REQUESTED

#BWNFTZF #FMB8466124016126#

որիիոսորիկովիրինկոնինկերիր կենոցիիի

CHARLES LIVERMORE PO BOX 11098 MILWAUKEE WI 53211-0098 Make your check payable to FMA Alliance, Ltd.

Amount Paid: \$_____

Account #: XXXXXXXXXXXXX1769

Creditor: Discover Bank

Please send all payments or correspondence to:

FMA Alliance, Ltd. P.O. Box 2409 Houston, TX 77252-2409



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		DEFENDANTS
CHARLES L	IVERMORE	FMA ALLIANCE LTD.
` '	e of First Listed Plaintiff EXCEPT IN U.S. PLAINTIFF CASES)	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 Number) 3620 E. Layton Ave., Cudahy, WI 53110	Attorneys (If Known)
	ne (414) 482-8001-Facsimile	
II. BASIS OF JURISI	OICTION (Place an "X" in One Box Only)	III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff (For Diversity Cases Only) and One Box for Defendant)
U.S. Government Plaintiff	3 Federal Question (U.S. Government Not a Party)	PTF DEF Citizen of This State
U.S. Government Defendant	4 Diversity (Indicate Citizenship of Parties in Item III)	Citizen of Another State 2 2 Incorporated and Principal Place 5 5 of Business In Another State
		Citizen or Subject of a 3 5 Foreign Nation 6 6 6 Foreign Country
IV. NATURE OF SUI	T (Place an "X" in One Box Only) TORTS	FORFEITURE/PENALTY BANKRUPTCY OTHER STATUTES
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgmen 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excl. Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	-	G20 Other Food & Drug
☑ 1 Original ☐ 2 R	tate Court 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 ACTI	15 U.S.C. 1692 et seq	are filing (Do not cite jurisdictional statutes unless diversity):
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23	N DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: ☑ Yes ☐ No
VIII. RELATED CAS IF ANY	(See instructions): JUDGE	DOCKET NUMBER
DATE	SIGNATURE OF AT	TTORNEY OF RECORD
June 21, 2017	/s/ John D.	Blythin
FOR OFFICE USE ONLY		

- MAG JUDGE JUDGE - Case 2:17-cv-00861 Filed 96/21/17 Page 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

	Lastern D	istrict of Wisconsin
))
CHARLES LIV	/ERMORE)
Plaintif		.) }
v.		Civil Action No. 17-cv-861
FMA ALLIAN	NCE LTD.	
Defenda	nt(s)	·
	CHIMMONIC	IN A CIVIL ACTION
		IN A CIVIL ACTION
To: (Defendant's name and address)	FMA ALLIANCE LTD. 12339 Cutten Rd	
	Houston, TX 77066	
A lawsuit has been fil	ed against you.	
the United States or a United 12(a)(2) or (3) – you must se	States agency, or an officerve on the plaintiff an ana	n you (not counting the day you receive it) – or 60 days if you are cer or employee of the United States described in Fed. R. Civ. P. swer to the attached complaint or a motion under Rule 12 of the n must be served on the plaintiff or the plaintiff's attorney, whose
If you fail to respond You also must file your answe	•	be entered against you for the relief demanded in the complaint.
		STEPHEN C. DRIES, CLERK OF COURT
Date:		Signature of Clerk or Deputy Clerk

Civil Action No. 17-cv-861

PROOF OF SERVICE

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

ceived by me on (date)	·		
☐ I personally served	the summons and the attached con	nplaint on the individual at (place):	
		on (date)	; or
☐ I left the summons a	and the attached complaint at the i	ndividual's residence or usual place of	abode with
	, a _I	erson of suitable age and discretion wh	no resides t
on (date)	, and mailed a copy	to the individual's last known address;	or
☐ I served the summon	ns and the attached complaint on (name of individual)	
who is designated by la	w to accept service of process on l	pehalf of (name of organization)	
		on (date)	; or
☐ I returned the summ	nons unexecuted because		
	nons unexecuted because		
Other (specify):			
Other (specify): My fees are \$		for services, for a total of \$	
Other (specify): My fees are \$	for travel and \$	for services, for a total of \$	
Other (specify): My fees are \$	for travel and \$	for services, for a total of \$	
Other (specify): My fees are \$ I declare under penalty	for travel and \$	for services, for a total of \$	

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: <u>Lawsuit Says FMA Alliance Sets False Settlement Deadline</u>