

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

JULIE J. MCMAHON (f/k/a/ Julie Floe),
INDIVIDUALLY AND ON BEHALF OF ALL
OTHERS SIMILARLY SITUATED,

Plaintiff,

V.

NAVIENT CORPORATION,
NAVIENT SOLUTIONS, INC.,
NAVIENT CREDIT FINANCE CORP.,
DELTA MANAGEMENT ASSOCIATES, INC.,
RAUSCH, STURM, ISRAEL, ENERSON &
HORNICK, LLC,
DOE DEFENDANTS 1-10,

Defendants.

Case No.:

Judge:

Magistrate:

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiff Julie J. McMahon (“Plaintiff”), by and through undersigned counsel, on her own behalf and on behalf of all others similarly situated, upon personal knowledge as to herself and her own acts, and upon information and belief as to all other matters, brings this action against Defendants Navient Corporation, Navient Solutions, Inc., Navient Credit Finance Corporation, Delta Management Associates, Inc., Rausch, Sturm, Israel, Enerson & Hornik, LLC, and Doe Defendants 1-10 (collectively “Defendants”) and alleges as follows:

NATURE OF THE ACTION

1. This class action seeks redress for a series of wrongful collection practices that violate the Fair Debt Collection Practices Act, 15 U.S.C. §1692 *et seq.* (the “FDCPA”) and are otherwise unlawful, as set forth below.

JURISDICTION AND VENUE

2. This 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.

3. Venue is proper in this Court pursuant to 28 U.S.C. §1391 as Defendants conduct business in the District of Minnesota and a substantial portion of the events or omissions giving rise to the claims occurred within the District of Minnesota. This 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 Defendants directed their collection efforts into the District.

PARTIES

4. Plaintiff Julie J. McMahon is an individual citizen of the State of Minnesota.

5. Plaintiff is a “consumer” as defined by 15 U.S.C. §1692a(3) of the FDCPA.

6. Defendant Delta Management Associates, Inc. states that it “provides comprehensive, strategic collection and portfolio management solutions.”¹ With a headquarters located at 100 Everett Avenue, Suite 6, Chelsea, Massachusetts, Defendant is in the business of collecting consumer debts for others throughout the country, including in Minnesota. Defendant may be served in this state through its registered agent National Corporate Research Ltd at 6040 Earle Brown Drive, #480 Brooklyn Center, Minnesota 55430.

7. Defendant Delta Management Associates, Inc. is a “debt collector” as defined by § 1692a(6) of the FDCPA.

¹ <http://www.deltamanagementassociates.com/>

8. Defendant Rausch, Sturm, Israel, Enerson & Hornik, LLC, is a Wisconsin Limited Liability Company with a principal place of business at 250 N. Sunnyslope Road #300, Brookfield, WI 53005. Service may be effectuated on this Defendant at its registered office address, 3209 West 76th Street, Suite 301, Minneapolis, Minnesota 55435.

9. Rausch holds itself out as “the firm for Navient Credit Finance Corporation” and indicated a principle-agent relationship to Plaintiff by indicating it had “authorization to settle your account for a discounted amount...” and “[b]elow are two settlement options that we can offer on our client’s behalf.” Rausch is an agent of Navient making Navient liable for its agents unlawful acts.

10. Defendant Delta Management Associates, Inc. is a “debt collector” as defined by § 1692a(6) of the FDCPA.

11. Formerly known as Sallie Mae, Inc., defendant Navient Solutions, Inc., a wholly-owned subsidiary of Navient Corporation, is a corporation organized under the laws of the State of Delaware, and having its principal place of business at 300 Continental Drive, Newark, Delaware 19713. Navient Solutions, Inc. principally engages in servicing of federal and private student loans for more than 12 million borrowers.

12. Defendant Navient Corporation is a loan management, servicing, and asset recovery company organized under the laws of the State of Delaware, and having its principal place of business at 123 Justison Street, Wilmington, Delaware 19801. Navient Corporation is the direct or indirect owner of all of the stock of Navient Solutions, Inc.

13. There has been significant overlap between the corporate governance and management of Navient Corporation and Navient Solutions, Inc. Specifically, many of the directors and officers of Navient Solutions, Inc. have also been directors or officers of Navient Corporation. For example, as of 2014, John Remondi served as President and Chief Executive Officer for both

Navient Corporation and Navient Solutions, Inc.; John Kane served as Chief Operating Officer for both Navient Corporation and Navient Solutions, Inc.; Somsak Chivavibul served as Chief Financial Officer for both Navient Corporation and Navient Solutions, Inc.; Timothy Hynes served as Chief Risk Officer for both Navient Corporation and Navient Solutions, Inc.; and Stephen O'Connell served as Senior Vice President and Treasurer for both Navient Corporation and Navient Solutions, Inc.

14. Following a corporate reorganization in 2014, Navient Corporation was the successor to SLM Corporation and Navient, LLC. As part of this reorganization, Navient Corporation assumed certain liabilities related to the servicing and collection activities of SLM Corporation, Navient, LLC, and their subsidiaries. Among the liabilities assumed by Navient Corporation are all of the pre-reorganization servicing conduct described in this Complaint.

15. Defendant Navient Credit Finance Corporation is a Delaware corporation with a principal place of business at . Service may be effectuated on this Defendant through its registered agent, Corporation Service Company at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. Navient Credit Finance Corporation is a subsidiary of Navient Corporation.

16. For all intents and purposes, Navient is the new name for Sallie Mae.

17. A principal-agent relationship exists between Navient Corporation, Navient Solutions, Inc., and Navient Credit Finance Corporation. Navient Corporation is the principal of all other related entities.

18. Navient Corporation is liable for the wrongful acts of its subsidiary-agents, including Navient Solutions, Inc. and Navient Credit Finance Corporation (collectively "Navient").

19. Alternatively or additionally, the acts of the Defendants were conducted in concert pursuant to an express or implied agreement amongst themselves to act in this collective manner. All Defendants are therefore jointly and severally liable for the acts complained of herein.

20. Doe Defendants 1-10 are defendants that may be discovered as discovery in this matter is performed.

21. Defendants acted through their agents, employees, officers, members, directors, heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives and insurers at all times relevant to the instant action.

FACTS

22. Beginning on or about June 2007, Plaintiff registered for digital photography classes with Sanford-Brown College.

23. To pay for this schooling, Plaintiff took out student loans.

24. Plaintiff took out approximately \$18,225.00 in student loans.

25. These loans were disbursed by the Department of Education, and were assigned to Sallie Mae for servicing.

26. After paying on the student loans for a period of time, Plaintiff became unable to pay her student loans.

27. Plaintiff was a debtor with federal student loans that were placed into default status.

28. Upon default, on or about July 30, 2010, United Student Aid Funds, Inc. purchased the loans.

29. The Plaintiff's federal student loans were "debts" as that term is defined by the FDCPA.

30. On or about February 5, 2015, Plaintiff received a letter from Van Ru Credit Corporation ("Van Ru"). Pl.'s Ex. 1.

31. The February 5, 2015 letter was sent on behalf of creditor “United Student Aid Funds Inc.” as an attempt to collect an alleged student loan debt on behalf of Sallie Mae Education Trust.

32. On or about March 3, 2015, Plaintiff received a letter from Rausch, Sturm, Israel, Enerson & Hornik, LLC (“Rausch”) attempting to collect an alleged student loan debt on behalf of Navient Credit Finance Corporation. The letter stated that Rausch had “authorization to settle your account for the discounted amount of \$8,419.75 in two payments: your first payment of \$4,209.88 is to be received in our office by 2015-03-26. Your second payment of \$4,209.87 is to be received in our office by 2015-04-24.” Pl.’s Ex. 2.

33. On or about March 18, 2015, Plaintiff accepted the above referenced offer and remitted a check to Navient Credit Finance in the amount of \$8,419.75. Pl.’s Ex. 3. The check copy provided through Wells Fargo’s online portal reflects that the check was endorsed by “ICL Sallie Mae.”

34. On or about March 20, 2015, Plaintiff received a letter from Rausch confirming receipt of her March 18, 2015 check in the amount of \$8,419.75. The letter further stated in capital letters, “YOUR ACCOUNT HAS BEEN SETTLED.” Pl.’s Ex. 4.

35. On May 11, 2016, Plaintiff accessed her Navient online account. Her online account reflected that all three of her student loans were “PAID IN FULL” Pl.’s Group Ex. 5.

36. On or about June 9, 2016, Plaintiff received a letter from United Student Aid Funds, Inc. (“USA Funds”) which provided notice that USA Funds was going to proceed with wage withholding if Plaintiff did not set up a repayment agreement with Delta Management Associates, Inc. (“Delta”) by July 9, 2016. Pl.’s Ex. 6.

37. Upon information and belief, Rausch misrepresented the nature and legal status of Plaintiff's student loan debt, in May or early June 2016, shortly before renewed collection attempts by Delta commenced. Upon information and belief, Rausch's misrepresentation of the legal status of the debt (failing to report that the debt was settled), has led to wrongful continued attempts at collection of the debt, including, now, wrongful wage garnishment.

38. The alleged defaulted loans were held by USA Funds and assigned to Delta for collection purposes.

39. On or about June 14, 2016, Plaintiff received another letter from Delta which informed Plaintiff that Delta had proceeded with administrative wage garnishment enforcement whereby her employer was ordered by USA Funds to withhold from her and remit a sum of up to 15% of her disposable income.

40. On or about July 6, 2016, Plaintiff sent Delta a facsimile which included all of the documentation necessary to demonstrate that the alleged debt had been paid in full and was satisfied. Pl.'s Ex. 7.

41. Under 34 CFR §34.5, before initiating wage garnishment of student loans, Delta is required to send a notice of proposed garnishment, said notice to include an explanation of the debtor's rights, including, but not limited to, those rights found at 34 CFR §34.6.

42. Under 34 CFR §34.6, a debtor has the right to inspect and copy records related to the debt, and to enter into a written repayment agreement. However, a debtor also has a right to object to the wage deduction and demand a hearing on said objection.

43. Therefore, Plaintiff requested a telephonic administrative hearing pursuant to 20 U.S.C. § 1095a.

44. Plaintiff stated her reasons for requesting the hearing, which included a) Plaintiff does not owe the full amount shown because Plaintiff repaid some of the loan in entirety and b) Plaintiff believes that this loan(s) is not enforceable debt in the amount stated.

45. The telephonic administrative hearing was held on October 27, 2016 at 11:00 a.m. Eastern Standard Time.

46. Despite Plaintiff providing clear evidence that she had fully settled and satisfied the alleged debt – including an offer letter from Rausch, a copy of the payment via check with was endorsed by “ICL Sallie Mae,” a confirmation of payment from Rausch which assured Plaintiff that, pursuant to the contract, “YOUR ACCOUNT HAS BEEN SETTLED,” and account statements from Navient showing the status of Plaintiff’s loans as “PAID IN FULL” – the hearing officer, Sonita R. Talbert of Educational Credit Management Coporation (“ECMC”), approved Delta’s fifteen percent (15%) administrative wage garnishment of Plaintiff’s disposable income. Pl.’s Ex. 8.

47. This finding, which flies in the face of the clear evidence presented by Plaintiff, who was acting *pro se* at the time, is not surprising considering the relationship between Delta Management Associates, Inc., USA Funds, Inc., and ECMC – they all work together. Delta Management Associates performs collection services for both USA Funds and ECMC.

48. Thus, upon information and belief, no matter what evidence Plaintiff would have presented (including clear settlement of her debt and accounts statements reflecting “PAID IN FULL”), the Delta, USA Funds, and ECMC trio were not going to honor Plaintiff’s settlement of her claim, were going to attempt to extort more money from Plaintiff, and have now continued down the path of extortion by wrongfully garnishing Plaintiff’s wages.

49. On or about December 15, 2016, Attorney Brandon Wise of the law firm PEIFFER ROSCA WOLF ABDULLAH CARR & KANE, APLC sent Delta Management Associates, Inc. a letter of representation informing Delta that the firm represented Plaintiff in connection with this matter. Pl.'s Ex. 9.

50. The December 15, 2016 letter went on to request that Delta cease and desist from any wage garnishment procedure or proceedings and that Delta send a letter confirming the debt that they had wrongfully alleged is owed was in fact settled and is no longer due and owing.

51. Delta did not respond to this correspondence and continues to wrongfully garnish Plaintiff's wages.

52. To date, Defendant has knowingly, wrongfully garnished over \$1416.49 from Plaintiff since January 2017.

53. The above referenced amounts have been wrongfully and illegally garnished as USA Funds and Navient have been involved with these loans since 2010, including when the alleged debt in question has been settled in full. See, Pl.'s Exs. 4, 5, and 6.

CLASS ALLEGATIONS

54. Plaintiff brings this action on behalf of a the classes defined as follows:

Delta FDCPA Class:

All individuals who reside in the United States, who since April 3, 2016, were subjected to Delta's unfair and deceptive debt collection practices, as alleged below, which violates the FDCPA, and who suffered damages therefrom.

Rausch FDCPA Class:

All individuals who reside in the United States, who since April 3, 2016, were subjected to Rausch's unfair and deceptive debt collection practices, as alleged below, which violates the FDCPA, and who suffered damages therefrom.

Breach of Contract Class:

All individuals who reside in the United States, who since April 3, 2011, were made an offer by Navient to settle their student loan debt, accepted the offer, and have suffered damages due to the debt not being settled.

Unjust Enrichment Class:

All individuals who reside in the United States, who since April 3, 2011, have paid money to Navient after Navient's unjust and inequitable conduct, including falsely offering to settle outstanding student loan debt, to receive an economic benefit from the individuals.

55. Specifically excluded from the Delta FDCPA Class, the Rausch FDCPA Class, the Breach of Contract Class, and the Unjust Enrichment Class (collectively the "Classes") are: (a) any officers, directors, or employees of Defendants, or any of their subsidiaries; (b) any judge assigned to hear this case (or spouse or family member of any assigned judge); (c) any employee of the Court; and (d) any juror selected to serve this case.

56. Further, as discovery unfolds, additional classes or modified classes might be possible or necessary. However, as Defendants' acts are potentially widespread and are violative of a federal statute, use of a nationwide class is best-suited for this action and places Defendants on notice of the broadest possible class that Plaintiff could move for, as contemplated by the Federal Rules' notice-pleading standard.

57. The members of the Classes are ascertainable from objective criteria.

58. If necessary to preserve the case as a class action, the Court itself can redefine the Classes, create additional subclasses, or both.

59. The requirements of Rule 23(a) are satisfied as the members of the Classes are so numerous and geographically dispersed that joinder is impracticable. On information and belief, there are more than 50 members for each Class.

60. The commonality requirement of Rule 23(a)(2) is satisfied because there are questions of law or fact common to Plaintiff and the other members of the proposed Classes. Among those common questions of law or fact are:

- a. whether Defendants have a common policy and practice of attempting to collect on settled debt;

- b. whether Defendants have a common policy and practice using unfair practices in attempting to collect debts;
- c. whether Defendants have a common policy and practice using unfair practices in attempting to garnish wages; and
- d. whether Defendants violated the FDCPA
- e. whether Defendants made offers to settle debts;
- f. whether members of the Classes accepted offers to settle debts;
- g. whether the Class members debts were actually settled by Defendants; and
- h. whether or not members of the Classes are damaged by Defendants unlawful act.

61. Plaintiff's claims are typical of the claims of the proposed Classes that she seeks to represent, as described above, because they arise from the same course of conduct by Defendants and are based on the same legal theories. Further, Plaintiff seeks the same form of relief for herself and the proposed Classes. Therefore, the "typicality" requirement of Rule 23(a)(3) is satisfied.

62. Because her claims are typical of the proposed Classes that Plaintiff seeks to represent, Plaintiff has every incentive to pursue those claims vigorously. Plaintiff has no conflicts with, or interests antagonistic to the proposed Classes. Plaintiff, a victim of unscrupulous student loan servicing and general business practices, is committed to the vigorous prosecution of this action, which is reflected in her retention of competent counsel experienced in complex and challenging litigation.

63. Plaintiff's counsel satisfies the requirements of Rule 23(g) to serve as counsel for the proposed Class. Plaintiff's counsel (a) has identified and thoroughly investigated the claims set forth herein; (b) has previously been lead counsel in class action litigation; (c) has been involved in complex class litigation; (d) has extensive knowledge of the applicable law; and (d) has the resources to commit to the vigorous prosecution of this action on behalf of the proposed Class. Accordingly, Plaintiff satisfies the adequacy of representation requirements of Rule 23(a)(4).

64. In addition, this action meets the requirements of Rule 23(b)(2). Defendants have acted or refused to act on grounds generally applicable to Plaintiff and others similarly situated, making final injunctive or corresponding declaratory relief with respect to the proposed Classes appropriate.

65. This action also meets the requirements of Rule 23(b)(3). Common questions of law or fact, including those set forth above, exist as to the claims of all members of the proposed Class and predominate over questions affecting only individual Class members, and a class action is superior – if not the only method – for the fair and efficient adjudication of this controversy.

66. Class treatment will permit large numbers of similarly situated student loan borrowers to prosecute their respective claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence, effort, and expense that numerous individual actions would produce.

67. This action is manageable as a class action. Notice may be provided to members of the proposed Class by first-class mail and through the alternative means, including electronic mail (email), internet postings including banner ads, distribution through social media, including sponsored postings on Facebook and Twitter, and by publication. Thus, the superiority and manageability requirements of Rule 23(b)(3) are satisfied.

COUNT I – VIOLATION OF THE FDCPA
ON BEHALF OF THE NATIONWIDE CLASS AGAINST DEFENDANT DELTA MANAGEMENT
ASSOCIATES, INC.

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

69. 15 U.S.C. § 1692e(2)(A) states, “a debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without

limiting the general application of the foregoing, the following conduct is a violation of this section: the false representation of – the character, amount, or legal status of any debt.”

70. 15 U.S.C. §1692e(5) states, “a debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section: the threat to take any action that cannot legally be taken...”

71. 15 U.S.C. § 1692e(10) states, “a debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section: the use of any false representation or deceptive means to collect or attempt to collect any debt...”

72. Delta made false misrepresentations to Plaintiff about the character, amount, and legal status of the alleged debt.

73. Delta informed Plaintiff that she owed an alleged debt that had actually already been fully settled, paid, and satisfied in full.

74. Plaintiff provided Delta with detailed proof that the alleged debt had been fully settled, paid, and satisfied in full.

75. Delta threatened, and in fact took, legal action that it could not legally take.

76. At the time of filing this lawsuit, Delta continues to illegally conduct an administrative wage garnishment of fifteen percent (15%) of Plaintiff's disposable income.

77. Delta used false representations and deceptive means in its attempt to collect the alleged debt.

78. Delta informed Plaintiff that she owed an alleged debt that had actually already been fully settled, paid, and satisfied in full.

79. Delta has violated 15 U.S.C. §§ 1692e(2)(A), 1692e(5), and 1692e(10).

80. Delta is therefore liable for statutory fees, penalties, and Plaintiff's reasonable attorneys' fees and costs.

**COUNT II – IN THE ALTERNATIVE, VIOLATION OF THE FDCPA
ON BEHALF OF THE NATIONWIDE CLASS AGAINST DEFENDANT RAUSCH**

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

82. Plaintiff received a letter on March 3, 2015 from Rausch offering to settle Plaintiff's student loan debt on certain terms.

83. Plaintiff accepted the terms offered by Rausch, paying \$8,419.75 to fully settle her student loan debt.

84. Plaintiff's check was accepted and cashed, with the endorsement "ICL Sallie Mae."

85. Rausch sent Plaintiff a letter confirming receipt of payment and further stating, in all capital letters, "YOUR ACCOUNT HAS BEEN SETTLED."

86. Rausch falsely represented the legal status of Plaintiff's debt.

87. Rausch represented to Plaintiff that it could settle her debt on certain payment terms.

88. Rausch represented to Plaintiff that "YOUR ACCOUNT HAS BEEN SETTLED."

89. As Plaintiff's debt continues to be collected on, now through administrative garnishment, Rausch falsely represented the character and legal status of Plaintiff's debt, in violation of the FDCPA, and Rausch used unfair and unconscionable means in its attempt to collect, and actual collection of \$8,419.75, in violation of the FDCPA.

90. Rausch is therefore liable for statutory fees, penalties, and Plaintiff's reasonable attorneys' fees and costs.

COUNT III – BREACH OF CONTRACT
PLAINTIFF V. RAUSCH AND NAVIENT

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

92. Rausch held itself out as “the firm for Navient Credit Finance Corporation” to Plaintiff.

93. Rausch was authorized by Navient to make an offer to settle Plaintiff's student loan debt to Plaintiff.

94. Rausch made Plaintiff the offer that was authorized by Navient.

95. Plaintiff received a letter on March 3, 2015 from Rausch offering to settle Plaintiff's student loan debt on certain terms.

96. Plaintiff accepted the offer made by Navient, through Rausch.

97. On March 18, 2015, Plaintiff accepted the terms offered by Navient, through Rausch, paying \$8,419.75 to “Navient Credit Finance” to fully settle her student loan debt.

98. Plaintiff's check was accepted and cashed, with the endorsement “ICL Sallie Mae.”

99. Navient, through the efforts of its agent Rausch, received the consideration contemplated by the terms of the contract.

100. On March 20, 2015, Rausch sent Plaintiff a letter confirming receipt of payment and further stating, in all capital letters, “YOUR ACCOUNT HAS BEEN SETTLED.”

101. However, Plaintiff's debt was apparently not settled by Navient and Rausch, as it continues to be collected on, including being sold or assigned to a different debt collector – Delta – who has now pursued garnishment on the settled debt.

102. Navient and Rausch have therefore breached the contract with Plaintiff.

103. Plaintiff has and continues to suffer damages proximately caused by Navient and Rausch's breach of contract.

COUNT IV – UNJUST ENRICHMENT
PLAINTIFF V. RAUSCH AND NAVIENT

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

105. Navient and Rausch received a monetary benefit from Plaintiff.

106. Navient received payment of \$8,419.75.

107. Upon information and belief Rausch received some payment for its efforts in corresponding with and obtaining payment from Plaintiff.

108. Navient and Rausch were not entitled to their respective monetary benefits derived from Plaintiff's payment of \$8,419.75.

109. Navient and Rausch obtained this payment by representing that such a payment would settle all of Plaintiff's outstanding student loan debt.

110. Allowing Navient and Rausch to retain monies paid by Plaintiff is unjust and inequitable as Plaintiff's student loan debt was apparently not settled by Navient and Rausch.

111. Navient and Rausch therefore cannot in equity and good conscience be allowed to retain the economic benefit conferred by Plaintiff, as the benefit was gained through an improper manner, including a statement that Plaintiff's student loans would be settled upon payment of the \$8,419.75.

112. Plaintiff has suffered damages proximately caused by Navient and Rausch's acts, and it would be inequitable for Navient and Rausch to be allowed to retain any benefit due to their use of unjust and inequitable means to obtain the pay economic benefit discussed above.

113. Further, Navient and Rausch should be ordered to disgorge any gains or benefits obtained at the expense or detriment of Plaintiff.

JURY DEMAND

114. Plaintiff hereby demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and all others similarly situated, requests that the Court enter judgment in favor of Plaintiff and the Class and against Defendants

- A. An Order certifying this matter as a class action pursuant to FED. R. CIV. P. 23;
- B. Entry of judgment finding Defendants violated the law as set forth above,
- C. Monetary and statutory damages to which Plaintiff and others similarly situated are entitled and will be entitled to at the time of trial;
- D. Pre- and post-judgment interest;
- E. The costs of this action;
- F. Reasonable attorneys' fees; and
- G. Such other and further relief as the Court deems proper.

Dated: April 4, 2017

Respectfully submitted,

By: /s/ Garrett D. Blanchfield, Jr.
Garrett D. Balnchfield, Jr. (#209855)
Roberta A. Yard (#322295)
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Brandon M. Wise – (*pro hac vice* forthcoming)
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COUNSEL FOR PLAINTIFF AND THE CLASSES

EXHIBIT 1

Dept. 96307
PO Box 1254
Oaks, PA 19456



CASE 0:17-cv-01042 Document 1-1 Filed 04/04/17 Page 2 of 31
Van Ru Credit Corporation
11745 W Bradley Road
Milwaukee WI 53224-2531
800-594-8337

February 05, 2015

VR File #: [REDACTED] 3578
Balance: \$18466.98



103085 - 9

JULIE J FLOE
6188 MILL RUN RD
MONTICELLO MN 55362-3611

Van Ru
PO Box 1065
Des Plaines IL 60017



000022

Detach Upper Portion And Return With Payment

Creditor: United Student Aid Funds Inc.

Account #	Principal	Interest	Costs	Balance
[REDACTED] 0401	1987.89	14.07	448.86	2450.82
Original Creditor SALLIE MAE EDUCATION TRUST				
[REDACTED] 0402	2400.87	17.03	542.11	2960.01
Original Creditor SALLIE MAE EDUCATION TRUST				

see additional page(s) for more accounts.

As you know, the loan(s) identified above have been assigned to this agency for collection. Your defaulted loan(s) remain(s) outstanding.

One of the following repayment options may allow you to resolve your debt. You may qualify for some or all of the following programs, provided you are able to meet specific program requirements.

Rehabilitation: If you make nine (9) full payments of an agreed upon amount within twenty days of the due date over a 10-month period, you will qualify to have your loan rehabilitated. Upon entering the rehabilitation program, further collection activity will be suspended while the rehabilitation program is being completed. Upon successful completion of the rehabilitation program, which includes purchase of your debt by a new lender, your collection costs will be reduced and, if applicable, the defaulted trade line for the loan(s) rehabilitated will be removed from your credit report by our client.

Balance in Full: Upon receipt of payment of the balance in full, collection activity on the account will cease.

Consolidation: If you have no prior judgment against you concerning the loan(s) and have not previously consolidated the loan(s) at issue, you may be able to consolidate your loan(s) into one loan.

The above balance is the amount you owe as of the date of this letter. However, because of interest and collection costs, which continue to accrue, the amount due on the day you pay may be different, so if you pay the amount shown above, an adjustment may be necessary after we receive your payment, in which event we will inform you.

Your payment, made payable to Van Ru Credit Corporation, may be mailed in the enclosed envelope. If you have questions, or wish to discuss your account or payment options, you may contact us at 800-594-8337. You may also visit us online at www.vanruetpay.com. To access your account online, your user id is 650443578 and your pin number is 6905885.

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

Van Ru Credit Corporation • 11745 W Bradley Road • Milwaukee WI 53224-2531 • 800-594-8337
Mon-Thur 8am to 9pm Fri 8am to 5pm CT



EXHIBIT 2

RAUSCH, STURM, ISRAEL, ENERSON & HORNIK, LLC

ATTORNEYS AT LAW

250 N. SUNNYSLOPE ROAD, SUITE 300
BROOKFIELD WI 53005

TOLL FREE: (888) 302-4011
ATTORNEY DIRECT NO. (262) 789-1100
FAX: (877) 396-4464
ATTORNEY DIRECT FAX: (262) 796-5710
LAWFIRM@RSIEH.COM
WWW.RSIEH.COM

March 3, 2015

Re: JULIE J FLOE
Account No.: *****0101
Creditor to Whom Debt is Owed: Navient Credit Finance Corporation
Our File Number: 1472438
Account Balance: \$16,839.50

Dear JULIE J FLOE:

If you believe that you do not owe the above amount please send us a letter, email or call us toll-free at the number above.

If you agree that you owe this amount, we want to understand your situation.

We have no idea what happened in your life that caused this bill to become past due. As the firm for Navient Credit Finance Corporation, we want to work with you so that you can take care of this. We work with a lot of great people who are in difficult situations. We understand this subject might be uncomfortable to discuss, but we want to find a way to resolve this account with you. Below are two settlement options that we can offer on our client's behalf to resolve this account.

#1) We have authorization to settle your account for the discounted amount of \$8,419.75 in two payments: Your first payment of \$4,209.88 is to be received in our office by 2015-03-26. Your second payment of \$4,209.87 is to be received in our office by 2015-04-24.

#2) We can accept payment arrangements on the \$16,839.50 balance due referenced above in monthly payments of \$350.82 per month, with your first payment to be received in our office by 2015-03-26 and each monthly payment of \$350.82 to be received in our office by the 26th of each month thereafter.

Additional settlement offers may be made to you in the future. If made, the additional settlement offers may be more or less favorable to you than this one. Please note, however, that our client is not obligating itself to make any further settlement offers. If you choose to accept the above arrangements, please note that the account will remain in a collection status which will continue until the entire amount to be paid under the arrangement has been received in our office.

If you accept one of these arrangements and then default, either because your payment is not received on time or because your payment is dishonored, any payment that you have made will still be credited against the current outstanding balance. However, the settlement agreement will be void in the event of such a default.

If you are not able to accept either of the two settlement options listed above, PLEASE call our office at (866) 456-3744 and let us try to find a resolution that fits your budget.

If you choose to make your payment by check, your check should be mailed to our office at the address listed above with your check payable to: Navient Credit Finance Corporation. Please include a copy of this letter with your check. Alternatively, your payment can be made on our web site at: <http://www.rsieh.com>.

Yours truly,

RAUSCH, STURM, ISRAEL, ENERSON & HORNIK, LLC



This Firm is a Debt Collector. This is an attempt to collect a debt and any information obtained will be used for that purpose.



EXHIBIT 3

View Check Copy

Print

Check Number 9000
Date Posted 03/19/2015
Check Amount \$8,419.75

JULIE J MCMAHON
6188 MILL RUN RD
MONTICELLO, MN 55362

9000

Date 03/18/2015

Pay to the
Order of Navient Credit Finance

\$ 8,419.75 ****

Eight Thousand Four Hundred Nineteen and 75/100 ***** Dollars

WELLS FARGO BANK NA (MIN

JULIE J MCMAHON

██████████5259 RSIH\ShaleshB

PAY TO THE ORDER OF
CITIBANK N.A.
FOR DEPOSIT ONLY

ICL Sallie Mae
██████████2438
██████████0176

EXHIBIT 4

ATTORNEYS AT LAW

JASON A. ADAMS
JOEL R. BOON
MANDY L. MUSTA
ALISON K. CARTER
3209 W. 76TH STREET, SUITE 301
MINNEAPOLIS, MN 55435

TOLL FREE: (888) 302-4011
ATTORNEY DIRECT No. (877) 334-1598
FAX: (877) 396-4464
ATTORNEY DIRECT FAX (877) 492-5187
LAWFIRM@RSIEH.COM
WWW.RSIEH.COM

March 20, 2015

JULIE J FLOE
6188 MILL RUN RD
MONTICELLO MN 55362-3611

THANK YOU FOR YOUR RECENT PAYMENT:

RE: JULIE J FLOE

ACCOUNT #: *****-0101 (Original Account No. was *****6105)

DATE: March 19, 2015

CREDITOR TO WHOM DEBT IS OWED: Navient Credit Finance Corporation

AMOUNT OF PAYMENT RECEIVED: \$8,419.75

YOUR ACCOUNT HAS BEEN SETTLED.

This Firm is a Debt Collector.



 - CSET G031215

1472438

EXHIBIT 5

WELCOME - We hope you enjoy the new website. TIP: Need to print? Use your browser's "Print" function to print a page. MORE TIPS

NAVIENT

Apply for a New Loan



JULIE FLOE
Account # [REDACTED] 8812

Log Out



Messages



Profile



Learn

Loan Details

As of 05/11/2016 (ET)



Account Summary



Make a Payment



Auto Pay



Loan Details



Account History



Help Center



Tax Statements

Loan

1-02 Stafford - Subsidized

Loan Status

PAID BY

Repayment Plan

PAID IN FULL

Repayment Start Date

07/15/2008

End Date

08/11/2010

Unpaid Principal

-\$0.00

Unpaid Interest

\$0.00

Current Balance

\$0.00

Interest Rate

6.800%

Interest rates on federal student loans

Interest Type

Fixed

More Options Online

Can't find what you need? Calculate interest, upload documents, request military benefits, change repayment plans, apply for deferments, and more.

[Go to the previous website](#)

School

BROWN COLLEGE

Lender

VL FUNDING, LLC

Guarantor

USA FUNDS

Disbursement Date

08/17/2007

C

Need a Loan for Next Semester?

Smart Option Student Loan®


LOG IN TO
STUDENTLOANS.GOV

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your federal student loans

[ABOUT US](#)

[TERMS OF USE](#)

[PROTECTING YOUR PRIVACY](#)

WELCOME – We hope you enjoy the new website. TIP: Need to print? Use your browser's "Print" function to print a page. MORE 
TIPS

NAVIENT

[Apply for a New Loan](#)

JULIE FLOE
Account # [REDACTED] 8812

[Log Out](#)[Messages](#)[Profile](#)[Learn](#)

Loan Details

As of 05/11/2016 (ET)

[Account Summary](#)[Make a Payment](#)[Auto Pay](#)[Loan Details](#)[Account History](#)[Help Center](#)[Tax Statements](#)

Loan 1-03 Stafford – Unsubsidized

Loan Status

PAID BY

Repayment Plan

PAID IN FULL

Repayment Start Date

07/15/2008

End Date

08/11/2010

Unpaid Principal

-\$0.00

Unpaid Interest

\$0.00

Current Balance

\$0.00

Interest Rate

6.800%

Interest rates on federal student loans

Interest Type

Fixed

More Options Online

Can't find what you need? Calculate interest, upload documents, request military benefits, change repayment plans, apply for deferments, and more.

[Go to the previous website](#) >

School

BROWN COLLEGE

Lender

VL FUNDING, LLC

Guarantor

USA FUNDS

Disbursement Date

08/17/2007

Need a Loan for Next Semester?

\$4,000.00

Smart Option Student Loan*


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your federal student loans

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[PROTECTING YOUR PRIVACY](#) 

WELCOME – We hope you enjoy the new website. TIP: Need to print? Use your browser's "Print" function to print a page. MORE 

TIPS

NAVIENT

[Apply for a New Loan](#)

JULIE FLOE

Account # [REDACTED] 8812

[Log Out](#)

Messages



Profile



Learn

Loan Details

As of 05/11/2016 (ET)



Account Summary



Make a Payment



Auto Pay



Loan Details



Account History



Help Center



Tax Statements

Loan

1-04 Parent PLUS Loan

Loan Status

PAID BY

Repayment Plan

PAID IN FULL

Repayment Start Date

10/19/2007

End Date

08/11/2010

Unpaid Principal

-\$0.00

Unpaid Interest

\$0.00

Current Balance

\$0.00

Interest Rate

8.500%

Interest rates on federal student loans

Interest Type

Fixed

More Options Online

Can't find what you need? Calculate interest, upload documents, request military benefits, change repayment plans, apply for deferments, and **more**.

[Go to the previous website >](#)

School

BROWN COLLEGE

Lender

VL FUNDING, LLC

Guarantor

USA FUNDS

Disbursement Date

10/19/2007

C
S**Need a Loan for Next Semester?**

Smart Option Student Loan*

- Three repayment options
- Competitive interest rates

\$10,725.00

KENNETH C FLOE

LOG IN TO
STUDENTLOANS.GOV

View and learn more about
your federal student loans

[ABOUT US](#)[TERMS OF USE](#)

EXHIBIT 6

CHELSEA, MA 02150-9242

ADDRESS SERVICE REQUESTED



JULIE J FLOE
6188 MILL RUN RD
MONTICELLO, MN 55362-3611

06/09/2016

NOTICE PRIOR TO WAGE WITHHOLDING

You are given notice that UNITED STUDENT AID FUNDS, INC., pursuant to federal law (Public Law 102-164; 20 U.S.C., 1095A et seq.), will order your employer to immediately withhold money from your earnings (a process known as Administrative Wage Garnishment) for payment of your defaulted student loan(s), unless you take the action set forth in this notice.

Debtor: JULIE J FLOE
Address: 6188 MILL RUN RD
MONTICELLO, MN 553623611

Employer: UNITED STATES POSTAL SERVICE

Total Amount Currently Owed: \$18,724.59

(*This amount includes principal, accrued interest,
and collection costs accrued to date.)

You must establish a written repayment agreement with Delta Management Associates, Inc. on or before 07/09/2016. Otherwise, UNITED STUDENT AID FUNDS, INC. will proceed to collect this debt through deductions from your pay. Unless you act by 07/09/2016, your employer will be ordered to deduct from your pay an amount equal to no more than fifteen percent (15%) of your disposable pay for each pay period, or the amount permitted by 15 U.S.C. 1673 (unless you give UNITED STUDENT AID FUNDS, INC. written consent to deduct a greater amount to repay your student loan(s) held by UNITED STUDENT AID FUNDS, INC.. Disposable pay includes pay remaining after all deductions required by law have been withheld (such as social security and federal and state income taxes). Your employer will be ordered to deduct this amount no later than the first pay period which occurs after the date on which the *Order of Wage Withholding from Earnings* is issued to your employer, and will be ordered to deduct this amount each time you are paid, until your debt is paid in full.

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

You have the following rights regarding this action:

- You have an opportunity to inspect and/or request copies of Delta Management Associates, Inc. records relating to your debt. Basic information about your debt will be provided free of charge along with our response to your hearing request. All requests for documentation must be in writing. Telephone requests will not be honored. *Please note that a request for documents, by itself, will not prevent garnishment of your wages.*
- You have the opportunity to avoid wage garnishment by immediately remitting the balance in full or by entering into a written repayment agreement with Delta Management Associates, Inc. to establish a satisfactory payment schedule

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

REQUEST FOR HEARING

Name: Tulie (Flee) McMahon Social Security Number: [REDACTED] 18371
Address: 6188 Mill Run Road Home Phone Number: _____
Monticello Cell Phone Number: 612 770 5731
MN 55362 Work Phone Number: _____
(city, state, zip)
Box 645
Williston ND 58802

INSTRUCTIONS

Use this form to request a hearing if you object to wage withholding. Complete ALL parts that apply, and return the completed form and all required documentation to the address given following **PART III**. Be sure that your **name and social security number** appear on all documents and sheets of paper you submit with this form.

If you wish to enter into a repayment agreement in order to prevent wage withholding, **DO NOT USE THIS FORM**. Instead, contact Delta Management Associates, Inc. Wage Garnishment Department at 1-855-282-5983 or Pam Porter Ext 3852. By agreeing to repay, you are also agreeing that you do not contest the debt, and that **if you do not honor that repayment agreement, your debt can be collected by garnishment without further notice.**

PART I. REQUEST FOR HEARING. (Check ONLY ONE of the following, then complete Parts II and III of this form.)

- [] I want a hearing based on my **written statement** and the records in my loan file.
- [☒] I want a hearing by **telephone**. (Provide a telephone number where you can be reached during the day:
612 770 5731)
- [] I want a hearing in person at the loan officer's location: ECMC, 1 Imation Pl BLDG 2, Oakdale, MN 55128 (I understand that I must pay my own expenses to appear at this hearing.)

PART II. REASON WHY YOU OBJECT TO GARNISHMENT.

CHECK one or more reasons that apply. Explain any further facts concerning your objection on a separate sheet of paper. You have the burden of proving any claims raised by your objection(s). The hearing on your objection(s) will be conducted based on the information on this form, any documentation you provide, and the documentation maintained by UNITED STUDENT AID FUNDS, INC.. Please note that failure to provide written proof of your objection(s) may result in a hearing official issuing a decision to deny your objection as unsubstantiated.

CALIFORNIA

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.

COLORADO

4450 Arapahoe Ave., Suite 100, Boulder, CO 80303. To speak to a representative, call the toll free number located on the front page of this letter or call 303-415-2538

FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.COAG.GOV/CAR.

A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt.

MASSACHUSETTS**NOTICE OF IMPORTANT RIGHTS**

You have the right to make a written or oral request that telephone calls regarding your debt not be made to you at your place of employment. Any such oral request will be valid for only ten days unless you provide written confirmation of the request postmarked or delivered within seven days of such request. You may terminate this request by writing to the debt collector.

MINNESOTA

THIS COLLECTION AGENCY IS LICENSED BY THE MINNESOTA DEPARTMENT OF COMMERCE.

NORTH CAROLINA

North Carolina permit number 3965- 100 Everett Ave, Unit 13, Chelsea, MA 02150

TENNESSEE

This collection agency is licensed by the Collection Service Board of the Department of Commerce and Insurance.

NEW YORK

New York City Department of Consumer Affairs License Number: 1006315

CALIFORNIA

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.

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TENNESSEE

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NEW YORK

New York City Department of Consumer Affairs License Number: 1006315

- ☐ I was involuntarily separated from employment and have not been re-employed continuously for twelve (12) months. (If you are covered under a state's unemployment program, you should submit this form along with documentation from your state Employment Commission (or a similar state agency) indicating the date you began work at your present job. (If you are not covered under a state's unemployment program [even if involuntarily separated from employment], you must provide a statement to that effect from the state unemployment agency.) Please note that failure to provide written proof may result in a decision by this hearing official to deny your objection.

My *previous* employer was: _____

Address City State Zip

Phone Number: _____

Date of Separation: _____

My *present* employer is: _____

Address City State Zip

Phone Number: _____

Date of Hire: _____

- ☒ I do not owe the full amount shown because I repaid some or the loan in entirety. (Enclose copies of the front and back of all checks, money orders, and any receipts showing payments made to the holder of the loan.)
- ☐ I am making payments on this loan as required under the repayment agreement I reached with the holder of the loan. (Enclose copies of the repayment agreement and copies of the front and back of checks, where you paid on the agreement.)
- ☐ Garnishment of 15% of my disposable pay would result in an extreme financial hardship. (You will be mailed financial disclosure forms that you should complete and return to support your claim, along with copies of all documentation required to support your claims on these forms. The hearing official will make a determination of the amounts you should pay based on a review of the financial disclosure forms and any documentation you submit.)
- ☐ I filed for bankruptcy and my case is still open. (Enclose copies of any document from the court that shows the date you filed, the name of the court, and your case number.)
- ☐ This loan was discharged in bankruptcy. (Enclose copies of loan discharge order and the schedule of debts filed with this court.)

CALIFORNIA

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.

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North Carolina permit number 3965- 100 Everett Ave, Unit 13, Chelsea, MA 02150

TENNESSEE

This collection agency is licensed by the Collection Service Board of the Department of Commerce and Insurance.

NEW YORK

New York City Department of Consumer Affairs License Number: 1006315

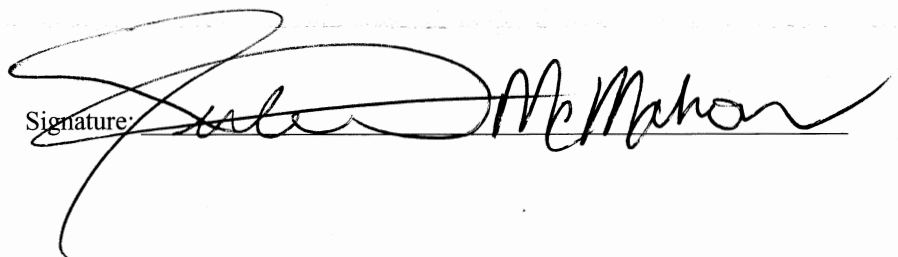
- [] The borrower had died. (Enclose copy of borrower's Death Certificate.)
- [] I am totally and permanently disabled (unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death.) I request an application for discharge of my loan for this reason.
- [] I used this loan to enroll in (name of school) _____ on or about _____ / _____ / _____, and could not complete my educational program because the school closed while I was enrolled or not later than 90 days after I withdrew. I request an application for discharge of my loan for this reason.
- [] I did not have a high school diploma or GED when I enrolled at the school I attended when receiving this loan, and I believe the school did not properly test my ability to benefit from the program. I request an application for discharge of my loan for this reason.
- [] When I borrowed this loan to attend (name of school) _____ I had a condition (physical, mental, age, criminal record) that prevented me from meeting state requirements for performing the occupation for which I received training at the school. I request an application for discharge of my loan for this reason.
- [] I believe that a representative of (name of school) _____ signed my name without permission on the loan application, promissory note, loan check(s) or authorization for my loan to be disbursed by electronic funds transfer or master check. I request an application for discharge of my loan for this reason.
- [] This is not my Social Security Number, and I do not owe this loan. (Enclose a copy of your driver's license or other identification issued by a federal, state, or local government agency, and a copy of your Social Security Card).
- [] I believe that this loan is not an enforceable debt in the amount stated for the reasons explained in the attached letter. (Attach a letter with any supporting documentation explaining any reason other than those listed above for your objection to collection of this loan amount by garnishment of your salary.)

PART III. I SWEAR under penalty of perjury that the statements I have made on this request are true and accurate to the best of my knowledge.

Date:

7-6-16

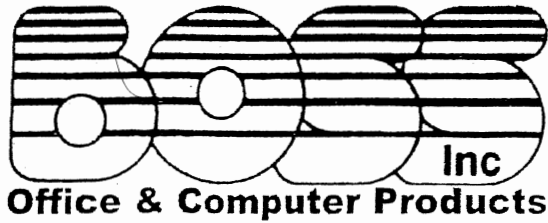
Signature:



RETURN THIS FORM TO:

**Delta Management Associates, Inc.
PO Box 9242
Chelsea, MA 02150
Wage Garnishment Appeal Enclosed**

EXHIBIT 7



(406) 433-2677 Phone
(406) 433-2376 Fax
124 N. Central Ave.
Sidney, MT 59270

FAX

To: Shawn Snow From: Julie (Flo) McMahon
Fax: _____ Number of Pages: 15
Phone: 612-770-5731 Date: 7-6-16
RE: Student ^{Loan} Paid in Full

☒ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Comments:

15 Sheets
Regarding Debt Collection

EXHIBIT 8

EDUCATIONAL CREDIT MANAGEMENT CORPORATION

ISSUED: 11/11/2016

IN RE:

United Student Aid Funds, Inc.

vs

STUDENT LOAN DEBT OF

JULIE FLOE

POST OFFICE BOX 645

WILLISTON, ND 58802

§
§
§
§
§
§
§
§
§

SSN: XXX-XX-8371

**WAGE WITHHOLDING
ADMINISTRATIVE HEARING
FINAL DECISION**

ISSUE

Whether United Student Aid Funds, Inc., hereafter referred to as "USAF", has demonstrated, based on the preponderance of the evidence submitted, that it is entitled under § 488A of the Higher Education Act of 1965 (20 U.S.C. 1095a) to order the employer of the above named Borrower to withhold a portion of Borrower's wages.

PROCEDURAL HISTORY

On 06/09/2016, USAF, through its duly authorized representative, Delta Management Associates, Inc., hereafter referred to as "Delta", issued a "Notice Prior to Wage Withholding" pursuant to 20 U.S.C. 1095a. USAF contends that Borrower is indebted for certain defaulted student loan(s) made or guaranteed against loss pursuant to the Federal Family Education Loan Programs authorized by the Higher Education Act of 1965, as amended, as provided at 20 U.S.C. 1071 et seq. Borrower appealed USAF's intent to withhold wages.

On 08/25/2016 EDUCATIONAL CREDIT MANAGEMENT CORPORATION (hereafter referred to as "ECMC"), 1 Imation Place, Building 2, Oakdale, Minnesota 55128, mailed a "Notification of Telephonic Administrative Hearing" to Borrower at the address provided by Delta. This notification advised Borrower of the date and time of the scheduled hearing and the telephone number at which Hearing Officer would contact Borrower.

On 10/27/2016 11:00 AM an independent Hearing Officer at ECMC conducted a Telephonic administrative hearing.

The undersigned independent Hearing Officer has been appointed by Delta in accordance with 20 U.S.C. 1095a to render a Decision in this matter. The Hearing Officer is not under the supervision or control of USAF or Delta.

After considering the evidence presented by both parties, I hereby issue these Findings of Fact and Decision:

FINDINGS OF FACT

- (1) Borrower defaulted on payment of two Stafford and one Parental Loan for Undergraduate Students (PLUS) student loans made under the Federal Family Education Loan Programs (hereafter referred to as the "Defaulted Loans"). USAF is the current owner and holder of these Defaulted Loans.
- (2) As required by 20 U.S.C. 1095a, Borrower was given at least thirty (30) days prior notice of the nature and amount of the loan(s) obligation to be collected, of USAF's intent to collect the debt through deductions from Borrower's wages and an explanation of her rights.
- (3) Borrower requested a Telephonic administrative hearing pursuant to 20 U.S.C. 1095a.
- (4) On the "Request for Hearing" form, Borrower stated her reasons for requesting a hearing, were as follows:
 - Borrower does not owe the full amount shown because Borrower repaid some of the loan in entirety
 - Borrower believes that this loan(s) is not an enforceable debt in the amount stated
- (5) Because of this request, issuance of an "Order of Withholding from Earnings" was stayed pending the results of this telephonic administrative hearing.
- (6) On October 27, 2016, at 11:00 AM ET, ECMC attempted to contact Borrower and DELTA by telephone to conduct a telephonic administrative hearing. Both parties were present.
- (7) DELTA provided ECMC a copy of Borrower's "Request for Hearing" form, a copy of a letter from Borrower to DELTA dated March 25, 2015, a copy of a letter from Borrower to Navient dated March 25, 2015, a copy of DELTA's "Collection Narrative", a copy of USAF's "Statement of Purchased Account" document dated July 26, 2016, a copy of USAF's "Notice Prior to Wage Withholding" form dated June 9, 2016, a copy of a letter from DELTA to Borrower dated June 14, 2016, a copy of a letter from VAN RU to Borrower dated February 5, 2015, a copy of NAVIENT's "Loan Details" dated May 11, 2016, a copy of a payment history dated July 15, 2016, a copy of a letter from NAVIENT to Borrower dated July 15, 2016, a copy of a Notice of Loan Guarantee and Disclosure Statement, a copy of Wells Fargo's "View Check" Screen prints, a copy of two letters from Rausch, Sturm, Israel, Enerson, and Hornik, LLC dated March 20, 2015 and March 3, 2015, a copy of a Federal Stafford Loan Master Promissory Note and Federal PLUS Loan Application And Master Promissory Note, bearing Borrower's name and social security number.
- (8) During hearing, Borrower confirmed her social security number and provided a new address of Post Office Box 645, Williston, ND 58802.
- (9) In Borrower's letter to DELTA dated March 25, 2015, Borrower indicates "Attached with this letter is an account settlement letter pertaining to this debt stating the debt is settled with Navient as of Friday March 20."
- (10) During hearing, Borrower stated she paid \$8,000.00 on this debt and provided proof with the letter from the attorney's office.
- (11) In the letter from Rausch, Strum, Israel, Enerson & Hornik, LLC to Borrower dated March 20, 2015, indicates "THANK YOU FOR YOUR RECENT PAYMENT...RE: JULIE J FLOE...ACCOUNT # *****-0101 (Original Account No. was *****6105) DATE: March 19, 2015 CREDITOR TO WHOM DEBT IS OWED...Navient Credit Finance Corporation...AMOUNT OF PAYMENT RECEIVED: \$8,419.75. YOUR ACCOUNT HAS BEEN SETTLED."

- (12) During hearing, DELTA stated that on August 18, 2016, DELTA mailed a copy of Borrower's promissory note, payment history, and a copy of DELTA's "Collection Narrative" printout to Borrower.
- (13) The Federal Stafford Loan Master Promissory Note indicates "I promise to pay to the order of the lender all loan amounts disbursed under the terms of this MPN, plus interest and other charges and fees that may become due as provided in this MPN. I understand that multiple loans may be made to me under this MPN. I understand that by accepting any disbursement issued at any time under this MPN. I agree to repay this loan....If I do not make any payment on any loan made under this MPN when it is due, I will also pay reasonable collection costs, including but not limited to attorneys fees, court costs, and other fees. I will not sign this MPN before reading the entire MPN, even if I am told that I am not required to read it...I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN, AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN."
- (14) The Federal Stafford Loan Master Promissory Note reflects Borrower's signature and signature date of June 19, 2007.
- (15) The Notice of Loan Guarantee and Disclosure Statement for Subsidized / Unsubsidized Federal Stafford Loan forms indicates that the lender for Borrower's Federal Stafford Student Loans was Sallie Mae Education Trust and the guarantor was USA Funds. The Notice of Loan Guarantee and Disclosure Statement for Subsidized Federal Stafford Loan indicates "Total amount of loans guaranteed by this guarantor is \$7,500.00 including this loan. It does not include amounts guaranteed by other guarantors."
- (16) The Federal PLUS Loan Application and Master Promissory Note indicates "I promise to pay to order of the lender all loan amount disbursed (hereafter "loan" or "loans") under the terms of this Application and Master Promissory Note (hereafter "MPN"), plus interest and other charges and fees that may become due as provided in this MPN. I understand that multiple loans may be made to me under this MPN for the dependent identified in the Student Information Section. I understand that by accepting any disbursement issued at any time under this MPN, I agree to repay the loan(s)...I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it...I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN."
- (17) The Federal PLUS Loan Application and Master Promissory Note reflects Borrower's electronic signature and signature date of August 13, 2007.
- (18) The Notice of Loan Guarantee and Disclosure Statement For Federal PLUS Loan indicates that the lender for Borrower's PLUS loan was Sallie Mae Education Trust and the guarantor was USA Funds. The PLUS loan was guaranteed on September 5, 2007. The Notice of Loan Guarantee and Disclosure Statement For Federal PLUS Loan indicates "Total amount of loans guaranteed by this guarantor is \$18,225.00 including this loan. It does not include amounts guaranteed by other guarantors."
- (19) The three Navient "Loan Details" forms dated May 11, 2015, indicates that Borrower's had two Stafford student loans and one PLUS loan with a lender VL Funding, LLC and were guaranteed by USA Funds. The three Navient "Loan Details" forms dated May 11, 2015, indicates that Borrower's had two Stafford student loans and one PLUS loan had a loan status of "PAID BY" and repayment plan "Paid in Full" form.

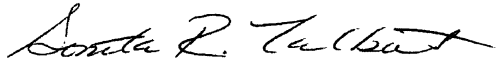
- (20) In Navient's letter to Borrower dated July 15, 2016, indicates "You recently contacted Navient (Post Claim Assistance) regarding your education loan(s). E-Signature guidelines were established by the federal government with the Electronic Signature in Global and National Commerce (ESIGN) Act, passed by Congress on June 30, 2000. In states in Section 101.a (1-2):... A signature, contract or other record relating to such transaction may not be denied legal effect, validity or enforceability solely because it is in electronic form; and...A contract relating to such transaction may not be denied legal effect, validity or enforceability solely because an electronic signature or electronic record was used in its formation...When your loan(s) defaulted, the guarantor listed above purchased the loan(s) from your lender(s) on 07/30/2010. The guarantor then placed your defaulted loan(s) with a collection contractor to collect on your unpaid loan(s)...As of the date of this letter, your outstanding balance for the next 30-days is \$19,018.08. This balance may include outstanding principal, accrued interest, and collection costs. Remember that interest accrues daily on your account. Your daily interest accrual is \$3.19...The loan(s) obtained was guaranteed under the Federal Family Education Program....Enclosure: Promissory Note...Payment History After Default"
- (21) The "Payment History" form dated July 15, 2016, indicates "The information displayed below reflects all payments made since your loan(s) was purchased by the guarantor, and made to the guarantor during a previous and/ or current time that the guarantor held your loan(s). Please make note that the outstanding balance is only good through the date of this statement.. Outstanding Balance \$18,922.00...Outstanding Principal \$14,647.63...Outstanding Interest \$1,472.42...and Outstanding Collection Costs \$2801.95...Total Payments \$12,805.54..."
- (22) USAF's "Statement of Purchased Account dated July 26, 2016, indicates Borrower's Account Number is 8812 USAF's "Statement of Purchased Account" dated July 26, 2016, indicates Borrower's student loans defaulted on July 30, 2010, in the amount of \$19,112.70. USAF's "Statement of Purchased Account" indicates that between February 22, 2011 and April 13, 2015, seventy payments totaling \$12,805.54 have posted to Borrower's defaulted student loan account balance.
- (23) During hearing, DELTA stated the loans in question are two Stafford student loans and one PLUS loan.
- (24) During hearing, DELTA stated that Borrower's defaulted student loans were placed DELTA on May 8, 2016.
- (25) During hearing, DELTA stated that DELTA has received no voluntary payments, no administrative wage garnishment payments from Borrower's employer and no tax offset payments.
- (26) During hearing, DELTA stated Borrower's defaulted student loan account balance was \$14,647.63 in principal, \$1,806.23 in interest and \$2,801.95 in collection costs, for a total balance of \$19,255.81.
- (27) Once a student loan defaults, accrued interest is capitalized, creating a new principal balance. Interest continues to accrue on the new principal balance and a collections fee is added.
- (28) 34 CFR 682.410(b)(4) of the code of Federal Regulations indicates "The guaranty agency shall capitalize any unpaid interest due the lender from the borrower at the time the agency pays a default claim to the lender."
- (29) The U.S. Department of Education requires guarantee agencies to add collection costs pursuant to the code of Federal Regulations 34 CFR 682.410(b)(2) and Public Law 99-497.
- (30) 34 CFR 682-404 "application of Borrower payments", indicates "A payment made to a guaranty agency by a borrower on a defaulted loan must be applied first to the collection costs incurred to collect that amount and then to other incidental charges, such as late charges, then to accrued interest and then to principal."

- (31) DELTA provided credible evidence sufficient to prove that the balance they claim is owed on the Defaulted Loans is accurate. Therefore, the burden has shifted to Borrower to provide credible evidence sufficient to rebut this evidence.
- (32) A borrower may request a hearing to challenge the existence, amount, or enforceability of the debt. 34 C.F.R. § 682.410(b)(9)(i)(E)(1). If a borrower makes this challenge, it is the guaranty agency's burden to prove the existence of the debt. 34 C.F.R. § 682.410(b)(9)(i)(F)(1). After the guaranty agency satisfies this burden, the burden shifts to the borrower to prove by the preponderance of the evidence "that no debt exists, the debt is not enforceable under applicable law, the amount the guaranty agency claims the borrower owes is incorrect ... or the debt is not delinquent[.]" Id.
- (33) During hearing, Borrower stated she received a copy of her promissory notes and payment history from DELTA. During hearing, Borrower stated she has reviewed her National Student Loan Data System and she does not have any additional student loans.
- (34) Borrower failed to provide documentation substantiating that Borrower should have received credit for payments that were not already reflected on USAF's records.
- (35) Borrower failed to provide evidence to rebut the evidence provided by DELTA.
- (36) Borrower failed to provide sufficient documentation to substantiate that Borrower does not owe the full amount shown because Borrower repaid some or all of this loan.
- (37) Borrower failed to provide sufficient documentation to substantiate Borrower's claim that this loan is not an enforceable debt in the amount stated.

DECISION

Administrative wage garnishment is approved for 15 percent of Borrower's disposable income.

THIS DECISION IS ISSUED IN OAKDALE, MINNESOTA, ON THE 11th OF NOVEMBER 2016.



SONITA R. TALBERT

Administrative Wage Garnishment Hearing Officer

Educational Credit Management Corporation

1 Imation Place, Building 2

Oakdale, MN 55128

855 810 4922

Copies Issued:

Delta Management Associates, Inc.

P.O. BOX 9191

CHELSEA, MA 02150-9191

JULIE FLOE

POST OFFICE BOX 645

WILLISTON, ND 58802

AWGHDCA

EXHIBIT 9

PEIFFER ROSCA WOLF
ABDULLAH CARR & KANE, LLP

Brandon M. Wise (MO, IL)
818 Lafayette Ave., Floor 2
St. Louis, MO 63104
314-833-4825
bwise@prwlegal.com

Via U.S. Mail

December 15, 2016

To: Delta Management Associates, Inc.
P.O. Box 9242
Chelsea, MA 02150-9242

Re: Representation of Julie J McMahon (Floe)

To Whom It May Concern:

My name is Brandon Wise. I now represent Ms. Julie J McMahon (formerly Julie Floe). Please do not contact Ms. McMahon any further. She revokes all consent for you to contact her, and I will handle all further communications.

After having reviewed documentation provided by Ms. McMahon, it has become apparent that the "debt" that you are attempting to collect in, including proceeding with an administrative garnishment, was settled in the spring of 2015.

As such, my client demands the following:

1. Cease and desist from any wage garnishment procedure or proceedings; and
2. Send a letter confirming the debt that you have wrongfully alleged is owed was in fact settled and is no longer due and owing.

If I am not contacted by the end of the next business week (December 23, 2016) a class action complaint alleging violations of, state and federal law will be filed.

Thank you,



Brandon M. Wise

BMW/

818 Lafayette Ave, Floor 2
St. Louis, MO 63104
T (314) 833-4825

201 St. Charles Ave., Ste 4610
New Orleans, LA 70170
T (888) 998-5020

526 Superior Ave. Ste 1255
Cleveland, OH 44114
T (888) 998-5020

4 Embarcadero Center Ste 1400
San Francisco, CA 94111
T (415) 766-3545

15 Fishers Road, Ste 111
Pittsford, NY 14534
(585)310-5140

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 NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Julie McMahon, individually and on all others similarly situated

(b) County of Residence of First Listed Plaintiff Wright

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

See attached

DEFENDANTS

Navient Corp., Navient Credit Finance Corp, Delta Management Associates, Inc., Rausch, Sturm, Israel, Enerson & Hornik, LLC, and Doe Defendants 1 - 10,

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

Unknown

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 or 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 and 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)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/ Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input checked="" type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

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 - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

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

Brief description of cause:
 Fair Debt Collection Practices Act

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$ 5,000,001.00

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

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

04/04/2017

SIGNATURE OF ATTORNEY OF RECORD

s/Garrett D. Blanchfield

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

Print

Save As...

Reset

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.Cv.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; **NOTE: 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 there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- 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 – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- 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 actual dollar amount 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.

CIVIL COVER SHEET

(c) Attorneys for Plaintiffs:

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