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

KIM MORGAN and ADEL AL, Individually and)	Case No.: 17-cv-1420
on Behalf of All Others Similarly Situated,	CLASS ACTION COMPLAINT
Plaintiffs,	
v.	
TRANSWORLD SYSTEMS, INC.,	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") and the Wisconsin Consumer Act, chs. 421-427, Wis. Stats. (the "WCA").

JURISDICTION AND VENUE

2. The court has jurisdiction to grant the relief sought by the Plaintiffs pursuant to 15 U.S.C. § 1692k and 28 U.S.C. §§ 1331, 1337, and 1367. Venue in this District is proper in that Defendant directed its collection efforts into the District.

PARTIES

- 3. Plaintiff Kim Morgan is an individual who resides in the Eastern District of Wisconsin (Milwaukee County).
- 4. Plaintiff Adel Al is an individual who resides in the Eastern District of Wisconsin (Milwaukee County).
- 5. Each plaintiff is a "consumer" as defined in the FDCPA, 15 U.S.C. § 1692a(3), in that Defendant sought to collect from each plaintiff debts allegedly incurred for personal, family or household purposes.

- 6. Each plaintiff is also a "customer" as defined in the WCA, Wis. Stat. § 421.301(17), in that the alleged debt allegedly arose from a consumer transaction that included agreements to defer payment.
- 7. Defendant Transworld Systems, Inc. ("Transworld") is a California corporation with its principal place of business located at 2235 Mercury Way, Suite 275, Santa Rosa, California 95407.
- 8. Transworld is engaged in the business of a collection agency, using the mails and telephone to collect consumer debts originally owed to others.
- 9. Transworld is engaged in the business of collecting debts owed to others and incurred for personal, family or household purposes. Transworld is a "debt collector" as defined in 15 U.S.C. § 1692a and Wis. Stat. § 427.103(3).

FACTS

Facts Relating to Plaintiff Morgan

- 10. Plaintiff Morgan entered into one or more consumer transactions with "ATI Physical Therapy" ("ATI") or an affiliate or predecessor corporation.
 - 11. Each consumer transaction was incurred for personal medical services.
- 12. Further, each consumer transaction involved agreements to render services and defer payment. Plaintiff Morgan was not expected to pay at the time medical services were rendered, but was billed at a later date.
- 13. On or about October 21, 2016, Transworld mailed a debt collection letter to Plaintiff regarding an alleged debt owed to ATI. A copy of this letter is attached as <u>Exhibit A</u>.
- 14. 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.

- 15. <u>Exhibit A</u> is a form letter that does not require an envelope because it is a "folded self-mailer." *See Sears, Roebuck & Co. v. United States Postal Serv.*, 134 F. Supp. 3d 365, 370 (D.D.C. Sept. 30, 2015) ("a folded self-mailer is formed from a single sheet of cardstock that is folded once on the right side (the leading edge), addressed on the front, and sealed to make a letter-sized mailpiece.").
- 16. Folded self-mailers like <u>Exhibit A</u> are eligible for special low postage rates because of the ease of automated processing. *Sears*, 134 F. Supp. 3d at 371.
- 17. Folded self-mailers like <u>Exhibit A</u> usually use a gumming agent like glue to seal the mailer, which "prevent[s] the open edges from fanning out and jamming high-speed processing equipment." *Sears*, 134 F. Supp. 3d at 371.
- 18. Where a self-folded mailer is used for a debt collection letter, the letter also must remain sealed to prevents disclosure of the debt and comply with the FDCPA. *See* 15 U.S.C. § 1692c(b).
 - 19. <u>Exhibit A</u> lists a "CURRENT BALANCE DUE."
- 20. The amount of the "CURRENT BALANCE DUE" and other information specific to the alleged debt in question were disclosed in the location on the self-folded mailer where the gumming agent was used to seal the mailer.
- 21. As a result of the coincident placement of this information and the gumming agent within Exhibit A, it became impossible to determine the amount that was due once the letter was opened because this information was attached to the gumming agent when it became separated from the face of the letter.
- 22. Upon information and belief, Defendant deliberately places this information in a location that makes it impossible to read once the letter is opened, with the express purpose of

inducing alleged debtors to call Defendant's offices, whereupon Defendant uses high-pressure tactics to induce alleged debtors into paying the debts Defendant is collecting.

- 23. Sending letters that make it impossible for the debtor to determine the amount of the debt and other critical information specific to the debt is communication in a manner that can reasonably be expected to harass the customer.
 - 24. The unsophisticated consumer would be confused by Exhibit A.
 - 25. Plaintiff Morgan had to spend time and money investigating Exhibit A.
- 26. Plaintiff Morgan 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.

Facts Relating to Plaintiff Al

- 27. On or about February 13, 2017, Transworld mailed a debt collection letter to Plaintiff Al regarding an alleged debt owed to "ATI PHYSICAL THERAPY" ("ATI"). A copy of this letter is attached to this Complaint as Exhibit B.
 - 28. Each consumer transaction was for personal medical services.
- 29. Further, each consumer transaction involved agreements to render services and defer payment. PLaintiff Al was never expected to pay at the time medical services were rendered. ATI mailed bills to Plaintiff Al at a later date.
- 30. Upon information and belief, <u>Exhibit B</u> is a form letter, generated by computer, and with the information specific to Plaintiff Al inserted by computer.
- 31. Upon information and belief, <u>Exhibit B</u> is a form debt collection letter used by Transworld to attempt to collect alleged debts.
 - 32. Exhibit B contains the following statement:

CURRENT BALANCE DUE: \$463.53

Exhibit B.

- 33. Exhibit B also contains three payment options that purport to offer Plaintiff Al the opportunity to "pay the debt in full."
 - 34. Exhibit B explains the payment options as follows:

At Transworld Systems Inc. TSI we are committed to working with you to help resolve this account! We hope you will contact us at the number above and let us prove to you how committed we are to that goal.

There are several options that we can currently offer, and it is our hope that one of them will meet your needs.

- Option 1 Make a payment this month of \$46.37 and then pay \$208.58 each of the next two months and pay your account(s) in full:
- Option 2 Make 3 equal consecutive monthly payments of \$154.51 and pay your account(s) in full;
- Option 3 Make 2 consecutive monthly payments. First payment of \$231.76 and then \$231.77 next month and pay your account(s) in full;

Please confirm with one of our representatives which option works best for you and we will note your account accordingly.

Exhibit B.

35. However, Exhibit B also states:

The account balance may be periodically increased due to the addition of accrued interest or other charges, as provided in the agreement with the original creditor, or as otherwise provided by applicable law.

Exhibit B.

- 36. The representation in Exhibit B that the payment options will "resolve" the account and "pay the account in full" are false, misleading, and confusing to the unsophisticated consumer as the language above states that interest or other charges may be periodically added to the account balance.
- 37. Thus, it is unclear whether the "consecutive monthly payment" amounts listed in Options 1, 2, and 3 will actually resolve the alleged debt.
- 38. The unsophisticated consumer would be confused and misled as to whether the payment options are meant to incorporate interest and fees into it, or not.

- 39. Exhibit B fails to state the terms of the payment options in a non-confusing manner.
- 40. Neither the unsophisticated consumer nor the "competent attorney" could determine from Exhibit B whether the payment options would resolve the alleged debt.
- 41. <u>Exhibit B</u> is ambiguous and capable of at least two meanings. It is unclear whether completing the "paid in full" payment plans, which will not add up to the actual amount of the debt if interest and other charges are added, would be treated as settlements or as a partial payment against Plaintiff's full balance. <u>Exhibit B</u>.
- 42. Transworld's language leaves open the possibility that the consumer will make the monthly payments, only to have the entire payment applied to the actual "full balance" resulting in the consumer still owing a portion of the debt.
- 43. Treating the payments as being short of the actual full amount of the debt would permit ATI or third-party debt collectors hired by ATI to continue to try to collect on the same debt.
- 44. An alleged debtor could pay the monthly payments and not know whether he or she has resolved the alleged account. <u>Exhibit B</u>. The language is confusing to the unsophisticated consumer.
- 45. Moreover, the unsophisticated consumer could not determine whether timely making all payments under the proposed plan would result in ATI representing to credit reporting agencies that the account is paid in full, settled in full, or partially paid with outstanding balance.
- 46. The language stating that "the account balance may be periodically increased due to the addition of accrued interest or other charges" is ambiguous and confusing. The consumer

who makes all the requested payments cannot know if Transworld would actually treat and report the debt as settled or paid in full.

- 47. The consequences of misleading a consumer with respect to settling a debt are material and misleading statements are material false statements under the FDCPA.
- 48. An account reported to a credit reporting agency as "settled in full" has a greater negative effect on a consumer's credit score than an account reported as "paid in full." Thus, consumers who are able to pay off a balance may wish to pay the entire amount instead of "settle" for pennies less than the full amount of the debt in order to effect an improvement in their credit score.
 - 49. The unsophisticated consumer would be confused by Exhibit B.
 - 50. Plaintiff had to spend time and money investigating Exhibit B.
- 51. 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 B.

THE FDCPA

- 52. The FDCPA, 15 U.S.C. § 1692-1692p, is a consumer protection amendment to the Consumer Credit Protection Act, that was adopted as Title VIII of the Consumer Credit Protection Act. *See e.g., Baldwin v. McCalla, Raymer, Padrick, Cobb, Nichols & Clark, L.L.C.*, Case No. 98-C-4280, 1999 U.S. Dist. LEXIS 6933, at *13, 1999 WL 284788, at *4 (N.D. III. Apr. 26 1999) ("a key function of the FDCPA provisions of the Consumer Credit Protection Act was to eliminate practices that 'contribute to the number of personal bankruptcies.' ").
- 53. 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. Ill. Mar. 15, 2016) ("Congress does have the power to enact statutes creating legal rights, the invasion of which creates standing, even though no injury would exist without the statute," (quoting Sterk v. Redbox Automated Retail, LLC, 770 F.3d 618, 623 (7th Cir. 2014)). For this reason, and to encourage consumers to bring FDCPA actions, Congress authorized an award of statutory damages for violations. 15 U.S.C. § 1692k(a).

54. 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").

- 55. The FDCPA prohibits debt collectors from making confusing statements in a debt collection letter, with the purpose of orally disclosing the information in a non-confusing way. *See Miller v. McCalla, Raymer, Padrick, Cobb, Nichols, & Clark, L.L.C.*, 214 F.3d 872, 875 (7th Cir. 2000) ("to authorize debt collectors to comply orally would be an invitation to just the sort of fraudulent and coercive tactics in debt collection that the Act aimed (rightly or wrongly) to put an end to.").
- 56. 15 U.S.C. § 1692e prohibits "any false, deceptive, or misleading representation or means in connection with the collection of any debt."
- 57. 15 U.S.C. § 1692e(2)(A) specifically prohibits: "The false representation of---the character, amount, or legal status of any debt."
- 58. 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."
- 59. 15 U.S.C. § 1692f generally prohibits a debt collector from using "unfair or unconscionable means to collect or attempt to collect any debt."

THE WCA

- 60. The Wisconsin Consumer Act ("WCA") was enacted to protect consumers against unfair, deceptive, and unconscionable business practices and to encourage development of fair and economically sound practices in consumer transactions. Wis. Stat. § 421.102(2).
- 61. The Wisconsin Supreme Court has favorably cited authority finding that the WCA "goes further to protect consumer interests than any other such legislation in the country,"

and is "probably the most sweeping consumer credit legislation yet enacted in any state." *Kett* v. *Community Credit Plan, Inc.*, 228 Wis. 2d 1, 18 n.15, 596 N.W.2d 786 (1999) (citations omitted).

- 62. To further these goals, the Act's protections must be "liberally construed and applied." Wis. Stat. § 421.102(1); see also § 425.301.
- 63. "The basic purpose of the remedies set forth in Chapter 425, Stats., is to induce compliance with the WCA and thereby promote its underlying objectives." *First Wisconsin Nat'l Bank v. Nicolaou*, 113 Wis. 2d 524, 533, 335 N.W.2d 390 (1983). Thus, private actions under the WCA are designed to both benefit consumers whose rights have been violated and also competitors of the violators, whose competitive advantage should not be diminished because of their compliance with the law.
- 64. To carry out this intent, the WCA provides Wisconsin consumers with an array of protections and legal remedies. The Act contains significant and sweeping restrictions on the activities of those attempting to collect debts. *See* Wis. Stats. § 427.104.
- 65. The Act limits the amounts and types of additional fees that may be charged to consumers in conjunction with transactions. Wis. Stats. § 422.202(1). The Act also provides injured consumers with causes of action for class-wide statutory and actual damages and injunctive remedies against defendants on behalf of all customers who suffer similar injuries. *See* Wis. Stats. §§ 426.110(1); § 426.110(4)(e). Finally, "a customer may not waive or agree to forego rights or benefits under [the Act]." Wis. Stat. § 421.106(1).
- 66. Consumers' WCA claims under Wis. Stat. § 427.104(1) are analyzed using the same methods as claims under the FDCPA. Indeed, the WCA itself requires that the court

analyze the WCA "in accordance with the policies underlying a federal consumer credit protection act," including the FDCPA. Wis. Stat. § 421.102(1).

- 67. Further, the Wisconsin Supreme Court has held that WCA claims relating to debt collection are to be analyzed under the "unsophisticated consumer" standard. *Brunton v. Nuvell Credit Corp.*, 785 N.W.2d 302, 314-15. In *Brunton*, the Wisconsin Supreme Court explicitly adopted and followed the "unsophisticated consumer" standard, citing and discussing *Gammon v. GC Servs. Ltd. P'ship*, 27 F.3d 1254, 1257 (7th Cir. 1994). *Id*.
- 68. Wis. Stat. § 427.104(1)(g) states that "a debt collector may not . . . communicate with the customer . . . in such a manner as can reasonably be expected to . . . harass the customer."
- 69. Although the FDCPA does not authorize injunctive or declaratory relief, *see Ademiluyi v. PennyMac Mortg. Inv. Trust Holdings I, LLC*, 929 F. Supp. 2d 502, 507 n.3 (D. Md. Mar. 11, 2013), these forms of relief are available under the WCA. Wis. Stat. §§ 426.109(1); 426.110(4)(e); 426.110(6)(b).
- 70. The WCA expressly authorizes individual actions to enjoin "any person who in . . . enforcing consumer credit transactions engages in . . . False, misleading, deceptive, or unconscionable conduct in enforcing debts . . . arising from consumer credit transactions." Wis. Stat. § 426.110(2)(c); see Wis. Stat. § 426.110(3).
- 71. The WCA also authorizes "any customer affected by a violation of chs. 421 to 427 and 429 . . . or by a violation of the federal consumer credit protection act . . . [to] bring a civil action on behalf of all persons similarly situated, for actual damages by reason of such conduct or violation, together with penalties as provided in sub. (14), reasonable attorney fees

and other relief to which such persons are entitled under chs. 421 to 427 and 429." Wis. Stat. § 426.110(1).

72. The WCA authorizes customers to bring class actions for injunctive relief to cure violations of Wis. Stat. § 427.104(1)(g).

COUNT I – FDCPA

- 73. Plaintiffs incorporate by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
 - 74. Count I is brought on behalf of Plaintiff Morgan.
- 75. In Exhibit A, Defendant placed critical information specific to the alleged debt in a location where that information would become attached to the self-folded mailer's gumming agent, making it impossible for the debtor to read that information once the letter was opened.
- 76. Defendant placed this information in this location with the purpose of inducing alleged debtors to contact Defendant, whereupon Defendant would engage in high-pressure tactics in order to induce alleged debtors to pay debts that Defendant was collecting, possibly at the expense of payment to other debt collectors who were not engaging in such deceptive conduct.
 - 77. Defendant violated 15 U.S.C. §§ 1692e, 1692e(2)(A), 1692e(10), and 1692f.

COUNT II – FDCPA

- 78. Plaintiffs incorporate by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
 - 79. Count II is brought on behalf of Plaintiff Al.
 - 80. Exhibit B contains a payment plan offer that is misleading.

- 81. If a consumer chooses to mail in payments in an attempt to take advantage of one of the "Paid in Full" monthly installment plans listed on the letter, Defendant could, under one interpretation of Exhibit B, apply the payments toward the actual "full balance" instead of settling the debt.
- 82. It is unclear whether the creditor or Transworld would continue to collect any interest or other charges added to the debt if the consumer paid the full amount of a "paid in full" payment plan.
- 83. It is also unclear whether completing the "paid in full" payment plans, which will not add up to the actual amount of the debt if interest and other charges are added, would be treated as "settlements for less than the full balance" for credit reporting purposes because the payments would be short of the actual balance.
- 84. Exhibit B misleads the unsophisticated consumer and encourages payments that do not actually settle the alleged debt, allowing ATI or third-party debt collectors hired by ATI to continue collecting the remaining balance.
- 85. Exhibit B also confuses the consumer as to whether an account would be reported to credit reporting agencies as "settled in full" or "paid in full" after completing of the payment plans, as the payments are short of the balances.
 - 86. Defendant violated 15 U.S.C. §§ 1692e, 1692e(2)(A), 1692e(10), and 1692f.

COUNT III – FDCPA

- 87. Plaintiffs incorporate by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
 - 88. Count III is brought on behalf of Plaintiff Al.

- 89. The statements in Exhibit B that Transworld will consider the debt paid in full if Plaintiff Al completes one of the monthly payment plans, which fail to add up to the full amount of the debt after the addition of interest and other charges, is inherently or apparently contradictory.
- 90. The unsophisticated consumer would have no idea how a debt could be paid in full when the full balance was not actually paid.
- 91. The language is intended to make the consumer call Transworld, subjecting him or her to additional collection efforts and high-pressure collection tactics.
 - 92. Defendant violated 15 U.S.C. §§ 1692e, 1692e(10), and 1692f.

COUNT IV – WCA

- 93. Plaintiffs incorporate by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
 - 94. Count IV is brought on behalf of Plaintiff Morgan.
- 95. In Exhibit A, Defendant placed critical information specific to the alleged debt in a location where that information would become attached to the self-folded mailer's gumming agent, making it impossible for the debtor to read that information once the letter was opened.
- 96. Defendant placed this information in this location with the purpose of inducing alleged debtors to contact Defendant, whereupon Defendant would engage in high-pressure tactics in order to induce alleged debtors to pay debts that Defendant was collecting, possibly at the expense of payment to other debt collectors who were not engaging in such deceptive conduct.
 - 97. Defendant violated Wis. Stat. § 427.104(1)(g).

COUNT V - WCA

- 98. Plaintiffs incorporate by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.
 - 99. Count V is brought on behalf of Plaintiff Morgan.
- 100. In Exhibit A, Defendant placed critical information specific to the alleged debt in a location where that information would become attached to the self-folded mailer's gumming agent, making it impossible for the debtor to read that information once the letter was opened.
- 101. Defendant placed this information in this location with the purpose of inducing alleged debtors to contact Defendant, whereupon Defendant would engage in high-pressure tactics in order to induce alleged debtors to pay debts that Defendant was collecting, possibly at the expense of payment to other debt collectors who were not engaging in such deceptive conduct.
 - 102. Defendant violated Wis. Stat. § 426.110(2)(c).

CLASS ALLEGATIONS

- 103. Plaintiffs bring this action on behalf of the following classes.
- 104. Class I ("Gumming Agent Class") consists of: (a) all natural persons in the State of Wisconsin (b) to whom Defendant Transworld sent a collection letter, (c) in the form of Exhibit A, (d) between October 17, 2016 and October 17, 2017, inclusive, (e) that was not returned by the postal service. Plaintiff Morgan is the named representative for Class I.
- 105. Class II ("Confusing Settlement Class") consists of: (a) all natural persons in the State of Wisconsin (b) to whom Defendant Transworld sent a collection letter, (c) in the form of Exhibit A, (d) between October 17, 2016 and October 17, 2017, inclusive, (e) that was not returned by the postal service. Plaintiff Al is the named representative of Class II.

- 106. Each Class is so numerous that joinder is impracticable. On information and belief, there are more than 50 members of each Class.
- 107. There are questions of law and fact common to the members of each Class, which common questions predominate over any questions that affect only individual class members. The predominant common question for Class I is whether Exhibit A violates the FDCPA and WCA. The predominant common question for Class II is whether Exhibit B violates the FDCPA.
- 108. Plaintiffs' claims are typical of the claims of the members of each Class. All are based on the same factual and legal theories.
- 109. Plaintiffs will fairly and adequately represent the interests of the members of each Class. Plaintiffs have retained counsel experienced in consumer credit and debt collection abuse cases.
- 110. A class action is superior to other alternative methods of adjudicating this dispute. Individual cases are not economically feasible.

JURY DEMAND

111. Plaintiffs hereby demand a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that the Court enter judgment in favor of Plaintiffs and the Classes and against Defendant for:

- (a) declaratory relief;
- (b) injunctive relief;
- (c) actual damages;
- (d) statutory damages;

- (e) attorneys' fees, litigation expenses and costs of suit; and
- (f) such other or further relief as the Court deems proper.

Dated: October 17, 2017

ADEMI & O'REILLY, LLP

By: /s/ John D. Blythin
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EXHIBIT A



Transworld Systems Inc. TSI 507 Prudential Road Horsham, PA 19044 888-930-3464 DATE: 10/21/16
OUR ACCOUNT #: 3172
CREDITOR: A T I PHYS1 THERAPY
CREDITOR'S ACCOUNT #.

CURRENT BALANCE DUE: \$ 68
This Balance is a Sum of Balances from 1 Account(s).

KIM MORGAN 1032 E KNAPP ST RM 704-A MILWAUKEE WI 53202-3845

The postdated check or other payment instrument you authorized us to deposit in the amount of \$300.00 will be deposited on 10/31/16.

Please be sure the funds are available to cover this payment.

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

Calls to or from this company may be monitored or recorded for quality assurance.

The account balance may be periodically increased due to the addition of accrued interest or other charges, as provided in the agreement with the original creditor, or as otherwise provided by applicable law.

Office Hours: 8am-9pm Monday-Thursday, 8am-5pm Friday, 8am-12pm Saturday (ET).

Federal and state law prohibit certain methods of debt collection, and require that we treat you fairly. If you have a complaint about the way we are collecting your debt, please visit our website at https://www.transworldpayments.com or contact the FTC online at www.ftc.gov; by phone at 1-877- FTC-HELP; or by mail at 600 Pennsylvania Ave., NW, Washington, DC 20580. If you want information about your rights when you are contacted by a debt collector, please contact the FTC online at www.ftc.gov.

PO Box 15618
Dept. 938
Wilmington, DE 19850-5618
4608.3846



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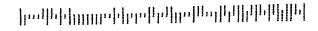
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KIM MORGAN 1032 E KNAPP ST RM 704-A MILWAUKEE WI 53202-3845

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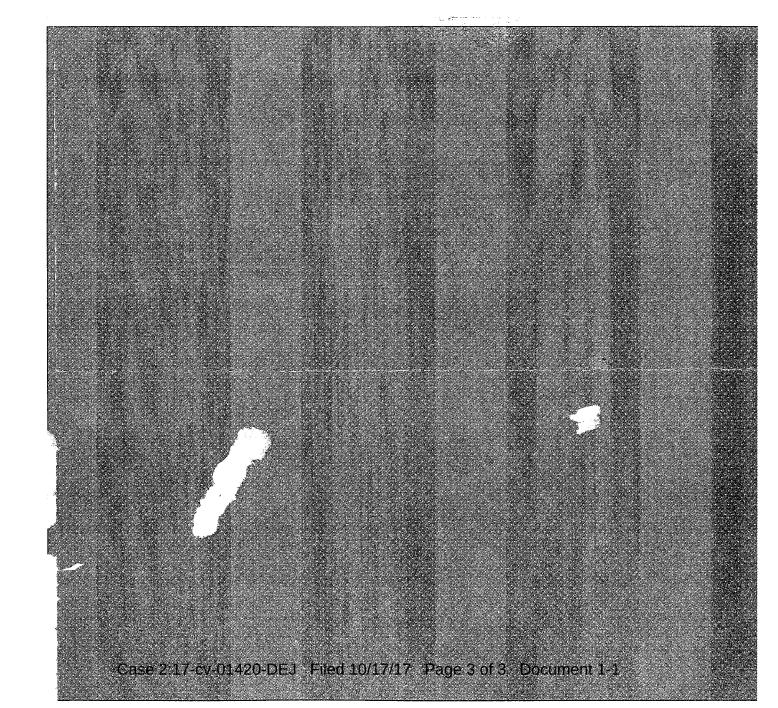


Exhibit B

5720.3846.SP2 PO Box 15618 Dept. 938 Wilmington, DE 19850-5618

Transworld Systems Inc. TSI 500 Virginia Dr Suite 514 Ft Washington, PA 19034 888-930-3464

DATE: 02/13/17

OUR ACCOUNT #:

CREDITOR: A T I PHYSICAL THERAPY

CREDITOR'S ACCOUNT #: **CURRENT BALANCE DUE: \$463.53** 2016

- Միլումբալիկաի վիրվիլ հրակին հուրական որ հայանակին հրակականներ

ADEL LAL 3717 E RAMSEY AVE APT 219 53110-3148

CUDAHY WI

At Transworld Systems Inc. TSI we are committed to working with you to help resolve this account! We hope you will contact us at the number above and let us prove to you how committed we are to that goal.

135343 - 30793

There are several options that we can currently offer, and it is our hope that one of them will meet your needs.

- Option 1 Make a payment this month of \$46.37 and then pay \$208.58 each of the next two months and pay your account(s) in
- Option 2 Make 3 equal consecutive monthly payments of \$154.51 and pay your account(s) in full;
- Option 3 Make 2 consecutive monthly payments. First payment of \$231.76 and then \$231.77 next month and pay your account(s) in full;

Please confirm with one of our representatives which option works best for you and we will note your account accordingly.

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

Calls to or from this company may be monitored or recorded for quality assurance.

The account balance may be periodically increased due to the addition of accrued interest or other charges, as provided in the agreement with the original creditor, or as otherwise provided by applicable law.

You may also make payment by visiting us on-line at www.transworldpayments.com. Your unique registration code is 1036.

If you have an income tax refund, perhaps you can use the proceeds to pay this account. Office Hours: 8am-9pm Monday-Thursday, 8am-5pm Friday, 8am-12pm Saturday (ET).

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

Transworld Systems Inc. TSI 500 Virginia Dr Suite 514 Ft Washington, PA 19034 888-930-3464

Our Account # 0360 ADEL LAL

\$

Payment Amount

Check here if your address has changed and print your new address in the space provided below.

Make Payment To:

Transworld Systems Inc. P.O. Box 15520 Wilmington, DE 198505520

P 5720 30793

Federal and state law prohibit certain methods of debt collection, and require that we treat you fairly. If you have a complaint about the way we are collecting your debt, please visit our website at https://www.transworldpayments.com or contact the FTC online at www.ftc.gov; by phone at 1-877-FTC-HELP; or by mail at 600 Pennsylvania Ave., NW, Washington, DC 20580. If you want information about your rights when you are contacted by a debt collector, please contact the FTC online at www.ftc.gov.

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
KIM MORGA	AN	TRANSWORLD SYSTEMS, INC.
(c) Attorney's (Firm Name Ademi & O'Reilly, LLP,	e of First Listed Plaintiff Milwaukee EXCEPT IN U.S. PLAINTIFF CASES) E., Address, and Telephone Number) 3620 E. Layton Ave., Cudahy, WI 53110 te (414) 482-8001-Facsimile DICTION (Place an "X" in One Box Only)	County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. Attorneys (If Known) III. CITIZENSHIP OF PRINCIPAL PARTIES(Place an "X" in One Box for Plaintif (For Diversity Cases Only) and One Box for Defendant)
1 U.S. Government Plaintiff	☑ 3 Federal Question (U.S. Government Not a Party)	Citizen of This State PTF DEF I Incorporated or Principal Place 4 4 4 of Business In This State
2 U.S. Government Defendant	4 Diversity (Indicate Citizenship of Parties in Item III)	Citizen of Another State 2
		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 Judgment □ 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	- -	
☑ 1 Original ☐ 2 R	ate 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	re 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	DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: ☑ Yes ☐ No
VIII. RELATED CAS IF ANY	E(S) (See instructions): JUDGE	DOCKET NUMBER
DATE		TORNEY OF RECORD
October 17, 2017	s/ John D. Bl	ythin
FOR OFFICE USE ONLY		

- ^{AMOUNT} Case 2:17-cv-01420-DEJ Filed 10/17/17 Page 1-of 2 Document 1-3

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

)
KIM MORGAN a	nd ADEL AL)))
Plaintifj	f(s)	
V.) Civil Action No. 17-cv-1420)
TRANSWORLD S	YSTEMS, INC.)
Defendar		_
	CTIMANAONI	NIN A CINIH A CITION
	SUMMON	S IN A CIVIL ACTION
To: (Defendant's name and address)	TRANSWORLD SYSTE c/o C T CORPORATION 8020 Excelsior Dr. Ste. 2 Madison, WI 53717	I SYSTEM
A lawsuit has been file	ed against you.	
the United States or a United 12(a)(2) or (3) – you must se	States agency, or an off rve on the plaintiff an a	on you (not counting the day you receive it) – or 60 days if you are icer or employee of the United States described in Fed. R. Civ. P. nswer to the attached complaint or a motion under Rule 12 of the on must be served on the plaintiff or the plaintiff's attorney, whose
If you fail to respond. You also must file your answe		ll be entered against you for the relief demanded in the complaint.
		STEPHEN C. DRIES, CLERK OF COURT
Date:		Signature of Clerk or Deputy Clerk
		Signature of Clerk of Deputy Clerk

Civil Action No. 17-cv-1420

PROOF OF SERVICE

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

□ I personally served the summons and the attached complaint on the individual at (place): □ I left the summons and the attached complaint at the individual's residence or usual place of abode with	ceived by me on (date)	·		
☐ I left the summons and the attached complaint at the individual's residence or usual place of abode with	☐ I personally served	the summons and the attached con	plaint on the individual at (place):	
			On (date)	; or
on (date), and mailed a copy to the individual's last known address; or I served the summons and the attached complaint on (name of individual) who is designated by law to accept service of process on behalf of (name of organization) on (date); or I returned the summons unexecuted because; or	☐ I left the summons	and the attached complaint at the i	ndividual's residence or usual place of a	abode with
□ I served the summons and the attached complaint on (name of individual) who is designated by law to accept service of process on behalf of (name of organization) on (date) ; or □ I returned the summons unexecuted because □ Other (specify): My fees are \$ for travel and \$ for services, for a total of \$, a ŗ	erson of suitable age and discretion wh	o resides th
who is designated by law to accept service of process on behalf of (name of organization) on (date) ; or I returned the summons unexecuted because Other (specify): My fees are \$ for travel and \$ for services, for a total of \$	on (date)	, and mailed a copy	to the individual's last known address;	or
on (date) ; or I returned the summons unexecuted because ; or Other (specify): My fees are \$ for travel and \$ for services, for a total of \$ I declare under penalty of perjury that this information is true. Server's signature	☐ I served the summo	ons and the attached complaint on (name of individual)	
☐ I returned the summons unexecuted because ☐ Other (specify): ☐ Othe	who is designated by la	aw to accept service of process on l	ehalf of (name of organization)	
☐ I returned the summons unexecuted because ☐ Other (specify): ☐ Othe				
Other (specify): My fees are \$ for travel and \$ for services, for a total of \$ 0.00 I declare under penalty of perjury that this information is true. Server's signature			on (date)	; or
My fees are \$ for travel and \$ for services, for a total of \$ 0.00 I declare under penalty of perjury that this information is true. Server's signature	☐ I returned the summ	nons unexecuted because		
I declare under penalty of perjury that this information is true. Server's signature				
Server's signature				
Server's signature	Other (specify):			;
Server's signature	Other (specify): My fees are \$	for travel and \$	for services, for a total of \$;
Printed name and title	Other (specify): My fees are \$	for travel and \$	for services, for a total of \$;
Printed name and title	☐ Other (specify): My fees are \$ I declare under penalty	for travel and \$	for services, for a total of \$ rue.	;
	☐ Other (specify): My fees are \$ I declare under penalty	for travel and \$	for services, for a total of \$ rue. Server's signature	;
	☐ Other (specify): My fees are \$ I declare under penalty	for travel and \$	for services, for a total of \$ rue. Server's signature	;
	☐ Other (specify): My fees are \$ I declare under penalty	for travel and \$	for services, for a total of \$ rue. Server's signature	;

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 Against Transworld Systems Takes Issue with Glue Used to Seal Collection Notice</u>