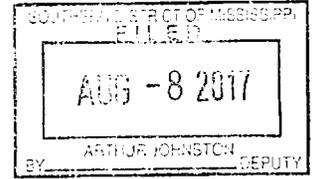


IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION



DIANNE NEAL, individually, and on behalf of a class of similarly situated individuals; and ROBERT NEAL, individually, and on behalf of a class of similarly situated individuals

Plaintiffs,

v.

WELLS FARGO, N.A., d/b/a WELLS FARGO DEALER SERVICES; and NATIONAL GENERAL INSURANCE COMPANY

Defendants.

Civil Action No. 3:17 cv 653 DPJ-FKB

**JURY TRIAL DEMANDED**

**CLASS ACTION COMPLAINT**

**COMPLAINT**

Plaintiffs, Dianne Neal and Robert Neal (“Plaintiffs”) file this Complaint, individually and on behalf of all others similarly situated (the “Class”), against National General Insurance Company (“National General”) and Wells Fargo Bank, N.A., doing business as Wells Fargo Dealer Services (“Wells Fargo”) (collectively “Defendants”). The allegations herein are based upon personal knowledge as to matters concerning Plaintiffs and their own acts, and upon information and belief as to all other matters. The allegations that are not based on Plaintiff’s personal knowledge result from Plaintiff’s counsel’s investigation.

***(JURY TRIAL DEMANDED; AND  
REQUEST FOR CLASS CERTIFICATION UNDER F.R.C.P. 23)***

## INTRODUCTION

1. Wells Fargo and National General schemed to steal hundreds of millions of dollars from unsuspecting automobile purchasers by foisting on them unwanted and unneeded automobile insurance costs.

2. As has apparently become par for the course for Wells Fargo, it accepted “full responsibility” and admitted to the fraud, but only *after* it was caught and outed by an investigation piece in the New York Times, based on a leaked report commissioned by Wells Fargo itself. National General has kept its mouth shut, as it did for the previous ten years of participating in—and benefitting from—the scheme.

3. Defendants have enjoyed the spoils of their scheme off the backs of unsuspecting borrowers through a coordinated effort—Wells Fargo would lure in consumers for auto financing; as a part of the auto financing, Wells Fargo would send the borrower’s information to its cohort in the enterprise, National General, to tack on additional collateral protection insurance, sold by, of course, National General. In doing so, National General generated hundreds of millions of dollars of fraudulent proceeds.

4. Like National General, Wells Fargo benefited in several ways from the enterprise. And not just from the kickbacks it received from National General for many of the policies. In addition, Wells Fargo benefited from significantly higher interest costs charged to the borrower for the auto financing (discussed more below), and additional fees and costs Wells Fargo charged when cars were (unlawfully) repossessed, which Wells Fargo admits was at least 20,000 (its own consultant places the number at 25,000).

5. The Plaintiffs, like hundreds of thousands of consumers, fell victim to the orchestrated fraud by Wells Fargo and the insurance underwriter, National General, causing millions of dollars of additional, costs, fees, false negative credit-reporting activities, delinquencies, and even repossessions.

6. In July 2016, Wells Fargo retained a consultant to determine the scope of the fraud. The results were staggering. From 2012 through 2016:

- More than 800,000 consumers were charged, and paid for, auto insurance they didn't need;
- Some of those consumers are still paying;
- The illegal scheme pushed 274,000 consumers into delinquency;
- 25,000 consumers suffered the wrongful repossession of their vehicle, and the devastating costs and consequences of that;
- In many instances, consumers were never informed of the insurance before it was charged and deducted from their bank accounts;
- Wells Fargo received myriad complaints from consumers regarding the unneeded and unwanted insurance, but Wells Fargo continued harassing them for payment.

7. On the heels of the fake accounts scam and cover-up, and literally concurrent with a Department of Justice finding that Wells Fargo violated the Servicemembers Civil Relief Act by illegally repossessing service members' vehicles while they were on active duty, Wells Fargo's conduct here follows a similar pattern—exploiting customers, concealing the misconduct, taking the money, and then faking contrition only after getting caught.

8. Plaintiffs bring this action to test the very foundation of Wells Fargo's official statement (after being caught) taking "full responsibility."

9. As a result of Defendants' fraudulent conduct, not only did Plaintiff and the class members have to pay insurance premiums, but as a result of those fraudulent charges, the class members incurred delinquency charges, false negative credit-reporting activities, late fees, and even had their cars repossessed.

10. Defendants' conduct pushed thousands of car buyers into loan defaults and repossessions by charging unwanted insurance.

### **JURISDICTION AND VENUE**

11. This Court possesses subject-matter jurisdiction over this Complaint based upon the questions of federal law brought under: The Truth in Lending Act ("TILA"), 15 U.S.C. § 1601, *et. seq.*, as amended; the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681 *et. seq.*; and the Telephone Consumer Protection Act ("TCPA"), 47 U.S.C. § 227 *et. seq.* Further, this Court possesses subject-matter jurisdiction over this dispute based upon the Defendants' Violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO") 18 U.S.C. § 1962(c), and 18 U.S.C. § 1962(d).

12. This Court possesses personal jurisdiction over the Defendants based upon their purposeful contacts with the forum state of Mississippi.

13. Venue properly lies before this Court.

**THE PARTIES**

*(The Plaintiffs)*

14. The Plaintiffs, Dianne and Robert Neal, are mother and son, respectively. The Plaintiffs are adult citizens of the state of Mississippi and they may be served through their counsel-of-record in this matter.

15. The Plaintiffs financed a 2011 Chevrolet Camaro (V8) through Wells Fargo, bearing loan number: 2204-0938-9382332237. The Plaintiffs are a victim of the fraud. Despite having appropriate insurance of their own with Alfa Insurance (Policy No. 16000004173), Wells Fargo imposed forced CPI insurance on them, ratcheted up their monthly payment, charged them late fees, and issued negative credit events against them to the major credit bureaus.

*(The Defendants)*

16. Wells Fargo Bank, N.A., doing business as Wells Fargo Dealer Services, specializes in home and auto loans for consumers. It lists its principal place of business as South Dakota. Wells Fargo ascribed internal file number to the Plaintiffs' loan 2204-0938-9382332237. Wells Fargo may be served with process through its registered agent with the Mississippi Secretary of State's Office: Corporation Service Company, 5760 I-55 North, Suite 150, Jackson, Mississippi 39211.

17. National General Insurance Company is an insurance company, headquartered at 59 Maiden Lane, 38th Floor, New York, New York 10038. National General was formerly known as the GMAC Insurance Group. National General (formerly GMAAC Insurance Group) may be served with process through its registered agent with the Mississippi

Secretary of State's Office: CT Corporation System, 645 Lakeland Drive East, Suite 101, Flowood, Mississippi 39232.

### FACTS

18. Collateral protection insurance, also known as forced insurance, serves as protection to lenders for collateral backing loans to borrowers.

19. As the New York Times first revealed just days ago, Wells Fargo and National General joined forces to defraud, at a minimum, hundreds of thousands of Wells Fargo's own customers by purchasing lender-placed auto insurance that was unneeded, unwanted, and often unknown by the consumer. This is precisely the fraud suffered by the Plaintiffs in this Complaint.

20. Upon securing auto financing from Wells Fargo, consumers' borrowing information was then routed to National General, which advertises itself as providing consumers with "the policy that works best for you" and "designed to give you the best possible auto insurance coverage—affordably—from your first car to your 21st."<sup>1</sup> This is untrue.

21. National General's website also proclaims: "We're here when you need us. Count on it."

22. The thrust of this case is that as a result of the illicit scheme with Wells Fargo, National General was also there when automobile purchasers *didn't* need them.

23. Wells Fargo's own commissioned report reveals that Wells Fargo and National General imposed unwanted and unneeded insurance on more than 800,000 purchasers.

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<sup>1</sup> <http://www.nationalgeneral.com/auto-insurance/> (last visited August 7, 2017).

24. Rather than truthfully and carefully verifying whether borrowers already had sufficient insurance on the financed automobile, thus obviating the need for forced insurance (collateral protection insurance), Defendants didn't do so.

25. As such, hundreds of thousands of consumers were charged for forced insurance that they didn't need. But the damages didn't stop there.

26. As Wells Fargo itself admits, the cost of the forced insurance it procured through National General may be "considerably more expensive" than what the consumer could purchase on his or her own and may even be less comprehensive.

27. Wells Fargo has specifically admitted that victims of the fraud include customers who unnecessarily paid the forced insurance, customers who received no notice whatsoever of the forced insurance, and customers whose autos were repossessed because of the additional costs of the unnecessary forced insurance. As for the latter, Wells Fargo admitted that the "premiums may have contributed to a default that led to their vehicle's repossession."

28. On its website discussing how payments are applied to a consumer's auto loan, Wells Fargo outlines how the structure of such payments increased the overall interest consumers paid on their loans. The order of payments was: interest, Collateral Protection Insurance ("CPI," which is forced insurance), and only then would payments be applied to principal. This payment structure increased the interest Wells Fargo extracted because it reduced the number of dollars that went to reducing the outstanding principal on the loan.

29. And the ramifications of the payment structure had even more damaging implications for consumers. By ordering the payments in that way, Wells Fargo maximized the likelihood of the consumer defaulting on the principal, thus generating unlawful repossessions and other negative consequences.

30. And yet again, Wells Fargo ginned profits from the unlawful repossessions in the form of reinstatement fees and other charges.

31. And consistent with the illicit profit motive, according to Wells Fargo's own report, it was aggressive in repossessions, with some customers actually enduring multiple repossessions.

32. Not only did Wells Fargo benefit from the forced insurance in the ways described above, but they also shared in National General's commissions for the improper insurance until approximately 2013. It is unknown, at this time, whether Wells Fargo actually received some type of consideration from National General after this timeframe.

33. Defendants actively concealed the program of imposing unnecessary insurance charges, often masked through consumers not noticing the embedded forced insurance charges automatically swept through their checking account through electronic payments made through the Automated Clearing House ("ACH") Network.

34. Plaintiff was not apprised of the salient facts underlying their claims and did not, and could not, have ascertained those facts.

35. The damages suffered by consumers were myriad and wide-reaching, including at least the following: (a) unnecessary insurance premium charges; (b) improper interest charges caused by the forced insurance charges and payment structure employed by Wells Fargo; (c) improper late fees and reinstatement fees; (d) charges for insufficient funds based on the elevated payments because of the improper forced insurance; (e) forced delinquencies; (f) damage to consumers' credit reports based on negative credit events; (g) improper repossessions and the crippling consequences thereof.

36. After it found out the New York Times was going to release the facts underlying its latest scandal, Wells Fargo stated: “We take full responsibility for our failure to appropriately manage the [auto insurance] program and are extremely sorry for any harm this caused our customers, who expect and deserve better from us.” Crocodile tears, at best, from a company that has, of late, developed a cottage industry of scamming its own customers.

### TOLLING OF THE STATUTE(S) OF LIMITATIONS

37. Plaintiffs could not have discovered, through the exercise of reasonable diligence, Wells Fargo’s ongoing fraud, omissions, and misrepresentations through the exercise of reasonable diligence.

38. Among other things, neither Plaintiffs, nor the other class members, knew, or could have known, that Wells Fargo had assessed unlawful fees against their accounts. The causes of action alleged herein did or will only accrue upon discovery of the true nature of the charges assessed against Plaintiffs’ and class members’ accounts because of Defendants’ concealment.

39. Throughout the time period relevant to this action, Wells Fargo concealed from and failed to inform Plaintiffs and the other class members vital information about their accounts. Defendants knowingly, affirmatively, and actively concealed the true nature of the assessed auto insurance premiums against their accounts.

40. Despite their knowledge of the unlawful fees assessed against Plaintiffs, and the other class members’ accounts, Defendants kept Plaintiffs, and the other class members, ignorant of vital information essential to the pursuit of their claims. Plaintiffs, and the other class members, relied, and were reasonable in relying upon, Defendants’ affirmative and active

concealment. As a result, neither Plaintiffs, nor the other class members, could have discovered Defendants' fraud(s).

41. Defendants were under a continuous duty to disclose to Plaintiffs, and the other class members, the true nature of the fees assessed against their accounts, but chose to knowingly conceal the information from its customers.

42. Thus, the running of all applicable statutes of limitation have been suspended with respect to any claims that Plaintiff and the other class members have sustained as a result of Defendants' wrongful conduct, by virtue of the discovery rule, the doctrine of fraudulent concealment, and estoppel.

43. Further, in addition to the other injuries, pleaded above, in this Complaint, Plaintiffs have suffered from **hundreds** of knowing violations of the Telephone Consumer Protection Act by the Defendants.

44. The Plaintiffs explicitly told the Defendants, back in the Winter of 2016, that they did not owe any money for any Wells Fargo/National General CPI, and that these Defendants must cease and desist from calling the Plaintiffs.

45. Nonetheless, the Defendants have mercilessly harassed the Plaintiffs – to the tune of hundreds of explicitly-unauthorized telephone (collection) calls – made via automatic dialing systems controlled by the Defendants, for so-called “delinquencies” in the Plaintiffs' Wells Fargo automobile loan that were not real.

46. Many of these TCPA violations occurred while Robert Neal, an electrical engineering senior at Mississippi State University in Starkville, Mississippi, was in class. Mr. Neal has record of **at least 94** TCPA violations committed by the Defendants.

**CLASS ACTION ALLEGATIONS**

47. Plaintiffs bring this lawsuit as a class action on behalf of themselves, individually, and all others similarly situated as members of the proposed class(es), pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3). This action satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of those provisions.

48. Plaintiffs bring this action pursuant to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of themselves and all others similarly situated.

Specifically, Plaintiffs seek to represent the following class:

All residents of the United States who obtained an auto loan through Wells Fargo Bank, N.A., d/b/a Wells Fargo Dealer Services, or its subsidiaries or divisions, who were assessed charges for CPI auto insurance.

In the alternative, Plaintiffs seek to represent the following state-wide class:

All residents of the State of Mississippi who obtained an auto loan through Wells Fargo Bank, N.A., d/b/a Wells Fargo Dealer Services, or its subsidiaries or divisions, who were assessed charges for CPI auto insurance.

49. Excluded from the Class and Sub-Class are: (1) Defendant, any entity or division in which Defendant has a controlling interest, and their legal representatives, officers, directors, assigns, and successors; (2) the Judge to whom this case is assigned and the Judge's staff; and (3) those persons who have suffered personal injuries as a result of the facts alleged herein. Plaintiffs reserves the right to amend the Class and Sub-Class definitions if discovery and further investigation reveal that the Class and Sub-Class should be expanded or otherwise modified.

50. Numerosity: Although the exact number of Class Members for each of these three proposed Classes is uncertain and can only be ascertained through appropriate discovery, the number is great enough such that joinder is impracticable. The disposition of the claims of these Class Members in a single action will provide substantial benefits to all parties and to the Court. The Class Members for each of these three proposed Classes are readily identifiable from information and records in Defendants' possession.

51. Typicality: Plaintiffs' claims are typical of the claims of the Class in that Plaintiff, like all Class Members, have suffered financial loss due to the same allegedly unlawful conduct and were damaged in the same way.

52. Commonality: There are numerous questions of law and fact common to Plaintiff and the Class that predominate over any question affecting only individual Class Members. These common legal and factual issues include:

- (a) Whether Defendants concealed or failed to properly disclose CPI insurance to its customers;
- (b) Whether Defendants' practice of charging CPI auto insurance premiums to borrowers is unlawful;
- (c) Whether Defendants omitted material facts in documents provided to Plaintiff and the other Class members;
- (d) Whether Defendants engaged in a pattern or practice of racketeering;
- (e) Whether the Defendants violated the Telephone Consumer Protection Act (TCPA); Truth in Lending Act (TILA); and the Fair Credit Reporting Act (FCRA) in connection with this fraudulent CPI insurance scheme and the Defendants' unlawful collection activities based upon these sham loan-account-delinquencies.
- (f) Whether Plaintiff and the other Class members are entitled to damages, restitution, restitutionary disgorgement, equitable relief, statutory damages, exemplary damages, and/or other relief; and
- (g) the amount and nature of relief to be awarded to Plaintiff and the other Class

members.

53. Adequate Representation: Plaintiffs will fairly and adequately protect the interests of the Class Members of each of the three proposed Classes in this Complaint. Plaintiffs have retained attorney(s) experienced in the prosecution of class actions, including consumer class actions, and Plaintiffs, and their counsel, intend to prosecute this action vigorously, and through trial and appeal(s), if necessary.

54. Predominance and Superiority: Plaintiffs, and Class Members, have all suffered and will continue to suffer harm and damages as a result of Defendants' unlawful and wrongful conduct. A class action is superior to other available methods for the fair and efficient adjudication of the controversy. Absent a class action, most Class Members would likely find the cost of litigating their claims prohibitively high and would therefore have no effective remedy at law. Because of the relatively small size of the individual Class Members' claims, it is likely that only a few Class Members could afford to seek legal redress for Defendant's misconduct. Absent a class action, Class Members will continue to incur damages, and Defendant's misconduct will continue without remedy. Class treatment of common questions of law and fact would also be a superior method to multiple individual actions or piecemeal litigation in that class treatment will conserve the resources of the courts and the litigants, and will promote consistency and efficiency of adjudication.

**FIRST CAUSE OF ACTION**

**(Violations of the Racketeering Influenced and Corrupt Organizations ("RICO") Act, 18 U.S.C. § 1962(c) on behalf of the Plaintiffs and Class Members)**

55. Plaintiffs incorporate by reference the facts pleaded in the preceding paragraphs of this Complaint.

56. Plaintiffs bring this cause of action on behalf of the nationwide class against all Defendants. At all relevant times, each of Defendants has been a “person” within the meaning of 18 U.S.C. § 1961(3), because each was capable of holding “a legal of beneficial interest in property.”

57. Section 1962(c) makes it “unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through a pattern of racketeering activity.” 18 U.S.C. § 1962(c).

58. Section 1962(d) makes it unlawful for “any person to conspire to violate” Section 1962(c), among other provisions. 18 U.S.C. § 1962(d).

59. At all relevant times, Defendants, along with other individuals and entities, including unknown third parties, operated an association-in-fact enterprise, which was formed for the purpose of maximizing profits by unlawfully charging customers for undisclosed collateral insurance policies, and through which enterprise they conducted a pattern of racketeering activity under 18 U.S.C. § 1961(4). The enterprise is called the “Enterprise.” The activities of the Enterprise affected interstate commerce through a pattern of racketeering activity.

60. At all relevant times, the Enterprise constituted a single “enterprise” or multiple enterprises within the meaning of 18 U.S.C. § 1961(4), as legal entities, as well as individuals and legal entities associated-in-fact for the common purpose of engaging in Defendants’ unlawful profit-making scheme.

61. The association-in-fact Enterprise consisted of at least Wells Fargo Bank, N.A., and National General Insurance Company. While members of the Enterprise participate in and

are part of the enterprise, they also have an existence separate and distinct from the enterprise. The Enterprise has a systematic linkage because there are agreements, coordination activities, contracts, and financial agreements between the Defendants.

62. At all relevant times, the Enterprise: (1) had an existence separate and distinct from each RICO Defendant; (2) was separate and distinct from the pattern of racketeering in which the RICO Defendants engaged; and (3) was an ongoing and continuing organization consisting of legal entities, including Defendants, and other entities and individuals associated for the common purpose of imposing unlawful and undisclosed collateral insurance on class members through false and misleading sales tactics, omissions, and fraud, and deriving profits and revenues from those activities.

63. Each member of the Enterprise shared in the bounty generated by the enterprise.

64. The Defendants, through their illegal Enterprise, engaged in a pattern of racketeering activity, which involves a fraudulent scheme to increase revenue for Defendants and the other entities and individuals associated-in-fact with the Enterprise's activities through the illegal scheme to impose undisclosed collateral insurance on contracts.

65. The Enterprise engaged in, and its activities affected, interstate and foreign commerce, because it involved commercial activities across state boundaries. Defendant, Wells Fargo, has Defendant, National General, verify whether a borrower maintains required insurance and then underwrites a policy on behalf of the borrower, providing lending documents that fail to properly disclose the insurance, providing statements that fail to properly disclose the insurance premiums, and arranging the order of charges to borrowers' accounts to cause borrowers to become delinquent.

66. Defendants' systematic schemes to unlawfully charge premiums, interest, and other charges for unnecessary insurance policies on the accounts of borrowers who have auto loans from Defendants, as described above, was facilitated by the use of the United States Mail and wire. Defendants' schemes constitute "racketeering activity" within the meaning of 18 U.S.C. § 1961(1), as acts of mail and wire fraud, under 18 U.S.C. §§ 1341, 1343.

67. Defendants used the mail and wire in furtherance of their scheme to defraud its auto loan customers by obtaining money from borrowers using false or fraudulent pretenses. The Enterprise provided insurance policies, lending documents, auto loan statements, payoff demands, or proofs of claims to borrowers through the mail or wires. Through those means, the Enterprise demanded that borrowers pay the undisclosed insurance premiums. Defendants also accepted payments and engaged in other correspondence in furtherance of their scheme through the mail and wire.

68. The insurance policies were unlawful. Thus, Defendants' representations that the premiums and related charges were owed were fraudulent. In an effort to pursue their fraudulent scheme, Defendants knowingly fraudulently represented that the premiums and charges were owed.

69. Defendants made false statements using the Internet, telephone, facsimile, United States Mail, and other interstate commercial carriers. These statements were material to Plaintiffs and the other Class members.

70. Each of these acts constituted an act of mail fraud for purposes of 18 U.S.C. § 1341.

71. Using the Internet, telephone, and facsimile transmissions to fraudulently communicate false information about the premiums and fees to borrowers, to pursue and achieve

their fraudulent scheme, Defendants engaged in repeated acts of wire fraud in violation of 18 U.S.C. § 1343.

72. The foregoing constitute a pattern of racketeering activity pursuant to 18 U.S.C. § 1961(5). All of the foregoing acts are part of the nexus of the Enterprise and involved similar participants, a similar purpose, and similar impact on the class.

73. As a direct and proximate cause of these violations of 18 U.S.C. § 1962(c) and (d), Plaintiffs, and the other Class members, have suffered damages, and Defendants are liable to Plaintiffs, and the other Class members, for treble damages, together with all costs of this action, plus attorneys' fees, pursuant to 18 U.S.C. § 1964(c).

#### **SECOND CAUSE OF ACTION**

**(Violations of the Racketeering Influenced and Corrupt Organizations ("RICO") Act, 18 U.S.C. § 1962(d), Conspiracy to Violate RICO Act, on behalf of the Plaintiffs and Class Members)**

74. Plaintiffs incorporate by reference the facts pleaded in the preceding paragraphs of this Complaint.

75. Plaintiffs bring this cause of action on behalf of the nationwide class against all Defendants for conspiring to violate 18 U.S.C. § 1962(c). Defendants were aware of the nature and scope of the Enterprise's unlawful scheme, and agreed to participate in it.

76. As a direct and proximate result of Defendants' unlawful acts, Plaintiff and the other Class members have been injured by the predicate acts which make up Defendants' patterns of racketeering activity in that unlawful insurance premiums were assessed on their auto loan accounts.

**THIRD CAUSE OF ACTION**

**(Violations of the Telephone Consumer Protection Act, 47 U.S.C. § 227 *et seq.*)**

77. Plaintiffs incorporate, by reference, all of the facts pleaded in the preceding Paragraphs of this Complaint.

78. The Defendants, at all relevant times, were a “covered person” under the TCPA, as amended.

79. The Defendants have committed repeated, systemic, knowing, and malicious violations of the TCPA against both Plaintiffs, and the Class Members, as detailed in this Complaint.

80. These knowing and intentional FCPA violations have caused significant harm, and emotional distress, to Plaintiffs and the Class Members.

81. The Defendants are liable to Plaintiffs, and the Class Members, for statutory damages under the TCPA, punitive damages, economic damages, hedonic damages, attorney’s fees, and all costs of litigation.

**FOURTH CAUSE OF ACTION**

**(Violations of the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*)**

82. Plaintiffs incorporate, by reference, all of the facts pleaded in the preceding Paragraphs of this Complaint.

83. Wells Fargo, at all relevant times, was a “covered person” under the TILA, as amended.

84. Wells Fargo has committed repeated, systemic, knowing, and malicious violations of the TILA against both Plaintiffs, and the Class Members, as detailed in this Complaint.

85. These knowing and intentional TILA violations have caused significant harm and emotional distress to the Plaintiffs and to the Class Members.

86. Wells Fargo is liable to Plaintiffs, and Class Members, for complete and absolute rescission of all promissory notes induced by fraud or misrepresentation, as well as statutory damages under the TILA, punitive damages, economic damages, hedonic damages, attorney's fees, and all costs of litigation.

**FIFTH CAUSE OF ACTION**  
**(Violations of the Fair Credit Reporting Act by the Navient Defendants)**

87. Plaintiffs incorporate, by reference, all of the facts pleaded in the preceding Paragraphs of this Complaint.

88. Wells Fargo, at all relevant times, were a "covered person" under the FCRA, and its implementing regulations, as amended.

89. Wells Fargo, as detailed in this Complaint, has repeatedly and systemically reported (knowingly false) information about Plaintiffs, and Class Members, to the major credit reporting bureaus in the United States based upon the fraudulent CPI scheme detailed in this Complaint.

90. Wells Fargo is liable to Plaintiffs, and Class Members, for statutory damages under the FCRA, punitive damages, economic damages, hedonic damages, attorney's fees, and all costs of litigation.

91. As a direct and proximate result of Wells Fargo's repeated and knowing violations of the FCRA, as amended, Plaintiffs and Class Members suffered, and will continue, to suffer actual damages.

92. Plaintiff and the Class are entitled to equitable relief.

**SIXTH CAUSE OF ACTION**  
**(Gross Negligence)**

93. Plaintiffs and Class Members incorporate, by reference, the facts pleaded in the preceding paragraphs of this Complaint.

94. Defendants, based upon the facts detailed in this Complaint, above, and in the alternative, have committed breaches of the tort-based and fiduciary duties that they owed to Plaintiffs, and Class Members, as described in this Complaint.

95. As a sole and proximate result of the breaches of the standard of care owed to the Plaintiffs and Class Members, Plaintiffs and Class Members have suffered an ascertainable loss of money, property, hedonic damages, and other damages (including damage to their credit reports).

96. Plaintiffs and Class Members demand: all actual damages suffered as a result of the (gross) negligence of these Defendants, a refund of all monies paid to these Defendants, with pre-and-post judgment interest, all attorney's fees, costs of litigation, and punitive damages. Further, the Defendants are joint-and severally liable – based upon their concerted actions and scheme – for all liabilities that result from this litigation.

**SEVENTH CAUSE OF ACTION**  
**(Fraud)**

97. Plaintiffs and the Class Members incorporate, by reference, the facts pleaded in the preceding paragraphs of this Complaint.

98. The intentional misrepresentations of material facts by the Defendants, as pleaded throughout this Complaint, constitute common law fraud perpetrated against Plaintiffs and Class Members.

99. The Defendants have systemically made knowing and intentional misrepresentations of material facts to the Plaintiffs, and the Class Members, as described in this Complaint. Additionally, Defendants have also engaged in active fraudulent conduct toward the Plaintiffs, and Class Members, as detailed in this Complaint, above.

100. As a result of Defendants' fraudulent misrepresentations and conduct, detailed in this Complaint, Plaintiffs, and Class Members, have suffered an ascertainable loss of money, property, hedonic damages, and other damages (including damage to their credit reports and robo-dialing harassment of immense proportions).

101. As a result of the Defendants' frauds, as detailed in this Complaint, above, the Plaintiffs, and Class Members, have wrongly suffered an ascertainable loss of money, property, and other damages (including damage to their credit reports).

102. Plaintiffs, and Class Members, as a result of these frauds on the part of all Defendants demand: all actual damages suffered as a result of the fraudulent acts or misrepresentations and fraudulent conduct of the Defendants; a refund of all monies paid to the Defendants, with pre-and-post judgment interest; all attorney's fees; costs of litigation; and punitive damages, to the maximum amount allowed by law.

**EIGHTH CAUSE OF ACTION**  
**(Violations of the Mississippi Consumer Protection Act, Mississippi Code § 75-24-1**  
***et seq.*)**

103. Plaintiffs incorporate, by reference, the facts pleaded in the preceding paragraphs of this Complaint.

104. The wrongful, and unlawful, consumer abuses detailed in this Complaint, above, also constitute willful and knowing violations of the Mississippi Consumer Protection Act.

105. BASED UPON THE ABOVE-PLEADED ALLEGATIONS, Plaintiffs, on behalf of themselves and all of those similarly-situated, demand that they be awarded damages in an amount that shall be proved to finder-of-fact at trial. However, these pleaded-damages include, but are not limited to: actual damages, compensatory damages, punitive damages, all attorneys' fees, all costs of litigation, expenses, all legal pre-and-post-judgment interest, and all other relief that the Court finds to be just and equitable under the facts to be proven at trial.

#### **RELIEF REQUESTED**

106. Plaintiffs, on behalf of themselves, individually, and all others similarly situated, request the Court to enter judgment against Defendants, as follows:

- (a) An order certifying the proposed Classes and Sub-Class, designating Plaintiffs as named representative of the Classes, and designating the undersigned as Class Counsel for each of these Classes and Sub-Classes, as described in this Complaint;
- (b) A declaration that Defendants are financially responsible for notifying all Class Members about the violations of law, as detailed in this Complaint;
- (c) An order enjoining Defendants from further violations of the statutes and common law duties, the violations of which have been detailed extensively in this Complaint;

(d) A declaration requiring Defendants to comply with the various provisions of the TILA, the TCPA, the FCRA, the RICO Act, as well as all common law and fiduciary duties owed to Plaintiffs and the Class Members;

(e) An award to Plaintiff and the Classes and Sub-Classes for compensatory, exemplary, and statutory damages, including interest, in an amount to be proven at trial;

(f) Any and all remedies provided under the TILA, the TCPA, the FCRA, the RFICO Act, as well as all common law and fiduciary duties owed to Plaintiffs and the Class Members;

(g) A declaration that Defendants must disgorge, for the benefit of the Classes and Sub-Classes, all or part of the ill-gotten profits that they have received from the violations of consumer-protection statutes or the common law and fiduciary duties, as described in this Complaint;

(h) An award of attorneys' fees and costs, as allowed by law;

(i) An award of attorneys' fees and costs pursuant to Mississippi statutory and common law;

(j) An award of pre-judgment and post-judgment interest, as provided by law;

(k) Leave to amend the Complaint to conform to the evidence produced at trial; and

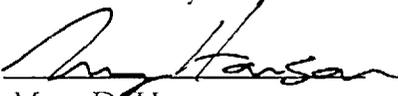
(l) Such other relief as may be appropriate under the circumstances.

**DEMAND FOR JURY TRIAL**

107. Pursuant to Federal Rule of Civil Procedure 38(b), and any applicable Local Rules, Plaintiffs demand a trial by jury of all issues in this action so triable.

Respectfully,

DIANNE NEAL and ROBERT NEAL, on behalf of themselves and all of those similarly situated

By:   
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TELEPHONE: (601) 853-9521

**CIVIL COVER SHEET**

3:17cv653DPJ-FKB

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.)

<p><b>I. (a) PLAINTIFFS</b> Dianne Neal and Robert Neal</p> <p><b>(b) County of Residence of First Listed Plaintiff</b> <u>Noxubee</u> <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i></p> <p><b>(c) Attorneys (Firm Name, Address, and Telephone Number)</b> The Law Office of Macy D. Hanson, PLLC 102 First Choice Drive, Madison, MS 39110 601-853-9521</p>	<p><b>DEFENDANTS</b> Wells Fargo, N.A., d/b/a Wells Fargo Dealer Services; National General Insurance Company f/k/a GMAC Financial Services</p> <p><b>County of Residence of First Listed Defendant</b> <u>Minnehaha (S. Dakota)</u> <i>(IN U.S. PLAINTIFF CASES ONLY)</i></p> <p><b>Attorneys (If Known)</b> Adam Stone, Jones Walker (Wells Fargo)</p>
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SOUTHERN DISTRICT OF MISSISSIPPI  
 FILED  
 AUG - 8 2017  
 BY: ARTHUR JOHNSTON DEPUTY

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

<p><b>II. BASIS OF JURISDICTION</b> <i>(Place an "X" in One Box Only)</i></p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input checked="" type="checkbox"/> 3 Federal Question <i>(U.S. Government Not a Party)</i></p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 4 Diversity <i>(Indicate Citizenship of Parties in Item III)</i></p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> <i>(Place an "X" in One Box for Plaintiff and One Box for Defendant)</i></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">PTF</td> <td style="text-align: center;">DEF</td> <td></td> <td style="text-align: center;">PTF</td> <td style="text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		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
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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)*

<p><b>CONTRACT</b></p> <p><input type="checkbox"/> 110 Insurance</p> <p><input type="checkbox"/> 120 Marine</p> <p><input type="checkbox"/> 130 Miller Act</p> <p><input type="checkbox"/> 140 Negotiable Instrument</p> <p><input type="checkbox"/> 150 Recovery of Overpayment &amp; Enforcement of Judgment</p> <p><input type="checkbox"/> 151 Medicare Act</p> <p><input type="checkbox"/> 152 Recovery of Defaulted Student Loans <i>(Excludes Veterans)</i></p> <p><input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits</p> <p><input type="checkbox"/> 160 Stockholders' Suits</p> <p><input type="checkbox"/> 190 Other Contract</p> <p><input type="checkbox"/> 195 Contract Product Liability</p> <p><input type="checkbox"/> 196 Franchise</p>	<p><b>TORTS</b></p> <p><b>PERSONAL INJURY</b></p> <p><input type="checkbox"/> 310 Airplane</p> <p><input type="checkbox"/> 315 Airplane Product Liability</p> <p><input type="checkbox"/> 320 Assault, Libel &amp; Slander</p> <p><input type="checkbox"/> 330 Federal Employers' Liability</p> <p><input type="checkbox"/> 340 Marine</p> <p><input type="checkbox"/> 345 Marine Product Liability</p> <p><input type="checkbox"/> 350 Motor Vehicle</p> <p><input type="checkbox"/> 355 Motor Vehicle Product Liability</p> <p><input type="checkbox"/> 360 Other Personal Injury</p> <p><input type="checkbox"/> 362 Personal Injury - Medical Malpractice</p> <p><b>PERSONAL INJURY</b></p> <p><input type="checkbox"/> 365 Personal Injury - Product Liability</p> <p><input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury</p> <p><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability</p> <p><b>PERSONAL PROPERTY</b></p> <p><input type="checkbox"/> 370 Other Fraud</p> <p><input type="checkbox"/> 371 Truth in Lending</p> <p><input type="checkbox"/> 380 Other Personal Property Damage</p> <p><input type="checkbox"/> 385 Property Damage Product Liability</p>	<p><b>FORFEITURE/PENALTY</b></p> <p><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881</p> <p><input type="checkbox"/> 690 Other</p> <p><b>LABOR</b></p> <p><input type="checkbox"/> 710 Fair Labor Standards Act</p> <p><input type="checkbox"/> 720 Labor/Management Relations</p> <p><input type="checkbox"/> 740 Railway Labor Act</p> <p><input type="checkbox"/> 751 Family and Medical Leave Act</p> <p><input type="checkbox"/> 790 Other Labor Litigation</p> <p><input type="checkbox"/> 791 Employee Retirement Income Security Act</p> <p><b>IMMIGRATION</b></p> <p><input type="checkbox"/> 462 Naturalization Application</p> <p><input type="checkbox"/> 465 Other Immigration Actions</p>	<p><b>BANKRUPTCY</b></p> <p><input type="checkbox"/> 422 Appeal 28 USC 158</p> <p><input type="checkbox"/> 423 Withdrawal 28 USC 157</p> <p><b>PROPERTY RIGHTS</b></p> <p><input type="checkbox"/> 820 Copyrights</p> <p><input type="checkbox"/> 830 Patent</p> <p><input type="checkbox"/> 840 Trademark</p> <p><b>SOCIAL SECURITY</b></p> <p><input type="checkbox"/> 861 HIA (1395ff)</p> <p><input type="checkbox"/> 862 Black Lung (923)</p> <p><input type="checkbox"/> 863 DIWC/DIWW (405(g))</p> <p><input type="checkbox"/> 864 SSID Title XVI</p> <p><input type="checkbox"/> 865 RSI (405(g))</p> <p><b>FEDERAL TAX SUITS</b></p> <p><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)</p> <p><input type="checkbox"/> 871 IRS—Third Party 26 USC 7609</p>	<p><b>OTHER STATUTES</b></p> <p><input type="checkbox"/> 375 False Claims Act</p> <p><input type="checkbox"/> 376 Qui Tam (31 USC 3729(a))</p> <p><input type="checkbox"/> 400 State Reapportionment</p> <p><input type="checkbox"/> 410 Antitrust</p> <p><input type="checkbox"/> 430 Banks and Banking</p> <p><input type="checkbox"/> 450 Commerce</p> <p><input type="checkbox"/> 460 Deportation</p> <p><input checked="" type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations</p> <p><input type="checkbox"/> 480 Consumer Credit</p> <p><input type="checkbox"/> 490 Cable/Sat TV</p> <p><input type="checkbox"/> 850 Securities/Commodities/Exchange</p> <p><input type="checkbox"/> 890 Other Statutory Actions</p> <p><input type="checkbox"/> 891 Agricultural Acts</p> <p><input type="checkbox"/> 893 Environmental Matters</p> <p><input type="checkbox"/> 895 Freedom of Information Act</p> <p><input type="checkbox"/> 896 Arbitration</p> <p><input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision</p> <p><input type="checkbox"/> 950 Constitutionality of State Statutes</p>
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**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)*:  
18 U.S.C. Section 1962

Brief description of cause:  
RICO Act and related fraud causes of action

**VII. REQUESTED IN COMPLAINT:**

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

**DEMAND \$** 150,000,000.00

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

**VIII. RELATED CASE(S) IF ANY** *(See instructions):*

JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 08/08/2017 SIGNATURE OF ATTORNEY OF RECORD

**FOR OFFICE USE ONLY**

RECEIPT #	AMOUNT	APPLYING IFP	JUDGE	MAG. JUDGE
	<u>34643046231</u>			