

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

WARRIORS AND FAMILY ASSISTANCE
CENTER LLC, TONYA PRICE, MANRING
& FARRELL ATTORNEYS AT LAW, and
CLIFFORD FARRELL, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

VA CLAIMS INSIDER, LLC, BRIAN T.
REESE, and LAUREL REESE f/k/a
LAUREL DANIELSON,

Defendants.

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1:23-CV-1473-__

DEMAND FOR JURY TRIAL

CLASS ACTION COMPLAINT

Plaintiffs Warriors and Family Assistance Center LLC, Tonya Price, Manring & Farrell Attorneys at Law, and Clifford Farrell, individually and on behalf of all others similarly situated, based upon personal knowledge as to themselves and on the investigation of their undersigned counsel as to all other matters, bring this class action against Defendants VA Claims Insider, LLC (“VA Claims Insider” or “VACI”), Brian T. Reese, and Laurel Reese f/k/a Laurel Danielson (collectively, “Defendants”) and allege as follows:

INTRODUCTION

Bad actors have targeted veterans and taken advantage of them during the claims process. This is inexcusable. Veterans are some of the finest among us, and to target them when they are looking for assistance with an overly complicated process is despicable and . . . illegal.

—Representative Tracey Mann (R-KS), *At What Cost? Ensuring Quality Representation in the Veteran Benefit Claims Process* hearing, April 27, 2022¹

1. This is an unfair-competition case under the Lanham Act. Plaintiffs and Defendants alike are in the business of assisting veterans with Department of Veterans Affairs (“VA”) disability-compensation claims. Plaintiffs are attorneys and agents who are screened, qualified, accredited, and approved by the VA to assist with those claims. Defendants are not. But, as Chapter 38 of the Code of Federal Regulations states, “[n]o individual may assist claimants in the preparation, presentation, and prosecution of claims for VA benefits as an agent or attorney unless he or she has first been accredited by [the] VA for such purpose.” 38 C.F.R. 14.629(b)(1).

2. Neither VACI’s employees nor the individual Defendants are accredited. Therefore, Defendants are not lawfully permitted to assist veterans in preparing disability claims. Despite this fundamental fact, VACI has assisted in preparing tens of thousands of disability claims to the VA and has charged veterans fees far exceeding those that even fully accredited attorneys and agents can legally charge for doing so. And despite its disregard of the law, VACI trumpets that it “currently serves more than 500,000 unique veterans per month across its websites and membership programs.”²

¹ *At What Cost? Ensuring Quality Representation in the Veteran Benefit Claims Process Before the Joint Subcomms. on Disability Assistance & Memorial Affairs and Oversight & Investigations, H. Comm. on Veterans’ Affairs*, 117th Cong. (2022) [hereinafter *Quality Representation Hr’g*] (opening statement of Rep. Mann), available at https://www.youtube.com/watch?v=zR_8byEaKUg (22:33 to 23:50). Statements presented at the hearing, cited later in this complaint, can be found at <https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=114660>.

² VACI, *Press Kit* (Dec. 1, 2023), <https://perma.cc/Q8ZA-3LLR>.

3. In addition, Defendants have repeatedly made false statements that imply the VA approves of their services and falsely advertised the nature of their services. Defendants unfairly compete with Plaintiffs and other accredited attorneys and agents (and the entities through which they practice) who are following the rules and legally helping our disabled veterans. Indeed, Defendants have improperly collected hundreds of millions in fees that should rightfully have been collected by accredited attorneys and agents.

4. This lawsuit seeks to put a stop to this unfair and illegal scheme, which not only harms the business interests of properly accredited attorneys and agents but also hurts our veterans.

5. Members of the uniformed services take an oath to serve and protect our country. The government understands that the courage and sacrifice of service results in millions of disabled veterans. Recognizing their service, the VA offers veterans disability compensation, a monthly tax-free payment covering a wide range of physical and mental conditions. The payment, which can exceed \$4,000 per month, assists the veteran and their dependents.

6. As of September 2022, nearly 18.6 million veterans live across the United States—over 1.5 million in Texas—with about 5.6 million receiving VA disability compensation in fiscal year 2022.³

7. Navigating the VA can be daunting, so the VA created a system designed to protect veterans from those who would take advantage of that confusion. Veterans can turn to a variety of legal options for assistance. County representatives and nonprofit Veterans Service Organizations

³ Nat'l Ctr. for Veterans Analysis & Statistics, VA, *Department of Veterans Affairs Statistics at a Glance* (June 30, 2023), https://www.va.gov/VETDATA/docs/Quickfacts/Stats_at_a_glance_6_30_23.pdf; Nat'l Ctr. for Veterans Analysis & Statistics, VA, *Veteran Population* (Sept. 7, 2022), https://www.va.gov/vetdata/veteran_population.asp.

(“VSOs”), such as The American Legion and Veterans of Foreign Wars, provide free services. If a veteran prefers, they may contact for-profit accredited attorneys and agents like Plaintiffs.

8. Regardless of the veteran’s selection, any person that assists the veteran with preparing, presenting, and/or prosecuting a VA claim must be accredited with the VA, which thoroughly regulates them. *See* 38 C.F.R. § 14.629(b)(1).

9. Unfortunately, as the statement beginning this complaint (from a Congressional hearing for which VACI was subpoenaed but refused to appear) suggests, bad actors like VACI flout the rules. Its employees are not VA-accredited attorneys and agents. Its business model and conduct rely on taking advantage of veterans in vulnerable circumstances, making false and misleading statements about its services, and unfairly and unlawfully competing with accredited attorneys and agents.

10. Defendants routinely violate a plethora of statutes and regulations meant to promote quality representation, foster fair competition among accredited attorneys and agents, and protect veterans’ interests. VA Claims Insider prepares, presents, and/or prosecutes claims (often under the guise of a *pro se* veteran); assesses illegal fees for assisting with initial claims; charges interest and late penalties on illegally prepared claims; fails to submit fee agreements to the VA and/or the VA’s Accreditation, Discipline, & Fees Program’s Office of General Counsel (“OGC”); bills veterans for claims assistance even when VACI never assisted with the claim; charges veterans for assistance with filing initial claims; charges fees that exceed the cap under federal law; fails to sign or submit a power of attorney that complies with federal law; and employs numerous other illegal tactics.

11. Defendants position VACI as an “[e]ducation-[b]ased [c]oaching/[c]onsulting [c]ompany,”⁴ asserting in their marketing materials that VACI plays no part in preparing, presenting,

⁴ VACI, *About* (Nov. 30, 2023), <https://perma.cc/65GH-9WAF>.

and/or prosecuting claims and that its practices pass muster under the VA's regulations because they are ostensibly solely "education-based coaching/consulting" services and do not constitute assistance with VA claims.⁵

12. These statements are false. VACI's employees regularly and routinely perform all sorts of illegal tasks that they may not carry out without accreditation. And for these services, VACI charges exorbitant and illegal fees, fails to provide legally mandated procedural safeguards, and denies veterans due process rights provided by federal law.

13. Defendants' disregard of the law permits them to unfairly compete with over 6,350 accredited attorneys and agents and the entities through which they provide services, like Plaintiffs. Their marketing materials falsely imply that their conduct is legal and that the VA approves of its practices. Defendants also falsely advertise the nature of VACI's services and the fees that they charge. These unlawful practices hamper the ability of accredited attorneys and agents—who must follow all of the VA's rules—to fairly compete for veterans' business.

14. During the Class Period, Defendants made several false and misleading statements on their websites and online that highlight how they prepare, present, and or prosecute claims despite lack of VA accreditation and in turn how they unlawfully compete with accredited attorneys and agents. Those statements include, among many:

- a. "We will assess & annotate any gaps between where you are now and where you should be because with the right strategy, the tactics are easy."

⁵ See, e.g., VACI,  *VFW Warns Veterans to BEWARE of VA Claim SHARKS!*  (Nov. 10, 2023), <https://www.youtube.com/watch?v=TscdQCFOg0>.

- b. VACI offers a “Preferred Provider Medical Evaluation . . . based upon your VA Claims Strategy session . . . to determine if it would be beneficial for building evidence for your claim.”
- c. “Our coaches will help you get thoroughly prepared for the big day when it comes, so that you can share your honest journey during the [medical] Exam.”
- d. “Your VC Team will conduct an analysis of your VA claim decision and provide any recommendations for next-steps.”⁶

15. Statements like these mislead reasonable veterans into concluding that Defendants’ services are provided for the purpose of assisting in the preparation, presentation, and prosecution of veterans’ disability-compensation claims, despite the fact that neither Defendants nor their employees are accredited attorneys and agents. That conduct violates multiple statutes and regulations governing practice before the VA, including 38 U.S.C. §§ 5901–02, 5904 and 38 C.F.R. §§ 14.628–.629.

16. Unsurprisingly, when the VA addressed Defendants’ illegal conduct in a cease-and-desist letter, it ordered them to “make sure that VA Claims Insider, LLC is not misleading the public into thinking that the organization as a whole provides VA claims assistance services.” Ex. A, VA Cease & Desist Ltr., at 2. The VA also concluded that Defendants and their employees are prohibited by law from preparing, presenting, and/or prosecuting disability-compensation claims. *Id.* at 1–2.

17. After receiving the VA’s cease-and-desist letter, VA Claims Insider hired a law firm to perform an internal risk analysis. The firm told VACI that it “cannot give VACI assurance that the business model and existing contracts will not be reviewed, investigated, and challenged by

⁶ VACI, *supra* note 4.

regulatory authorities (or prosecutors) empowered to do so, or that if challenged, VACI will prevail.”⁷

18. The VA also reached out to the Texas Office of the Attorney General (“OAG”), informing its Consumer Protection Division that Defendants’ practices were clearly intended to “game the system.” After receiving many complaints from veterans about VACI’s conduct, the Attorney General ordered VACI to produce documents concerning its practices as part of an investigation into its “deceptive acts in the sale of packages to aide and/or assist consumers in making disability claims.”⁸

19. Ignoring the VA, its own counsel, and the Attorney General, VACI has continued to operate its illegal scheme, taking from the market share of Plaintiffs and the putative class and bilking millions in illegal fees from disabled veterans.

20. Because of Defendants’ unlawful conduct and false statements, Plaintiffs and others similarly situated—the accredited attorneys and agents, and the entities through which they provided services—have incurred substantial damages. With this action, they seek those damages, an injunction, and declaratory relief to address Defendants’ unfair competition that violates the Lanham Act.

21. That outcome is important both because it will protect the lawful business interests of Plaintiffs and the Class and because it will protect the interests of veterans who are subject to contracts of adhesion that mandate arbitration and broadly indemnify Defendants, meaning veterans cannot readily challenge Defendants’ practices in court.

⁷ Jasper Craven, *As Veteran Disability Claims Soar, Unaccredited Coaches Profit off Frustration with VA System*, TEXAS TRIBUNE (July 5, 2023), <https://www.texastribune.org/2023/07/05/veterans-disability-benefits-brian-reese-va-claims-insider>.

⁸ *Id.*

JURISDICTION AND VENUE

22. This Court has subject-matter jurisdiction over this case under 28 U.S.C. § 1331 because Plaintiffs and Class members assert claims under the federal Lanham Act, 15 U.S.C. § 1125.

23. This Court also has subject-matter jurisdiction over this case under 28 U.S.C. § 1332(d) because the matter in controversy exceeds \$5,000,000, exclusive of interest and costs, and because it is a class action in which at least two-thirds of the Class members are citizens of states other than Defendants' states of citizenship.

24. Diversity jurisdiction exists as well. The corporate Defendant is incorporated in Texas, with its principal place of business in Texas. The individual Defendants are citizens of Texas. Plaintiff Warriors and Family Assistance Center LLC is incorporated in Georgia and Plaintiff Price is a citizen of Georgia, while Plaintiff Manning & Farrell Attorneys at Law is incorporated in Ohio and Plaintiff Farrell is a citizen of Ohio.

25. This Court has personal jurisdiction over Defendants. Defendants VA Claims Insider, LLC maintains its principal place of business in this District, conducts substantial business in this District, maintains a registered agent in this District, has sufficient contacts with this District, and otherwise purposefully avails itself of the markets in this District. The individual Defendants reside in this District.

26. Venue is proper in the Western District of Texas under 28 U.S.C. § 1391 (and in the Austin Division) because VACI maintains its principal place of business in this District, conducts substantial business in this District, maintains a registered agent in this District, has sufficient contacts with this District, and otherwise purposefully avails itself of the markets in this District such that it is subject to this Court's personal jurisdiction. The individual Defendants reside in this District and are subject to this Court's personal jurisdiction. In addition, a substantial part of the

events giving rise to the claims Plaintiffs and members of the proposed Class assert occurred in this District.

PARTIES

27. **Plaintiff Warriors and Family Assistance Center LLC** is incorporated in Georgia. Its principal place of business is 519 Pleasant Home Road, Unit C, Augusta, GA, 30907. Plaintiff Tonya Price is the sole owner and managing member of Warriors and Family Assistance Center LLC. At all times material hereto, Warriors and Family Assistance Center LLC was the corporate entity through which Ms. Price provided services as a VA-accredited agent.

28. **Plaintiff Tonya Price** is a natural person living in Augusta, Georgia. At all times material hereto, Ms. Price was a citizen of Georgia and a VA-accredited agent.

29. **Plaintiff Manring & Farrell Attorneys at Law** is incorporated in Ohio. Its principal place of business is 5810 Shier Rings Road, Front, Dublin, OH 43016. Plaintiff Clifford Farrell is the managing partner of Manring & Farrell Attorneys at Law. At all times material hereto, Manring & Farrell Attorneys at Law was the corporate entity through which Mr. Farrell provided services as a VA-accredited attorney.

30. **Plaintiff Clifford Farrell** is a natural person living in Dublin, Ohio. At all times material hereto, Mr. Farrell was a citizen of Ohio and a VA-accredited attorney.

31. **Defendant VA Claims Insider, LLC** is incorporated in Texas. Its principal place of business is 3575 Far West Boulevard #28983, Austin, TX 78731. It also does business using the addresses 4504 Small Drive, Austin, TX 78731. Brian T. Reese is the sole owner and manager of VA Claims Insider and until recently served as its President. Laurel Reese is its Chief Financial Officer.

32. During the Class Period, VA Claims Insider marketed and sold its services to veterans in Texas and across the country. It unfairly competed with Plaintiffs and Class members by

engaging in practices and making statements involving false association and false advertisements, violating the Lanham Act.

33. **Defendant Brian T. Reese** is a natural person. He lives in Austin, Texas, with a secondary address in Cibolo, Texas. At all times material hereto, Mr. Reese was a citizen of Texas. Mr. Reese has been VACI's sole owner and manager since its founding on November 14, 2017, and has until recently served as its President. Mr. Reese is not a VA-accredited attorney or agent.

34. During the Class Period, Mr. Reese played a key role in VACI's marketing and selling services to veterans in Texas and across the country. He unfairly competed with Plaintiffs and Class members by engaging in business practices and making statements involving false association and false advertisements prohibited by the Lanham Act and/or serving in a position within VA Claims Insider in which he knew about, should have known about, and/or was responsible for those business practices and statements.

35. **Defendant Laurel Reese f/k/a Laurel Danielson** is a natural person. She lives in Austin, Texas. At all times material hereto, Ms. Reese was a citizen of Texas. Ms. Reese has been VACI's Chief Financial Officer since its founding on November 14, 2017. Ms. Reese is not a VA-accredited attorney or agent.

36. During the Class Period, Ms. Reese played a key role in VACI's marketing and selling services to veterans in Texas and across the country. She unfairly competed with Plaintiffs and Class members by engaging in business practices and making statements involving false association and false advertisements prohibited by the Lanham Act and/or serving in a position within VACI in which she knew about, should have known about, and/or was responsible for those business practices and statements.

FACTUAL ALLEGATIONS

The VA Disability Compensation System Exists to Support Veterans

37. For its entire existence, the United States has expressed an ardent commitment to members of the uniformed services disabled during their service. From the Revolutionary War, when the Continental Congress provided pensions to disabled soldiers, to World War I, after which Congress created the bureau that would become the modern-day VA, the government has taken great pains to ensure disabled veterans are treated fairly and with the respect they are due. The result is that the United States now “has the most comprehensive system of assistance for Veterans of any nation in the world.”⁹

38. One form of assistance is VA disability compensation, which is meant to “make[] up for the potential loss of civilian wages or civilian working time” that the veteran fails to receive as a result of their injuries or medical conditions. As the VA explains: “It’s basically the government saying, ‘Hey, thanks for your service. You sacrificed your health for America, so we accept that your reduced health may impact your ability to live as comfortably as you would had you not gotten hurt/sick.’”¹⁰

39. But that does not mean the system is simple or easy for veterans to navigate. To the contrary, it can be complex and difficult. Veterans submitting claims must provide detailed, specific evidence documenting their injuries or medical conditions, including records of their time in the uniformed services and medical records like doctors’ reports, X-rays, and test results. And the VA requires veterans claiming disability compensation related to certain injuries or medical conditions to

⁹ VA, *History Overview* (Aug. 17, 2023), <https://department.va.gov/history/history-overview/>.

¹⁰ Jason Davis, VA, *Compensation 101: What Exactly Is VA Compensation?* (Feb. 1, 2017), <https://news.va.gov/34844/compensation-101-what-exactly-is-va-compensation/>.

submit additional specialized evidence. For instance, a claim related to PTSD requires the veteran to complete a separate form requesting details of “stressful incidents.”

40. After a veteran files an initial or original claim (the VA’s term for the first claim), the VA reviews the evidence, orders a medical examination, and renders a decision. If it determines the veteran is disabled, it assigns the veteran a disability rating derived from the severity of the injury or medical condition and the VA’s assessment of its effect on the veteran’s overall health and ability to function. The disability rating, which is on a scale from 0 percent to 100 percent in 10 percent increments, determines the amount of the monthly payment and the veteran’s eligibility for other VA benefits.

41. VA disability compensation can be increased to compensate dependents such as a spouse, parent, or children. Depending on the circumstances, it can exceed \$4,000 per month.

42. Veterans have several legal options to assist with the complex claims process. They may turn to VSOs, whose accredited representatives assist veterans without charge. Some of the most well-known VSOs include The American Legion, Veterans of Foreign Wars, and Disabled American Veterans, among many other organizations employing VA-accredited agents.

43. Once a veteran receives an initial claim rating, they may continue with their VSO or engage a for-profit VA accredited agent or attorney. But in order to maximize the benefits that flow directly to veterans, the VA has—by design—precluded any person or entity from receiving compensation for an initial claim. Defendants ignore that prohibition to fleece veterans right out of the gate.

44. Congress empowered the VA to regulate individuals and entities assisting veterans with filing claims for disability compensation, much like a state bar regulates attorneys. Following that guidance, 38 C.F.R. § 14.629(b)(1) states that “[n]o individual may assist claimants in the

preparation, presentation, and prosecution of claims for VA benefits as an agent or attorney unless he or she has first been accredited by VA for such purpose.”

45. Moreover, accredited agents and attorneys may only charge claimants or appellants for representation provided after an agency of original jurisdiction has issued notice of an initial decision on the claim or claims. The agent or attorney must also have complied with the power-of-attorney requirements in 38 C.F.R. § 14.631 and the fee-agreement rules in 38 C.F.R. § 14.636(c), (g).

46. If the veteran is not satisfied with the VA’s decision, they have multiple options. They may file a supplemental claim, providing more evidence. Or, they may request a higher-level review, in which case a more senior VA reviewer will revisit the claim without additional evidence. If those options leave the veteran unsatisfied (or if they choose to do so after the original claim), the veteran can request a board appeal, asking an administrative-law judge with the VA’s Board of Veterans’ Appeals (the “Board”) to review the claim. In a Board appeal, the veteran may present new evidence and request a hearing. From there, the veteran may appeal a Board final decision to the U.S. Court of Appeals for Veterans Claims, and in turn to the U.S. Court of Appeals for the Federal Circuit and the U.S. Supreme Court.

47. Besides the review process of the initial claim, veterans may file increased claims, asking the VA to increase the disability rating when the injury or medical condition has worsened. There are also new claims, when other benefits are requested in connection with an existing injury or medical condition, and secondary service-connected claims, when a new injury or medical condition arises in connection with an existing one, or when the government creates new benefits (as it has recently with the Honoring Our PACT Act, Pub L. 117-168, 136 Stat. 1759 (2022)). Suffice it to say, the process is multifaceted and often not straightforward.

48. While the VA has taken steps to simplify and demystify the claims process, filing a claim is nevertheless often “an intimidating venture for veterans seeking compensation for service-

connected disabilities[,] . . . filled with forms and terms that are unfamiliar and sometimes confusing for the uninitiated.”¹¹

49. As of September 2022, nearly 18.6 million veterans live across the country—over 1.5 million in Texas—with about 5.6 million receiving VA disability compensation in fiscal year 2022.¹² And every day, veterans submit more claims. In 2022 alone, the VA processed a record more than 1.7 million disability-compensation and pension claims.¹³ On October 28, 2023, for instance, 1,048,499 disability-compensation claims were pending (not counting those before the Board or on appeal), with 124,039 in Texas (the most of any state).¹⁴

50. These numbers are expected to increase significantly with passage of the Honoring Our PACT Act of 2022, which provides benefits to potentially millions of veterans exposed to burn pits while serving in Iraq and Afghanistan. Importantly, veterans with claims under the Act have a presumptive condition for toxic exposure, making it even more likely that a veteran can achieve a 100% rating for VA disability compensation from an initial claim filing. In the absence of interlopers like Defendants that improperly charge for assistance with initial claims, those claims would be filed without paid assistance, allowing the veteran to keep all the money.

¹¹ *Quality Representation Hr’g*, *supra* note 1 (statement of Marty Callaghan, Deputy Director of Claims Servs., The American Legion, at 1).

¹² Nat’l Ctr. for Veterans Analysis & Statistics, *Veteran Population*, *supra* note 3.

¹³ Veterans Benefits Administration, VA, *Veterans Benefits Administration Reports: Detailed Claims Data* (Oct. 30, 2023), https://www.benefits.va.gov/reports/detailed_claims_data.asp.

¹⁴ Veterans Benefits Administration, VA, *10/30/23 Monday Morning Workload Report* (Oct. 30, 2023), <https://www.benefits.va.gov/REPORTS/mmwr/2024/MMWR-10-28-2023.xlsm> (“Rating Bundle – State” tab; “District Selector” button to “Continental; “Special Mission Selector” menu to “Compensation”).

51. The VA claims process is of paramount importance to millions of veterans and their families. Excessive costs incurred in navigating the process and difficulty in obtaining benefits harm veterans and their families' health and well-being.

To Protect Veterans, the VA Regulates Accredited Attorneys and Agents

52. The VA authorizes only accredited attorneys and agents to assist veterans with supplemental claims, higher-level reviews, and appeals. Unlike the county and VSO representatives, accredited attorneys and agents are the only persons that may charge a veteran fees for assistance with steps in the claim process other than the initial claim.

53. Crucially, under 38 C.F.R. § 14.636(b), accredited attorneys and agents are the *only* organizations and people who may receive fees for services in connection with representing veterans before the VA or the Board. And for paid and unpaid services alike, the VA makes clear that “[n]o individual may assist claimants in the preparation, presentation, and prosecution of claims for VA benefits as an agent or attorney *unless* he or she has first been accredited by VA for such purpose.” 38 C.F.R. § 14.636(b)(1) (emphasis added). VACI is acting as if it were the veteran’s agent whenever it assists in preparing a claim for submission to the VA, despite its employees not being accredited agents.

54. Accredited attorneys and agents are highly regulated in order to protect the veterans they represent. One important requirement is that they must follow certain standards of professional conduct. “Congress has long recognized that, to prepare, present, and prosecute claims on behalf of veterans, VA can require a demonstration of competence,” and 38 U.S.C. § 5904 and 38 C.F.R. § 14.632 outline the standards to which accredited attorneys and agents must adhere.¹⁵ If an

¹⁵ *Quality Representation Hr’g*, *supra* note 1 (statement of Diane Boyd Rauber, Exec. Director, National Organization of Veterans’ Advocates, Inc., at 2–3).

accredited attorney or agent violates those standards, the VA can cancel their accreditation and inform professional disciplinary authorities and law enforcement.

55. To become and remain accredited, attorneys must submit an application to the VA; provide evidence of good standing from bars, courts, and agencies to which they are admitted; and complete continuing legal education (“CLE”) requirements. Agents must submit an application, undergo a background check, pass a test of knowledge of relevant VA statutes and regulations, and complete CLE requirements.

56. Accredited attorneys and agents also sign a power of attorney with the veteran, allowing them to request records on the veteran’s behalf, access VA databases containing medical and other personal information, and act as the veteran’s representative.

57. The VA further protects veterans by regulating the fees accredited attorneys and agents may charge and their payment arrangements. A fee of 20 percent or less of any past-due benefits recovered by the accredited attorney or agent on the veteran’s behalf is presumed to be reasonable, while a fee of over 33 and 1/3 percent of any past-due benefits is presumed to be unreasonable. 38 C.F.R. § 14.636(f)(1).

58. Importantly, accredited attorneys and agents’ fees may only be based on past-due benefits, a fixed fee, an hourly rate, or a combination of these options. *Id.* (e) They may not derive their fees from speculative future recoveries of benefits.

59. Accredited attorneys and agents often enter into “withholding” contracts with veterans, in which the VA sets aside 20 percent from any past-due benefits recovered by the accredited attorney or agent on the veteran’s behalf. *Id.* (h)(1). The accredited attorney or agent must submit the fee agreement to the VA within 30 days of its execution. *Id.* (h)(4). Alternatively, the veteran may pay the accredited attorney or agent directly, in which case the accredited attorney or agent must file the fee agreement with the VA’s Office of General Counsel. *Id.* If the fee is over 20

percent of any past-due benefits, the accredited attorney or agent must use the latter arrangement.

Id. (g)(2).

60. Fees charged by accredited attorneys and agents after an initial decision must comply with the power-of-attorney requirements of 38 C.F.R. § 14.631 and the fee-agreement requirements of 38 C.F.R. § 14.636(g).

61. All agreements for fees for services must be in writing and signed by both the claimant or appellant and the accredited agent or attorney. Specifically, those agreements must (1) name the veteran; (2) name the claimant or appellant if other than a veteran; (3) name any disinterested third-party payer and the relationship between the third-party payer and the veteran, claimant, or appellant; (4) set forth the applicable VA file number; and (5) contain the specific terms under which the amount to be paid for the services of the attorney or agent will be determined. 38 C.F.R. § 14.636(g)(1)(i-v).

62. A copy of those signed written agreements must then be sent to either the VA or OGC within 30 days. 38 C.F.R. § 14.636(g)(3).

63. No money may ever be charged or paid before a notice of the initial claim is issued. 38 U.S.C. § 5904(c)(1).

64. Failure to comply with these fee regulations permits the VA to terminate the accredited attorney or agent's accreditation. 38 C.F.R. § 14.636(j).

65. Another cornerstone of the VA claims process is a veteran's right to due process, providing them recourse if they believe the accredited attorney or agent has unfairly charged them. For instance, the VA's Office of General Counsel can review a fee agreement on its own or at the veteran's request and order that the accredited attorney or agent's fee be reduced. *Id.* (i).

66. These rules, in conjunction with a host of other regulations and guidelines governing accredited attorneys and agents' practice, are meant both to ensure veterans have quality

representation in a complicated, fraught process and to safeguard them from predatory practices like those of Defendants.

Unscrupulous Companies Like VA Claims Insider Ignore the VA's Regulations and Mislead Veterans

67. Unfortunately, bad actors like VACI have decided to prey on veterans seeking VA disability compensation. VACI claims to be a “consultant” in an attempt to muddy the water by blatantly ignoring the many regulations that govern payments for assisting in the claims process before the VA. VACI purports to provide “claim preparation” services and/or “medical consultations.” Many “target veterans seeking to increase their disability rating.”¹⁶

68. As the VFW recently explained, in the wake of the COVID-19 pandemic, these companies “viewed the chaos as an opportunity to exploit veterans,” and their numbers have grown by more than 600 percent from 2020 to 2022.¹⁷ They aggressively advertise directly to veterans, particularly on social media.

69. VACI exhibits several troubling traits. First and foremost, it is unaccredited. Only individual people may become accredited attorneys and agents. Organizations, besides Congressionally chartered VSOs and county governments, may not themselves be accredited. VACI's employees are also unaccredited, so they are unable to lawfully represent veterans before the VA or prepare claims. This lack of accreditation means that VACI does not need to demonstrate any knowledge or expertise and that there is no gatekeeper to protect veterans' interests.

70. The VA itself emphasizes this point in its guidance to accreditation applicants:

¹⁶ *Id.* (statement of Jack McManus, Nat'l President, Vietnam Veterans of America, at 4).

¹⁷ *Id.* (statement of Ryan M. Gallucci, Director, National Veterans Service, Veterans of Foreign Wars of the United States, at 1–2).

Q5: If I advise veterans and their family members on VA benefit claims but do not file their applications for them, do I need to be accredited?

A5: Yes. You must be accredited to aid in the preparation, presentation, or prosecution of a VA benefit claim. Advising a claimant on a specific benefit claim or directing the claimant on how to fill out the application, even if you never put pen to paper, is considered claims preparation.¹⁸

71. Although VACI purports to offer only “education coaching/consultation” services, it routinely does far more. Upon information and belief, it tells veterans how to complete VA forms, accesses VA websites using their login credentials, prepares claims, prepares veterans for the VA’s medical exams, and prepares veterans’ responses to VA inquiries, among other unlawful practices. Defendants flout the law by engaging in activities that require accreditation, which VACI’s employees do not possess.

72. First, VACI’s employees assist veterans in filling out VA claim forms, advise veterans on which forms to use and what to state in each form, and counsel them to provide specific evidence in support of claims. All of this conduct violates the VA’s regulations specifying that only accredited attorneys and agents may carry out these activities. When Defendants advertise that they operate in compliance with applicable statutes and regulations, they are making false statements.¹⁹

73. Second, VACI charges veterans exorbitant and illegal fees for its dubious services related to initial claims, often after offering limited or no assistance. As discussed above, the VA regulates both the amounts and methods of calculation of the fees accredited attorneys and agents may charge. Disregarding these rules, VACI routinely charges veterans many multiples of past-due

¹⁸ VA, *VA Accreditation Program 2*, <https://www.va.gov/OGC/docs/Accred/HowtoApplyforAccreditation.pdf> (last visited Nov. 1, 2023).

¹⁹ See, e.g., VACI, *supra* note 5.

benefits, far more than the 20 percent presumed reasonable and vastly exceeding even the 33 1/3 percent presumed unreasonable.

74. Despite 38 C.F.R. § 14.636(e)'s plain language, VACI derives its fees from speculative future increases in VA disability compensation. Its contracts require veterans to pay several months' worth of future increases; its fee arrangement is not based on a fixed fee, hourly rate, or percentage of past-due benefits recovered.

75. These fee arrangements also violate 38 U.S.C. § 5301(a)(3)(A), which prohibits assignment of future benefits "in any case where a beneficiary entitled to compensation . . . enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive such benefit by payment of such compensation."

76. VACI hires debt collectors to pursue veterans that are unable to satisfy their exorbitant invoices. Its contracts assign to veterans the costs of debt collection, including attorneys' fees.

77. Third, VACI engages in misleading marketing to veterans. It promises education and consulting services at no cost to the veteran, despite subsequently charging for them. It frequently guarantees increases in benefits, despite knowing that the outcome of a VA claim or review is uncertain. It implies and asserts that its services are equivalent to those offered by accredited attorneys and agents. These statements and omissions misrepresent to veterans the claims process and Defendants' abilities, which may violate the Program Fraud Civil Remedies Act of 1986 and state consumer-protection statutes (as the Texas OAG's investigation contemplates). As discussed throughout this complaint, VACI's troubling advertisements violate the Lanham Act as well.

78. Fourth, because neither they nor their employees are accredited attorneys or agents, Defendants cannot execute a power of attorney with a veteran. That matters because when accredited attorneys and agents sign a power of attorney with the veteran, they are able to request

records on the veteran's behalf, access the veteran's electronic VA file and entries in VA databases, and interact with and advocate to VA employees on the veteran's behalf. Without that capability, there can be no quality representation—as the existence of the accreditation rules contemplates.

79. The VA provides the veteran's accredited attorney or advocate with notice of any decisions or actions on the veteran's pending claims and appeals. Unaccredited companies' representatives do not necessarily receive these notices. Particularly for veterans with unstable living situations or those without consistent access to VA websites, the accredited attorney or advocate's ability to timely act protects veterans' legal rights. Defendants cannot lawfully offer this service.

80. Fifth, Defendants do not provide the same due process to veterans that the VA's regulations mandate for accredited attorneys and agents. Veterans who believe they overpaid typically have little to no recourse. VACI's contracts make it difficult or even impossible to terminate the relationship and contain binding arbitration and broad indemnification clauses.

81. Even if ultimately held unenforceable, these contract provisions cause a chilling effect on what veterans feel they can safely do or say about their experiences. By contrast, no such obstacles exist for disputes between veterans and accredited attorneys and agents. Veterans can rely upon procedural safeguards designed to protect their interests. The very presence of these clauses in VACI's contracts should give this Court pause.

82. Sixth, VACI often requires veterans to provide their login information and credentials for VA websites, circumventing VA policies protecting access to sensitive personnel and healthcare information. Certain records are so confidential that an accredited attorney or agent must have a basic security clearance to remotely access and view the veteran's documents. VACI's practices threaten national security and the security of veterans' private information and healthcare information. They can also deprive veterans of access to and control over their VA online accounts, which are crucial in the claims process.

83. Seventh, the services VACI provides are often illusory. Companies charging for “education consultations,” like VACI, imply to veterans that the results will assist their claims and quicken the process. But the VA itself is obligated to provide medical examinations and render opinions for free, and even pays for the cost of travel to the examination’s location. *See* 38 U.S.C. § 5103A(d). As the Vietnam Veterans of America explains, “the supposed services these companies claim to provide is already part of VA’s claims processing process, for free.” While the “VA often makes errors when it comes to increased rating claims, these are almost always corrected with legal argument, on appeal,” and not through private medical consultations.²⁰

Congress Scrutinizes “Claim Sharks” Like VA Claims Insider

84. Recognizing these and other problems created by VA Claims Insider and its peers, Congress held a hearing on April 27, 2022, called “At What Cost? Ensuring Quality Representation in the Veteran Benefit Claims Process.” The hearing invited perspectives and suggestions from organizations supporting the interests of veterans and accredited attorneys and agents as well as from some of the largest unaccredited companies improperly assisting with VA claims.²¹

85. For example, the VFW referred to unaccredited consultants like VACI as “Claim Sharks” and called out predatory practices employed by these companies such as “guaranteeing increases in benefits” and “promising no-cost consultations.”²²

86. Representatives from both parties, some of whom are veterans themselves, highlighted their constituents’ complaints about unaccredited companies. They heard testimony

²⁰ *Quality Representation Hr’g*, *supra* note 1 (statement of McManus, Vietnam Veterans of America, at 5).

²¹ VA Claims Insider received a subpoena from the committee but refused to appear. *Id.*, https://www.youtube.com/watch?v=zR_8byEaKUg (18:29).

²² *Id.* (statement of Gallucci, Veterans of Foreign Wars of the United States, at 1, 3).

(cited throughout this complaint) about the effect on veterans' finances and lives, the harm to accredited attorneys' and agents' businesses, and the legal implications of the companies' practices.

87. The representatives openly worried that the companies' entire business models preyed on veterans, placing profit over compliance with the law and most importantly, competent claims assistance for our disabled veterans. Representative Mann's statement, quoted at the beginning of this complaint, exemplifies the representatives' concerns.

Defendants' Misleading Marketing and Improper Practices Impede Accredited Attorneys and Agents' Lawful Business Activities

88. By offering services they are not permitted to perform, marketing those improper services to veterans, and ultimately by distracting or dissuading veterans from engaging accredited attorneys and agents, VACI unfairly competes with accredited attorneys and agents.

89. Defendants' business model targets indigent veterans, veterans unfamiliar with the claims process, and first-time filers.

90. VACI advertises its services as faster and of superior quality to those of accredited attorneys and agents even though neither it nor its employees can lawfully prepare, present, or prosecute disability-compensation claims, lacking the capacities the VA's regulations confer only on accredited attorneys and agents. These misleading and false statements and omissions induce veterans to opt for exorbitantly priced services that frequently lead to worse outcomes. They also harm veterans' perceptions of the relative quality and value of the accredited attorneys and agents' services, decreasing trust and harming their businesses.

91. VACI's statements claim that it performs lawful services equivalent (in effect if not nature) to those of accredited attorneys and agents. This misleading marketing creates an environment in which a reasonable veteran in need of services cannot readily distinguish between accredited attorneys and agents and unaccredited representatives even though that distinction

matters a great deal for the viability of their claims, the costs they will incur, and the recourse available to them if they are unsatisfied with their representation.

92. VACI's business practices hamper fair competition by improperly competing with accredited attorneys and agents—the parties actually able to represent veterans. It signs veterans as clients for assistance with original claims, which the VA's regulations do not permit accredited attorneys and agents to do. Defendants' statements communicate to veterans that VACI's services are of equivalent quality to those of accredited attorneys and agents and are approved by the VA.

93. This practice not only cannibalizes the resources available to veterans but frustrates the lawful business of accredited attorneys and agents like Plaintiffs and Class members. They abide by the VA's regulations, ultimately reflected in 38 C.F.R. § 14.636(c), that it “must have an opportunity to decide a matter before paid representation is available.”²³ When VACI circumvents that requirement, and makes statements that imply doing so is lawful, it unlawfully competes with Plaintiffs and Class members.

94. VACI also unfairly competes with accredited attorneys and agents by charging fees for claims in which an accredited attorney or agent ultimately obtained a compensation increase on the veteran's behalf and making statements that misrepresent those fees. These situations often arise when a veteran has fired an unaccredited organization and hired an accredited attorney or agent.

95. At some point during the veteran's appeal of their claim, the veteran receives an increase as a result of the assistance of the accredited attorney or agent. At that time, VACI submits an invoice to the veteran for services actually rendered by the accredited attorney or agent. VACI typically justifies the theft by claiming that the veteran did not properly terminate the representation agreement prior to the filing of another claim.

²³ VA, *VA Claims and Appeals Modernization*, 84 Fed. Reg. 138, 150 (Jan. 18, 2019) (quoting 73 Fed. Reg. 29,852, 29,868 (May 22, 2008)).

96. Notably, upon information and belief, because VACI has hijacked the veteran's login credentials, it often learns of the increase and submits an invoice to the veteran before the veteran receives the decision via U.S. mail. In other scenarios, when VACI cannot effectively represent them and the veteran must turn to an accredited attorney or agent to obtain relief, the veteran owes a percentage of their retroactive award to the accredited attorney or agent—while still on the hook for VACI's charges.

97. Unsurprisingly, many veterans have extreme difficulty navigating VACI's debt trap due to their disabilities and the fact that many live on a limited, fixed monthly income. Indeed, the situation becomes more dire when VACI files suit against the veteran to collect its illegal debts.

98. VACI unfairly competes with accredited attorneys and agents even as it attempts to capitalize on the lawful services the latter provide.

Defendants' Unlawful Practices and False Statements Constitute Unfair Competition with Accredited Attorneys and Agents

99. VACI insists to veterans that its services are somehow distinct from preparation, presentation, and prosecution of VA disability-compensation claims. But its website highlights the many ways in which it does just that:

- a. "We will assess & annotate any gaps between where you are now and where you should be because with the right strategy, the tactics are easy."
- b. VACI offers a "Preferred Provider Medical Evaluation . . . based upon your VA Claims Strategy session . . . to determine if it would be beneficial for building evidence for your claim."
- c. "Our coaches will help you get thoroughly prepared for the big day when it comes, so that you can share your honest journey during the [medical] Exam."

d. “Your VC Team will conduct an analysis of your VA claim decision and provide any recommendations for next-steps.”²⁴

100. VACI’s website further tells veterans that if these services do not result in the desired outcome, “your [VACI] team will connect you with some expert-level resources for a Higher-Level Review (HLR) or Supplemental Claim (if needed).”²⁵

101. Statements like these mislead reasonable veterans into concluding that Defendants’ services are provided for the purpose of assisting in the preparation, presentation, and prosecution of veterans’ disability-compensation claims, despite the fact that neither Defendants nor their employees are accredited attorneys and agents.

102. The foregoing statements are false and/or misleading. VACI regularly and routinely provides VA forms to veterans, completes the forms for them, and obtains their login credentials for VA websites. It then controls access to the websites, prepares claims, submits claims, and coaches veterans for the VA’s medical examination.

103. VACI’s website and standard contract with veterans states that it does not carry out those activities, but that is simply not true.

104. VACI’s contract claims that “VACI will provide veterans with access to the VA Claims Insider Elite membership program for as long as this agreement remains effective, which includes access to medical consultant services via our network of vetted independent medical providers.” *See* Ex. B, VACI Contract, at 1.

105. Even though it says that it does not prepare, present, or prosecute claims for veterans, VACI offers services strikingly similar to those offered by accredited representatives:

²⁴ VACI, *supra* note 4.

²⁵ VACI, *How We Serve* (Dec. 1, 2023), <https://perma.cc/KS4G-AM6M>.

“VACI will review your service treatment records, VA medical records, private medical records, VA Claims File (C-File) documents, and medical case history as VACI deems necessary and will provide medical consultant services to you and/or your legal attorney/advocate, if applicable. In addition, VACI . . . will provide you with guidance in navigating the available VACI resources and in assessing your eligibility for VA disability benefits.” *Id.* at 3.

106. Each of these activities amounts to VACI advising veterans on specific benefit claims and directing them how to fill out VA forms or providing them with “templates” that dictate how the veteran should fill out the form, which it may not lawfully do. These and other activities demonstrate that even when VACI does not put pen to paper, it is still engaged in claims preparation.

107. As for fees, VACI claims that it “NEVER charges up-front fees for access and permission to use the VA Claims Insider Elite Membership program education-based resources.” But “[i]f you do receive an increase in your monthly VA disability benefits, our VA Claims Insider Elite Membership Agreement stipulates our standard fee of 6x the monthly increase.” VACI says to veterans: “NO Rating Increase[:] You Owe Nothing.”²⁶

108. VACI’s contract with veterans similarly asserts that it “does not charge you any up-front fees. You owe no fee to VACI until you receive an increase in your VA disability benefits” In that event, the veteran is to “pay VACI a Membership Fee . . . in an amount equal to six times the amount of the increase in [the] Monthly Benefit Award.” Ex. B at 4–5.

109. Again, fees for preparing presenting, and prosecuting claims may not be derived from speculative future recoveries of benefits. And VACI’s illegally derived fee arrangement charges

²⁶ VACI, *Price List* (Dec. 1, 2023), <https://perma.cc/A7AS-3GUL>.

veterans six times the monthly increase in future benefits, far more than the 20 percent of past due amounts presumed reasonable for accredited agents.

110. It is undisputed that private medical professionals may prepare medical opinions, known as nexus letters, to be submitted by veterans along with their disability claim and/or appeal. However, VACI's actions fundamentally exceed the bounds of the services private medical professionals may offer in this context. Instead, they include activities that the VA's regulations reserve exclusively for accredited attorneys and agents (and county and VSO representatives).

111. Because VACI's employees are not accredited, it may not receive fees for services in connection with representing veterans before the VA or the Board under 38 C.F.R. § 14.636(b).

112. Still, VACI charges those fees. VACI's standard contract includes its fee arrangement and several payment scenarios, all of which violate federal law and the VA's regulations—not least the requirement to “pay VACI a Membership Fee . . . in an amount equal to six times the amount of the increase in [the] Monthly Benefit Award.” Ex. B at 4–5.

113. Disturbingly, even where veterans are represented by an accredited agent or attorney, if the veteran executes an agreement with VACI after the accredited representative submitted the claim but prior to claim adjudication, VACI charges its standard fee equal to six months' worth of any increase in benefits on top of the fees that a veteran owes to the accredited representative. VACI's predatory tactics interfere with payments that are owed to accredited agents and attorneys.

114. As with the services it provides, the fees VACI charges in reality often differ from what its marketing and contracts state. When VACI signs a veteran to prepare original claims, it frequently holds the veteran liable for VACI fees even after the VA decided that claim—regardless of whether the veteran later must hire an accredited attorney or agent to assist with a supplemental claim or appeal, and regardless of whether VACI assisted with the supplemental claim or appeal at all. This behavior violates federal law and the VA's regulations.

115. Many veterans report disturbing patterns. For example, VACI prepares an original claim for PTSD disability, and the VA denies the claim. Frustrated, the veteran has no choice but to engage an accredited attorney or agent who requests a higher-level review or files an appeal related to the same disability. But this time, the VA later assigns the veteran a 50% disability rating. Despite VACI having played no part in that outcome, it nevertheless issues the veteran an invoice demanding thousands of dollars.

116. This conduct frustrates the veteran's claim and the accredited attorney or agent's fees because the veteran is on the hook for both the VACI bill and the accredited attorney or agent's fees. VACI claims a right to a retroactive award owed to the accredited attorney or agent, frustrating the accredited attorney or agent's relationship with their client and ability to obtain veterans' business.

117. Upon information and belief, VACI has never submitted any fee agreement to the VA and/or OGC and therefore does not have a right to collect any fee related to any retroactive award. Strikingly, all this conduct occurs despite the fact that VACI's employees are prohibited from representing veterans because they are not accredited. And VACI derives its fees from speculative future increases in VA disability compensation, violating 38 C.F.R. § 14.636(e) and 38 U.S.C. § 5301(a)(3)(A).

118. Furthermore, VACI engages in misleading and fraudulent marketing to veterans. It insinuates that its services are equivalent or superior to those offered by accredited attorneys and agents. It also states that its services are legal: "the way that we operate our company is absolutely within the rules and regulations."²⁷

²⁷ VACI, *supra* note 5 (1:30).

119. The foregoing statements allude to VACI's unsupportable proposition (and explains why it dodged its appearance as requested by Congress): that the statutes and regulations governing practice before the VA should not apply because VACI performs only nebulous educational and medical consulting services, not legal services. But VACI does in fact perform claim-preparation services and drafting of sample forms, despite its assurances otherwise. As such, the statements are false and misleading and harm accredited attorneys and agents' legitimate business interests.

120. VACI's true activities mimic those of accredited attorneys and agents—albeit without procedural safeguards and subject to unfair and improper economic terms.

121. VACI does not provide for any due process for veterans who believe they have overpaid or been scammed. Its contracts contain broad indemnification clauses and binding arbitration clauses. Ex. B at 7–8. And they provide that if a veteran terminates the agreement, many fees still apply. *Id.* at 9.

Despite the VA's Warning, Counsel's Advice, and the Texas OAG's Investigation, Defendants Have Continued to Flout the Law and Unfairly Compete with Accredited Attorneys and Agents

122. Defendants have long been on notice that regulators and law enforcement view their conduct as illegal and that their false statements mislead veterans and wrongly imply the legality of their business. Nevertheless, they have continued and even expanded their unlawful operations.

123. On April 15, 2019, the OGC sent a cease-and-desist letter to Defendants Brian T. Reese and VA Claims Insider, LLC.²⁸ It began:

The [VA] has received information that VA Claims Insider, LLC, may be engaged in illegal activities, which include the unauthorized preparation, presentation, and prosecution of claims for VA benefits and charging them for your services.

²⁸ Plaintiffs' counsel obtained the VA's letter to Defendants pursuant to a FOIA request.

Ex. A at 1.

124. Because neither Reese nor VA Claims Insider, LLC were accredited by the VA, the letter continued, their business of assisting veterans in the preparation, presentation, and prosecution of claims was illegal. *Id.* at 1–2.

125. The VA’s letter warned that “to the extent that VA Claims Insider, LLC has any VA-accredited claims agents or attorneys associated with the organization, we recommend that you revise [the] VA Claims Insider, LLC website to clearly state the names of individual(s) that will be providing VA claims assistance, and make sure that VA Claims Insider, LLC is not misleading the public into thinking that the organization as a whole provides VA claims assistance services.” *Id.* at 2.

126. Despite the VA’s warning, these deficiencies and misleading statements persist in substantially similar form on VACI’s website today, as listed above.

127. Because neither Defendants nor their employees are accredited agents, the VAC concluded, their preparation, presentation, and prosecution of VA benefit claims is illegal. Their website statements, videos, advertising, and contracts mislead reasonable veterans into thinking that VACI offers those services and is lawfully able to do so.

128. The VA informed Defendants that if they did not take “appropriate measures to cease any and all illegal activities,” it would “refer the matter to the appropriate law-enforcement authorities.” *Id.* at 2.

129. Defendants did not immediately cease all preparation, presentation, and prosecution of VA disability-compensation claims, even though they had now been informed that their practices are illegal and misleading.

130. Instead, they hired a law firm to perform an internal risk analysis. The firm concluded that VACI’s practices were legally questionable, stating that it could not “give VACI assurance that the business model and existing contracts will not be reviewed, investigated, and

challenged by regulatory authorities (or prosecutors) empowered to do so, or that if challenged, VACI will prevail.”²⁹

131. Nevertheless, Defendants made no significant changes to their illegal business model and contracts.

132. During its investigation, the VA contacted the Texas OAG, informing its Consumer Protection Division that Defendants’ practices were clearly intended to “game the system.” After receiving many complaints from veterans about VACI’s conduct, the Attorney General ordered VACI to produce documents concerning its practices as part of an investigation into its “deceptive acts in the sale of packages to aide and/or assist consumers in making disability claims.”³⁰

133. Again, despite repeated notice from regulators and law enforcement that their practices were illegal and their statements to veterans misleading and false, Defendants chose not to comply with the law. Instead, Defendants have shown no signs of halting their unlawful (and profitable) operations.

Defendants Unlawfully Compete with Plaintiff Tonya Price, a VA-Accredited Agent, and Plaintiff Warriors and Family Assistance Center LLC

134. Plaintiff Tonya Price was honorably discharged and retired from the United States Army in 2012. Since concluding 20 years of military service, she has been devoted to assisting veterans in several capacities, including as a Deputy Commander of the Women’s Veterans Club of the CSRA, a Veterans Service Representative for the National Association for Black Veterans, and a VA-accredited agent.³¹

²⁹ Craven, *supra* note 7.

³⁰ *Id.*

³¹ VA, *Accredited Attorneys, Agents and Representatives Detail Search Results*, <https://www.va.gov/ogc/apps/accreditation/accredpeopledetail.asp?ID={5C3ADB97-1B4B-4E12-B43D-867031AD14A6}&Type=Claim%20Agent> (last visited Nov. 13, 2023).

135. Ms. Price has dedicated her career to helping disabled veterans. Since 2021, Ms. Price has represented hundreds of veterans seeking VA disability compensation for disabling injuries and medical conditions.

136. Since 2021, Ms. Price has provided services as a VA-accredited agent through Plaintiff Warriors and Family Assistance Center LLC.

137. Ms. Price obtained a BS from Southern Illinois University in 2005, an MS from Strayer University in 2020, a MA from Troy University in 2023, and is currently enrolled in a program to obtain a BS in Health Administration at Central Michigan University.

138. Ms. Price worked for two years to achieve her coveted status as an accredited agent. During that time, Ms. Price completed extensive training and passed a rigorous background screening, an interview with the VA, and a closed-book examination. To maintain her VA accreditation, Ms. Price is required to complete CLE requirements and submit the results to OGC annually.

139. Defendants' statements and practices have harmed Ms. Price and Warriors and Family Assistance Center LLC by offering services Defendants are not permitted to perform, marketing those improper services to veterans, and ultimately by distracting or dissuading veterans from engaging Ms. Price and Warriors and Family Assistance Center LLC.

140. Defendants' unfair and deceptive behavior also harms Ms. Price and Warriors and Family Assistance Center LLC's reputations by undermining the entire industry of accredited agents.

141. Defendants unfairly compete with Ms. Price and Warriors and Family Assistance Center LLC through their misleading and false statements and other illegal business practices.

Defendants Unlawfully Compete with Plaintiff Clifford Farrell, a VA-Accredited Attorney, and Plaintiff Manning & Farrell Attorneys at Law

142. Plaintiff Clifford Farrell is a VA-accredited attorney³² and the managing partner of Plaintiff Manning & Farrell Attorneys at Law in Columbus, Ohio. Manning & Farrell Attorneys at Law's lawyers have a combined 80 years of experience and practice exclusively on claims related to VA disability compensation and Social Security benefits.³³

143. Mr. Farrell provides services as a VA-accredited attorney through Plaintiff Manning & Farrell Attorneys at Law.

144. Mr. Farrell obtained his BA from Moravian College in 1978 and his JD from Capital University Law School in 1982.

145. Mr. Farrell is licensed to practice law in Ohio, Pennsylvania, and Virginia.³⁴ Mr. Farrell is also admitted in the United States District Courts for the Southern and Northern Districts of Ohio and the Western District of Pennsylvania; the United States Courts of Appeals for the Third Circuit and the Sixth Circuit; and the United States Court of Appeals for Veterans Claims.³⁵

146. Mr. Farrell is a frequent lecturer on veterans' disability benefits and routinely offers courses related to veterans' claims assistance that may be applied as CLE credits.

³² VA, *Accredited Attorneys, Agents and Representatives Detail Search Results*, <https://www.va.gov/ogc/apps/accreditation/accredpeopledetail.asp?ID={47EE1A9A-CD2A-40ED-AE35-06C9EB22FAAA}&Type=Attorney> (last visited Nov. 13, 2023).

³³ Manning & Farrell, *Frequently Asked Veterans Compensation Disability Questions* (2023), <https://www.manningfarrell-socialsecuritylaw.com/veterans-compensation-disability-faq/>.

³⁴ Mr. Farrell was admitted to the Ohio Bar in 1982, the Pennsylvania Bar in 1983, and the Virginia Bar in 2019.

³⁵ Manning & Farrell, *Clifford M. Farrell* (2023), <https://www.manningfarrell-socialsecuritylaw.com/attorney/farrell-clifford-m/>.

147. To maintain his VA accreditation, Mr. Farrell is required to complete qualifying CLE requirements and submit to the OGC an annual certification of good standing for any court, bar, or federal or state agency for which he is admitted to practice.

148. Since gaining his VA accreditation on August 8, 2008, Mr. Farrell has represented hundreds of veterans seeking VA disability compensation for disabling injuries and medical conditions.³⁶

149. Mr. Farrell is also board-certified in Social Security Disability law by the National Board of Trial Attorneys, recognized by the Supreme Court of Ohio.³⁷

150. Defendants' statements and practices have harmed Mr. Farrell and Manring & Ferrell Attorneys at Law by offering services Defendants are not permitted to perform, marketing those improper services to veterans, and ultimately by distracting or dissuading veterans from engaging Mr. Farrell and Manring & Ferrell Attorneys at Law.

151. VACI's unfair and deceptive behavior also harms Mr. Farrell and Manring & Ferrell Attorneys at Law's reputation by undermining the entire industry of accredited attorneys.

152. In Mr. Farrell's experience, many veterans have little to no understanding of the VA disability claims process and so assume that companies like VACI are legitimate. The veterans mistakenly believe that because the VA and OGC have not stopped VACI's business, it must be legal. But as described above, that is false. Indeed, the VA has requested Congress to give it the authority to prosecute illegal actors like VA Claims Insider.³⁸

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Quality Representation Hr'g*, *supra* note 1 (statement of Richard J. Hipolit, Deputy General Counsel for Veterans Programs, VA, at 5–6).

153. Defendants unfairly compete with Mr. Farrell and Manring & Farrell Attorneys at Law through their misleading and false statements and other illegal business practices.

CLASS ACTION ALLEGATIONS

154. Plaintiffs Warriors and Family Assistance Center LLC and Tonya Price bring this action individually and as a class action under Federal Rule of Civil Procedure 23(b)(2)–(3) on behalf of the following class (the “Agent Subclass”):

All persons who were VA-accredited claims agents at any point from December 4, 2019, to December 4, 2023, and/or the corporate entities through which they provided services.

155. Plaintiffs Manring & Farrell Attorneys at Law and Clifford Farrell bring this action individually and as a class action under Federal Rule of Civil Procedure 23(b)(2)–(3) on behalf of the following class (the “Attorney Subclass”):

All persons who were VA-accredited attorneys at any point from December 4, 2019, to December 4, 2023, and/or the corporate entities through which they provided services.

156. The Agent Subclass and the Attorney Subclass are referred to collectively as the “Class.” The period of December 4, 2019, to December 4, 2023, is referred to as the “Class Period.”

157. Excluded from the Class are Defendants’ employees, co-conspirators, officers, directors, legal representatives, heirs, and successors, any of their wholly or partly owned subsidiaries, or their parent companies; proposed counsel for the Class and their employees; the judicial officers and associated court staff assigned to this case and their immediate family members; and all persons who make a timely election to be excluded from the Class.

158. Certification of Plaintiffs Warriors and Family Assistance Center LLC and Tonya Price’s claims for class-wide treatment is appropriate because they can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

159. Certification of Plaintiffs Manning & Farrell Attorneys at Law and Clifford Farrell's claims for class-wide treatment is appropriate because they can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

160. This action has been brought and may be properly maintained on behalf of the proposed Class and Subclasses under Federal Rule of Civil Procedure 23.

161. **Numerosity**, Federal Rule of Civil Procedure 23(a)(1): The members of the Class are numerous and geographically dispersed across Florida, the United States, and the world such that individual joinder of all members of the Class is impracticable. Their numbers, locations, and contact information are ascertainable; the VA maintains a regularly updated public database of accredited attorneys and agents.³⁹ For instance, on October 31, 2023, there were 6,356 accredited attorneys and agents in all 50 states, the District of Columbia, and Puerto Rico. Class members may be notified of this action by recognized, Court-approved notice dissemination methods, which may include postal mail, email, Internet postings, and/or published notice.

162. **Commonality and Predominance**, Federal Rule of Civil Procedure 23(a)(2) and (b)(3): This action involves common questions of law and fact which predominate over any questions affecting individual members of the Class. They include, without limitation:

- a. The nature, scope, and operations of Defendants' wrongful practice of preparing claims for submission to the VA;

³⁹ VA, *Accreditation Search*, <https://www.va.gov/ogc/apps/accreditation/index.asp> (last visited Oct. 31, 2023) ("Download Complete Lists of Accredited Attorneys, Claims Agents, or Representatives in Excel" option).

- b. Whether Defendants' advertising, marketing, and other promotional materials were likely to cause confusion, cause mistake, or to deceive as to the approval of their services or commercial activities by accredited attorneys and agents and/or the VA;
- c. Whether Defendants' advertising, marketing, and other promotional materials misrepresented the nature, characteristics, or qualities of their services or commercial activities;
- d. Whether Defendants' conduct violated applicable statutes and regulations governing preparation, presentation, and prosecution of VA disability-compensation claims and fee arrangements, including 38 U.S.C. § 5301(a)(3)(A), 38 U.S.C. § 5904(c)(1), and 38 C.F.R. § 14.636;
- e. Whether Defendants' conduct and statements constitute a violation of the Lanham Act's prohibition of false approval, 15 U.S.C. § 1125(a)(1)(A);
- f. Whether Defendants' conduct and statements constitute a violation of the Lanham Act's prohibition of false advertising, 15 U.S.C. § 1125(a)(1)(B);
- g. Whether, as a result of Defendants' misconduct as set forth in this Complaint, Plaintiffs and Class members are entitled to injunctive relief under 15 U.S.C. § 1116, including an order barring Defendants from making false and misleading statements and from unlawfully competing with Plaintiffs and the Class until its representatives apply and are approved for accreditation by the VA;
- h. Whether, as a result of Defendants' misconduct as set forth in this Complaint, Plaintiffs and Class members are entitled to recover from Defendants the gains, profits, and advantages they have obtained as a result of that misconduct;

- i. Whether, as a result of Defendants' misconduct as set forth in this Complaint, Plaintiffs and Class members are entitled to damages, equitable relief, attorney's fees and costs, and other appropriate relief, (and the amount and nature of such relief);
- j. How much of Defendants' profits should be disgorged as a result of their illegal practices and any deductions; and
- k. Whether the case's circumstances justify an award of treble damages.

163. **Typicality**, Federal Rule of Civil Procedure 23(a)(3): Plaintiffs' claims are typical of the claims of the proposed Class members. Plaintiffs and the proposed Class members all pursued the required accreditation process, abided by the VA's regulations governing accredited attorneys and agents' practices, lawfully made their services available to veterans, submitted fee agreements to the VA or OGC, submitted to annual reporting requirements to OGC to maintain their accreditation, and performed services in connection with representation of veterans before the VA and in federal courts. Defendants' unlawful conduct harmed Plaintiffs' and Class members' businesses in much the same manner by misleadingly soliciting veterans as customers, misdirecting them away from Plaintiffs' and Class members' services. Defendants' conduct thus gives rise to substantially the same legal rights and claims for the accredited attorneys and agents who comprise the Class.

164. **Adequacy**, Federal Rule of Civil Procedure 23(a)(4): Plaintiffs are adequate representatives of the Class and their respective Subclasses because their interests do not conflict with the interests of the other members of the Class they seek to represent. Plaintiffs have retained counsel competent and experienced in complex class action litigation, and through them, Plaintiffs intend to prosecute this action vigorously. Plaintiffs and their counsel will fairly and adequately protect Class members' interests.

165. **Declaratory and Injunctive Relief**, Federal Rule of Civil Procedure 23(b)(2): Defendants have acted or refused to act on grounds generally applicable to Plaintiffs and Class members, making final injunctive relief and declaratory relief appropriate for the Class as a whole. Defendants engaged in substantially similar conduct for each member of the Class by making false statements that illicitly and misleadingly solicited veterans as customers, misdirecting them away from accredited attorneys and agents' services.

166. **Superiority**, Federal Rule of Civil Procedure 23(b)(3): A class action is superior to any other available means for the fair and efficient adjudication of this controversy. No unusual difficulties are likely to be encountered in this class action's management. The damages or other financial detriment Plaintiffs and Class members have suffered are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendants, so it would be impracticable for them to individually seek redress for against Defendants' wrongful conduct. Even if members of the Class could afford individual litigation, the court system could not. Individual litigation creates a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and the court system itself. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

COUNT I
VIOLATION OF THE LANHAM ACT'S
PROHIBITION OF FALSE APPROVAL
15 U.S.C. § 1125(a)(1)(A)
(Plaintiffs Warriors and Family Assistance Center LLC and Tonya Price
on behalf of the proposed Agent Subclass)
(Plaintiffs Manring & Farrell Attorneys at Law and Clifford Farrell
on behalf of the proposed Attorney Subclass)

167. Plaintiffs incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.

168. The Lanham Act provides that:

Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive . . . as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1).

169. During the Class Period, Defendants provided services and performed commercial activities in interstate commerce.

170. In connection with those services and commercial activities, Defendants used words, terms, false and misleading descriptions of fact, and false and misleading representations of fact (collectively, “statements”).

171. Defendants’ statements were likely to, and did, cause confusion, cause mistake, and deceive veterans as to the approval of VACI’s services and commercial activities by the VA. Specifically, Defendants’ statements:

- a. Asserted that VACI acted entirely within the ambit of the applicable statutes and regulations governing preparation, presentation, and prosecution of VA disability-compensation claims and fee arrangements, including 38 U.S.C. § 5301(a)(3)(A) and 38 C.F.R. § 14.636, when that was not true; and
- b. Asserted or implied that the VA condones, approves, or permits VACI’s activities, including when VACI performed services that only an accredited attorney or agent may lawfully perform or charging for assistance with initial claims where fees are expressly prohibited.

172. VACI boasts a nationwide presence, targeting veterans online throughout the United States.

173. The veterans who Defendants' statements misled and Class members are located across the country, and so the statements affected interstate commerce.

174. Defendants' statements were material because they were likely to, and in many or most cases did, influence veterans in making decisions about whose services to engage in pursuing their VA disability-compensation claims.

175. Plaintiffs and Class members have been damaged by Defendants' statements and practices. They reasonably believe that they are likely to continue being damaged by Defendants' statements if Defendants do not cease them. When veterans have been misled into engaging VACI's services, rather than those of an accredited attorney or agent (like Plaintiffs and Class members), Plaintiffs and Class members lose the opportunity to fairly compete for those veterans' business.

176. Defendants' statements violate the Lanham Act's prohibition of false approval. *See* 15 U.S.C. § 1125(a)(1)(A).

177. Defendants have caused—and will continue to cause—immediate and irreparable injury to Plaintiffs and Class members' business, reputation, and goodwill, for which there is no adequate remedy at law. Consequently, Plaintiffs and Class members are entitled to an injunction under 15 U.S.C. § 1116 to restrain Defendants, their agents, employees, representatives, and all persons acting in concert with them from engaging in further acts of false approval, and to mandate removal of all of Defendants' statements of false approval.

178. Plaintiffs and Class members are further entitled to recover from Defendants the gains, profits, and advantages they have obtained as a result of their conduct in violation of the Lanham Act's prohibition of false approval. Plaintiffs anticipate that discovery will permit them to

ascertain the full extent of Defendants' gains, profits, and advantages that their illegal conduct has engendered.

179. An accounting and disgorgement of Defendants' profits is appropriate because:
- a. Defendants knew that neither they nor VACI's employees were accredited to prepare, present, or prosecute VA claims and that regulators and law enforcement viewed their conduct as illegal. A cease-and-desist letter from the VA, Defendants' own independent audit by a law firm, an investigation by the Texas OAG, and even a Congressional hearing were not enough to dissuade them. Defendants deliberately chose to make these illegal practices the core of their business model. By making statements to veterans that VACI could lawfully provide the same or equivalent services as accredited attorneys and agents, Defendants knowingly and deliberately cashed in on the good will of Plaintiffs and Class members.
 - b. Defendants were unjustly enriched through their statements to veterans and illegal conduct, including when VACI charged for assistance with initial claims and claims for which it never provided any assistance. Defendants' statements to veterans caused veterans to pay them for services that they could not lawfully provide. Defendants received and held funds unjustly acquired from veterans and/or prevented Plaintiffs and Class members from assisting clients because VACI claimed a right to those clients' future benefits.
 - c. An accounting of Defendants' profits is necessary to deter their future unlawful conduct. Unaccredited practice comprises most or all of Defendants' business. If their ill-gotten profits are left unexamined, they will

not be sufficiently deterred from continuing to violate the statutes and regulations discussed above that govern preparation, presentation, and prosecution of VA disability-compensation claims and protect veterans.

180. Likewise, Plaintiffs and Class members are entitled to recover from Defendants the monetary damages they have sustained as a result of Defendants' conduct in violation of the Lanham Act's prohibition of false approval. Plaintiffs anticipate that discovery will permit them to ascertain the full extent of the monetary damages they have suffered as a result of Defendants' illegal conduct.

181. Furthermore, Plaintiffs and Class members are entitled to recover treble damages from Defendants. Despite being on notice for years—since at least the VA's cease-and-desist letter, dated April 15, 2019; the risk analysis performed by Defendants' lawyers; the Texas OAG's investigation, and/or the April 27, 2022, Congressional hearing—Defendants have continued their illegal conduct unabated. Instead, they have continued their unlawful business practices. They have even audaciously expanded their business to include assisting veterans with initial filings related to the newly passed PACT Act, charging as much as \$20,000 for filing an initial claim when no fee is legally permitted by the VA. Accordingly, the egregious circumstances this case presents justify an award of treble damages.

182. Plaintiffs are also entitled to recover the costs of this action under 15 U.S.C. § 1117(a).

183. Because this is an exceptional case, Plaintiffs are entitled to their reasonable attorneys' fees under 15 U.S.C. § 1117(a). As discussed above, Defendants' conduct is solidly unlawful under the statutes and regulations that govern practice before the VA and protect veterans. Their statements to the contrary are false. Accordingly, Plaintiffs' litigating position has substantive strength, justifying an award of reasonable attorneys' fees.

COUNT II
VIOLATION OF THE LANHAM ACT'S
PROHIBITION OF FALSE ADVERTISING
15 U.S.C. § 1125(a)(1)(B)

**(Plaintiffs Warriors and Family Assistance Center LLC and Tonya Price
on behalf of the proposed Agent Subclass)**
**(Plaintiffs Manring & Farrell Attorneys at Law and Clifford Farrell
on behalf of the proposed Attorney Subclass)**

184. Plaintiffs incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.

185. The Lanham Act provides that:

Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1).

186. During the Class period, Defendants provided services and performed commercial activities in interstate commerce.

187. In connection with those services and commercial activities, Defendants used words, terms, false and misleading descriptions of fact, and false and misleading representations of fact (collectively, "statements").

188. Defendants' statements misrepresented the nature, characteristics, and qualities of the services they provided. Specifically, their statements:

- a. Misrepresented that VACI performs only education-coaching, education-consulting, and medical-consultation services, as opposed to those that only an accredited attorney or agent may lawfully perform;
- b. Represented that VACI does not assist with the preparation, presentation, and

prosecution of claims for VA disability compensation, when it routinely does just that;

- c. Misrepresented that VACI is a lawful alternative to accredited attorneys and agents for veterans seeking assistance with preparation, presentation, and prosecution of claims for VA disability compensation;
- d. Misrepresented the fees that VACI charged veterans, and that the methods of calculating those fees were lawful;
- e. Represented that VACI is permitted to charge veterans for assistance with initial claims, when it may not lawfully do so;
- f. Represented that VACI is entitled to payment for work on claims on which it provided no assistance, when it was not entitled to such payment; and
- g. Represented that VACI's operations comply with applicable statutes and regulations governing preparation, presentation, and prosecution of VA disability-compensation claims and fee arrangements, including 38 U.S.C. § 5301(a)(3)(A), 38 U.S.C. § 5904(c)(1), and 38 C.F.R. § 14.636, despite being on notice that this was not true.

189. VACI boasts a nationwide presence, targeting veterans online throughout the United States.

190. The veterans who Defendants' statements misled and the Class members' business interests harmed by that conduct are dispersed across the country, so the statements affected interstate commerce.

191. Defendants' statements were material because they were likely to, and in many or most cases did, influence veterans in making decisions about whose services to engage in pursuing their VA disability-compensation claims.

192. Plaintiffs and Class members have been damaged by Defendants' statements and practices. They reasonably believe that they are likely to continue being damaged by Defendants' false and misleading statements if Defendants do not cease them. When veterans have been misled into engaging Defendants' services, rather than those of an accredited attorney or agent (like Plaintiffs and Class members), Plaintiffs and Class members lose the opportunity to fairly compete for those veterans' business.

193. Defendants' statements violate the Lanham Act's prohibition of false advertising. *See* 15 U.S.C. § 1125(a)(1)(B).

194. Defendants have caused—and will continue to cause—immediate and irreparable injury to Plaintiffs and Class members' business, reputation, and goodwill, for which there is no adequate remedy at law. Consequently, Plaintiffs and Class members are entitled to an injunction under 15 U.S.C. § 1116 to restrain Defendants, their agents, employees, representatives, and all persons acting in concert with them from engaging in further acts of false advertising, and to mandate removal of all of Defendants' false advertisements.

195. Plaintiffs and Class members are further entitled to recover from Defendants the gains, profits, and advantages they have obtained as a result of their conduct in violation of the Lanham Act's prohibition of false advertising. Plaintiffs anticipate that discovery will permit them to ascertain the full extent of Defendants' gains, profits, and advantages that their illegal conduct has engendered.

196. An accounting and disgorgement of Defendants' profits is appropriate because:

- a. Defendants' conduct was willful and deliberate. As their statements demonstrated, they knew that neither they nor their employees were accredited to prepare, present, or prosecute VA claims and that regulators and law enforcement viewed their conduct as illegal. A cease-and-desist letter

from the VA, Defendants' own independent audit by a law firm, an investigation by the Texas OAG, and even a Congressional hearing were not enough to dissuade them. Defendants deliberately chose to make these illegal practices the core of their business model. By making statements to veterans that VACI could lawfully provide the same or equivalent services as accredited attorneys and agents, Defendants knowingly and deliberately cashed in on the good will of Plaintiffs and Class members.

- b. Defendants were unjustly enriched through their statements to veterans and illegal conduct. Defendants' statements to veterans caused them to pay Defendants for services that they could not lawfully provide. Defendants received and held funds unjustly acquired from veterans and/or prevented Plaintiffs and Class members from assisting clients because VACI claimed a right to those clients' future benefits.
- c. An accounting of Defendants' profits is necessary to deter their future unlawful conduct. Unlawful representation of veterans before the VA comprises most or all of Defendants' business. If their ill-gotten profits are left unexamined, they will not be sufficiently deterred from continuing to violate the statutes and regulations discussed above that govern practice before the VA and protect veterans.

197. Likewise, Plaintiffs and Class members are entitled to recover from Defendants the monetary damages they have sustained as a result of Defendants' conduct in violation of the Lanham Act's prohibition of false advertising. Plaintiffs anticipate that discovery will permit them to ascertain the full extent of the monetary damages they have suffered as a result of Defendants' illegal conduct.

198. Furthermore, Plaintiffs and Class members are entitled to recover treble damages from Defendants. Despite being on notice for years—since at least the VA’s cease-and-desist letter, dated April 15, 2019; the risk analysis performed by Defendants’ lawyers; the Texas OAG’s investigation, and/or the April 27, 2022, Congressional hearing—Defendants have continued their illegal conduct unabated. Instead, they have continued their unlawful business practices. They have even audaciously expanded their business to include assisting veterans with initial filings related to the newly passed PACT Act, charging as much as \$20,000 for filing an initial claim when no fee at all is legally permitted by the VA. Accordingly, the egregious circumstances this case presents justify an award of treble damages.

199. Plaintiffs are also entitled to recover the costs of this action under 15 U.S.C. § 1117(a).

200. Because this is an exceptional case, Plaintiffs are entitled to their reasonable attorneys’ fees under 15 U.S.C. § 1117(a). As discussed above, Defendants’ conduct is solidly unlawful under the statutes and regulations that govern practice before the VA and protect disabled veterans. Their statements to the contrary are false. Accordingly, Plaintiffs’ litigating position has substantive strength, justifying an award of reasonable attorneys’ fees.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of Class members, respectfully request that the Court enter judgment against Defendants and in favor of Plaintiffs and the Class and award the following relief:

A. Certify this action as a class action under Federal Rule of Civil Procedure 23, appoint Plaintiffs as Class representatives, and appoint Plaintiffs’ counsel as counsel for the Class;

B. Enter an order under 15 U.S.C. § 1116 requiring Defendants to immediately cease the wrongful and illegal conduct as set forth above; enjoining Defendants from further acts of false approval, false advertising, and unlawful competition with Plaintiffs and Class members.

C. Enter judgment against Defendants and order appropriate relief, including:

1. A declaration that Defendants' conduct violated the applicable statutes and regulations governing practice before the VA and fee arrangements (including 38 U.S.C. § 5301(a)(3)(A) and 38 C.F.R. § 14.636) and that Defendants' statements implying otherwise were false.;
2. An accounting and disgorgement of Defendants' gains, profits, and advantages that they have obtained as a result of their conduct in violation of the Lanham Act;
3. An award of the monetary damages Plaintiffs and Class members have sustained as a result of Defendants' conduct in violation of the Lanham Act, trebled by dint of the case's circumstances;
4. An award of the costs of this action under 15 U.S.C. § 1117(a); and
5. An award of reasonable attorneys' fees under 15 U.S.C. § 1117(a).

D. Grant such other equitable relief and pre- and post-judgment interest as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial for all claims so triable.

Dated: December 4, 2023

/s/ Simon Wiener

Simon Wiener (*admitted to W.D. Tex.*)

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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [VA Claims Insider Lawsuit Alleges Group Is Not Accredited to Help Veterans Prep Disability Compensation Claims](#)
