FILED

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Clerk of the Circuit Court

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
SANGAMON COUNTY

THE PEOPLE OF THE STATE OF ILLINOIS,

Plaintiff,

-vs-

LEGAL HELPERS DEBT RESOLUTION, LLC, a foreign Limited Liability Corporation, also known as the law firm of Macey, Aleman, Hyslip & Searns.

Defendant.

No. 2011CH00286

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

NOW COMES the plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and brings this action for injunctive and other relief against defendants, Legal Helpers Debt Resolution, LLC (hereinafter "LHDR"), for violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq* and the Illinois Debt Settlement Consumer Protection Act, 225 ILCS 429/1 *et seq*.

PUBLIC INTEREST

1. The Illinois Attorney General believes this action to be in the public interest of the citizens of the State of Illinois and brings this lawsuit pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(a), The Uniform Deceptive Trade Practices Act, 815 ILCS 510/1 *et seq*. and the Debt Settlement Consumer Protection Act 225 ILCS 429/155(a).

JURISDICTION AND VENUE

2. This action is brought for and on behalf of THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, pursuant to the provisions of the Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1 *et seq*., The Uniform Deceptive Trade Practices Act, 815 ILCS 510/1 *et seq*., the Debt Settlement Consumer Protection Act 225 ILCS 429/1 *et seq*. , and her common law authority as Attorney General to represent the People of the

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State of Illinois.

3. Venue for this action properly lies in Sangamon County, Illinois, pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that some of the transactions out of which this action arose occurred in Sangamon County.

PARTIES

4. Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, the Attorney General of the State of Illinois, is authorized to enforce the Consumer Fraud Act, The Uniform Deceptive Trade Practices Act, and the Debt Settlement Consumer Protection Act.

5. Defendant, Legal Helpers Debt Resolution LLC is a Nevada limited liability corporation with its principal place of business at 233 South Wacker Drive, Suite 5150, Chicago, IL 60606.

6. For purposes of this Complaint for Injunctive and Other Relief, any references to the acts and practices of Legal Helpers Debt Resolution, LLC, shall mean that such acts and practices are by and through the acts of Legal Helpers Debt Resolutions LLC's officers, owners, members, directors, employees, salesperson, representatives and/or other agents.

TRADE AND COMMERCE

7. Subsection 1(f) of the Consumer Fraud Act, 815 ILCS 505/1(f), defines "trade" and "commerce" as follows:

> The terms 'trade' and 'commerce' mean the advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

8. The Defendant, Legal Helpers Debt Resolution, LLC, was at all times relevant hereto, engaged in trade and commerce in the State of Illinois by advertising, offering for sale, selling and accepting money for "debt settlement"or "debt resolution" services purportedly provided by a law firm and attorneys to financially distressed consumers in Illinois and in other states.

The Debt Settlement Business Model and Regulatory Response

9. Debt settlement is a for-profit business that targets consumers with significant amounts of unsecured debt, usually $10,000 or more.

10. Debt settlement is an aggressive and risky form of debt relief. Consumers are instructed to stop paying their unsecured creditors and begin saving money for the purpose of settling those debts for an amount allegedly less than what is owed.

11. Debt settlement companies promise consumers they can be debt free in three years or less.

12. When consumers stop paying their unsecured creditors, there are inherent risks that can have serious adverse effects on consumers. For example, consumers enrolled in a debt settlement program are likely to experience one or more of the following consequences:

A. Account balances will rise as a result of additional interest, late fees, and over limit charges.

B. Some accounts may not be settled because creditors may refuse to deal with the debt settlement company.

C. Consumers will receive calls from creditors engaged in collection activities.

D. Consumers' credit reports will reflect their non-payment and their credit scores will drop.

E. Consumers may be sued by their creditors, and as a result creditors may obtain judgments and garnish wages.

F. Debt forgiveness that occurs as a result of settlement is taxable as income.

13. Advance fees in the debt settlement industry have generated many consumer complaints over the past several years. Consumers complain they pay significant amounts of money in fees and do not receive the advertised results. Hundreds of enforcement actions have been filed by State Attorneys General, regulators, and the Federal Trade Commission alleging unfair and deceptive practices by debt settlement companies.

14. On August 3, 2010, the Illinois Debt Settlement Consumer Protection Act, 225 ILCS 429/1 *et seq.*, became effective. The Act regulates the debt settlement industry in Illinois and, among other things, prohibits advance fees.

15. On July 29, 2010 the Federal Trade Commission issued a final rule amending the Telemarketing Sales Rule (TSR) which, among other things, prohibits debt settlement companies

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from collecting advance fees, effective October 27, 2010. Notably, the Telemarketing Sales Rule covers attorneys who engage in telemarketing. The FTC noted that it was important to retain Rule coverage for attorneys, and those partnering with attorneys, who principally rely on telemarketing to obtain debt relief clients, because they have engaged in the same types of deceptive practices as those committed by non-attorneys and that are proscribed by the Rule. Telemarketing in the context of the TSR includes outbound calls and calls potential customers place in response to advertisements.

See http://www.ftc.gov/opa/2010/07/tsr.shtm

16. Since these consumer protections have taken effect, State Attorneys General are receiving numerous consumer complaints about debt relief services purportedly being performed by an attorney, when in fact all debt relief services are provided by third parties. In their complaints, consumers report being charged advance fees, having little or no contact with an attorney, and not having their debt settled.

DEFENDANT'S UNFAIR AND DECEPTIVE BUSINESS PRACTICES

17. As described below, in the course of trade and commerce in the State of Illinois, the Defendant has engaged in acts or practices that violate Illinois law since at least March 2009. Defendant's conduct is ongoing and has the potential to impact any Illinois consumers who purchase Defendant's goods or services. Therefore, any examples provided of specific consumer experiences are simply illustrations and should not be construed as the only instance in which an Illinois consumer was harmed or could potentially be harmed by Defendants.

18. Legal Helpers Debt Resolution LLC , also known as the law firm of Macey, Aleman, Hyslip and Searns, promotes itself as one of the largest debt resolution law firms in the nation with offices in fifty states.

19. LHDR's main office is located at 233 S. Wacker Drive, Suite 5150, Chicago, IL 60606.

20. LHDR's maintains "administrative offices" in other locations, including but not necessarily limited to, 2152 DuPont, Suite 101, Irvine, CA 92612 and 5010 W. Carmen Street, Tampa, FL 33609.

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21. As of October 2010, at least 1,117 Illinois consumers had signed agreements entitled attorney retainer agreements ("agreements") with LHDR. Consumers believe they are hiring a law firm to provide debt resolution services on their behalf.

22. In fact, Defendant contracts out virtually all debt relief services to a third party operated and staffed by non-lawyers.

23. Defendant charges advance fees which are unfair and in violation of the advance fee ban in the Debt Settlement Consumer Protection Act.

Defendant's Marketing and Sales Pitch

24. The Defendant lures consumers through multiple marketing methods and claims its services, via a law firm, are superior to other debt settlement services. Then, the defendant attempts to enroll consumers in a debt settlement program during phone calls with its sales representatives.

25. Legal Helpers Debt Resolution LLC markets its debt resolution services on a website (www.legalhelpersdr.com), and engages marketing companies that generate debt settlement leads through direct mail advertising, e-mail and telemarketing.

26. The Legal Helpers Debt Resolution LLC website makes numerous references to the fact that a law firm will be handling consumers' debt resolution and for example, states as follows:

> "What is "debt resolution"?
> Debt resolution is a form of "financial workout" for consumers where our law firm negotiates directly with creditors. We customize an affordable plan for our clients to repay their creditors.
>
> When does LHDR begin negotiating down my debt?
> Once you have fully retained our services, we will send letters to your creditors notifying them that we are now representing you and we will then begin negotiations.
>
> How long will it take me to become debt free?
> It typically takes 30 to 40 months. However, it could be much sooner depending on your particular situation.
>
> For years, large companies have worked with their corporate attorneys to negotiate "financial workouts" for their debt so they could stay in business. Our law firm helps consumers in the same way by customizing solutions to their debt problems so they and their families can get back in the game."
>
> Like a security blanket, we provide all the legal and law-related services you need to resolve

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your debt."

27. Some Illinois consumers who signed agreements with LHDR report receiving direct mail solicitation pieces offering assistance with debt relief such as the one attached hereto as Exhibit A. These mailers led to their contact with LHDR. The attached mailer received by at least one Illinois consumer in 2010 states as follows:

> "This advisory is to notify you that you have been pre-qualified to take part in our U.S. National Debt Relief Plan. We are an authorised financial institution and may be able to eliminate or significantly reduce your credit card debt."

28. The mailer offers to settle outstanding debt by 50% or more in as little as 12 to 36 months. Consumers are instructed to "call today", or apply online, and an expiration date is located on the mailer.

29. Some Illinois consumers, in their complaints to the Attorney General, state they have responded to these mailings because they wanted to "participate in government sponsored debt settlement assistance."

30. Consumers who call the number on the mailer are told they will be assisted in retaining an attorney who can advise them through the debt resolution process.

31. Consumers who respond to LHDR's website or other lead generating ads, ultimately find themselves speaking with a sales person recruited by LHDR to enroll consumers into a debt settlement program.

32. LHDR advertises for Sales Executives on the internet, an example of which is attached hereto as Exhibit B, and states as follows:

> "Legal Helpers Debt Resolution, LLC is owned and operated by debt resolution attorneys in every state. It was originally started by four attorneys who were dissatisfied by the current legal debt resolution offerings. They believed that many existing debt settlement companies failed to do what was best for the client.
>
> We are currently seeking Inside Sales Consultant-Debt Consultant professionals who will be responsible for working with consumers who have expressed an interest in debt

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resolution regarding complex financial debt settlement or other services. These positions are located in our newly established Irvine, California location. These individuals strive to only enroll fully informed clients with reasonable expectations into a debt settlement program.

THIS OPPORTUNITY OFFERS:

- $75-100k annually after the 1st year with an Unlimited Commission Structure
- Flexible schedule, come in when you want
- The most positive, enthusiastic environment..EVER!
- Short ramp-up time and training period, employees are typically making 100% commission between 4 and 6 months
- Inside sales and inbound call center, no cold calling
- Results focused environment

PREFERRED QUALIFICATIONS:

- Inside sales experience
- Service oriented background
- Great attitude and personality
- Hard working and coach able individuals with focused and driven work ethic
- Enthusiastic, persistent and disciplined individuals"

The advertisement described herein is attached hereto as Exhibit B.

33. LHDR sales staff tell consumers that "the laws are constantly changing. That is why it is so important to have legal representation by a licensed attorney who has a working knowledge of the current laws in your state."

34. LDHR sales staff then offers consumers a free debt evaluation which includes a review of options, and if debt resolution with a national law firm looks like the best option, promises to set them up with the best firm.

35. LDHR sales staff tells consumers that LDHR evaluates potential clients to see if they have the type of debt the law firm can work with, can afford the monthly payments to the program, and

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are serious about getting help. Consumers are also told that the law firm will negotiate with their creditors to significantly reduce the amount owed, and that the law firm also specializes in educating them on the laws that protect debtors. Finally, LDHR informs the consumers that they will have access to an attorney licensed in their state that can provide state specific legal advice if necessary.

36. Defendant asks consumers to provide information about their unsecured debts and answer other financial related information.

37. Then, LDHR sales staff review options for resolving debt and compare debt settlement with a national law firm to debt settlement provided by a non-law firm. LDHR tells consumers that with a law firm, not only are the debts negotiated for less than they owe, but they will have the support of a national law firm governed by the American Bar Association. (The American Bar Association does not regulate attorneys in Illinois. In fact, attorneys in Illinois are regulated by the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois and analogous entities in other states.)

38. Consumers are also told that the debt settlement industry is unregulated and that is the reason so many have bad Better Business Bureau Reports, but that attorneys have to answer to a higher authority. They are regulated by the American Bar Association, according to the Defendant.

39. LDHR sales staff tell consumers that on average the law firm is able to settle their debt for about 55% of what is owed, including the costs of the program. It is further explained that as soon as the law firm receives the initial retainer, it will contact the consumer's creditors and send them a letter of representation indicating they are now being represented by an attorney.

40. LDHR sales staff tell consumers that the debt resolution program has a flat cost; an initial retainer of $500.00 to the law firm, and an additional service cost of 15% of the total debt.

41. LDHR instructs consumers to e-mail or fax a copy of their most recent creditor statements to begin the enrollment process over the phone .

42. LDHR requires consumers to sign an agreement with LDHR that is frequently sent via e-mail and signed electronically.

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43. The agreement states in Section III that in the event a creditor or collector sues a client, whether related to a debt obligation or any other claim, LHDR is under no obligation to provide representation.

44. Once a consumer signs an agreement with LHDR, all debt resolution services are provided by a third party. LHDR has entered into "strategic alliances" with third parties to provide the so-called "back-end" debt settlement service, which includes, among other things, negotiating settlements with consumers' creditors, providing customer service, and administering customer accounts.

45. LHDR has entered into strategic alliance agreements with third parties including, but not limited to, Nationwide Support Services and Eclipse Financial Servicing, to provide debt settlement services.

46. Consumers report that their only contact after entering into an agreement with LHDR is with the third party debt settlement company, and that they have had no contact with a lawyer.

47. Defendant is authorized to settle consumers' accounts because the consumers execute a special limited power of attorney appointing LHDR as their attorney-in-fact which gives LHDR authority to negotiate and settle accounts with creditors.

48. After signing an agreement with LHDR, consumers receive a manual containing a letter confirming in writing that "LHDR will be representing you in regard to your debt resolution. We have initiated the procedures necessary to notify your creditors that you are now being represented by LHDR." The LDHR manual received by some consumers states that consumers will work with a member of the LHDR Support Team, who can be reached at 888-211-9942 Monday through Friday from 9:00 a.m. to 5:00 p.m. Pacific time.

49. The Manual advises consumers that if they are contacted by creditors, they should inform the caller that they are "currently being represented by an attorney on this account" and that they should provide the caller with LDHR's name and phone number of 866-528-9169.

50. Further, if the caller requests an address for attorney verification, consumers are instructed to provide LHDR's Main Office at 233 S. Wacker Drive, Suite 5150, Chicago, Illinois 60606 or if the

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caller requests an address to mail correspondence to, provide the Administrative Office address.

51. Consumers report LDHR Administrative offices are located in Irvine, California and Tampa, Florida.

Fees for Defendant's Service

52. Defendant charges consumers several different non-refundable fees. First, consumers pay LHDR an initial flat retainer fee of $500.00, purportedly for debt review, analysis and structuring of a debt reduction plan.

53. Second, consumers pay LHDR a monthly maintenance fee of $49.00.

54. Third, if LHDR is able to obtain a 65% or greater reduction of consumer's scheduled debt, consumers agree to pay LHDR 5% of the savings based on enrolled debt. The $500.00 retainer and monthly maintenance fee are credited toward any 5% contingency fee.

55. Fourth, and most significantly, consumers agree to pay a third party named in the agreement 15% of their total scheduled debt (Service Cost) for the implementation, management, and maintenance of a debt resolution plan. LHDR claims that the third party will provide these services under the direct supervision of LHDR. For example, a consumer who enrolls $45,000 in unsecured debt will pay $6,750.00 to the third party over the course of the first eighteen months of the program, with approximately 1/3 of that amount being paid in the first three months.

56. To calculate a consumer's monthly payment, defendant typically adds the following amounts and divides by the length of the program in months (usually 24 - 40 months): the service fee, the monthly maintenance fee, and 50% of the consumer's total debt enrolled.

57. All of the first three months' payments are applied toward fees. Then for the next 12 to 18 months, a portion of the monthly payment goes to fees and a portion to savings. This advance fee structure makes it difficult for consumers to save funds for anticipated settlement offers.

58. Consumers are required to set up a trust account through NoteWorld, LLC or Global Client Solutions, LLC. Additional fees are associated with these accounts. For example, NoteWorld charges a monthly fee of $7.50 and an annual Trust Management fee of $20.00. The consumer authorizes a monthly Automatic Clearing House (ACH) debit from his personal checking account

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into the trust account. Defendant and the third parties involved take their fees from this account, and eventually, money is allegedly accumulated for the purpose of settling the consumers' accounts. An example of a consumer statement from Global Client Solutions is attached hereto as Exhibit C.

59. Upon information and belief, LHDR does not directly receive consumer funds or deposit them into an Illinois IOLTA account.

Impact of Defendant's Practices on Consumers

60. When consumers sign up for defendant's program, the defendant and its agents, expressly or by implication, instruct the consumer to stop making any payments to his or her creditors, even if the consumer has been making timely payments to his creditors.

61. The defendant charges extraordinary up front fees for the so-called "debt settlement services." Specifically, as a "service" fee, the defendant typically charges 15% of the consumers' total unsecured debt in the program. Thus for a consumer with $50,000 in unsecured debt, the defendant's fee could easily be as much as $7,500.

62. Before the defendant will commence any so called "debt settlement" services with a consumer's creditors, the defendant requires that the consumer pay a substantial portion of the defendant's fees first. Consumers report that they did not understand this. Upon information and belief, in soliciting consumers to enter the program, the defendant and its agents do not explain to consumers that, at least for several months, most, if not all, of the consumers' monthly payment is devoted solely to defendant's fees. As a result, because the defendant collects significant fees up-front, a consumer must remain in the defendant program for often a year or more before any debt negotiation services are performed, if any are performed at all.

63. As described below, participation in defendant's program does not produce the positive results that consumers expect at the time they enroll.

64. To the extent that negotiations with any of consumers' creditors occur, they usually do not begin until after the consumer has made the required down payment on defendant's fees, which is at least two to three months after the consumer has entered defendants' program and has ceased making payments to his creditors.

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65. Some consumers report that four months after signing their agreement with LHDR, their creditors report that they have never heard from LHDR. Moreover, at the same time consumers are told by some of their creditors that they will not negotiate with third parties.

66. Defendant rarely, if ever, negotiates settlements with all of a consumer's creditors.

67. Participation in defendant's program does little to abate or prevent calls from creditors.

68. In numerous instances, after consumers who enroll in defendant's program have ceased making payments and defendant has failed to contact the consumers' creditors to offer a settlement, consumers are sued by one or more of their creditors or by one or more debt collection agencies attempting to collect on their accounts.

69. Defendant, despite advertising that it provides "all the legal and law-related services you need to resolve your debt," does not negotiate consumers' debts or provide legal representation to Illinois consumers when they are sued by their creditors as a result of participation in defendant's purported debt resolution program.

70. Upon information and belief, several Illinois consumers who entered defendants' program have been sued by their creditors.

71. As a result of not making their minimum monthly payments to their creditors, additional interest accrues on the consumers' outstanding balances, interest rates may increase, late charges are assessed, and other fees may be imposed.

72. In many cases, consumers who enroll in defendant's program suffer a substantial negative impact to their credit ratings as a result of ceasing to pay creditors.

73. Many consumers who have retained the defendant law firm for the purpose of improving their financial situation realize their financial situation is not improving but instead is getting worse. Therefore, consumers often cancel or drop out after they have paid most or all of their fees to defendant, but before the defendant, or more accurately, the third parties they have agreements with, performs any debt settlement or debt mediation services. By this time most consumers find that the balances on the accounts they trusted defendant to settle have increased substantially as a result of penalties, fees, interest and other charges.

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74. Some consumers who have retained the defendant law firm for the purpose of improving their financial situation have experienced such a substantial increase in their debt that they have filed for protection under the bankruptcy laws.

75. A significant number of Illinois consumers have cancelled or dropped out of defendant's debt resolution program after paying significant fees to defendant but before the defendant settles any debts.

76. Once defendant's fees are paid, they are not refundable according to the terms of defendant's agreement.

77. Consumers who have entered into agreements with LHDR state they have never spoken to or met with an attorney, and do not know the name of any attorney representing them. In some cases, consumers have asked LHDR for the name of the attorney representing them and have not received a response from LHDR.

78. The unlawful conduct of Defendant is ongoing and continuous. Plaintiff reserves the right to prove that consumers other than those who have complained to the Office of the Illinois Attorney General or the Better Business bureau have been injured as a result of Defendant's unlawful practices.

79. One Illinois consumer complained that LHDR contacted her by mail to participate in government sponsored debt settlement assistance. After signing an agreement with LHDR and dealing exclusively with a "debt analyst" in the LHDR California administrative office, the consumer was contacted by one of her creditors and informed that they would not deal with a third party debt settlement company. The consumer then had to settle the debt on her own.

80. Upon information and belief, LHDR does not negotiate with third party creditors on behalf of Illinois consumers, but instead relies on for-profit back end debt settlement companies.

81. As of October 1, 2010, at least 1,117 Illinois consumers entered into agreements with Defendant. Several hundred of these Illinois consumers entered into these agreements after August 3, 2010.

82. As of October 1, 2010, over 10,000 consumers nationwide had entered into agreements

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with the defendant.

COUNT I-CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

APPLICABLE STATUTE

83. Section 2 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2, provides:

> Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the 'Uniform Deceptive Trade Practices Act', approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby.

VIOLATIONS

CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

84. The People re-allege and incorporate by reference the allegations in Paragraphs 1 to 79.

85. While engaged in trade or commerce, the Defendant has committed unfair and deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by, in the course of advertising, offering for sale, selling, and accepting money for debt settlement services:

A. representing, expressly or by implication, that consumers are eligible for a government program to provide assistance with their debt, when in fact no such government program exists;

B. representing, expressly or by implication, that consumers will be represented by a law firm for debt resolution services, when in fact all debt negotiation and related services are provided by non-law firm third parties and LDHR is merely a referral source for these same third parties;

C. representing, expressly or by implication, that by enrolling in defendant's debt settlement program, consumers will be able to pay off their credit card and other unsecured debts for a substantially reduced amount, such as 55 percent of the total amount owed to creditors, when in fact very few consumers successfully complete defendant's program;

D. representing, expressly or by implication, that defendant's national law firm's debt settlement program is better than debt settlement with a non-law firm, without any basis for such representation;

E. representing , expressly or by implication, that defendant has special expertise in "debt settlement" or "debt negotiation," when in fact the defendant's program has no special expertise, and consumers are just as likely to obtain reduced settlements with

creditors through their own efforts;

F. representing, expressly or by implication, that consumers can only be accepted into defendant's program as a result of a review by an Enrollment Director, when in fact nearly all consumers with a minimum amount of unsecured debt who can make the monthly payments required are accepted;

G. failing to disclose clearly and conspicuously to consumers the material terms and conditions of defendant's offer in initial contacts with consumers, such as the fact that debt settlement services are provided by a third party;

H. failing to disclose clearly and conspicuously to consumers the material fact that defendant collects a substantial amount of its fees "up-front" before beginning any debt settlement services on behalf of consumers;

I. failing to disclose clearly and conspicuously to consumers defendant's refund policy;

J. failing to disclose clearly and conspicuously to consumers that when consumers stop paying their creditors, there is a substantial likelihood that one or more of their creditors will sue the consumer;

K. failing to disclose clearly and conspicuously to consumers that when consumers stop paying their creditors, the balances on their credit accounts will increase as a result of interest accruing on their accounts, increases to their interest rate, and the imposition of late fees and other charges;

L. failing to disclose to consumers the material fact that some creditors refuse to negotiate with the third parties defendants use to provide debt settlement services; and

M. representing, expressly or by implication, that consumers should not pay their creditors, when in fact consumers were not in bankruptcy and therefore had no legal right not to pay creditors; and

N. committing the unfair practice of collecting non-refundable advance fees for defendant's services when defendant has no substantiation for its advertising claims and fails to settle consumers' debt.

REMEDIES

86. Section 7 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7, provides:

> (a) Whenever the Attorney General has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by the Act to be unlawful, and that proceedings would be in the public interest, he may bring an action in the name of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction, revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

(b) In addition to the remedies provided herein, the Attorney General may request and this Court may impose a civil penalty in a sum not to exceed $50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed $50,000 per violation.

(c) In addition to any other civil penalty provided in this Section, if a person is found by the court to have engaged in any method, act, or practice declared unlawful under this Act, and the violation was committed against a person 65 years of age or older, the court may impose an additional civil penalty not to exceed $10,000 for each violation.

87. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that "in any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

PRAYER FOR RELIEF-COUNT I

WHEREFORE, the plaintiff prays that this honorable Court enter an Order:

A. Finding that the defendant has violated Section 2 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2, by but not limited to, the unlawful acts and practices alleged herein;

B. Preliminarily and permanently enjoining the defendant from engaging in the deceptive and unfair practices alleged herein;

C. Declaring that all contracts entered into between the defendant and Illinois consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;

D. Assessing a civil penalty in the amount of Fifty Thousand Dollars ($50,000) if the Court finds the Defendant has engaged in methods, acts, or practices declared unlawful by the Act without the intent to defraud, if the Court finds Defendant has engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of $50,000, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

E. Assessing an additional civil penalty in the amount of Ten Thousand Dollars ($10,000) per violation of the Consumer Fraud Act found by the Court to have been committed by the Defendant against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS

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505/7(c);

F. Requiring the defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

G. Providing such other and further equitable relief as justice and equity may require.

COUNT II - UNIFORM DECEPTIVE TRADE PRACTICES ACT

88. Plaintiff re-alleges the allegations contained in paragraphs 1 through 82 above.

APPLICABLE STATUTE

89. Section 2 of the Deceptive Trade Practices Act provides in relevant part:

(a) A person engages in a deceptive trade practice when, in the course of his or her business, vocation, or occupation, the person:

***

(5) represents that goods or services have sponsorship, approval . . .

that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he or she does not have;

(b) In order to prevail in an action under this Act, a plaintiff need not prove competition between the parties or actual confusion or misunderstanding.

VIOLATIONS

90. Defendant, in connection with the advertising, offering for sale, and selling of debt resolution services, have represented that their debt resolution services have a status or affiliation which they do not have violation of section 2(a)(5) of the Deceptive Trade Practices Act by representing, expressly or by implication:

a. that consumers will be represented by a law firm for debt resolution services, when in fact all debt negotiation and related services are provided by non-law firm third parties and LDHR is merely a referral source for these same third parties; and

b. that defendant's debt resolution program is a government benefit when such is not the case.

REMEDIES

91. Section 2 of the Deceptive Trade Practices Act is recognized as a prohibited practice to be

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treated similarly to prohibited practices under section 2 of the Consumer Fraud Act:

> Unfair methods of competition and unfair or deceptive acts or practices . . . or the use or employment of any practice described in section 2 of the 'Uniform Deceptive Trade Practices Act,' [815 ILCS 510/2 et seq. . . .in the conduct of any trade or commerce are Hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby . . . 815 ILCS 505/2.

92. Since section 2 of the Deceptive Trade Practices Act is treated the same as a violation of section 2 of the Consumer Fraud Act, the rights and remedies available to the Attorney General under the Consumer Fraud Act, are similarly available to the court to remedy violations of the Uniform Trade Practices Act.

PRAYER FOR RELIEF-COUNT II

93. WHEREFORE, the plaintiff prays that this honorable Court enter an Order:

A. Finding that the defendants have violated sections 2(a)(5) of the Deceptive Trade Practices Act, as described herein;

B. Enjoining the defendants from engaging in the business of advertising, offering for sale, and selling debt resolution services, in violation of the Deceptive Trade Practices Act;

C. Declaring that all contracts entered into between the defendants and consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;

D. Assessing a civil penalty in the amount of Fifty Thousand Dollars ($50,000) per violation of the Deceptive Trade Practices Act found by the Court to have been committed by the defendants with the intent to defraud; if the Court finds the defendants have engaged in methods, acts or practices declared unlawful by the Act, without the intent to defraud, then assessing a statutory civil penalty of Fifty Thousand Dollars ($50,000), all as provided in section 7 of the Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/7);

E. Assessing an additional civil penalty in the amount of Ten Thousand Dollars ($10,000) per

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violation of the Deceptive Trade Practices Act found by the Court to have been committed by the defendants against a person 65 years of age and older as provided in section 7(c) of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(c);

F. Requiring the defendants to pay all costs for the prosecution and investigation of this action, as provided by section 10 of the Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/10); and

E. Providing such other and further equitable relief as justice and equity may require.

COUNT III-DEBT SETTLEMENT CONSUMER PROTECTION ACT

APPLICABLE STATUTE

94. Section 105 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/105, provides:

Sec. 105. Advertising and marketing practices.

(a) A debt settlement provider shall not represent, expressly or by implication, any results or outcomes of its debt settlement services in any advertising, marketing, or other communication to consumers unless the debt settlement provider possesses substantiation for such representation at the time such representation is made.

(b) A debt settlement provider shall not, expressly or by implication, make any unfair or deceptive representations, or any omissions of material facts, in any of its advertising or marketing communications concerning debt settlement services.

(c) All advertising and marketing communications concerning debt settlement services shall disclose the following material information clearly and conspicuously:

"Debt settlement services are not appropriate for everyone. Failure to pay your monthly bills in a timely manner will result in increased balances and will harm your credit rating. Not all creditors will agree to reduce principal balance, and they may pursue collection, including lawsuits."

95. Section 110 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/110, provides:

Sec. 110. Individualized financial analysis.

(a) Prior to entering into a written contract with a consumer, a debt settlement provider shall prepare and provide to the consumer in writing and retain a copy of:

(1) an individualized financial analysis, including the individual's income, expenses, and debts; and

(2) a statement containing a good faith estimate of the length of time it will take to complete the debt settlement program, the total amount of debt owed to each creditor included in the debt settlement program, the total savings estimated to be necessary to complete the debt settlement program, and the monthly targeted savings amount estimated to be necessary to complete the debt settlement program.

(b) A debt settlement provider shall not enter into a written contract with a consumer unless it makes written determinations, supported by the financial analysis, that:

(1) the consumer can reasonably meet the requirements of the proposed debt settlement program, including the fees and the periodic savings amounts set forth in the savings goals; and

(2) the debt settlement program is suitable for the consumer at the time the contract is to be signed.

96. Section 115 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/115, provides:

Sec. 115. Required pre-sale consumer disclosures and warnings.

(a) Before the consumer signs a contract, the debt settlement provider shall provide an oral and written notice to the consumer that clearly and conspicuously discloses all of the following:

(1) Debt settlement services may not be suitable for all consumers.

(2) Using a debt settlement service likely will harm the consumer's credit history and credit score.

(3) Using a debt settlement service does not stop creditor collection activity, including creditor lawsuits and garnishments.

(4) Not all creditors will accept a reduction in the balance, interest rate, or fees a consumer owes.

(5) The consumer should inquire about other means of dealing with debt, including, but not limited to, nonprofit credit counseling and bankruptcy.

(6) The consumer remains obligated to make periodic or scheduled payments to creditors while participating in a debt settlement plan, and that the debt settlement provider will not make any periodic or scheduled payments to creditors on behalf of the consumer.

(7) The failure to make periodic or scheduled payments to a creditor is likely to:

(A) harm the consumer's credit history, credit rating, or credit score;

(B) lead the creditor to increase lawful collection activity, including litigation, garnishment of the consumer's wages, and judgment liens on the consumer's property; and

(C) lead to the imposition by the creditor of interest charges, late fees, and other penalty fees, increasing the principal amount of the debt.

(8) The amount of time estimated to be necessary to achieve the represented results.

(9) The estimated amount of money or the percentage of debt the consumer must accumulate before a settlement offer will be made to each of the consumer's creditors.

(b) The consumer shall sign and date an acknowledgment form entitled "Consumer Notice and Rights Form" that states: "I, the debtor, have received from the debt settlement provider a copy of the form entitled "Consumer Notice and Rights Form"." The debt settlement provider or its representative shall also sign and date the acknowledgment form, which includes the name and address of the debt settlement services provider. The acknowledgment form shall be in duplicate and incorporated into the "Consumer Notice and Rights Form". The original acknowledgment form shall be retained by the debt settlement provider, and the duplicate copy shall be retained within the form by the consumer.

If the acknowledgment form is in electronic form, then it shall contain the consumer

disclosures required by Section 101(c) of the federal Electronic Signatures in Global and National Commerce Act.

(c) The requirements of this Section are satisfied if the provider provides the following warning verbatim, both orally and in writing, with the caption "CONSUMER NOTICE AND RIGHTS FORM" in at least 28-point font and the remaining portion in at least 14-point font, to a consumer before the consumer signs a contract for the debt settlement provider's services:

"CONSUMER NOTICE AND RIGHTS FORM

CAUTION

We CANNOT GUARANTEE that you successfully will reduce or eliminate your debt.

If you stop paying your creditors, there is a strong likelihood some or all of the following may happen:

- CREDITORS MAY STILL CONTACT YOU AND TRY TO COLLECT.
- CREDITORS MAY STILL SUE YOU FOR THE MONEY YOU OWE.
- YOUR WAGES OR BANK ACCOUNT MAY STILL BE GARNISHED.
- YOUR CREDIT RATING AND CREDIT SCORE LIKELY WILL BE HARMED.
- NOT ALL CREDITORS WILL AGREE TO ACCEPT A BALANCE REDUCTION.
- YOU SHOULD CONSIDER ALL YOUR OPTIONS FOR ADDRESSING YOUR DEBT, SUCH AS CREDIT COUNSELING AND BANKRUPTCY FILING.
- THE AMOUNT OF MONEY YOU OWE MAY INCREASE DUE TO CREDITOR IMPOSITION OF INTEREST CHARGES, LATE FEES, AND OTHER PENALTY FEES.
- EVEN IF WE DO SETTLE YOUR DEBT, YOU MAY STILL BE REQUIRED TO PAY TAXES ON THE AMOUNT FORGIVEN.

YOUR RIGHT TO CANCEL

If you sign a contract with a Debt Settlement Provider, you have the right to cancel at any time and receive a full refund of all unearned fees you have paid to the provider and all funds placed in your settlement fund that have not been paid to any creditors.

IF YOU ARE DISSATISFIED
OR YOU HAVE QUESTIONS

If you are dissatisfied with a debt settlement provider or have any questions, please bring it to the attention of the Illinois Attorney General's Office and the Department of Financial and Professional Regulation.

Attorney General Toll-Free Numbers:

Carbondale (800) 243-0607
Springfield (800) 243-0618
Chicago (800) 386-5438

Website for Department of Financial and Professional Regulation:
www.idfpr.com

I, the debtor, have received from the debt settlement provider a copy of the form entitled Consumer Notice and Rights Form."

97. Section 120 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/120, provides:

Sec. 120. Debt settlement contract.

(a) A debt settlement provider shall not provide debt settlement service to a consumer without a written contract signed and dated by both the consumer and the debt settlement provider.

(b) Any contract for the provision of debt settlement service entered into in violation of the provisions of this Section is void.

(c) A contract between a debt settlement provider and a consumer for the provision of debt settlement service shall disclose all of the following clearly and conspicuously:

(1) The name and address of the consumer.

(2) The date of execution of the contract.

(3) The legal name of the debt settlement provider, including any other business names used by the debt settlement provider.

(4) The corporate address and regular business address, including a street address, of the debt settlement provider.

(5) The telephone number at which the consumer may speak with a representative of the debt settlement provider during normal business hours.

(6) A complete list of the consumer's accounts, debts, and obligations to be included in the provision of debt settlement service, including the name of each creditor and principal amount of each debt.

(7) A description of the services to be provided by the debt settlement provider, including the expected time frame for settlement for each account, debt, or obligation included in item (6) of this Subsection (c).

(8) An itemized list of all fees to be paid by the consumer to the debt settlement provider, and the date, approximate date, or circumstances under which each fee will become due.

(9) A good faith estimate of the total amount of all fees and compensation, not to exceed the amounts specified in Section 125 of this Act, to be collected by the debt settlement provider from the consumer for the provision of debt settlement service contemplated by the contract.

(10) A statement of the proposed savings goals for the consumer, stating the amount to be saved per month or other period, time period over which savings goal extends, and the total amount of the savings expected to be paid by the consumer pursuant to the terms of the contract.

(11) The amount of money or the percentage of debt the consumer must accumulate before a settlement offer will be made to each of the consumer's creditors.

(12) The written individualized financial analysis required by Section 110 of this Act.

(13) The contents of the "Consumer Notice and Rights Form" provided in Section 115.

(14) A written notice to the consumer that the consumer may cancel the contract at any time until after the debt settlement provider has fully performed each service the debt settlement provider contracted to perform or represented he or she would perform, and upon that event:

(A) the consumer shall be entitled to a full refund of all unearned fees and compensation paid by the consumer to the debt settlement provider, and a full refund of all funds provided by the consumer to the debt settlement provider for a consumer settlement account, except for funds actually paid to a creditor on behalf of the consumer, under the terms of the contract for debt settlement service; and

(B) all powers of attorney granted to the debt settlement provider by the consumer shall be considered

revoked and voided.

(15) A form the consumer may use to cancel the contract pursuant to the provisions of Section 135 of this Act. The form shall include the name and mailing address of the debt settlement provider and shall disclose clearly and conspicuously how the consumer can cancel the contract, including applicable addresses, telephone numbers, facsimile numbers, and electronic mail addresses the consumer can use to cancel the contract.

(d) If a debt settlement provider communicates with a consumer primarily in a language other than English, then the debt settlement provider shall furnish to the consumer a translation of all the disclosures and documents required by this Act in that other language.

98. Section 125 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/125, provides:

Sec. 125. Fees.

(a) A debt settlement provider shall not charge fees of any type or receive compensation from a consumer in a type, amount, or timing other than fees or compensation permitted in this Section.

(b) A debt settlement provider shall not charge or receive from a consumer any enrollment fee, set up fee, up front fee of any kind, or any maintenance fee, except for a one-time enrollment fee of no more than $50.

(c) A debt settlement provider may charge a settlement fee, which shall not exceed an amount greater than 15% of the savings. If the amount paid by the debt settlement provider to the creditor or negotiated by the debt settlement provider and paid by the consumer to the creditor pursuant to a settlement negotiated by the debt settlement provider on behalf of the consumer as full and complete satisfaction of the creditor's claim with regard to that debt is greater than the principal amount of the debt, then the debt settlement provider shall not be entitled to any settlement fee.

(d) A debt settlement provider shall not collect any settlement fee from a consumer until a creditor enters into a legally enforceable agreement to accept funds in a specific dollar amount as full and complete satisfaction of the creditor's claim with regard to that debt and those funds are provided by the debt settlement provider on behalf of the consumer or are provided directly by the consumer to the creditor pursuant to a settlement negotiated by the debt settlement provider.

99. Section 130 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/130, provides:

Sec. 130. Consumer settlement accounts and monthly accounting.

(a) A debt settlement provider who receives funds from a consumer shall hold all funds received for a consumer settlement account in a properly designated trust account in a federally insured depository institution. The funds shall remain the property of the consumer until the debt settlement provider disburses the funds to a creditor on behalf of the consumer as full or partial satisfaction of the consumer's debt to the creditor or the creditor's claim against the consumer. Any interest earned on such account shall be credited to the consumer.

(b) A debt settlement provider shall not be named on a consumer's bank account, take a power of attorney in a consumer's bank account, create a demand draft on a consumer's bank account, or exercise any control over any bank account held by or on behalf of the consumer.

(c) A debt settlement provider shall, no less than monthly, provide each consumer with which it has a contract for the provision of debt settlement service a statement of account balances, fees paid, settlements completed, and remaining debts.

100. Section 135 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/135, provides:

Sec. 135. Cancellation of contract and right to fee and settlement fund refunds.

(a) A consumer may cancel a contract with a debt settlement provider at any time before the debt settlement provider has fully performed each service the debt settlement provider contracted to perform or represented it would perform.

(b) If a consumer cancels a contract with a debt settlement provider, or at any time upon a material violation of this Act on the part of the debt settlement provider, then the debt settlement provider shall refund all fees and compensation, with the exception of the application fee and any earned settlement fee, as well as all funds paid by the consumer to the debt settlement provider that have accumulated in a consumer settlement account and that the debt settlement provider has not disbursed to creditors. Upon cancellation, all powers of attorney and direct debit authorizations granted to the debt settlement provider by the consumer shall be considered revoked and voided.

(c) A debt settlement provider shall make any refund required under this Section within 5 business days after the notice of cancellation, and shall include with the refund a full statement of account showing fees received, fees refunded, savings held, payments to creditors, settlement fees earned if any, and savings refunded.

(d) Upon the cancellation of a contract under this Section, the debt settlement provider shall provide timely notice of the cancellation of the contract to each of the creditors with whom the debt settlement provider has had any prior communication on behalf of the consumer in connection with the provision of any debt settlement service.

101. Section 145 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/145, provides:

Sec. 145. Prohibited practices. A debt settlement provider shall not do any of the following:

(1) Charge or collect from a consumer any fee not permitted by, in an amount in excess of the maximum amount permitted by, or at a time earlier than permitted by Section 125 of this Act.

(2) Advise or represent, expressly or by implication, that consumers should stop making payments to their creditors.

(3) Advise or represent, expressly or by implication, that consumers should stop communicating with their creditors.

(4) Change the mailing address on any of a consumer's creditor's statements.

(5) Make loans or offer credit or solicit or accept any note, mortgage, or negotiable instrument other than a check signed by the consumer and dated no later than the date of signature.

(6) Take any confession of judgment or power of attorney to confess judgment against the consumer or appear as the consumer or on behalf of the consumer in any judicial proceedings.

(7) Take any release or waiver of any obligation to be performed on the part of the debt settlement provider or any right of the consumer.

(8) Advertise, display, distribute, broadcast, or televise services or permit services to be displayed, advertised, distributed, broadcasted, or televised, in any manner whatsoever, that contains any false, misleading, or deceptive statements or representations with regard to any

matter, including services to be performed, the fees to be charged by the debt settlement provider, or the effect those services will have on a consumer's credit rating or on creditor collection efforts.

(9) Receive any cash, fee, gift, bonus, premium, reward, or other compensation from any person other than the consumer explicitly for the provision of debt settlement service to that consumer.

(10) Offer or provide gifts or bonuses to consumers for signing a debt settlement service contract or for referring another potential customer or customer.

(11) Disclose to anyone the name or any personal information of a consumer for whom the debt settlement provider has provided or is providing debt settlement service other than to a consumer's own creditors or the debt settlement provider's agents, affiliates, or contractors for the purpose of providing debt settlement service without the prior consent of the consumer.

(12) Enter into a contract with a consumer without first providing the disclosures and financial analysis and making the determinations required by this Section.

(13) Misrepresent any material fact, make a material omission, or make a false promise directed to one or more consumers in connection with the solicitation, offering, contracting, or provision of debt settlement service.

(14) Violate the provisions of applicable do not call statutes.

(15) Purchase debts or engage in the practice or business of debt collection.

(16) Include in a debt settlement agreement any secured debt.

(17) Employ an unfair, unconscionable, or deceptive act or practice, including the knowing omission of any material information.

(18) Engage in any practice that prohibits or limits the consumer or any creditor from communication directly with one another.

(19) Represent or imply to a person participating in or considering debt settlement that purchase of any ancillary goods or services is required.

VIOLATIONS

DEBT SETTLEMENT CONSUMER PROTECTION ACT

102. The People re-allege and incorporate by reference the allegations in Paragraphs 1 to 82.

103. After August 3, 2010, while offering debt settlement services and acting as a debt settlement provider, the Defendant has committed unfair and deceptive acts or practices declared unlawful under:

Section 105 by:

A. representing, expressly or by implication, that by enrolling in defendant's debt settlement program, consumers will be able to pay off their credit card and other unsecured debts for a substantially reduced amount, such as 55 percent of the total amount owed to creditors, when in fact very few consumers successfully complete defendant's program;

B. representing, expressly or by implication, that consumers will be represented by a law firm for debt resolution services, when in fact all debt negotiation and related services are provided by non-law firm third parties and LDHR is merely a referral source for these same third parties;

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C. failing to clearly and conspicuously disclose in its advertising that:

"Debt settlement services are not appropriate for everyone. Failure to pay your monthly bills in a timely manner will result in increased balances and will harm your credit rating. Not all creditors will agree to reduce principal balance, and they may pursue collection, including lawsuits.";

Section 110 by:

D. Failing to provide an individualized written financial analysis stating the debt settlement program is suitable for the consumer at the time the contract is signed;

Section 115 by:

E. Failing to clearly and conspicuously make the following required pre-sale consumer disclosures and warnings;

(1) Debt settlement services may not be suitable for all consumers.
(2) Using a debt settlement service likely will harm the consumer's credit history and credit score.
(3) Using a debt settlement service does not stop creditor collection activity, including creditor lawsuits and garnishments.
(4) Not all creditors will accept a reduction in the balance, interest rate, or fees a consumer owes.
(5) The consumer should inquire about other means of dealing with debt, including, but not limited to, nonprofit credit counseling and bankruptcy.
(6) The consumer remains obligated to make periodic or scheduled payments to creditors while participating in a debt settlement plan, and that the debt settlement provider will not make any periodic or scheduled payments to creditors on behalf of the consumer.
(7) The failure to make periodic or scheduled payments to a creditor is likely to:
(A) harm the consumer's credit history, credit rating, or credit score;
(B) lead the creditor to increase lawful collection activity, including litigation, garnishment of the consumer's wages, and judgment liens on the consumer's property; and
(C) lead to the imposition by the creditor of interest charges, late fees, and other penalty fees, increasing the principal amount of the debt.
(8) The amount of time estimated to be necessary to achieve the represented results.
(9) The estimated amount of money or the percentage of debt the consumer must accumulate before a settlement offer will be made to each of the consumer's creditors.

Section 120 by:

F. Failing to provide consumers with a written contract with required disclosures;

(1) The address of the consumer.
(2) The corporate address and regular business address, including a street address, of the debt settlement provider.
(3) The telephone number at which the consumer may speak with a representative of the debt settlement provider during normal business hours.
(4) A complete list of the consumer's accounts, debts, and obligations to be included in

the provision of debt settlement service, including the name of each creditor and principal amount of each debt.

(5) A description of the services to be provided by the debt settlement provider, including the expected time frame for settlement for each account, debt, or obligation included in item (4).

(6) An itemized list of all fees to be paid by the consumer to the debt settlement provider, and the date, approximate date, or circumstances under which each fee will become due.

(7) A good faith estimate of the total amount of all fees and compensation, not to exceed the amounts specified in Section 125 of the Debt Settlement Consumer Protection Act, to be collected by the debt settlement provider from the consumer for the provision of debt settlement service contemplated by the contract.

(8) A statement of the proposed savings goals for the consumer, stating the amount to be saved per month or other period, time period over which savings goal extends, and the total amount of the savings expected to be paid by the consumer pursuant to the terms of the contract.

(9) The amount of money or the percentage of debt the consumer must accumulate before a settlement offer will be made to each of the consumer's creditors.

(10) The written individualized financial analysis required by Section 110 of the Debt Settlement Consumer Protection Act

(11) The contents of the "Consumer Notice and Rights Form" provided in Section 115 the Debt Settlement Consumer Protection Act.

(12) A written notice to the consumer that the consumer may cancel the contract at any time until after the debt settlement provider has fully performed each service the debt settlement provider contracted to perform or represented he or she would perform, and upon that event:

> (A) the consumer shall be entitled to a full refund of all unearned fees and compensation paid by the consumer to the debt settlement provider, and a full refund of all funds provided by the consumer to the debt settlement provider for a consumer settlement account, except for funds actually paid to a creditor on behalf of the consumer, under the terms of the contract for debt settlement service; and
>
> (B) all powers of attorney granted to the debt settlement provider by the consumer shall be considered revoked and voided.

(13) A form the consumer may use to cancel the contract including the name and mailing address of the debt settlement provider and clearly and conspicuously disclosing how the consumer can cancel the contract, including applicable addresses, telephone numbers, facsimile numbers, and electronic mail addresses the consumer can use to cancel the contract.

Section 125 by:

G. Charging and receiving fees other than permitted;

Section 130 by:

H. Failing to provide a monthly accounting to consumers as required;

Section 135 by:

I. Failing to provide cancellation and refunds as required;

Section 145 by:

J. Engaging in the following prohibited practices:

(1) Charging or collecting from a consumer any fee not permitted by, in an amount in excess of the maximum amount permitted by, or at a time earlier than permitted by Section 125 of this Act.

(2) Advising or representing, expressly or by implication, that consumers should stop making payments to their creditors.

(3) Advising or representing, expressly or by implication, that consumers should stop communicating with their creditors.

(4) Taking any release or waiver of any obligation to be performed on the part of the debt settlement provider or any right of the consumer.

(5) Advertising, displaying, distributing, broadcasting, or televising services or permitting services to be displayed, advertised, distributed, broadcasted, or televised, in any manner whatsoever, that contains any false, misleading, or deceptive statements or representations with regard to any matter, including services to be performed, the fees to be charged by the debt settlement provider, or the effect those services will have on a consumer's credit rating or on creditor collection efforts.

(6) Entering into a contract with a consumer without first providing the disclosures and financial analysis and making the determinations required by this Section.

(7) Misrepresenting any material fact, making a material omission, or making a false promise directed to one or more consumers in connection with the solicitation, offering, contracting, or provision of debt settlement service.

(8) Employing an unfair, unconscionable, or deceptive act or practice, including the knowing omission of any material information.

(9) Engaging in any practice that prohibits or limits the consumer or any creditor from communication directly with one another.

REMEDIES

104. Section 155 of the Debt Settlement Consumer Protection Act states in pertinent part:

(a) A violation of Section 105, 110, 115, 120, 125, 130, 135, 140, or 150 of this Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General or State's Attorney by the consumer Fraud and Deceptive Business Practices Act shall be available to him or her for the enforcement of this Act.

104. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that "in any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

PRAYER FOR RELIEF–COUNT III

WHEREFORE, the plaintiff prays that this honorable Court enter an Order:

A. Finding that the defendant has violated Sections 105, 110, 115, 120, 125, 130, 135, and 145 of

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the Debt Settlement Consumer Protection Act, 225 ILCS 429/1 et seq. and thereby violated the Consumer Fraud Act, by engaging in but not limited to, the unlawful acts and practices alleged herein;

B. Preliminarily and permanently enjoining the defendant from engaging in the deceptive and unfair practices alleged herein;

C. Declaring that all contracts entered into between the defendant and Illinois consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;

D. Assessing a civil penalty in the amount of Fifty Thousand Dollars ($50,000) if the Court finds the Defendant has engaged in methods, acts, or practices declared unlawful by the Act without the intent to defraud, if the Court finds Defendant has engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of $50,000, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

E. Assessing an additional civil penalty in the amount of Ten Thousand Dollars ($10,000) per violation of the Consumer Fraud Act found by the Court to have been committed by the Defendant against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

F. Requiring the defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

G. Providing such other and further equitable relief as justice and equity may require.

Respectfully submitted,

THE PEOPLE OF THE STATE OF
ILLINOIS, by LISA MADIGAN,
ATTORNEY GENERAL OF ILLINOIS

Elizabeth Blackston
Consumer Fraud Bureau, Chief

Rebecca Pruitt (ARDC #6209774)
Assistant Attorney General
Consumer Fraud Bureau

From Article at GetOutOfDebt.org

500 South Second Street
Springfield, IL 62706
Telephone: (217) 782-4436

From Article at GetOutOfDebt.org

ACTUAL DOCUMENTS NAME KNOWN

U.S. NATIONAL DEBT RELIEF PLAN
ADVISORY NOTICE

The matter of: **Debt Reduction Plan**
Effective: February 2009
Sponsor: Freedom Debt Center

Account Number: SCJN_3845463_60443
Toll Free 1-877-853-3280

Expiration Date: Mar2010

This advisory is to notify you that you have been pre-qualified to take part in our U.S. National Debt Relief Plan. We are an authorized financial institution and may be able to eliminate or significantly reduce your credit card debt. See below for details on this program.

Your Current Situation		National Debt Relief Plan	
Your Current Debt:	$51,836	Debt Reduced to:	$25,918.00
Monthly Payment:	$1,295.90	New Payment:	$842.34
In Debt for:	30 years+	**Debt-Free in:**	**3 years**

Call Today 1-877-853-3280

0% Interest Rate** & No Home or Collateral Required

The U.S. National Debt Relief Plan provides you with the opportunity to reduce your outstanding debts by as much as 50% or more and an opportunity to be debt free in as little as 12-36 months. Please reference your account number when calling.

APPLY ON-LINE VIA OUR SECURE SITE:

www.usnationaldebtreliefplan.com

U.S. National Debt Relief Plan- Washington, DC 20013, United States Of America

Call Today 1-877-853-3280

PLAINTIFF'S EXHIBIT A

This is not a financial instrument, note or promise to pay. The U.S. National Debt Relief Plan is a consumer advocacy program entailed to help consumers out of debt. This product or services is not affiliated with or endorsed by any government agency. Debt Relief comes in the form of debt reduction by your creditors when you qualify for debt settlement. "Up To" debt relief is the average amount of debt in your area. Freedom Debt Center is sponsoring this U.S. National Debt Relief Plan and is a debt settlement provider. The U.S. National Debt Relief Plan logo and name is not an entity endorsing Freedom Debt Center. This name and mark is owned by and created by Freedom Debt Center to support consumer rights and help consumers get out of debt.

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Start With The H&R Block Income Tax Course. LEARN MORE ▸ H&R BLOCK

Inside Sales Executive - Debt Consultant

Save it | Email It | ShareThis

Legal Helpers Debt Resolution

Description

apply now

Inside Sales Executive - Debt Consultant
Legal Helpers Debt Resolution
Irvine, California
$100K Annually ~ Flexible Schedule (choose your own hours)

Legal Helpers Debt Resolution, LLC is owned and operated by debt resolution attorneys in every state. It was originally started by four attorneys who were dissatisfied by the current legal debt resolution offerings. They believed that many existing debt settlement companies failed to do what was best for the client.

We are currently seeking **Inside Sales Executive - Debt Consultant** professionals who will be responsible for working with consumers who have expressed an interest in debt resolution regarding complex financial debt settlement or other services. These positions are located in our newly established Irvine, California location. These individuals strive to only enroll fully informed clients with reasonable expectations onto a debt settlement program.

THIS OPPORTUNITY OFFERS:

- ***$75-100k Annually after the 1st Year with an Unlimited Commission Structure***
- ***Flexible schedule, come in when you want***
- The most positive, enthusiastic environment EVER!
- Short ramp-up time and training period, employees are typically making 100% commission between 4 and 6 months
- Inside sales and inbound call center, no cold calling
- Results focused environment

Job Snapshot

Location	Irvine, CA 92612 [illegible]
Base Pay	$75,000 - $100,000 /Year
Employee Type	Full-Time
Manages Others	No
Job Type	Legal Customer Service Sales
Required GPA	0.00
Position Starts	9/1/2010
Posted	8/2/2010

Contact Information

Ref ID Legal Helpers _ CareerRookie

Find Salary Info for this Job

Requirements

PREFERRED QUALIFICATIONS:

- Inside Sales Experience
- Service oriented background
- Great attitude and personality
- Hard working and coach able individuals with focused and driven work ethic
- Enthusiastic, persistent and disciplined professionals

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LA-Sentinel.com

Buy a link here

From Article at GetOutofDebt.org

PLAINTIFF'S EXHIBIT B

Global Client Solutions LLC
4500 S. 129th East Ave, Ste 175
Tulsa, Oklahoma 74134

Global Client Solutions LLC

RETURN SERVICE REQUESTED

September 28, 2010

Harwood Heights, IL 60706

Client of: Legal Helpers Debt Resolution-Debt Mediation Ntwrk

ACCOUNT ACTIVITY STATEMENT (THIS IS NOT A BILL)

06/30/2010	Monthly Draft - 06/28/10	Deposit	609.98	609.98
06/30/2010	Program Fee - 06/28/10	Customer Fee	-49.15	560.83
06/30/2010	Monthly Fee - 06/28/10	Customer Fee	-383.80	177.03
06/30/2010	LHDR Fee - 06/28/10	Customer Fee	-166.67	10.36
07/01/2010	Account Maintenance Fee - 06/10	Transaction Fee	-10.35	0.01
07/30/2010	Monthly Draft - 07/28/10	Deposit	609.98	609.99
07/30/2010	Program Fee - 07/28/10	Customer Fee	-49.15	560.84
07/30/2010	Monthly Fee - 07/28/10	Customer Fee	-383.80	177.04
07/30/2010	LHDR Fee - 07/28/10	Customer Fee	-166.67	10.37
08/02/2010	Account Maintenance Fee - 07/10	Transaction Fee	-10.35	0.02
09/01/2010	Monthly Draft - 08/28/10	Deposit	609.98	610.00
09/01/2010	Account Maintenance Fee - 08/10	Transaction Fee	-10.35	599.65
09/01/2010	Program Fee - 08/28/10	Customer Fee	-49.15	550.50
09/01/2010	Monthly Fee - 08/28/10	Customer Fee	-383.80	166.70
09/01/2010	LHDR Fee - 08/28/10	Customer Fee	-166.67	0.03

From Article at GetOutOfDebt.org

Error Resolution Procedures: In case of errors or questions about transactions involving your Account, call or write Global customer service at the number or address shown on the front of this statement as soon as you can. We must hear from you no later than sixty days after the transaction in question has been reflected on your monthly statement. When you contact us, please provide the following information:

Your name and Account number.
Date and amount of the transaction.
Dollar amount of the suspected error.
Type of transaction and description of the suspected error.
Please explain as clearly as possible why you believe there is an error or why you need additional information.

If you provide this information orally, we may require that you also send it to us in writing within ten business days. We will tell you the results of our investigation within ten business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five days to investigate your complaint or question. If we decide there is no error, we will send you a written explanation within three business days. You may ask for and receive copies of the documents that we used in our investigation.

Account Inquiries (800) 398-7191

Correspondence Address-
4500 S. 129th East Ave, Ste 175
Tulsa, Oklahoma 74134

PLAINTIFF'S EXHIBIT C

Please note our new correspondence address. If you have any questions or need assistance you may contact us at the phone number referenced above or by email, customersupport@globalclientsolutions.com. Please note that the above account balance may not be the actual balance of your account due to pending transactions not yet processed.