

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

FILE NO: 10 CV \_\_\_\_\_

STATE OF NORTH CAROLINA, ex rel.  
ROY COOPER, Attorney General,

Plaintiff,

v.

THE CONSUMER LAW GROUP, P.A.,  
MICHAEL L. METZNER, AMERICAN  
DEBT NEGOTIATORS, INC.,  
RAN DAVID BARNEA, and  
DANIEL T. POST,

Defendants.

**COMPLAINT**

**I. INTRODUCTION**

1. This is an action for preliminary and permanent injunctive relief to restrain the defendants from engaging in the illegal business of debt adjusting in violation of North Carolina law, N.C. Gen. Stat. § 14-423, *et seq.*, from engaging in unfair and deceptive practices, N.C. Gen. Stat. § 75-1.1, and to obtain restitution and further relief.

2. The defendants are offering an illegal debt settlement scheme to consumers in North Carolina. The defendants use deceptive representations to solicit consumers, including misrepresentations that the services are performed by attorneys and misleading suggestions that the defendants' debt settlement program is government-affiliated. The defendants promise to reduce consumers' debt obligations by approximately 50% and to leave their clients debt-free

without bankruptcy. In fact, the defendants are operating a classic advance fee scam, designed to extract up-front fees from financially-strapped consumers whether or not any useful services are performed. As shown below, consumers rarely obtain debt settlements through the defendants, and the defendants retain substantial fees despite their nonperformance.

3. To date, of the more than \$1.6 million paid into the defendants' debt settlement program by over 650 North Carolina consumers, only \$202,000 has actually been paid out to consumers' creditors to settle debts, while the defendants have retained at least \$800,000 in unlawful advance fees from these consumers. Despite being given written notice by the North Carolina Attorney General that their activities are unlawful, the defendants are continuing to collect illegal advance fees from North Carolina customers for debt settlement services, and to enroll new North Carolina consumers into their debt settlement program.

4. Further, in addition to their debt settlement scheme, the defendants are acting as an enrollment agent for a third party non-profit debt management company whose offices are at the same physical location as the defendants' offices. The defendants are collecting fees grossly in excess of those allowed by North Carolina law for enrolling consumers in a debt management plan, and for purportedly "monitoring" consumers' debt management plans. To date, the defendants have collected over \$1.0 million in fees from approximately 2500 North Carolina consumers for enrolling the consumers in debt management plans, with the majority of these fees being in excess of the limits allowed by North Carolina law.

5. The defendants' debt settlement scheme, including their collection of advance fees, and the defendants' collection of excessive fees for enrolling consumers in debt management plans, are expressly prohibited by the North Carolina Debt Adjusting Act, N.C.

Gen. Stat. § 14-423, and constitute unfair and deceptive practices under N.C. Gen. Stat. §§ 14-425 and 75-1.1. The Attorney General has specific authority under the Debt Adjusting Act to obtain injunctive relief, consumer restitution, and the appointment of a receiver for the protection of consumers.

## **II. PARTIES**

6. Plaintiff State of North Carolina is acting through its Attorney General, Roy Cooper, pursuant to authority granted by Chapters 14, 75, and 114 of the North Carolina General Statutes.

7. Defendant The Consumer Law Group, P.A. (hereafter “CLG”), is a Florida corporation with a principal address at 23123 State Road (also referred to as U.S 441), Suite 107, Boca Raton, Florida, 33128. According to CLG’s filing with the Florida Secretary of State, CLG is a for-profit corporation organized to engage in “any and all lawful business.” Despite its name, CLG does not operate as a law firm and does not provide legal representation to individuals, but is instead a business principally engaged in the business of debt adjusting, including the telemarketing sales of debt settlement services.

8. Defendant Michael L. Metzner is a Florida attorney who is the managing principal of CLG. Defendant Metzner is also the principal of his own law firm, an entity that is organized and chartered separate and apart from CLG. Defendant Metzner is not licensed to practice law in North Carolina. On information and belief, defendant Metzner has, in conjunction with defendants Barnea and Post, directed, participated in, and had knowledge of the illegal acts and practices of CLG.

9. Defendant American Debt Negotiators, Inc. (“ADNT”), is a Florida corporation

with a principal address at 23123 State Road, Suite 255, Boca Raton, Florida, 33128. ADNI is a debt adjuster and is engaged in the business of offering or providing debt settlement and debt relief services to consumers, including North Carolina consumers. ADNI was incorporated by defendants Barnea and Post. Upon information and belief, defendant ADNI is affiliated with, and operates closely with defendant CLG, and receives and controls almost all of the fees paid to CLG by consumers. Specifically, bank records of CLG demonstrate that CLG transfers virtually all of the fees CLG receives from consumers to defendant ADNI. ADNI is included as a defendant for the primary purpose of recovering consumer funds illegally collected by CLG and transferred to ADNI for further transfer to defendants Barnea and Post.

10. Defendant Ran David Barnea is a Florida resident who is identified as a manager of CLG and an incorporator of ADNI. On information and belief, defendant Barnea, along with defendant Post, substantially controls the operations of CLG and ADNI. Along with defendant Post, defendant Barnea controls and personally receives the major share of the profits of CLG. On information and belief, defendant Barnea has directed, participated in, and had knowledge of the illegal acts and practices of CLG. Defendant Barnea is not an attorney.

11. Defendant Daniel T. Post is a Florida resident who is identified as a manager of CLG and an incorporator of ADNI. On information and belief, defendant Post, along with defendant Barnea, substantially controls the operations of CLG and ADNI. Along with defendant Barnea, defendant Post controls and personally receives the major share of the profits of CLG. On information and belief, defendant Barnea has directed, participated in, and had knowledge of the illegal acts and practices of CLG. Defendant Post is not an attorney.

12. The defendants operate their business in conjunction with a number of other

related business entities located at the same 23123 State Road address in Boca Raton. These entities include American Credit Counseling, Inc., Leads 2 U, Inc., BMV Debt Management Corp., and Consumer Advocates Credit Counselors, Inc. On information and belief, there is significant common ownership, control and revenue-sharing among these various entities.

### **III. FACTUAL ALLEGATIONS**

#### **A. The Defendants' Marketing of Their Debt Settlement Scheme**

13. For at least the last two years, defendant CLG has offered its "debt settlement" or "debt negotiation" services to financially distressed consumers in North Carolina and other states. CLG solicits its prospective customers through a variety of means, including Internet websites, Internet advertisements, outbound telemarketing, radio advertisements, and local telephone book listings. The solicitations are targeted to consumers who are struggling with high amounts of unsecured debt, but who wish to reduce and resolve their debts without bankruptcy.

14. As an example of defendant CLG's deceptive marketing practices, CLG, in early 2010, solicited consumers through an Internet advertisement and website under the name "**North Carolina Relief Act.**" Similar solicitations and websites contained the same information on purported "Relief Act" programs for other states. The website and pop-up advertisements represented that consumers could be eligible for the "**State of North Carolina Credit Relief Program granting credit relief to North Carolina Residents.**" The solicitation's attempt to suggest an affiliation with a government program was furthered by the use of the official seals of the Federal Trade Commission ("FTC") and the Social Security Administration ("SSA") at the bottom of the website home page. Contrary to the representations in the solicitation, there is no "North Carolina Credit Relief Program," and the suggestion that such a program exists is false.

A copy of the website advertisement used to solicit North Carolina consumers into defendant CLG's debt program is attached as Exhibit 1 to this Complaint.

15. Consumers who called the telephone number listed in the "North Carolina Relief Act" solicitation were connected with salespeople working for CLG or for a "lead generator" acting on behalf of defendant CLG. One such lead generator, Leads 2 U, Inc., identified itself as the "enrollment division" for The Consumer Law Group. On information and belief, Leads 2 U, Inc., regularly conducts telemarketing sales for CLG. Defendant Barnea is the incorporator and registered agent for Leads 2 U.

16. On information and belief, defendant CLG has used other solicitations, including radio advertising and outbound telemarketing, suggesting that CLG is affiliated with government programs, such as "President Obama's Financial Stimulus Plan." (*See* affidavit of Erica Jackson, attached to the State's Motion for A Temporary Restraining Order and Preliminary Injunction.) Contrary to CLG's representations, CLG is not affiliated with any government program, and CLG's representations are false.

17. On information and belief, CLG regularly markets its services through other third-party lead generators or "referral agents" to enroll or refer consumers to the defendants for purported debt settlement services. On information and belief, the defendants pay a significant portion of their consumer fees to compensate these lead generators.

18. CLG also places misleading local telephone book listings in telephone directories throughout North Carolina to solicit customers for its debt relief services. For example, the current AT&T telephone book for the City of Raleigh contains thirteen (13) listings under the name "Consumer Credit Counseling" in the white pages of the phone book, and eleven (11)

listings in the yellow pages. These thirteen listings under the name “Consumer Credit Counseling” all list *local* telephone numbers, with many identified as being in surrounding cities such as Apex, Garner and Wake Forest; however, no street address is provided. A copy of sample pages from the Raleigh telephone directory, highlighting telephone listings used by the defendants under the name “Consumer Credit Counseling,” are attached hereto as Exhibit 2.

19. Despite being listed as local telephone numbers for consumer credit counseling services, these telephone numbers actually connect consumers with CLG sales representatives in Boca Raton, Florida, or with telemarketers in boiler rooms in other locations operating on CLG’s behalf. While the phone listings lead North Carolina consumers to believe that they are calling a local non-profit consumer credit counseling agency, CLG does not operate under or use the name “Consumer Credit Counseling,” CLG has no address or physical location anywhere in the State of North Carolina, and CLG does not provide credit counseling services.

20. When consumers telephone CLG in response to CLG’s advertising, consumers speak with a sales representative of CLG or an enrollment agent acting on behalf of CLG, all of whom are paid on commission to enroll as many consumers as possible into CLG’s debt relief programs. Among other statements, CLG and its enrollment agents routinely tell consumers that, if they enroll in CLG’s debt settlement program, the consumer will be represented by a law firm that has practicing attorneys in North Carolina; that the firm has extensive expertise in negotiating debts; that CLG’s debt settlement program will reduce the consumer’s unsecured debts by approximately 50%; and that consumers can become totally debt free in as little as two and a half to four years without filing for bankruptcy.

21. Further, CLG’s representatives routinely advise prospective consumer customers

that the CLG “law firm” will provide them with legal protection against creditors’ collection efforts, that CLG will generally protect them from getting sued by their creditors, and that CLG will provide them with legal representation in the event that they are sued.

**B. The Operation of the Defendants’ Debt Settlement Scheme**

22. When a consumer signs up for CLG’s program, CLG requires the consumer to provide the consumer’s bank account number and to authorize an electronic debit from the consumer’s bank account on a monthly basis by automatic bank draft. The amount of the consumer’s monthly payment is determined by the amount of debt that the consumer places into CLG’s debt settlement program. Therefore, depending on the total of the consumer’s debts, consumers’ payments range from a low of \$100 per month to a high of almost \$1700 per month.

23. When consumers enroll in CLG’s debt settlement program, CLG instructs consumer clients to cease paying on their debts so that funds can be accumulated to settle the debts, and to cease all communications with their creditors. CLG assures its customers that CLG will handle all communications, including debt settlement negotiations, with their creditors on their behalf.

24. CLG informs consumers that their monthly payments will be accumulated and placed into an escrow account located at a third party bank on behalf of the consumer for payment to the consumer’s creditors. Consumers’ funds are debited by a third party payment processor called Global Client Solutions, LLC; however, CLG is authorized under its agreements with consumers to collect its fees from consumers’ deposits before any settlements are obtained. Although Global Client Solutions (“Global”) acts as a third party escrow agent, when Global debits consumers’ monthly payments from consumers’ personal bank accounts, Global

immediately disburses CLG's fees to CLG pursuant to CLG's instructions to Global.

25. CLG charges substantial fees for its "debt settlement services," and CLG collects these fees up-front prior to negotiation of any settlements or rendering other valuable services for their clients. CLG typically charges fees equivalent to at least 12% of the consumer's debt and sometimes charges fees as high as 23% of a consumer's debt. Thus, for example, one consumer who complained to the Attorney General's Office who submitted a total of \$37,000 in debt to CLG was charged a fee of \$4500 by CLG for its purported services.

26. Before CLG will commence any debt negotiation with a consumer's creditors, the defendants require that consumers pay all or a substantial portion of CLG's fee first. As a result, because the defendants collect their fees up-front, a consumer must remain in CLG's program for often a year or more before any debt negotiation services are performed, if any are performed at all.

27. Upon information and belief, CLG's employees have no significant training, experience or expertise in the areas of credit counseling, debt management, or bankruptcy law. The defendants' sales agents are primarily directed to sell the defendants' program without analyzing the consumer's financial situation and without determining whether a debt settlement program is appropriate for the consumer's particular financial circumstances.

28. After consumers enroll in CLG's program, CLG has very little further contact with consumers. The defendants do not provide consumers with periodic reports or other information about CLG's communications with consumers' creditors. Upon information and belief, after consumers enroll in CLG's program, consumers typically find it very difficult to reach CLG employees by telephone to get advice or to obtain information about the status of

settlement activities.

29. On information and belief, in many instances, the defendants fail to engage in settlement negotiations with consumers' creditors as promised.

30. Because CLG instructs consumers to cease making monthly payments to their creditors, consumers' debts continue to increase while they are in CLG's debt settlement program due to late charges, over-the-limit fees, and additional interest charges assessed by their creditors.

31. After consumers enroll in CLG's program, consumers are at greater risk of being sued by their creditors because – at the direction of CLG – consumers stop communicating with their creditors and cease making payments to their creditors. However, despite leading consumers to believe that they are attorneys and that they can “protect” consumers from creditors and debt collectors, CLG does not provide legal representation to North Carolina consumers when they are sued.

32. For example, in March 2010, a North Carolina customer of CLG was sued by Citibank over a credit card debt that CLG was supposed to settle. The customer tried to obtain representation from CLG but a CLG attorney in Florida responded that CLG was not licensed to practice law in North Carolina and could not represent him. CLG did not refer the customer to any affiliated “of counsel” attorney in North Carolina. Instead, in May 2010, CLG e-mailed form pleadings to the customer for the customer to file *pro se*. The pleadings asserted patently frivolous defenses such as “unjust enrichment” and “unclean hands” (on the professed grounds that Citibank had suffered “no damages” as Citibank had “recently received a substantial Federal Bailout”). Copies of the CLG communication and pleadings are attached hereto as Exhibit 3 to this Complaint.

33. Despite their promises of legal representation, none of the defendants are licensed to practice law in North Carolina. On information and belief, the defendants have occasionally referred a few of their North Carolina clients to a North Carolina attorney for purposes of bankruptcy representation or other assistance. The North Carolina referral attorney has his own independent North Carolina law firm; he has no attorney-client relationship with CLG's customers; he does not handle any funds received by CLG from its North Carolina customers; he does not meet with, talk with, or have any other contact with any of CLG's North Carolina customers, except on a very occasional basis; he does not negotiate with third party creditors on behalf of CLG's North Carolina customers; and he is not otherwise involved with the operation of CLG's debt settlement program.

34. For example, an e-mail solicitation and an "Of Counsel" Agreement sent to a North Carolina attorney by defendant Metzner on behalf of CLG is attached hereto as Exhibit 4 to the Complaint. As stated by defendant Metzner in the communication, the "*only function*" to be performed by the North Carolina attorney "is to have your [the North Carolina attorney's] signature appear instead of mine [defendant Metzner's] on the North Carolina client agreements." The "Of Counsel" Agreement further states that the North Carolina attorney's compensation is to be \$1000.00 upon entering into the agreement, and then just \$1000.00 annually, as CLG estimated that the attorney's time "shall not exceed a total of three (3) hours per year." See attached Exhibit 4.

35. Because CLG fails to render any beneficial services to consumers, many consumers drop out of CLG's program after a few months.

36. In most instances, when consumers terminate CLG's debt settlement program,

CLG refuses to provide consumers with refunds of the advance fees CLG has collected.

37. CLG fails to disclose to consumers, either orally or in its contracts with consumers, the following material facts regarding its debt settlement program: (a) how consumers' payments will be apportioned between CLG's fees and the consumer's settlement account for payment to the consumer's creditors; (b) that the vast majority of consumers' initial payments are diverted to CLG for its advance fees; (c) that CLG's fee, or the majority of its fee, must be paid before CLG will even begin to perform any debt negotiation services; (d) that because consumers' creditors are not being paid for most of the program, creditors often increase consumers' interest rates and fees, causing consumers' debts to increase while they are in CLG's program; (e) that many consumers drop out of CLG's debt settlement program before any accounts are settled; and (f) that when customers drop out of CLG's program, consumers often lose most, if not all, of the money they paid as CLG appropriates their funds as CLG's fees.

38. CLG has obtained very few settlements on behalf of North Carolina consumers with consumers' creditors. Further, CLG has disbursed only a small portion of the money CLG has collected from North Carolina consumers to consumers' creditors, and, instead, CLG has retained most consumers' monies for the defendants' benefit. According to account statements from Global Client Solutions, CLG's payment processor for its debt settlement program, of the \$1,659,109.08 paid into CLG's program by 657 North Carolina consumers through July 2010, CLG had appropriated for itself \$801,251.17 in fees, accounting for about one-half of North Carolina consumers' payments as of July 2010. Further, as of July 2010, only \$201,895.73, or less than twelve percent of consumers' funds, had actually been disbursed to creditors as settlement payments.

39. The experience of Albert and Jestine Perry of Raleigh is typical of customers of CLG. Mr. and Mrs. Perry are retired and are living on a fixed income, consisting of Social Security and a small pension Mr. Perry receives from Alcoa. The Perrys had been struggling with living on a fixed income and had accumulated approximately \$18,000 in credit card debt. In late 2009, Mr. Perry was listening to a Christian radio station when he heard an advertisement for The Consumer Law Group, stating that CLG could help consumers with credit card debt “as part of the government’s debt relief plan.” (See Affidavit of Albert Perry, attached as Exhibit 5 to the State’s Motion for a Temporary Restraining Order and a Preliminary Injunction.)

40. Mr. Perry called the toll-free number advertised in the radio advertisement, and reached a CLG sales representative who identified herself as “Ginger.” “Ginger” told Mr. Perry that law firms were renegotiating debt for people as part of the government’s “Stimulus Plan,” and told him that CLG would contact his and his wife’s credit card creditors to negotiate substantially reduced settlements of their debts. Assured by “Ginger” that CLG’s program was legitimate, Mr. and Mrs. Perry signed up, and beginning in December 2009, paid CLG \$316.36 into CLG’s program each month.

41. CLG’s representative never disclosed how much CLG would deduct from their monthly payments for its fees. Over the past ten months, the Perrys have paid CLG almost \$3000.00, but none of their debts have been settled and none of their creditors have been paid. Mr. Perry has called CLG repeatedly to try to find out where their money is going but has been unable to get any explanation or assistance. The “Negotiation Agreement” sent by CLG to the Perrys shows that CLG’s stated fee for settling the Perrys’ debts is \$3500.00, which is almost twenty (20) percent of the Perrys’ debt, and which fee CLG is collecting upfront before settling

any of the Perrys' debts.

42. Many consumers have had similar experiences as the Perrys, which is shown in the account statements obtained by the State from CLG's payment processor and account manager, Global Client Solutions. For example, consumer "DH" (whose full name has been redacted), who lives in Asheboro, North Carolina, signed up for CLG's debt settlement program in January 2009 and remained in the program for ten months, through October 2009. The statement of account shows that DH's bank account was debited each month in the amount of \$354.10, after which DH stopped making payments. Over that time period, DH paid a total of \$3541.00 into CLG's debt settlement program, but none of his debts were settled and none of his creditors were paid. Out of that amount, CLG paid itself fees of \$3402.40, and \$138.60 was paid in fees to Global and to the bank used by Global, leaving DH with a balance of \$0 after ten months. A copy of this sample statement of account is attached hereto as Exhibit 5 to the Complaint.

**C. The Defendants' Collection of Fees for Third Party Debt Management Services**

43. In some instances, when consumers call CLG for assistance with their debts – often in response to CLG's "Consumer Credit Counseling" telephone book listings – consumers are then referred by CLG to a debt management program operated by American Credit Counselors, Inc. ("ACCI") or Consumer Advocates Credit Counselors, Inc. ("CACC"). ACCI and CACC are incorporated as non-profit corporations and both operate at the same Boca Raton street address as CLG and ADNI. Upon information and belief, those consumers that are particularly financially strapped and are having great difficulty making monthly payments on their credit cards are generally steered towards CLG's debt settlement program, whereas those consumers who are able to afford higher monthly payments to their creditors may be referred to ACCI's or CACC's

debt management program.

44. Under a typical debt management plan, the administrator, usually a non-profit credit counseling agency, arranges with a consumer's creditors to obtain reduced interest rates and reduced payments on the consumer's credit card accounts. The consumer's creditor then agrees to accept a fixed monthly payment, which is disbursed by the credit counseling agency to the creditor on behalf of the consumer after the consumer makes a monthly payment to the credit counseling agency.

45. Thus, under ACCI's or CACC's debt management plan, unlike CLG's debt settlement scheme, consumers pay a fixed amount every month to ACCI or CACC, and ACCI or CACC then arranges for the disbursement of the payments each month to consumers' creditors according to an agreed-upon schedule. Upon information and belief, like most credit counseling entities, ACCI and CACC receive some compensation from consumers' creditors for administering a debt management program, but ACCI and CACC do not directly charge consumers for their services.

46. However, CLG collects an advance fee from consumers for referring and enrolling the consumer in ACCI's or CACC's debt management plan, with the knowledge and express or implicit assent of ACCI and CACC. CLG does not disclose its enrollment fee, which is usually approximate to the amount of the consumer's monthly payment.

47. Following the telephone sales call with the consumer, CLG debits the consumer's bank account for CLG's referral or enrollment fee, and CLG retains this fee, even though CLG provides no credit counseling, budget assessment, education, or other meaningful services to ACCI's or CACC's clients.

48. CLG refuses to enroll or refer any consumers for ACCI's or CACC's debt management plan unless the consumer provides CLG with their bank account number over the telephone in the sales call, so that CLG may debit the consumer's bank account for its upfront fee.

49. CLG subsequently sends the consumer an enrollment package to enroll in ACCI's or CACC's debt management program. CLG also sends the consumer an agreement authorizing CLG to debit monthly fees from the consumer's bank account to purportedly "oversee and monitor [ACCI or CACC] to ensure that [the consumer's] file is being administered in a manner which is consistent with the [consumer's] best interest." However, in its written "monitoring" agreement with consumers, CLG fails to disclose its substantial enrollment or referral fee.

50. According to records maintained by Vanco Services, LLC, a third party payment processor used by CLG, ACCI and CACC, CLG is charging North Carolina consumers fees ranging from \$199.00 to \$1588.00, merely to refer or to enroll consumers in ACCI's or CACC's debt management program. However, North Carolina's Debt Adjusting Act, N.C. Gen. Stat. § 14-423(3a), expressly limits qualified debt management providers to a fee of \$40.00 to originate or set up a debt management plan.

51. In addition to these steep enrollment fees, CLG also charges consumers a monthly "monitoring fee" to purportedly "monitor" consumers' debt management plans with ACCI or CACC. CLG's monthly fee is typically \$49.00 per month, but CLG has charged some North Carolina consumer higher monthly fees. North Carolina's Debt Adjusting Act limits monthly management fees for qualified debt management organizations (which CLG is not) to ten percent of the monthly payment, or \$40.00 per month, whichever is less. N.C. Gen. Stat. § 14-423(3a). The Act also prohibits debt management organizations from requiring the debtor to purchase other

products or services as a condition of participating in a debt management plan.

52. Upon information and belief, despite representing to consumers that it will perform monitoring and oversight services and charging consumers for such services, CLG performs no monitoring or oversight over consumers' debt management plans with ACCI or CACC.

53. Through the defendants' collusive arrangements with ACCI and CACC, the defendants, together with ACCI and CACC, have purposefully acted to evade the provisions of North Carolina law governing the provision of debt management services, and have failed to comply with North Carolina law, causing North Carolina consumers to be harmed.

54. Among other actions, CLG fails to provide any individualized budget counseling and budgeting assistance to the debtor; and upon information and belief, neither ACCI nor CACC provide such budget counseling or budgeting assistance once consumers are referred to ACCI and CACC.

55. CLG fails to determine that consumers have the financial ability to make payments to complete the debt management plan and that the plan is suitable for the consumer, and, upon information and belief, ACCI and CACC fail to make such determinations once consumers are referred to ACCI and CACC.

56. Since 2008, CLG has collected over \$1.0 million in fees from over 2500 North Carolina consumers for doing nothing more than merely referring or enrolling consumers in a debt management program operated by ACCI or CACC, and is continuing to collect such fees.

**D. Diversion of CLG's Consumer Fees and Monies to American Debt Negotiators**

57. From February 2008 through mid-July 2010, CLG received approximately \$34,000,000 in fees from consumers nationwide, which consists exclusively of fees retained by

CLG for debt settlement services as well as its referral fees for enrolling consumers in third party debt management programs, including those of ACCI and CACC. Of this amount, CLG has transferred over \$31,000,000, or over 93% of CLG's fees received from consumers, to a third party debt settlement company, American Debt Negotiators, Inc. ("ADNI"). The three signatories on CLG's bank account, and the three individuals who control CLG's funds, are defendant Metzner, and non-attorney defendants Barnea and Post.

58. The receipts received by ADNI in its bank account consist almost exclusively of deposits or transfers by CLG. ADNI was incorporated by defendants Barnea and Post, and Barnea and Post control ADNI. Further, defendants Barnea and Post have exclusive authority over and access to the bank account of ADNI. On information and belief, defendant Metzner has no ownership interest in ADNI, has no authority over ADNI's bank accounts, and has no control over ADNI. However, defendant Metzner has authorized the transfer of almost all CLG fees, consisting of consumers' funds, to ADNI and defendants Barnea and Post.

#### **IV. CLAIMS FOR RELIEF**

##### **COUNT I:** **VIOLATIONS OF THE NORTH CAROLINA DEBT ADJUSTING LAW:** **N.C. GENERAL STATUTE § 14-423, et seq.**

59. The State realleges and incorporates herein the allegations of paragraphs 1 through 58 above.

60. The defendants are engaged in illegal "debt adjusting" services as that term is defined in Article 56 of Chapter 14 of the North Carolina General Statutes. Specifically, N.C. Gen. Stat. § 14-423(2) defines "debt adjusting" in pertinent part:

Debt adjusting also includes the business or practice of debt

settlement ... whereby any person holds himself or herself out as acting for consideration as an intermediary between a debtor and the debtor's creditors for the purpose of reducing, settling, or altering the terms of the payment of any debt of the debtor, whether or not the person distributes the debtor's funds or property among the creditors, and receives a fee or other consideration for reducing, settling, or altering the terms of the payment of the debt in advance of the debt settlement having been completed or in advance of all the services agreed to having been rendered in full.

61. The activity of "debt adjusting" is prohibited by N.C. Gen. Stat. § 14-424, which provides that "[i]f any person shall engage in, or offer to or attempt to, engage in the business or practice of debt adjusting, or if any person shall hereafter act, offer to act, or attempt to act as a debt adjuster, he shall be guilty of a Class 2 misdemeanor."

62. The defendants' offering and purported rendering of "debt settlement" or "debt negotiation" services to North Carolina consumers is in direct violation of North Carolina's debt adjusting statute. The defendants have engaged, and are engaging in a business or practice in which the defendants hold themselves out as acting or offering or attempting to act, for consideration, as an intermediary between North Carolina consumer debtors and their creditors for the purpose of reducing, settling, or altering the terms of payment of North Carolina debtors' debts; and the defendants receive advance fees from consumers for debt settlement services.

63. The defendants also collect or receive unlawful fees from consumers who are signed up by CLG to participate in ACCI's and CACC's debt management programs. Further, aside from ministerial enrollment or simple referral services, the defendants fail to provide any services to consumers CLG enrolls in ACCI's and CACC's debt management program, such as financial screening, credit counseling, budgeting assistance, monitoring, administration, or oversight services.

64. N.C. Gen. Stat. § 14-426 provides for certain, limited exemptions to the statute, including an exemption for attorneys that are “licensed to practice in this State who [are] not employed by a debt adjuster.” The defendants do not qualify for this exemption or any other statutory exemption, as the defendants are not licensed to practice law in this State and the debt settlement services, if performed, are performed by the defendant debt adjusters and not by any North Carolina licensed attorney.

65. Pursuant to N.C. Gen. Stat. § 14-425, the State is entitled to injunctive relief to restrain the defendants from further violations of the law, to the refunding of all fees unlawfully collected by the defendants from North Carolina debtors, and to the appointment of a receiver to assist in the recovery of funds unlawfully collected and held by the defendants.

COUNT II:  
VIOLATIONS OF THE NORTH CAROLINA UNFAIR AND DECEPTIVE TRADE  
PRACTICES ACT:  
N.C. GENERAL STATUTE § 75-1.1

66. The State incorporates herein by reference paragraphs 1 through 65 above.

67. In the course of soliciting and promoting their "debt settlement" or “debt negotiation” services to North Carolina consumers, in entering into agreements with North Carolina consumers to provide such purported services, and in failing to meaningfully perform such services, the defendants have engaged in unfair and deceptive acts and practices in trade or commerce in violation of N.C. Gen. Stat. § 75-1.1.

68. The defendants are engaged in trade or commerce in this State and are not exempt as attorneys from the coverage of N.C. Gen. Stat. § 75-1.1 because the defendants are not licensed to practice law in North Carolina; the defendants are engaging in an unlawful business activity

expressly prohibited in this State; and the defendants do not operate CLG as a bona fide law firm but as a cover for their unlawful debt adjusting business.

69. The defendants' unfair or deceptive acts and practices include, but are not limited to, the following:

(A) Engaging in debt adjusting activities, as set forth above, which are specifically prohibited by North Carolina law;

(B) Making deceptive and misleading representations to consumers, including but not limited to the following acts and practices by defendant CLG:

- (i) Using solicitations to lead consumers to believe that CLG is affiliated with a government program, including misleading references to participation in the "North Carolina Relief Act" and the federal "stimulus program";
- (ii) Falsely representing that the defendants' debt settlement program is highly successful, that the defendants will reduce consumers' unsecured debts by as much as 50 percent, and that consumers will be able to avoid bankruptcy through the defendants' program, when, in actuality, the defendants do not settle most consumers' debts, most consumers' debts are not reduced, very few consumers successfully complete the defendants' program, and the defendants' program usually fails, causing many consumers to file for bankruptcy;
- (iii) Representing that the defendants' debt settlement program is consumers' best option for debt relief and disparaging other options;

- when, in reality, other options, such as credit counseling and bankruptcy, are far more reliable and suitable for consumers;
- (iv) Representing that the defendants have special expertise in “debt settlement” or “debt negotiation,” when the defendants have no such special expertise, and consumers are more likely to obtain reduced settlements with their creditors through their own efforts than through the defendants’ efforts, if any;
  - (v) Representing to consumers that the defendants are attorneys and that they will provide “legal protection” to consumers from creditors and debt collectors; when the defendants are not licensed to practice law in North Carolina, the defendants do not provide “legal protection” to consumers from their creditors, and the defendants do not provide any legal representation to consumers;
  - (vi) Representing that the defendants will promptly begin contacting and negotiating with consumers’ creditors shortly after consumers enroll in defendants’ debt settlement program; when, in fact, the defendants typically do not negotiate with consumers’ creditors until consumers have been in the defendants’ program for many months, if at all;
  - (vii) Failing to adequately disclose to consumers the amount of the defendants’ fee and that a substantial portion of the defendants’ fees are collected upfront before defendants will perform any debt

settlement services; and failing to disclose to consumers how their funds will be apportioned between the defendants' fee and the consumer's settlement account;

- (viii) Representing to consumers that the defendants will keep consumers informed of defendants' actions on consumers' behalf, and representing that the defendants are available to respond to consumers' inquiries; when the defendants typically do not provide consumers with information about the defendants' actions and do not respond to consumers' questions regarding their debt settlement program;
- (ix) Failing to inform consumers that some creditors refuse to negotiate with the defendants or refuse to negotiate with debt settlement entities;
- (x) Failing to adequately inform consumers that they face a higher degree of risk of being sued by their creditors as a direct result of their participation in the defendants' debt settlement program due to the defendants' instructions to consumers to cease making payments to their creditors;
- (xi) Failing to adequately inform consumers that their debts may significantly increase as a direct result of their participation in the defendants' debt settlement program because of creditors' assessment of finance charges, late fees, over-the-limit fees, and

other fees due to the defendants' instructions to consumers to cease making payments to their creditors;

(C) Offering and engaging in a "debt settlement" or debt adjusting program through defendant CLG that, in substance, is grossly unfair and injurious to consumers, in that, among other things:

- (i) CLG charges an extraordinarily high fee for its purported services, which fees the defendants collect in advance of settling any debts and which the defendants retain for their own benefit, without, in many instances, providing any services for consumers;
- (ii) Defendant CLG purports to be a law firm, represents that it provides legal representation to consumers, and purports to provide legal protection from creditors' lawsuits, when CLG is not a law firm and does not provide any legal representation in this State;
- (iii) CLG advises consumers to cease paying legal obligations to their creditors and to cease communicating with their creditors;
- (iv) The defendants retain unlawful fees and fail to provide refunds to consumers even when the defendants have performed no useful services for such consumers; and
- (v) The defendants perpetrate a program that is substantially deleterious to the credit standing and the economic and legal standing of consumers.

## PRAYER FOR RELIEF

WHEREFORE, the State of North Carolina prays the Court for the following relief:

A. That the defendants, their members, officers, employees, and agents be temporarily restrained and preliminarily and permanently enjoined from:

- (1) Advertising, offering, soliciting, or entering into contracts with North Carolina consumers for unlawful debt adjusting, including debt settlement or debt negotiation services, in violation of North Carolina's Debt Adjusting law, N.C. Gen. Stat. §§ 14-423, *et seq.*;
- (2) Soliciting or collecting any monies from North Carolina consumers for debt adjusting services, in violation of the Debt Adjusting law, N.C. Gen. Stat. § 14-423 and 14-424;
- (3) Engaging in unfair or deceptive trade practices in the offering or conduct of their debt settlement or debt negotiation services, in violation of N.C. Gen. Stat. § 75-1.1; and
- (4) Disposing of any funds unlawfully collected as fees from North Carolina consumers.

B. That a receiver be appointed pursuant to N.C. Gen. Stat. § 14-425 to gain control of assets received and retained by defendants as a result of their unlawful debt adjusting activities in this State;

C. That the defendants be ordered to refund all sums collected from North Carolina consumers resulting from the defendants' violations of the Debt Adjusting law and N.C. Gen. Stat. § 75-1.1, pursuant to N.C. Gen. Stat. §§ 14-425 and 75-15.1;

D. That to preserve assets for the payment of restitution to North Carolina consumers, that funds in bank accounts controlled by CLG and ADNI be ordered frozen and the defendants restrained from withdrawing any funds required to pay such restitution without court approval;

E. That the defendants' existing agreements or contracts with North Carolina consumers be cancelled pursuant to N.C. Gen. Stat. §§ 75-1.1 and 75-15.1;

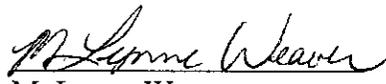
F. That the defendants be ordered to pay appropriate civil penalties pursuant to N.C. Gen. Stat. § 75-15.2;

G. That the State be awarded costs of this action and reasonable attorneys fees; and

H. That the Court award such other and further relief as may be just and proper.

This the 1<sup>st</sup> day of October, 2010.

  
Philip A. Lehman  
N.C. Bar No. 6721

  
M. Lynne Weaver  
N.C. Bar No. 19397

Assistant Attorneys General  
North Carolina Department of Justice  
P.O. Box 629  
Raleigh, NC 27602  
Tel: 919-716-6000  
Fax: 919-716-6050  
E-mail: [lweaver@ncdoj.gov](mailto:lweaver@ncdoj.gov)  
[plehman@ncdoj.gov](mailto:plehman@ncdoj.gov)

Attorneys for STATE OF NORTH CAROLINA  
*ex rel.* ROY COOPER, Attorney General

STATE OF NORTH CAROLINA

COUNTY OF WAKE

VERIFICATION

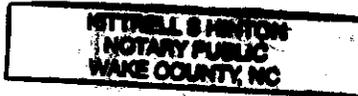
David C. Evers, being first duly sworn, deposes and says:

That he is a Consumer Protection Specialist employed by the North Carolina Department of Justice and that he is authorized to make this Verification; that he assisted in the Department of Justice's investigation of the named defendant; that he has read the foregoing Complaint, and that upon his information and belief, the matters and things alleged therein are true.

*David C. Evers* 10/1/10

David C. Evers                      Date  
Consumer Protection Specialist

Sworn and subscribed before me  
this 1st day of October, 2010.



*Mitchell S. Hinton*  
Notary Public

My Commission Expires: 7-27-14



# Are You Eligible?

Please use the Credit Relief Act Tool provided below, to see if you are among the Thousands of North Carolina Residents who qualifies for the Credit Relief Program! Debt Reductions vary based on Criteria and current Hardship Status...

- HOME
- INFORMATION
- ELIGIBILITY
- MEDIA
- RESOURCES
- FAQS
- PROGRAM

## INSTRUCTIONS

- Fill out the Form to the Right and answer the Three Questions, and find out if your Eligible for the State of North Carolina Credit Relief Program granting credit relief to North Carolina Residents.
- If you meet the eligibility requirements you will receive a security pin number with directions on how to access your Credit Relief Informational Package, please write down your Secure PIN Number for future reference.
- If your criteria does not match the necessary requirements you will be prompted to an explanation page for details of ineligibility.



- \*Must be a Current North Carolina Resident
- \*Must be over the Age of 18
- \*Must be suffering from a Financial Hardship

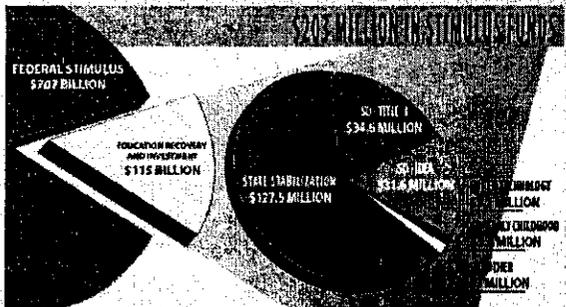
### Input Information Below...

What is your approximate Unsecured Debt amount?

How many dependents did you claim on your 2008 North Carolina State Tax Return?

Are You Experiencing Financial Hardship?  Yes  No

\*\*By clicking below, you certify the above criteria is met and you have answered the questions truthfully and accurately.

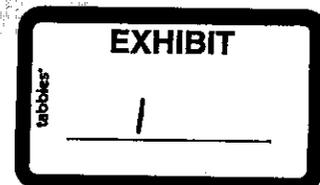


HOME | INFORMATION | ELIGIBILITY | MEDIA | RESOURCES | FAQS | PROGRAM | PRIVACY POLICY | 800.965.3620

www.ssa.gov | www.ftc.gov | www.U.S.A.gov | www.FinancialStability.gov

© 2010 North Carolina Relief Act :: All Rights Reserved

NorthCarolinaReliefAct.com and it's affiliates are not sponsored by or affiliated with any governmental or State authority or agency. ArizonaReliefAct.com is not a credit counselor, lender or credit card issuer nor is it an insurance broker. ArizonaReliefAct.com does not take applications for loans, nor does not make loans or credit decisions in connection with loans, nor does it issue commitments or lock-in agreements. ArizonaReliefAct.com is not an agent of the consumer or credit counselor, bank, or loan broker (all of these hereinafter referred to as "Agents"). ArizonaReliefAct.com services are administrative only, relaying consumer requests for services to Lenders, Debt Arbitrators and or Credit Agents. Consumers are not charged a fee to use this website and are under no obligation to use any Agent or Lender's services. ArizonaReliefAct.com does not guarantee that completing the form or utilizing the contact number provided herein will result in a consumer receiving counseling or a loan from a Lender. ArizonaReliefAct.com receives its compensation from advertising services. The contact form and or contact number provided by a consumer is NOT an application for credit. Rather, it is a request to be placed in an aggregate consumer base. ArizonaReliefAct.com does not request, obtain or review consumer credit history reports as part of our services. The information provided on this site is for personal use only and does not constitute legal or financial advice. It is strongly recommended that you consult with a licensed professional before entering into any loan or other agreement.





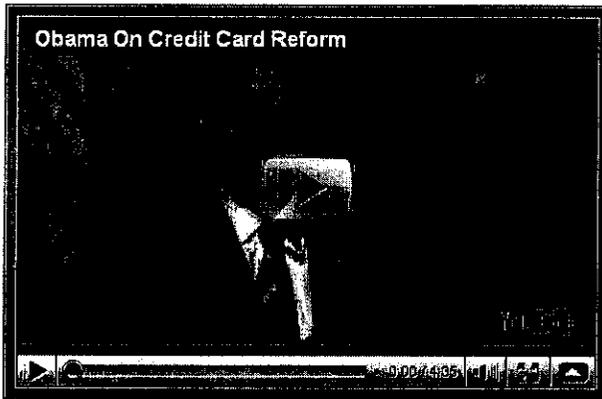
## Are You Eligible?

Please use the Credit Relief Act Tool provided below, to see if you are among the Thousands of North Carolina Residents who qualifies for the Credit Relief Program! Debt Reductions vary based on Criteria and current Hardship Status...

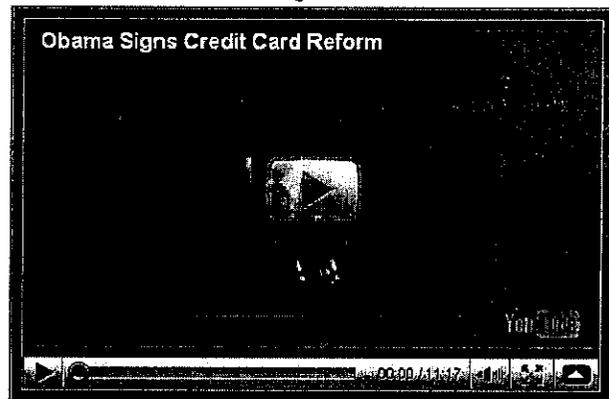
Media and Coverage on the Credit Relief Act

[Find out if you are eligible ▶](#)

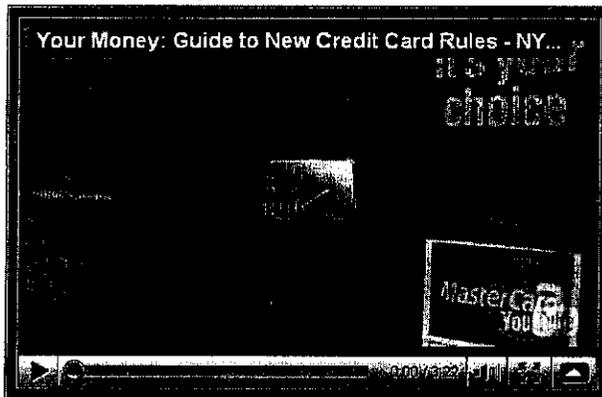
President Obama On Credit Card Reform



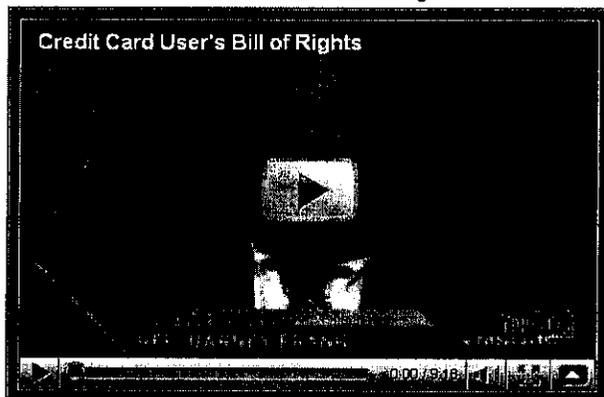
President Obama Signs Credit Card Reform



Your Money: Guide to New Credit Card Rules



Credit Card User's Bill of Rights



Dodd Speaks In Favor of Credit Card Act-1

Dodd Speaks In Favor of Credit Card Act-2



**Call: 1-800-965-3620**  
**To Receive Your Credit Relief Program**

**YOU ARE ELIGIBLE FOR CREDIT RELIEF!**

For Confidentiality your Reduction Plan can only be discussed over the phone. We need to verify the information you submitted on the previous page.

Please call: **1-800-965-3620**

Please have the following information ready.

**Secure Web PIN: 751220 (Valid for 24 hours)**

*(Social security number is not needed for validation)*

For your Privacy you have been issued a security pin code to receive all the information necessary to obtain your Credit Relief Program.

After completing the security verification process, your options will be disclosed to you about re-structuring your debt and lowering your payments.

**Credit Relief Act Customer Service: 1-800-965-3620**



**AMERICAN  
Debt Relief**

**ELIMINATE  
YOUR CREDIT CARD DEBT**

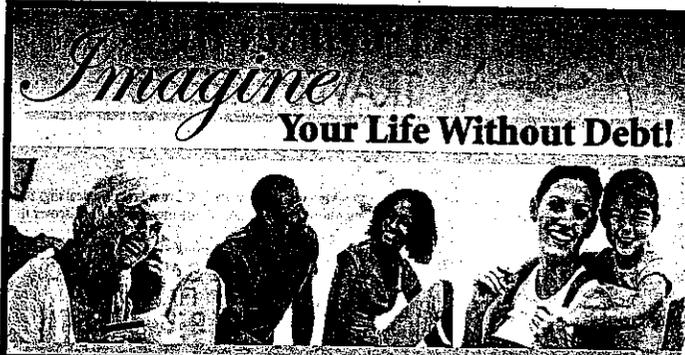
Get out of **DEBT**  
in **MONTHS**  
instead of **YEARS**

This is Not Bankruptcy  
Stop Creditor Harassment  
One Low Monthly Payment

**SAVE THOUSANDS**

**Call for Free Consultation  
Special Armed Forces Discount**

**866-671-8660**



**Do You Have More Than \$10,000 in Credit Card Debt?**

**We Can Help**

- Stop Harassing Calls from Creditors
- Avoid Bankruptcy, Collection Efforts and Bad Credit
- Reduce What You Owe by 30-70%
- Our Debt Specialists Have Saved Consumers Over \$500 Million to Date
- Get Your Quality of Life Back
- Be Completely Debt Free in as Little as 12 Months

**Alliance  
Debt Care**

**Call Us Today:  
1866-727-5992**

www.alliancedebtcare.com

**Credit & Debt Counseling  
Serves-(Cont'd)**

**AMERICAN DEBT RELIEF**

Get out of debt in **MONTHS**  
instead of **YEARS!**

Call For Free Consultation  
★ See Our Ad This Classification

Toll Free-Dial '1' & Then **866 671-8660**

American Debt Relief  
Toll Free-Dial '1' & Then **866 671-8660**  
★ See Display Ad This Page

**BANKRUPTCY OFFICES OF JOHN T. ORCUTT**

**\$99/month**  
(See If You Qualify)

www.billsbills.com

Bankruptcy Debt Relief Agency  
FREE 24 Hour Recorded InfoLine, Call  
6616 Six Forks Rd **919 847-2442**  
For Appointment Call **919 847-8750**

Bst Credit Solutions **919 838-0090**

**BUDGET HELPERS**

**YOUR DEBT PROBLEMS  
CAN BE SOLVED**

FREE Consultation  
NO Obligation • Confidential  
CALL NOW - 24 HR PHONES  
★ See Ad This Classification

Toll Free-Dial '1' & Then **888 775-7686**

**Budget Helpers**

Toll Free-Dial '1' & Then **888 775-7686**  
★ See Display Ad Previous Page

**Bridge Credit Counseling**

Toll Free-Dial '1' & Then **888 438-8602**  
★ See Display Ad Previous Page

**CAREONE CREDIT COUNSELING**

- Lower your monthly payments up to 57%
- Consolidate your unsecured debts
- ONE easy payment each month
- Get Ongoing Support & Counseling
- Call NOW for debt relief!
- ★ See Ad This Classification

Toll Free-Dial '1' & Then **888 261-7702**

**Careone Credit Counseling**

Toll Free-Dial '1' & Then **888 261-7702**  
★ See Display Ad Previous Page

**Carolina Mortgage & Credit Assistance**

172 Mine Lake Ct Raleigh **919 866-1225**

**Cathedral Community Christian Center Church**

403 Fern Cottage Ln Knightdale **919 266-9789**

**CKT Mortgage And Real Estate Solutions**

4919 Waters Edge Dr Ral **919 858-0820**

**Clearpoint Credit Counseling Solutions**

4036 Wake Forest Rd **919 875-0900**  
★ See Display Ad Page 171

**Clearpoint Credit Counseling Solutions**

4030 Wake Forest Rd Raleigh **919 747-3837**

**Consumer Credit Counseling**

**Consumer Credit Counseling** **919 462-1618**

**Consumer Credit Counseling** **919 462-6696**

**Consumer Credit Counseling** **919 875-1996**

**Consumer Credit Counseling** **919 363-6787**

**Consumer Credit Counseling** Cary **919 469-7980**

**Consumer Credit Counseling** Durham **919 845-3212**

**Consumer Credit Counseling** **919 661-5360**

**Consumer Credit Counseling** Garner **919 773-8366**

**Consumer Credit Counseling** Holly Spgs **919 363-4755**

**Consumer Credit Counseling** Raleigh **919 854-4882**

**Consumer Credit Counseling** **919 266-7935**  
Wake Forest  
**Consumer Credit Counseling Services** **919 821-1770**  
401 Hillsborough St  
**Consumer Education Service Inc** **919 785-0725**  
3801 Lake Boone Tr Ral

**CREDIT CARD RELIEF**

**Too Much Credit Card Debt?**

We Can Save You Thousands!

Call Now For Your **FREE** Consultation

★ See Our Ad This Classification

Toll Free-Dial '1' & Then **866 451-8392**

**Credit Card Relief**

Toll Free-Dial '1' & Then **866 451-8392**

**Credit Guard Inc**

**702 228-1071**

**EQUITABLE CREDIT**

*Improve Your  
Credit Score!*

That's What We Do

*Over 20 Years Experience*

www.equitablecredit.com

**Call Us First!**

8378 Six Forks Rd **919 846-7000**

**First Credit Solutions Credit Repair**

401 Aversboro Rd Garner **919 772-8722**

Fiscal Progress 3717 National Dr Ral **919 719-1750**

★ See Display Ad Page 171

**Fiscal Progress**

Garden State Consumer Credit Counseling **919 510-0500**

4917 Water Edge Dr Ral **919 233-9044**

**Money Management International**

Main Office 9009 W Loop South Houston TX

Toll Free-Dial '1' & Then **866 866-0867**

★ See Display Ad Previous Page

**Credit Reporting Agencies  
Personal**

**Equifax**

Equifax Risk Management Services **919 872-4496**  
5000 Falls Of Neuse Rd

**Credit Union Serves**

See Also Automated Teller Machines

**Bayer Federal Credit Union**

127 Pony Farm Rd **919 359-2400**

**Coastal Federal Credit Union**

Administrative Headquarters  
1000 St Albans Dr Ral **919 420-8000**

**EMC Employees Credit Union**

3400 Summer Blvd **919 876-8018**

**First Flight Federal Credit Union**

www.firstflightcu.org

2425-305 Kildaire Farm Rd **919 851-5690**

**Freedom Credit Union**

3000 New Bern Ave Ral **919 231-8733**

**Freedom Federal Credit Union**

2809 E Millbrook Rd **919 713-4899**

2809 E Millbrook Rd Ral **919 713-4895**

**Latino Credit Union**

4418 Fayetteville Rd Garner **919 773-9180**

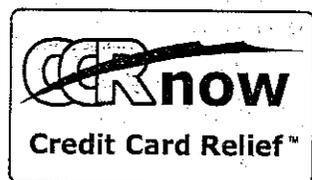
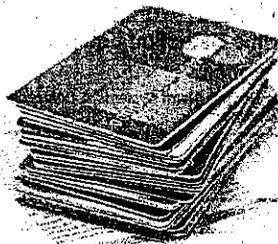
AT&T Real Yellow Pages Ads

Mean Business!

**TOO MUCH CREDIT CARD DEBT?**

**Trouble Paying the Monthly Minimums?**

- Sky-high interest rates?
- Late fees? • Over-limit fees?



**We Can Get  
You Out Of Debt  
In MONTHS  
Instead Of Years.  
Call Right Now!**

- We have an outstanding record of performance and satisfaction
- Our proven, attorney-driven program can get you out of debt
- We can save you thousands of dollars
- We can help you avoid bankruptcy

**FREE Consultation • No Obligation • Confidential**

**Call Credit Card Relief Now**

**866-451-8392**

**24 Hours, 7 Days a Week**

NOT a high-interest consolidation loan • NOT one of those consumer credit counseling programs • NOT available in all states

The Consumer Law Group, P.A. / Account#: 153358 / Name: Iziah Shepherd Jr.

From: **Nicole V.** (nicolev@myconsumerlawgroup.com)

Sent: Wed 5/12/10 9:13 AM

To: izijr@msn.com

Attachments:

Iziah Shepherd sample Answer to Citibank (2).doc (31.0 KB)

Dear Iziah:

The attached sample was drafted on your behalf merely as a courtesy.

Please be advised we are not a *North Carolina* law firm, and I am **not** admitted to practice law in *North Carolina*. Consistent with your Negotiation Agreement, litigation services are **not** covered under your contract with our office. As such, we have drafted the attached merely as a courtesy to you, and for informational purposes only. While I am always happy to assist you in a general sense and on a clerical basis, as we discussed, we will **not** be entering an appearance in this case as your attorney, and you should only file a pleading after conferring with a *North Carolina* lawyer if possible.

So as to avoid any confusion, **you should not rely on the attached courtesy sample as legal advice, but merely as a template for what the format of your response might look like.** The responses provided in the sample response was based on a review of the file but only you can ultimately decide how to respond, which is why the attached is being sent in Microsoft Word format which allows you to make any desired changes.

If the responses in the sample match what you would have written on your own, you can sign the attached in blue ink, and after making two (2) copies, file the original (the one signed in blue ink) with the Clerk of the Court on or before **Friday, May 14, 2010**. Also, please mail a copy to the Plaintiff's lawyer, while maintaining a copy for yourself.

The case number on the summons we received was difficult to read so please verify that the case number written on the first page of your sample answer matches the case number written on your Citibank summons. If by chance it does not please change it accordingly.

**Your responses deadline is Friday, May 14, 2010.** If you have any questions, please do not hesitate to contact our office.

Thank you.

All the best,

---

**Nicole Vaagenes, Esq.\* | The Consumer Law Group, P.A.**

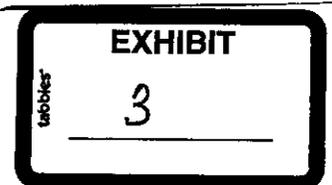
23123 US Route 441, Suite 235

Boca Raton, FL 33428

TELEPHONE 800.763.1872 | FAX 561.886.1310

[nicolev@myconsumerlawgroup.com](mailto:nicolev@myconsumerlawgroup.com)

*\* Admitted to practice law in Florida and Washington D.C. **only**. This email alert is not intended to provide legal advice or opinion and should not be relied on as such. Such advice may only be given when related to specific fact situations that The Consumer Law Group, P.A. has accepted an engagement as counsel to address.*



STATE OF NORTH CAROLINA

COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE

DISTRICT COURT DIVISION

CASE NO: 10-CV006508

CITIBANK (SOUTH DAKOTA), N.A.,

Plaintiff,

v.

IZIAH SHEPHERD, JR.,

Defendant

---

**DEFENDANT'S ANSWER AND AFFIRMATIVE DEFENSES**

Pro Se Defendant, IZIAH SHEPHERD, JR., (hereinafter "Defendant"), hereby files this Answer and Affirmative Defenses to Plaintiff's Complaint and states as follows:

**ANSWER**

1. Without knowledge, therefore denied.
2. Admit.
3. Denied.
4. Admit.
5. Denied.

**AFFIRMATIVE DEFENSES**

Any allegation not expressly admitted above is hereby denied. Additionally, without admitting any of the allegations set forth in Plaintiff's Complaint, Defendant raises the following Affirmative Defenses:

6. **Unconscionability.** The purported cardholder agreement upon which Defendant has been sued should be deemed unenforceable, as the interest rate in excess of 26% should be deemed usurious, and therefore shocking to the conscience of this Honorable Court. Additionally, the purported cardholder agreement should be deemed unenforceable because upon information and belief, said document allowed Plaintiff to unilaterally change material terms without prior notice to Defendant.

7. **Estoppel.** Plaintiff should be estopped from bringing this action as the purported cardholder agreement upon which Defendant has been sued should be deemed unenforceable as the interest in excess of 26% should be deemed usurious, and therefore shocking to the conscience of this Honorable Court. Furthermore, Plaintiff should be estopped from bringing this action based upon its misrepresentation regarding monthly statements which were not always furnished to Defendant, in contravention of the purported cardholder agreement upon which Plaintiff has sued.

8. **Waiver.** Plaintiff has waived its right to bring this action based upon its misrepresentation regarding monthly statements which were not always furnished to Defendant, in contravention of the purported cardholder agreement upon which Plaintiff has sued.

9. **Failure To Mitigate Damages** – Plaintiff's Complaint must fail due to its failure to mitigate damages in that Plaintiff never genuinely availed itself of the opportunity to resolve this matter for a reasonable sum prior to the institution of litigation and as a result, its demand is artificially inflated by unnecessary interest, penalties, and attorney's fees.

10. **Unjust Enrichment** – Upon information and belief, Plaintiff recently received a substantial Federal Bailout as part of an economic stimulus package designed to deal with the very type of purported contract failure upon which Plaintiff has sued. As such, Plaintiff has no damages, and for Plaintiff to collect its Federal Bailout money on top of receiving funds from Defendant, would result in an unjust enrichment of Plaintiff, thereby producing an inequitable result.

11. **Unclean Hands** – Plaintiff's purported claims are barred by the Doctrine Of Unclean Hands, because upon information and belief, Plaintiff recently received a substantial Federal Bailout as part of an economic stimulus package designed to remediate the very type of purported contract failure upon which Plaintiff has sued. As such, Plaintiff has no damages, and for Plaintiff to collect its Federal Bailout money on top of suing Defendant, constitutes unclean hands.

12. **Statute Of Limitations** – Plaintiff's claims are barred by the applicable statute of limitations.

WHEREFORE, Defendant respectfully requests this Honorable Court enter an order dismissing Plaintiff's Complaint and further granting any other such relief deemed necessary and proper.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via Regular U.S. Mail to Tonya L. Urps, Esq., Bernhardt & Strawser, P.A., Attorneys for Plaintiff, Suite 100, 5821 Fairview Road, Charlotte, NC 28209, on May 13, 2010.

\_\_\_\_\_  
Iziah Shepherd, Jr., Pro Se Defendant  
205 Zircon Lane  
Knightdale, NC 27545

10/7/2008 1:59 PM1:59 PM

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Tuesday, October 07, 2008 1:44 PM  
**To:** [REDACTED]  
**Subject:** Fwd: Local counsel in North Carolina  
**Attachments:** Consumer Law Group Debt Settlement Agreement.pdf; North Carolina Of Counsel agreement.doc

My contact information is [REDACTED], [REDACTED] Personal Cell and [REDACTED] Office! Feel free to call me if you need me.

## Forwarded conversation

Subject: **Local counsel in North Carolina**

-----

**From:** Michael Metzner <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>  
**Date:** 2008/10/3  
**To:** [REDACTED]

Dear [REDACTED]

Thank you for taking the time to speak with me earlier today regarding the above referenced matter.

As I imparted to you during our discussion, The Consumer Law Group needs "of counsel" attorneys in a few states, including North Carolina. You are only needed for signatory purposes, and no court appearances or legal drafting are required. Furthermore, your signature will not appear on any document which you have not first reviewed and approved. Consistent with our conversation, I have attached a sample Debt Settlement Agreement, along with our "Of Counsel Agreement."

We are prepared to send you \$1,000.00 immediately, followed by annual checks of \$1,000.00 each. The only function we need you to serve is to have your signature appear instead of mine on the North Carolina client agreements. Perhaps the greatest aspect of this program is how it will serve as a consistent referral engine for your practice. For example, any time a client is in need of a North Carolina attorney for any reason, we will be recommending your office. Additionally, to the extent you have any pamphlets or written advertisements, we will of course include said advertisement(s) in your client's packet.

Please review the attached "Of Counsel Agreement" and advise as to your thoughts on Monday. We look forward to hearing from you, and hope to send you a \$1,000.00 check next week. Thank you.

All the best,



10/7/2008 1:59 PM

Michael L. Metzner, Esq.

***THE CONSUMER LAW GROUP, P.A.***

Suite 412

2001 West Sample Road

Pompano Beach, FL 33064

(PH) 954-935-3171

(FX) 954-691-2169

No virus found in this outgoing message.

Checked by AVG.

Version: 7.5.524 / Virus Database: 270.7.5/1703 - Release Date: 10/2/2008 7:46 AM

-----  
From: [REDACTED] <[REDACTED]>  
Date: Fri, Oct 3, 2008 at 1:20 PM  
To: Michael Metzner <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>

Thank you, will give everything a once over and get back with you asap. Enjoy your weekend. [REDACTED]

2008/10/3 Michael Metzner <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>:

--  
Attorney at Law, [REDACTED]

This email may create an attorney-client relationship. Therefore, no action should be taken in reliance on the information contained herein if you are not the intended recipient. Taking any such action is unlawful and may result in prosecution.

-----  
From: **Michael Metzner** <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>  
Date: Mon, Oct 6, 2008 at 1:26 PM  
To: [REDACTED]

Thank you, [REDACTED] Please advise as to your decision today.

No virus found in this incoming message.

Version: 7.5.524 / Virus Database: 270.7.6/1709 - Release Date: 10/5/2008

10/7/2008 1:59 PM  
9:20 AM

-----  
From: [REDACTED]  
Date: Mon, Oct 6, 2008 at 3:00 PM  
To: Michael Metzner <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>

I am definitely interested, however, I am uncomfortable with entrusting the Law Group with my signature. I am willing to review documents for Law Groups NC clients and sign them or place my signature scan upon them once I review them. Please update me on how you would like to proceed.

-----  
From: **Michael Metzner** <[michael.metzner@gmail.com](mailto:michael.metzner@gmail.com)>  
Date: Tue, Oct 7, 2008 at 8:13 AM  
To: [REDACTED]

We respect your concerns however, as stated in my previous email, your signature would only appear on the Debt Settlement Agreements, the form for which you have already reviewed.

Given your discomfort, we are going to offer the position to another candidate, but nonetheless wish you well with all future endeavors.

Sincerely,

--  
Attorney at Law, [REDACTED]

This email may create an attorney-client relationship. Therefore, no action should be taken in reliance on the information contained herein if you are not the intended recipient. Taking any such action is unlawful and may result in prosecution.

## "OF COUNSEL" AGREEMENT

THIS "OF COUNSEL" AGREEMENT (the "Agreement"), is entered into this 3rd day of October, 2008, by and between The Consumer Law Group, P.A., a Florida corporation (hereinafter the "Company"), and [REDACTED], an attorney licensed in North Carolina, (hereinafter the "Attorney").

### RECITALS:

WHEREAS, the Company is a Florida Law Office in need of local counsel assistance in North Carolina.

WHEREAS, the Company desires to retain the Attorney to perform various duties for clients of the Company and the Attorney is willing to perform such services, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby represent, warrant, covenant and agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.
  
2. **Appointment of Attorney.** Subject to the terms and conditions set forth herein, the Company employs Attorney as "Of Counsel," and Attorney hereby accepts such employment, to serve as "Of Counsel" for the Company with regard to very limited debt counseling services (to consist of nothing more than episodic phone calls wherein Attorney may be needed to answer client questions from time to time), and any other services the parties agree separately in writing that Attorney will handle. Attorney shall devote such reasonable amount of time as shall be necessary to answer client questions, an endeavor which Company estimates shall not exceed a total of three (3) hours time per year. The Company shall provide administrative support to Attorney in the form of computer access to all North Carolina files.
  
3. **Duties of Attorney.**
  - A. Attorney shall execute all "Debt Settlement" or "Negotiation" agreements with potential clients in North Carolina. Towards that end, upon execution of this Agreement, Attorney shall email Company an electronic signature to be used on correspondence and forms that have been pre-approved by Attorney.

- B. Attorney shall be responsible for responding to client needs and requests in North Carolina that are within the scope of Attorney's representation, but shall not be obligated to perform any representation in connection with, or appear before, any tribunal, agency, court or panel.
  - C. Attorney agrees never to incorporate or form a limited liability company under the name "The Consumer Law Group".
  - D. Attorney shall not accept or receive funds directly from any clients of The Consumer Law Group, P.A. for the services to be performed hereunder.
  - E. Company shall permit Attorney to include her own firm's advertisements in any mailings sent to Clients in North Carolina however, Attorney must first receive advance, written approval of all proposed enclosures from Company, said approval not to be unreasonably withheld.
4. **Term.** The terms and provisions of this Agreement shall commence on October 3, 2008, and shall renew automatically on October 3, 2009, unless terminated in writing sixty (60) days prior to that date.
5. **Compensation.** In addition to covering all expenses associated with Attorney's continuing legal education requirements and annual bar dues in North Carolina, for all services to be rendered by the Attorney during the term hereof, pursuant to paragraphs 3(A) through 3(B) above, Attorney shall be paid \$1,000.00 within ten (10) days of the mutual execution of this Agreement, a guaranteed sum deemed to be Attorney's compensation for a one year period plus, \$1,000.00 annually thereafter. The parties hereto shall provide each other sixty (60) days written notice in the event of cancellation or termination of this Agreement. Company may add Attorney as an "of counsel" lawyer to be covered under Company's malpractice insurance. Company shall only insure or indemnify Attorney for North Carolina debt settlement files and nothing else. More specifically, Company shall defend, indemnify, and hold Attorney harmless from and against any claim, proceeding, or costs (including reasonable attorneys' fees) arising out of any action (whether formally filed or not) against Attorney by any law enforcement agency, regulatory authority, or consumer in any way relating to this Agreement or to the services Attorney provides hereunder.

All amounts paid to the Attorney shall be without deductions for federal, state or local taxes, social security, FUTA, FICA, or any other similar deductions, all of which shall be the sole and exclusive obligations of the Attorney.

6. **Relationship of Parties.**

- A. The Attorney shall be deemed an independent contractor in the performance

of her duties hereunder.

- B. This Agreement shall not be deemed to establish a partnership or joint venture between the Company and the Attorney, and the Company shall have no responsibility for any actions, liabilities or obligations of the Attorney or her employees, officers, directors, shareholders, agents or other representatives concerning matters unrelated to The Consumer Law Group, P.A.
- C. Neither the Attorney nor her employees, officers, directors, shareholders, agents or other representatives shall be entitled to participate in, or receive any benefit, welfare, pension or profit-sharing plan as a result of entering into this Agreement.
- D. Due to the relationship of the parties established herein, the Attorney will not be treated as an employee of the Company for federal tax purposes or for any other purpose. The Company shall not be responsible for withholding or for the payment of federal income tax, social security, unemployment, or other similar taxes and charges with respect to the Attorney, and Attorney agrees to pay all self-employment and other taxes, including income taxes and estimates thereof as shall be required by applicable law.
- E. It is expressly acknowledged and agreed that the Attorney shall have no authority to, and shall not, bind the Company to any agreement or obligation with any third party, unless agreed to by an authorized agent of the Company. The Attorney agrees that she will not make any representations with respect to her relationship to the Company, except that Attorney is "Of Counsel" for the Company with regard to the services to be provided hereunder.

**7. Termination.**

- A. With Cause. This Agreement shall automatically terminate without prior notice to the Attorney, and the relationship between the Company and the Attorney shall be deemed terminated "with cause" upon the occurrence of any of the following events:
  - (i) The Attorney violates the covenants set forth in Section 8 of this Agreement or participates, either directly or indirectly, in any other activity which is disruptive to the Company's business, or which is determined by the Company to not be in the best interest of the Company.
  - (ii) The Attorney breaches any provision(s) of this Agreement, or otherwise fails to perform diligently and in good faith any provision(s) of this

Agreement, after reasonable prior notice from the Company specifying the nature of the alleged breach or failure and after reasonable opportunity is given to correct the alleged breach or failure. Notwithstanding the foregoing, the Attorney's violation of any of the covenants set forth in Section 8 of this Agreement shall be grounds for immediate termination without prior written notice to the Attorney.

(iii) The Attorney's commission of any act in the performance of her duties constituting common law fraud, breach of fiduciary duty, a felony under Florida law, a misdemeanor under Florida law involving an act mala in se, or any other malfeasance or misfeasance of duty.

(iv) The Attorney is adjudicated by a Bar Grievance Committee in North Carolina as having committed an offense punishable by either suspension or disbarment.

- B. Either party may terminate this Agreement upon written notice given to the other party. Termination shall be effective sixty (60) days from the date of receipt of the written notice however, this Agreement will terminate automatically and become immediately void upon (i) any attempted assignment in violation of this Agreement or; (ii) if Michael L. Metzner ceases to be the sole shareholder of Company.

**8. Confidential Information.**

- A. Defined. The Attorney recognizes, acknowledges and agrees that all files, records, marketing materials, business plans, financial data, procedures, documents, present and future plans and information developed and acquired by the Company, its affiliates and/or associated companies ("Affiliated Entities"), including all information developed and acquired by the Attorney in the course of her appointment hereunder as it may exist from time to time, concerning debt settlement operations, are property of the Affiliated Entities and are considered confidential, and include without limitation, any and all: (i) personnel files of the Affiliated Entities, including all information regarding clients; (ii) general correspondence concerning the Affiliated Entities and auditors utilized in debt settlement operations; (iii) documents concerning or referring to the financial aspects of the Affiliated Entities; (iv) all electronic data processing, word processing, and/or computer programs, runs and other electronic products and records generated by the Affiliated Entities; (v) documents describing procedures or methods employed by the Affiliated Entities in soliciting, procuring and handling business; (vi) information acquired by the Affiliated Entities relating to prospective and

current business transactions and arrangements; (vii) market analyses and/or demographic information or studies on the current and/or potential markets of interest to the Affiliated Entities; (viii) business agreements and understandings between or among the Affiliated Entities and other parties, including Attorney; (ix) documents provided to the Affiliated Entities or Attorney in confidence by third parties; (x) legal documents and correspondence concerning the Affiliated Entities and/or Attorney; (xi) opinions, decisions, letters, orders, rulings, and audits of governmental agencies relating to the Affiliated Entities, a client of the Affiliated Entities, and/or Attorney; (xii) supplier, customer, and client lists;(xiii) all files concerning Affiliated Entities or Attorney's suppliers, customers and clients, and the contents of such files; (xiv) office logs and other data records; and (xv) other information specifically designated "Confidential" by the Affiliated Entities or Attorney. All such information shall be collectively referred to herein as "Confidential Information."

- B. Admissions. The Attorney admits that such Confidential Information is a valuable, special, and unique asset of the Affiliated Entities' business that gives the Affiliated Entities an advantage over actual and potential competitors, and the Attorney further admits and agrees that: (i) the Affiliated Entities have implemented such practices and measures as are reasonably necessary to preserve and to protect the confidentiality of such Confidential Information; (ii) the Attorney has access to such Confidential Information (iii) the Attorney has been instructed about, and knows and understands the value and importance of, such Confidential Information; (iv) the Attorney, by reason of the trust relationship arising between her and the Affiliated Entities, owes the Affiliated Entities a fiduciary duty to preserve and protect such Confidential Information from all unauthorized disclosure or unauthorized use; (v) such Confidential Information constitutes "trade secrets" under Section 688.002(4), Florida Statutes; and (vi) section 812.081, Florida Statutes, specifically prohibits, and makes a criminal offense, unauthorized use of such Confidential Information by the Attorney and/or by any person acting in concert with the Attorney.
- C. Prohibited Acts. The Attorney understands and agrees that all such Confidential Information is to be preserved and protected, is not to be disclosed or made available, directly or indirectly, to any person, firm, corporation, association or other entity for purposes unrelated to the business objectives of the Affiliated Entities without prior written authorization of an executive officer of the Affiliated Entities, and is not to be used, directly or indirectly, for any purpose unrelated to the business objectives of the Affiliated Entities without prior written authorization of an executive officer

of the Affiliated Entities; specifically, and without modifying or limiting this Agreement, the Attorney understands and agrees that, except in the ordinary course of conducting business for the Affiliated Entities, none of such Confidential Information, nor any part of it, either in original form or in duplicated or copied form, is to be (i) removed at any time from the premises of the Affiliated Entities, or (ii) disclosed or made available, verbally, by electronic transmission, or by any other form or manner of communication, to any person, firm, corporation, association, or any other entity for any reason or purpose whatsoever, without prior written authorization of the Affiliated Entities.

- D. Continuing Obligations. The Attorney understands and agrees that the obligations under this Agreement, specifically including the obligations to preserve and protect and not to disclose (or make available to any person, firm, corporation, association or other entity) or use for purposes unrelated to the business objectives of the Affiliated Entities, without prior written authorization of an executive officer of the Affiliated Entities, Confidential Information, continue indefinitely and do not, under any circumstances or for any reason cease upon termination of this Agreement; and that, in the event of termination of the Attorney's services for any reason such Confidential Information shall remain the sole property of the Affiliated Entities and shall be returned and left in its entirety in the undisputed possession and control of the Affiliated Entities after such termination.
- E. Proprietary Interest. The Attorney understands and agrees that all such Confidential Information is and shall remain, at all times, the sole property of the Affiliated Entities; that she obtains no proprietary interest in any Confidential Information developed or acquired in the course of her appointment hereunder; and that it shall be no defense to an action brought to enforce this Agreement that the Attorney developed or acquired, in whole or in part, the Confidential Information disclosed or used without authorization.
- F. Protected Whether Information of Affiliates, Parent or Subsidiaries. The Attorney recognizes, acknowledges and agrees that this Agreement is specifically and expressly intended to protect, and does specifically and expressly protect, all Confidential Information of the Affiliated Entities, parent or subsidiaries.
- G. Equitable/Legal Remedies. In the event of a breach or threatened breach by the Attorney of the provisions of this Section 8, the Affiliated Entities shall have the right, without the necessity of posting a bond or cash or otherwise, to seek and obtain an injunction restraining the Attorney from disclosing in whole or in part, any Confidential Information, or from rendering any

services to any person, firm, corporation, association or other entity to whom such information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting the Affiliated Entities from pursuing any other remedies available to it for such breach or threatened breach, including recovery of damages from the Attorney. Additionally, the Affiliated Entities may pursue an injunction and/or damages concurrently or consecutively in any order as to any such breach or threatened breach and the pursuit of one of such remedies at any time shall not be deemed an election of remedies or waiver of the right to pursue the other of such remedies as to that breach or threatened breach or as to any other breach or violation of this Agreement. In any action or proceeding to enforce the provisions of this Section 8, the prevailing party shall be reimbursed by the other party for all costs incurred in such action or proceeding including, without limitation, reasonable attorneys' fees, court costs and filing fees at pre-trial, trial, appellate and post judgment levels.

9. **Arbitration agreement.** The Company and the Attorney hereby agree that, with the possible exception of the pursuit of injunctive relief, as their sole and exclusive remedy, they will settle any and all claims, disputes or controversies arising out of or relating to the employment of the Attorney herein, by final and binding arbitration before a neutral Arbitrator, pursuant to the rules of the American Arbitration Association. Any determination by the Arbitrator shall be final and binding. To the extent it may be necessary, the final and binding decision by the Arbitrator may be filed with a court of appropriate jurisdiction.
10. **Covenant not to sue.** With the possible exception of the pursuit of injunctive relief, The Company and the Attorney, and their respective affiliates and assigns, agree, forever, to not initiate litigation, mediation, or any adjudicatory process before any administrative or legal tribunal other than the American Arbitration Association, for any causes of actions of any kind whatsoever, arising from the employment of the Attorney pursuant to this Agreement. In the event either party or their affiliates or assigns initiate litigation in contravention of this section, the party initiating suit shall be obligated to the other party, its affiliates, subsidiaries or assigns, for all damages incurred by any named Defendant, including but not limited to attorneys fees and costs.
11. **Assignment.** The rights, duties and obligations of the Attorney under this Agreement are personal and no such rights, duties and obligations shall be subject to voluntary alienation, assignment or transfer. The rights and obligation of the Company hereunder shall inure to the benefit of and shall be binding upon the successors and assigns of the Company.
12. **Absence of Restrictions.** Attorney represents and warrants to Company that she is not under any obligation to any other party inconsistent with or in conflict with this

Agreement or which would prevent, limit, or impair in any way her performance of her obligations hereunder.

13. **Notices.** Any notices required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by hand delivery, registered or certified mail to the Attorney at the address as last indicated to the Company, and to the Company at 23123 U.S. 441, Suite 235, Boca Raton, Florida 33428 Attention: Michael L. Metzner, Esq., or at such other place as may be designated by either party by written notice to the other.
14. **Waiver of Breach.** A waiver by either party of a breach by the other party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. A delay in exercising any remedy available to either party shall not operate or be construed as a waiver of such remedy.
15. **Governing Law; Interpretation.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, excluding the choice of law principles thereto. Section and paragraph headings are for convenient reference only and shall not be deemed to be part of the substance of this Agreement or in any way to enlarge or limit the contents of any section or paragraph. All terms and words used in this Agreement, regardless of the number and gender in which used, shall be deemed to include any other gender or number as the context or the use thereof may require.
16. **Counterparts.** This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a complete original in itself, and may be introduced in evidence or used for any other purpose without the production of any other counterparts.
17. **Partial Invalidity.** If any provision, or part thereof, of this Agreement shall be held to be invalid or unenforceable by an arbitrator, pursuant to any arbitration proceeding, such invalidity or unenforceability shall attach only to such provision, or part thereof, and shall not in any way affect or render invalid or unenforceable any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.
18. **Attorneys' Fees.** In the event a default or breach of this Agreement by either party in observance or performance of any term or covenant of this Agreement results in arbitration, the prevailing party shall be entitled to be paid by the other party for all expenses or obligations, including, but not limited to, reasonable attorneys' fees and costs incurred pursuant to any arbitration proceeding related to such default or breach of contract.

19. **Survival.** Notwithstanding anything herein to the contrary, all representations and other relevant provisions contained herein, including but not limited to the provisions set forth in Section 8 of this Agreement, shall survive, and thereby continue in full force and effect, upon termination of this Agreement.
20. **Entire Agreement.** This Agreement constitutes the entire agreement between the Company and the Attorney with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, both written and oral, between the parties pertaining to the subject matter hereof. No change or modification of this Agreement shall be valid unless it is in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

COMPANY: THE CONSUMER LAW GROUP, P.A.

By: \_\_\_\_\_

Name: Michael L. Metzner

Title: President

ATTORNEY: [REDACTED]

By: \_\_\_\_\_

Name: [REDACTED]

# Global Client Solutions LLC

Account #: 6036335099339024

RETURN SERVICE REQUESTED

July 08, 2010

D. H.  
Asheboro, NC 27203

Client of: The Consumer Law Group P. A.

## ACCOUNT ACTIVITY STATEMENT (THIS IS NOT A BILL)

01/06/2009	month pmt - 12/29/08	Deposit	354.10	354.10
01/06/2009	Setup Fee - 12/09/08	Transaction Fee	-5.00	349.10
01/06/2009	Bank Maintenance Fees - 12/08 (6036335099339024)	Transaction Fee	-8.35	340.75
01/06/2009	month fee - 12/29/08	Customer Fee	-340.75	0.00
02/04/2009	month pmt - 01/29/09	Deposit	354.10	354.10
02/04/2009	Bank Maintenance Fees - 01/09 (6036335099339024)	Transaction Fee	-8.35	345.75
02/04/2009	month fee - 01/29/09	Customer Fee	-172.87	172.88
02/04/2009	month fee - 01/29/09	Customer Fee	-172.88	0.00
03/06/2009	month pmt - 02/28/09	Deposit	354.10	354.10
03/06/2009	Bank Maintenance Fees - 02/09 (6036335099339024)	Transaction Fee	-8.35	345.75
03/06/2009	month fee - 02/28/09	Customer Fee	-172.87	172.88
03/06/2009	month fee - 02/28/09	Customer Fee	-172.88	0.00
04/03/2009	month pmt - 03/29/09	Deposit	354.10	354.10
04/03/2009	Bank Maintenance Fees - 03/09 (6036335099339024)	Transaction Fee	-8.35	345.75
04/03/2009	month fee - 03/29/09	Customer Fee	-172.87	172.88

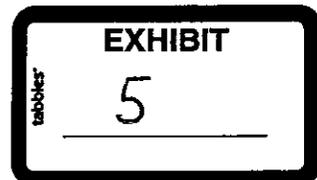
Error Resolution Procedures: In case of errors or questions about transactions involving your Account, call or write Global customer service at the number or address shown on the front of this statement as soon as you can. We must hear from you no later than sixty days after the transaction in question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



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](mailto: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.

04/03/2009	month fee - 03/29/09	Customer Fee	-172.88	0.00
05/05/2009	month pmt - 04/29/09	Deposit	354.10	354.10
05/05/2009	Account Maintenance Fee - 04/09 (6036335099339024)	Transaction Fee	-8.35	345.75
05/05/2009	month fee - 04/29/09	Customer Fee	-172.87	172.88
05/05/2009	month fee - 04/29/09	Customer Fee	-172.88	0.00
06/04/2009	month pmt - 05/29/09	Deposit	354.10	354.10
06/04/2009	Account Maintenance Fee - 05/09	Transaction Fee	-8.35	345.75
06/04/2009	month fee - 05/29/09	Customer Fee	-129.05	216.70
06/04/2009	month fee - 05/29/09	Customer Fee	-145.16	71.54
07/01/2009	Account Maintenance Fee - 06/09	Transaction Fee	-8.35	63.19
07/03/2009	month pmt - 06/29/09	Deposit	354.10	417.29
07/03/2009	month fee - 06/29/09	Customer Fee	-98.98	318.31
07/03/2009	month fee - 06/29/09	Customer Fee	-128.48	189.83
07/29/2009	month fee - 07/29/09	Customer Fee	-98.98	90.85
08/03/2009	Account Maintenance Fee - 07/09	Transaction Fee	-8.35	82.50
08/04/2009	month pmt - 07/29/09	Deposit	354.10	436.60
08/04/2009	month fee - 07/29/09	Customer Fee	-128.48	308.12
08/31/2009	month fee - 08/29/09	Customer Fee	-128.48	179.64
08/31/2009	month fee - 08/29/09	Customer Fee	-98.98	80.66
09/01/2009	Account Maintenance Fee - 08/09	Transaction Fee	-8.35	72.31
09/04/2009	month pmt - 08/29/09	Deposit	354.10	426.41
09/29/2009	month fee - 09/29/09	Customer Fee	-98.98	327.43
09/29/2009	month fee - 09/29/09	Customer Fee	-128.48	198.95
10/01/2009	Account Maintenance Fee - 09/09	Transaction Fee	-8.35	190.60
10/06/2009	month pmt - 09/29/09	Deposit	354.10	544.70
10/29/2009	month fee - 10/29/09	Customer Fee	-98.98	445.72
10/29/2009	month fee - 10/29/09	Customer Fee	-128.48	317.24
11/02/2009	Account Maintenance Fee - 10/09	Transaction Fee	-8.35	308.89
11/30/2009	month fee - 11/29/09	Customer Fee	-98.98	209.91
11/30/2009	month fee - 11/29/09	Customer Fee	-128.48	81.43
12/01/2009	Account Maintenance Fee - 11/09	Transaction Fee	-8.35	73.08
01/04/2010	Account Maintenance Fee - 12/09	Transaction Fee	-8.35	64.73
02/01/2010	Account Maintenance Fee - 01/10	Transaction Fee	-8.35	56.38
03/01/2010	Account Maintenance Fee - 02/10	Transaction Fee	-8.35	48.03
04/01/2010	Account Maintenance Fee - 03/10	Transaction Fee	-8.35	39.68
04/21/2010	fee - 04/21/10	Customer Fee	-39.68	0.00

**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

**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](mailto: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.