

Case Index - Open Cases

Contract for Deed Abuses

- *Rodriguez v. Riverstone Communities*, U.S. District Court, E.D.N.C. Civil Action No. 5:21-CV-486-D Complaint
NCLC and the North Carolina Justice Center filed a class action attacking a scheme by which used manufactured houses are sold to low-income families through a highly unfair contract-for-deed arrangement. Purchasers don't receive title until they pay the total purchase price plus fees over 60 monthly installment payments, and they're responsible for their own repairs, but if they are more than five days late on a single payment, Defendants treat them as "renters," giving them no notice of default and right to cure, and instead bringing summary eviction actions, retaining the down payments and taking possession of the homes. The case was filed in state court and removed by defendants to federal court.
- *Henderson v Vision Property Management, LLC*, Case No. 2:20-cv-12649-SFC-RSW. Class Action Complaint and Press Release, Sept. 29, 2020.
NCLC, along with co-counsel NAACP Legal Defense and Educational Fund, Inc., ACLU of Michigan, and the Michigan Poverty Law Program, filed a federal class-action lawsuit against Vision Property Management, LLC and related entities in the U.S. Eastern District of Michigan. The lawsuit alleges that Vision purchased approximately 1,000 dilapidated homes in Southeastern Michigan and then sold many of them at a huge markup to homebuyers under contracts that were structured to fail. Vision promised these buyers a path to homeownership, but the terms of its contracts made that goal nearly impossible to achieve. The lawsuit, asserting claims under federal and Michigan civil rights and consumer protection laws, alleges that the company targeted Black communities in the Detroit, Inkster, and Flint areas.
 - On February 9, 2021, Defendants Atalaya Capital Mgt. LP and ACM Vision V LLC, moved to dismiss the claims asserted against them based on allegations that they served as creditors who substantially participated and knowingly took assignment of credit transactions that resulted in both disparate treatment and disparate impact racial discrimination.
 - On March 2, 2021, the Plaintiffs Opposed the Motion to Dismiss.
 - Further, on March 24, 2021, the Plaintiffs Opposed Atalaya and ACM's motion to dismiss Count V of the complaint relating to the putative class's Truth in Lending claims, which Atalaya and ACM replied to on March 26, 2021.
 - The Court denied Atalaya and ACM's Motion to Dismiss on August 23, 2021.

Criminal Justice Debt

- *Crain & Serna v Accredited Surety and Casualty Co., et al.*, Case No RG1900-4509 Complaint and Press Release
NCLC has filed a class-action lawsuit, with our partners at Lieff Cabraser Heimann & Bernstein LLP, Justice Catalyst Law, Public Counsel, and Towards Justice, in which we are challenging a scheme to inflate the price of bail premiums in the state of California. The lawsuit was filed in California state court on Jan 29, 2019, against the surety companies that underwrite bail bonds and the state and national trade associations representing the bail bond industry. Plaintiffs allege that an unlawful antitrust conspiracy has kept bail bond premiums higher than they would be if the California bail-bonds market functioned competitively. This scheme, ongoing since at least 2004, has not only made bail bonds costlier for California

consumers, but also resulted in more people spending time in jail while awaiting trial-separated from their families, jobs, and lives. The suit seeks damages for the hundreds of thousands of Californians who have overpaid for unlawfully inflated bail bond premiums and also injunctive relief to end the overcharges going forward.

- *Pearson et al v Hodgson and Securus Technologies, Inc*, Case No. 18-1360, Complaint and Press Release

With our partners at Prisoners' Legal Services, Harvard Law School's Legal Services Clinic, and Bailey Glasser LLP, NCLC has filed a class-action lawsuit in MA federal court in which we are challenging an alleged illegal kickback scheme between the Bristol County Sheriff's Office and telecom giant Securus Technologies that is nearly doubling the cost of privatized calls made by prisoners in Massachusetts correctional facilities. The challenge is based on Massachusetts laws restricting the ability of sheriffs to assess fees; this litigation targets a scheme by which the Bristol County Sheriff is attempting to get around those restrictions by contracting with the private vendor in order to extract revenues on his behalf. The suit seeks an injunction prohibiting the kickback scheme and monetary relief in the amount of the unjust enrichment generated by the practice.

- On December 20th, 2018 the Court denied a motion to dismiss filed by the Sheriff's Office and declined to dismiss the claims asserted against Securus under M.G.L. c.93A, the Massachusetts Consumer Protection Statute.
- On June 22, 2020, the Court allowed the Defendants' Motions for Judgments on the Pleadings, finding that the Massachusetts Legislature had granted the Sheriff the authority to generate revenues from inmate telephone services.
- Subsequently, the Plaintiffs filed a Motion to Alter or Amend the Judgment and a Motion to Certify Question of Law to Massachusetts Supreme Judicial Court on July 20, 2020, which was opposed by the Sheriff's Office and Securus on August 3, 2020.
- On March 31, 2021, the Court granted the Motion to Alter or Amend the Judgment and certified the following question of Law to the Massachusetts Supreme Judicial Court: Did the Massachusetts Legislature, through the provisions of 2009 Mass. Legis. Serv. Ch. 61 (S.B. 2119) §§ 12(a), 12(c), 15, or M. G. L. ch. 127, § 3, taken separately or together, authorize the Bristol County Sheriff's Office to raise revenues for the Office of the Sheriff through inmate calling service contracts?
- Securus and the Sheriff's Office filed their opening briefs on June 22, 2021. Plaintiffs filed their Brief with the Supreme Judicial Court on August 6, 2021. Securus and the Sheriff's Office filed their Reply Briefs on September 3, 2021. On October 12, 2021, the American Civil Liberties Union of Massachusetts, MediaJustice and Worth Rises submitted an amicus brief to the Court in support of the Plaintiffs' case. Oral argument in the case is scheduled for November 1, 2021, and will be available live and archived through the Suffolk University Law School web site.

Debt Collection

- *Liriano v. Turk & Quijano*, U.S. District Court, D.Mass., Case No 22-cv-10348 Complaint. Along with Greater Boston Legal Services and the Harvard Legal Services Center, NCLC has filed a class action complaint for violation of the Fair Debt Collection Act in the US District Court for Massachusetts against local law firm Turk & Quijano. The Complaint alleges that Turk filed eviction actions in the spring of 2021 against subsidized tenants in Boston for the sole purpose of coercing them into moving more quickly to seek pandemic-related rental assistance. The evictions unnecessarily caused extreme distress and a permanent black mark on the tenants' credit records, making it much harder for them to find new housing in the future. In addition, the firm unfairly and illegally named minor children as defendants. The suit

seeks to clear their records and requests damages.

- *Yasmine Lamar v. I.Q. Data International*, U. S. District Court, N.D. Ill. Case No. 20-cv-377 Complaint.

A Chicago landlord-tenant ordinance prohibits landlords from seeking to collect attorney fees for evictions. This FDCPA proposed class action seeks damages for the hundreds of tenants who have been dunned and sued for attorney fees by the defendant debt collector.

- *Judith Reimann and Michael DaRonco v. Erica L. Brachfeld, The Brachfeld Law Group, Midland Funding, LLC, and Midland Credit Management, LLC*, Alameda County Superior Court Action No. RG-10-529702 Complaint.

This State Rosenthal Act Fair Debt Collection suit against Midland and a law firm in California was filed in 2010, alleging the defendants used false affidavits of personal knowledge in collection actions, and that the law firm used automated procedures for sending dunning letters and filing lawsuits with little to no meaningful attorney input. Class certification was granted in October, 2019, and trial is expected in 2021.

- *Waite v. Consumer Credit Services*, Denver District Court # 2020CV3415 Complaint and Press Release.

NCLC, along with Towards Justice, a Colorado nonprofit, and Dan Vedra, has filed a class action complaint in state court in Denver attacking improper medical debt collection practices. The defendant is a debt collection company, Consumer Credit Services ("CSC"), which works in conjunction with the state's hospital system, UC Health, to collect unpaid medical bills. The complaint alleges that patients who are dunned or sued are confused, misled and have their privacy invaded because CSC acts and sues in its own name, and requires disclosure of private medical information from patients who contest the services they receive, but in fact may not itself own the debt. On the other hand, if CSC does own the debt, then it is violating Colorado's debt buyer law which requires that when a suit is filed, the debt buyer attach ample information about the charges being sued on and the assignment of the debt to the debt buyer.

- *White v. Fein, Such & Crane, LLP* - Amended Complaint asserting that law firm pursuing foreclosures attempted to collect fees and costs for services that were not performed or for services for which it could not legally collect.

Fair Credit Reporting

- *NCLC v Andrew Saul, Commissioner of Social Security Administration* Case 1:20-cv-12253 Complaint.

This lawsuit, filed in in the United States Federal District Court for the District of Massachusetts is to enforce NCLC's FOIA request sent to the Social Security Administration regarding its contract with LexisNexis for the Accurant database. SSA uses Accurant to search for alleged "non-home real property" and terminate SSI benefits as a result. Many reports of false matches have been brought to light, as Lexis and SSA are attempting to argue this product is not a consumer report under the FCRA.

- *Robinson v National Student Clearinghouse*, April 18, 2019 Complaint

The Francis & Mailman firm, along with the National Consumer Law Center and Justice Catalyst Law, filed a class action lawsuit against the National Student Clearinghouse ("NSC") in the United States Federal District Court for the District of Massachusetts. The suit alleges that NSC maintains vast databases housing detailed information about college students and their college enrollment history from which it sells reports to potential creditors, insurers and employers among others. As such, the complaint asserts that NSC is a credit reporting agency under the Federal Fair Credit Reporting Act and the Massachusetts Credit Reporting Act and that it has violated those statutes by requiring unlawful and excessive charges for consumers to access their files. The complaint also asserts that the disclosure overcharges constitute unfair conduct in violation of the Massachusetts Consumer Protection Act. The plaintiff seeks

to have the overcharging practices enjoined, the unlawful and excessive charges returned, applicable statutory damages and punitive awards for the willful and knowing violations of the consumer statutes.

Retail Installment Sales Contract Abuses

- *Bland v. Carolina Lease Management Group*, Craven County Superior Court No. 22 CvS 306 Complaint

This putative class action is an affirmative class action that raises the same claims as are alleged in the counterclaim in *Greene v. Carolina Lease Management Group*, *supra*. Plaintiffs entered into separate rent to own contracts for storage sheds with Carolina Lease Management Group. The agreements provided that after 4 years of monthly payments, the sheds would be theirs. Under North Carolina law, this agreement is a retail installment sale, and the interest being charged is more than twice what the North Carolina RISA allows. The complaint seeks to have this form of contract declared void and damages awarded for the associated UDAP and fair debt collection violations.

- *Greene v. Carolina Lease Management Group*, Jones County Superior Court No. 21 CvD 134. The class counterclaim filed in response to a replevin action alleges that Mr. Greene entered into a rent to own contract for a storage shed with Carolina Lease Management Group. The agreement provided that after 4 years of monthly payments, the shed would be his. Under North Carolina law, this agreement is a retail installment sale, and the interest being charged is more than twice what North Carolina law allows. The counterclaim seeks to have this form of contract, which a few hundred other North Carolina residents have likely entered into, declared void, and damages awarded for the associated UDAP and fair debt collection violations.

Student Loans

- *NCLC v. U.S. Department of Education*, Case No. 1:18-cv-12399, Complaint

The National Consumer Law Center has filed a federal lawsuit against the U.S. Department of Education, asking the court to compel the Department to comply with a Freedom of Information Act (FOIA) request submitted by NCLC on October 10, 2017. The complaint, filed in the U.S. District Court for the District of Massachusetts, seeks the immediate release of records in connection with the Department's contractual arrangements with Maximus Federal Services, Inc. or the Default Resolution Group. A report released in 2014 by NCLC, found that many borrowers unnecessarily are having their wages, Social Security and Earned Income Tax Credits seized by the federal government and that these abuses are rooted in structural problems related to the Department's contracts with private collection agencies. The information sought by NCLC's FOIA request is intended to determine what the Department of Education is telling its contractors what to do and not to do in their collection efforts.

- *Barber, Jenkins et al vs Devos and U.S. Department of Education*, Case No. 1:20-cv-01137, Amended Complaint and Press Release, May 7, 2020. **Share your story if you have had wages garnished in 2020 for a student loan.**

NCLC and Student Defense, with support of the Student Borrower Protection Center filed an emergency APA lawsuit in the D.C. District Court against the U.S. Department of Education seeking to stop its garnishment of wages from defaulted student loan borrowers and to force the agency to immediately comply with Sec. 3513 (e) of the CARES Act that mandates that all such collections be ceased until at least next September. As reported by the Washington Post, the Education Dept. estimates that 285,000 borrowers are still having their wages garnished. A motion for injunctive relief class certification has also been filed.

- *Bodor v Maximus Federal Services, Inc.* Case No. 5:19-cv-05787-EGS in the U.S. District Court for Eastern Pennsylvania, December 19, 2019. Complaint and press release. Memorandum

Opinion Denying Defendant's Motion for Summary Judgment, October 22, 2021

CLOSED CASES