

NAILAH K. BYRD
CUYAHOGA COUNTY CLERK OF COURTS
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Cleveland, Ohio 44113

Court of Common Pleas

New Case Electronically Filed:
May 19, 2015 09:56

By: MELISSA G. WRIGHT 0077843

Confirmation Nbr. 443978

STATE OF OHIO, EX REL. ATTORNEY GENERAL OF
OHIO

CV 15 845782

VTS.

Judge:

UNIVERSAL DEBT & PAYMENT SOLUTIONS, INC.,
ET AL

LANCE T. MASON

Pages Filed: 13

IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY, OHIO

STATE OF OHIO, *ex rel.*
MICHAEL DEWINE
ATTORNEY GENERAL OF OHIO
30 E. Broad St., 14th Floor
Columbus, Ohio 43215

Plaintiff,

v.

UNIVERSAL DEBT & PAYMENT
SOLUTIONS, LLC
c/o Mohan Bagga
Registered Agent
6375 Whitestone Place
Duluth, Georgia 30097-8076

and

MARCUS BROWN, aka MARCUS
MIDDLEBROOKS, MARCUS JOHNSON,
and ERNEST JOHNSON, dba
LRS LITIGATIONS, dba IRS EQUITY and
WORLDWIDE REQUISITIONS
142 Stratford Road
Buffalo, New York 14216

and

MOHAN BAGGA
6375 Whitestone Place
Duluth, Georgia 30097-8076

Defendants.

CASE NO.

JUDGE

**COMPLAINT FOR DECLARATORY
JUDGMENT, INJUNCTIVE RELIEF,
RESTITUTION, CIVIL PENALTIES,
AND OTHER APPROPRIATE RELIEF**

JURISDICTION

1. Plaintiff, State of Ohio, by and through counsel, Ohio Attorney General Michael DeWine, having reasonable cause to believe that violations of Ohio's consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by the Ohio Consumer Sales Practices

Act (“CSPA”), R.C. 1345.01 et seq.

2. The actions of Defendants, hereinafter described, have occurred in the State of Ohio, including in Cuyahoga County and, as set forth below, are in violation of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. 1692 – 1692p, the Dodd-Frank Act, 12 U.S.C. 5536, and the CSPA, R.C. 1345.01 et seq.
3. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), in that some of Defendants’ actions complained of herein, and out of which this action arose, occurred in Cuyahoga County.

DEFENDANTS

5. Defendant Universal Debt & Payment Solutions, LLC (“UDPS”) is a Georgia limited liability company that does business in Cuyahoga County and in the State of Ohio and is registered at 3939 Lavista Road, Suite 312, Tucker, Georgia, 30084.
6. Defendant UDPS was organized by Defendant Mohan Bagga.
7. Defendant UDPS had its principal place of business located at 6375 Whitestone Place, Duluth, Georgia 30097-8076.
8. The 3939 Lavista Road address belongs to a post office box at a UPS Store, which is registered to Defendant Marcus Brown.
9. Defendant UDPS is also registered as a limited liability company in the State of New York.
10. The New York articles of incorporation include a mailing address of 142 Stratford Road, Buffalo, New York 14216, which is Defendant Marcus Brown’s residential address.

11. Defendant Marcus Brown, also known as Marcus Middlebrooks, Marcus Johnson, and Ernest Johnson (“Brown”), is an individual and resides at 142 Stratford Road, Buffalo, New York, 14216.
12. Defendant Brown is the treasurer for Defendant UDPS.
13. Defendant Brown also does business as LRS Litigations, a fictitious business entity which has a purported business address of 600 Superior Avenue East, Suite 1300, Cleveland, Ohio 44114.
14. Defendant LRS Litigations does business as IRS Equity and Worldwide Requisitions.
15. Defendants LRS and UDPS do business in Cuyahoga County and in the State of Ohio; however, Defendants LRS and UDPS have failed to register with the Ohio Secretary of State.
16. Defendant Mohan Bagga (“Bagga”) is an individual and resides at 6375 Whitestone Place Duluth, Georgia 30097.
17. Defendant Bagga is the owner of Defendant UDPS.
18. Defendants, as described below, are “suppliers” as that term is defined in R.C. 1345.01(C) as Defendants were, at all times relevant herein, engaged in the business of effecting consumer transactions by enforcing or attempting to enforce the payment of a debt allegedly owed by a consumer, which arose from a consumer transaction, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D), to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
19. Defendants LRS and Brown, as described below, are “debt collectors” as that term is defined in 15 U.S.C. 1692(a)(6) as Defendants LRS and Brown have, at all times relevant

herein, used an instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another, to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.

20. Defendants LRS and Brown, as described below, are “covered persons” as that term is defined in 12 U.S.C. 5481(6)(A) as Defendants LRS and Brown have, at all times relevant herein, been engaged in offering or providing a consumer financial product or service as defined by 12 U.S.C. 5481(5) and 12 U.S.C. 5481(15)(x) to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
21. Defendants UDPS and Bagga, as described below, are “covered persons” as that term is defined in 12 U.S.C. 5481(6)(B) as Defendants UDPS and Bagga have, at all times relevant herein, been affiliates of Defendants LRS and Brown with regard to transactions with individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
22. On information and belief, Defendants Brown and Bagga operated, dominated, controlled and directed the conduct described below, causing, personally participating in, and/or ratifying the acts and practices of Defendants UDPS and LRS Litigations, as described in this Complaint.

STATEMENT OF FACTS

23. Defendants LRS and Brown are, and have been at all times relevant to this action, engaged in providing collection services by regularly collecting, or attempting to collect, from consumers debts that are due or alleged to be due.

24. Using the names LRS Litigations, IRS Equity, and Worldwide Requisitions, Defendants LRS and Brown have attempted to collect on alleged debts through telephone calls.
25. Defendants LRS and Brown have used threats, intimidation, and harassment to collect debts purportedly owed by consumers.
26. Defendants LRS and Brown threatened that litigation would be filed against the consumer if the consumer did not call the debt collector back within 24-28 hours.
27. When consumers returned the calls, Defendants LRS and Brown would tell the consumers that they needed to pay the alleged debt in order to avoid court action or criminal prosecution.
28. In most cases, consumers did not owe the debts referenced.
29. However, due to Defendant LRS and Brown's collection methods of using false statements and threats, consumers often sent money to these debt collectors.
30. Defendants UDPS and Bagga regularly accepted payments from consumers on behalf of Defendants LRS and Brown.
31. Defendant Brown played a key role in the debt collection scheme as he is not only an officer of UDPS, but he received payments from the Defendant UDPS for the debt collection scheme.
32. Defendant Bagga played a key role in the debt collection scheme as he is not only the owner of UDPS, but he also controlled the bank accounts in the names of UDPS and used these accounts to receive deposits from the funds taken from consumers and to distribute those funds to Defendant Brown, among others.

PLAINTIFF'S FIRST CAUSE OF ACTION:

VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT

COUNT I

UNFAIR AND DECEPTIVE DEBT COLLECTION ACTS

33. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
34. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by engaging in conduct the natural consequence of is to harass, oppress, or abuse persons in connection with the collection of a debt, in violation of 15 USC 1692d.
35. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by using obscene or profane language in connection with the collection of a debt, in violation of 15 USC 1692d(2).
36. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by placing multiple telephone calls within a short period of time to consumers for the purposes of annoying or harassing consumers at the called numbers, in violation of 15 USC 1692d(5).
37. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by attempting to collect alleged debts by telephone without providing the meaningful disclosure of the caller's identity, in violation of 15 USC 1692d(6).
38. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by failing to provide written notices to consumers, within five days after initial telephone contact, that contained the following

information: the amount of the debt; the name of the creditor, a statement that unless the consumer disputes the validity of the debt within thirty days, Defendants will assume the debt is valid; the process by which the consumer may request verification of a debt; and a statement that, upon the consumer's written request within thirty days, Defendants would provide the name of the original creditor, if different from Defendants, in violation of 15 USC 1692a(a).

39. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by using unfair or unconscionable means to collect or attempt to collect debts, in violation of 15 USC 1692f.
40. Defendants LRS and Brown have committed unfair or deceptive acts or practices in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by taking or threatening to take nonjudicial actions against consumers' real or personal properties or wages when there was no legal authority or intention to do so, in violation of 15 USC 1692f(6).
41. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II

FALSE, DECEPTIVE, OR MISLEADING REPRESENTATIONS

42. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
43. Defendants LRS and Brown have engaged in or used false, deceptive, or misleading representations in connection with the collection of debts in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by using false or misleading representations to collect or attempt to collect debts or to obtain location information, in violation of 15 USC 1692e(2).

44. Defendants LRS and Brown have engaged in or used false, deceptive, or misleading representations in connection with the collection of debts in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by falsely representing the character, amount, or legal status of debts or services rendered or compensation which may be lawfully received by debt collectors for the collection of debts, in violation of 15 USC 1692e(2)(A) and (B).
45. Defendants LRS and Brown have engaged in or used false, deceptive, or misleading representations in connection with the collection of debts in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by representing or implying to consumers that nonpayment of debts will result in the arrest or imprisonment of the consumers, or the seizure, garnishment, attachment, or sale of any of the consumers' property or wages when there is no legal authority or intention to do so, in violation of 15 USC 1692e(4).
46. Defendants LRS and Brown have engaged in or used false, deceptive, or misleading representations in connection with the collection of debts in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by threatening to take legal actions when there is no legal authority or intention to do so, in violation of 15 USC 1692e(5).
47. Defendants LRS and Brown have engaged in or used false, deceptive, or misleading representations in connection with the collection of debts in violation of the FDCPA, 15 U.S.C. 1692 – 1692p by using any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a customer, in violation of 15 USC 1692e(10).
48. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PLAINTIFF'S SECOND CAUSE OF ACTION:

VIOLATIONS OF THE DODD-FRANK ACT

49. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
50. Defendants LRS and Brown have engaged in acts and practices in violation of the Dodd-Frank Act, 12 U.S.C. 5536(a)(1)(A), by committing acts in violation of a Federal consumer financial law – specifically, the FDCPA.
51. Defendants UDPS and Bagga have engaged in acts and practices in violation of the Dodd-Frank Act, 12 U.S.C. 5536(a)(1)(A) by regularly accepting payments from consumers on behalf of Defendants LRS and Brown, when such payments were obtained through the acts and practices of LRS and Brown in violation of the FDCPA.
52. Defendants UDPS and Bagga have engaged in acts and practices in violation of the Dodd-Frank Act, 12 U.S.C. 5536(a)(3) by knowingly or recklessly providing substantial assistance to Defendants LRS and Brown in violation of 12 U.S.C. 5531.

PLAINTIFF'S THIRD CAUSE OF ACTION

VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT

COUNT I

VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT

53. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
54. Defendants LRS and Brown have committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in acts and practices in violation of the FDCPA as set forth in paragraphs 34 through 40 and 43 through 47 above.
55. Such acts or practices have been previously determined by Ohio courts to violate the Consumer Sales Practices Act, R.C. 1345.01 et seq. Defendants committed said

violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II

VIOLATIONS OF THE DODD-FRANK ACT

- 56. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
- 57. Defendants have committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in acts and practices in violation of the Dodd-Frank Act as set forth in paragraphs 50 through 52 above.

COUNT III

UNFAIR AND DECEPTIVE ACTS AND PRACTICES

- 58. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
- 59. Defendants have committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in or using unfair means to collect or attempt to collect debts that are not owed by the consumers contacted.
- 60. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT IV

UNCONSCIONABLE ACTS AND PRACTICES

- 61. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
- 62. Defendants have committed unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by engaging in or using unfair means to collect or attempt to collect debts.

63. Defendants have committed unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating with a consumer in the collection of a debt at any time or place known or which should be known to be inconvenient to the consumer, including inconvenient hours and/or at the consumer's place of employment.
64. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT V

FAILURE TO REGISTER

65. Paragraphs 1-32 of this Complaint are incorporated herein by reference.
66. Defendant LRS has committed unfair and deceptive acts and practices in violation of the CSPA, R.C. 1345.02(A), by doing business in Ohio under a fictitious business name without registering that name with and making all required ownership disclosures to the Ohio Secretary of State, as required by R.C. 1329.01.
67. Defendant UDPS has committed unfair and deceptive acts and practices in violation of the CSPA, R.C. 1345.02(A), by doing business in Ohio without having registered as a foreign limited liability company with the Ohio Secretary of State.
68. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court:

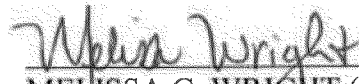
1. ISSUE A DECLARATORY JUDGMENT declaring that each act or practice described in Plaintiff's Complaint violates the FDCPA, the Dodd-Frank Act, and the CSPA in the manner set forth in this Complaint.
2. ISSUE PERMANENT INJUNCTIVE RELIEF enjoining Defendants, their agents, representatives, salespeople, employees, successors and assigns and all persons acting in concert or participating with them, directly or indirectly, from engaging in the acts or practices of which Plaintiff complains and from further violating the FDCPA, 15 U.S.C. 1692 – 1692p, the Dodd-Frank Act, 12 U.S.C. 5536, and the CSPA, R.C. 1345.01 et seq.
3. ORDER Defendants liable for reimbursement to all consumers found to have been damaged by the Defendants' unfair, deceptive, and unconscionable acts and practices, including, but not limited to, making restitution to consumers who have paid sums to the Defendants because of Defendants' collection practices that are found to be in violation of the FDCPA, 15 U.S.C. 1692 – 1692p, the Dodd-Frank Act, 12 U.S.C. 5536, and the CSPA, R.C. 1345.01 et seq.
4. ASSESS, FINE AND IMPOSE upon Defendants a civil penalty of at least Twenty-Five Thousand Dollars (\$25,000.00) for each of the violations of the FDCPA, 15 U.S.C. 1692 – 1692p, and in turn, the CSPA, described herein, pursuant to R.C. 1345.07(D).
5. ORDER, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, Defendants to maintain in their possession and control for a period of five (5) years all business records relating to Defendants' debt collection

activities in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice, to inspect and/or copy any and all records.

6. GRANT the Ohio Attorney General his costs in bringing this action.
7. ORDER Defendants to pay all court costs.
8. GRANT such other relief as the Court deems to be just, equitable and appropriate.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General


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