

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>STATE OF COLORADO ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL FOR THE STATE OF COLORADO, and JULIE ANN MEADE, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE,</p> <p>Plaintiffs,</p> <p>v.</p> <p>UNITED CREDIT RECOVERY LLC, LEONARD POTILLO, GTF SERVICES, LLC, and STANDLEY & ASSOCIATES, LLC,</p> <p>Defendants.</p>	<p style="text-align: right; color: blue;">DATE FILED: November 25, 2013 8:00 PM</p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General NIKOLAI FRANT, Assistant Attorney General* Ralph L. Carr Colorado Judicial Center 1300 Broadway, 6th Floor Denver, CO 80203 Phone Number: 720-508-6111 FAX Number: 720-508-6033 Email: nikolai.frant@state.co.us</p> <p>*Counsel of Record</p>	<p>Case No.</p> <p>Courtroom</p>
<p>COMPLAINT</p>	

Plaintiffs, the State of Colorado ex rel. John W. Suthers, Attorney General for the State of Colorado, and Julie Ann Meade, Administrator of the Colorado Fair Debt Collection Practices Act (collectively, the “State”), by and through the undersigned assistant attorney general, for their Complaint, allege as follows:

PARTIES

1. John W. Suthers (“Suthers”) is the duly elected Attorney General of the State of Colorado. He is authorized under C.R.S. § 6-1-103 to enforce the Colorado Consumer Protection Act (“CCPA”) by bringing civil actions against those that engage in deceptive trade practices. In such actions, the State may seek injunctive

relief, consumer restitution, disgorgement, civil penalties, damages, and attorneys' fees and costs. C.R.S. §§ 6-1-110, 6-1-112, and 6-1-113.

2. Julie Ann Meade is the duly appointed Administrator of the Uniform Consumer Credit Code. C.R.S. § 12-14-103(1). She is authorized under C.R.S. § 12-14-135 to bring a civil action to restrain any person from any violation of the Colorado Fair Debt Collection Practices Act ("CFDCPA"). In such actions, the Administrator may seek injunctive relief, consumer restitution, disgorgement, civil penalties, damages, and attorneys' fees and costs. C.R.S. §§ 12-14-128, 12-14-134, 12-14-135.

3. Defendant United Credit Recovery LLC ("UCR") is a Delaware limited liability company with its principal place of business in Sanford, Florida. The principal purpose of UCR's business is the collection of debts. UCR purchases charged-off consumer debt from financial institutions and thereby takes assignment of the debt for both the purpose of the collection of that debt and the purpose of selling the debt to third parties at a profit. UCR has never been licensed as a debt collection agency in Colorado.

4. Defendant Leonard Potillo ("Potillo") is a Florida resident who is, and at all relevant times was, the principal, sole member, and director of UCR. Potillo has been responsible for UCR's day-to-day operations at all relevant times. As such, Potillo, acting alone or in concert with others, has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of UCR, including the acts and practices alleged in this Complaint.

5. GTF Services, LLC ("GTF Services") is a Delaware limited liability company with its principle place of business in Westminster, Colorado. GTF Services is engaged in a business the principal purpose of which is the collection of debts. GTF Services is licensed by the Administrator of the Uniform Consumer Credit Code to operate as a collection agency in Colorado.

6. Standley & Associates, LLC ("Standley & Associates") is a Colorado limited liability company with its principle place of business in Westminster, Colorado. Standley & Associates is engaged in a business the principal purpose of which is the collection of debts. Standley & Associates claims exclusion from Colorado's collection agency licensure requirements by virtue of its status as a law firm.

7. Defendants' practices, acts, or course of conduct described herein at all relevant times were continuing.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this case pursuant to C.R.S. § 13-1-124.

9. Pursuant to C.R.S. § 12-14-135, venue in actions brought by the Administrator to enjoin violations of the CFDCPA is proper in Denver County. In addition, pursuant to C.R.S. § 6-1-103 venue is proper in Denver County because a portion of the alleged deceptive trade practices occurred in Denver County.

GENERAL ALLEGATIONS

A. Sale of Charged-Off Bank Accounts

10. US Bank, N.A. (“US Bank”) and Wells Fargo, N.A. (“Wells Fargo”) are financial institutions in the business of, among other things, offering checking accounts to their customers, including customers who reside in Colorado.

11. US Bank has a place of business located within Colorado.

12. Wells Fargo has a place of business located within Colorado.

13. From time to time, the customers of Wells Fargo and US Bank write checks or otherwise seek to withdraw amounts from their checking accounts that exceed the available balance in the accounts (an “Overdraft”).

14. At their option, Wells Fargo and US Bank can pay an Overdraft, thereby causing the balance in a customer’s checking account to be a negative number and thereby creating debt owed by the customer to the bank.

15. Under the terms of the Wells Fargo and US Bank agreements with their customers, the banks are entitled to charge insufficient fund, overdraft, and other fees as a result of an Overdraft. Those fees often continue to accrue over time, increasing the amount of debt owed by a customer who has overdrawn his or her checking account.

16. Pursuant to Federal regulations, financial institutions such as US Bank and Wells Fargo are required to “charge-off” certain consumer debts that have been delinquent for a specified period, often only 120 days.

17. When a financial institution charges-off a debt, it realizes a loss but the borrower continues to have an obligation to repay the debt.

18. To reduce losses associated with their charged-off debt, US Bank and Wells Fargo sell the debt to buyers, thereby assigning to the buyers the right to collect on the charged-off accounts.

19. Each sale of charged-off debt typically involves hundreds to thousands of individual accounts, with the combined balance of the sold debt often exceeding tens of millions of dollars.

20. As consideration for the sold debt, financial institutions such as US Bank and Wells Fargo typically receive only a small fraction of the total amount they would have received if the debt had been paid in full.

21. For example, in a July 17, 2013 report to the United States Senate Committee on Banking, Housing, and Urban Affairs, the Comptroller of the Currency stated that America's large banks have recently sold charged-off debt for between \$.05 and \$.10 for every dollar owed.

B. UCR Purchases of Charged-Off Debt from Wells Fargo

22. UCR entered into a Purchase Agreement with Wells Fargo dated January 6, 2010, as amended by agreement dated August 23, 2010 (the "Wells Fargo Agreement").

23. Pursuant to the terms of the Wells Fargo Agreement, Wells Fargo was to "sell and assign" certain charged-off debt (in the form of checking accounts with overdraft balances) to UCR on a monthly basis. Each sale was to be memorialized by a Short Form Purchase Agreement.

24. Wells Fargo sold and assigned charged-off debt to UCR that included debt owed by residents of Colorado. UCR thereby took assignment of the charged-off debt for collection purposes.

25. With respect to each sale and assignment of charged-off debt to UCR pursuant to the Wells Fargo Agreement, Wells Fargo specifically transferred to UCR the right to "demand collect and receive" payment of the charged-off debt that UCR purchased.

26. Wells Fargo's sales of charged-off debt to UCR pursuant to the Wells Fargo Agreement included, without limitation, the following transactions:

- a. February 26, 2010 sale of 51,835 charged-off accounts with a gross outstanding balance of \$19,242,890.48.

- b. April 23, 2010 sale of 36,235 charged-off accounts with a gross outstanding balance of \$16,171,843.12.
- c. September 29, 2010 sale of 101,300 charged-off accounts with a gross outstanding balance of \$45,257,639.92.
- d. December 17, 2010 sale of 36,483 charged-off accounts with a gross outstanding balance of \$17,843,538.69.
- e. January 27, 2011 sale of 54,622 charged-off accounts with a gross outstanding balance of \$26,450,824.13.
- f. February 18, 2011 sale of 13,457 charged-off accounts with a gross outstanding balance of \$5,234,478.88.
- g. February 22, 2011 sale of 36,415 charged-off accounts with a gross outstanding balance of \$16,333,374.81.
- h. March 29, 2011 sale of 9,509 charged-off accounts with a gross outstanding balance of \$35,859,184.46.
- i. April 22, 2011 sale of 53,818 charged-off accounts with a gross outstanding balance of \$23,441,874.10.
- j. May 20, 2011 sale of 12,577 charged-off accounts with a gross outstanding balance of \$4,838,862.16.
- k. May 20, 2011 sale of 34,374 charged-off accounts with a gross outstanding balance of \$19,262,952.51.
- l. June 17, 2011 sale of 42,262 charged-off accounts with a gross outstanding balance of \$19,153,228.75.
- m. August 25, 2011 sale of 51,835 charged-off accounts with a gross outstanding balance of \$19,242,890.48.
- n. October 31, 2011 sale of 119,371 charged-off accounts with a gross outstanding balance of \$58,906,975.96.

27. Each of the transactions set forth in the preceding paragraph included the sale and assignment to UCR of charged-off debt that was owed by consumers who were residents of Colorado.

C. UCR Purchases of Charged-Off Debt from US Bank

28. Beginning on December 7, 2007 or before, UCR began purchasing charged-off debt from US Bank.

29. Some or all of the sales were governed by a written agreement between UCR and US Bank and were memorialized by a written bill of sale.

30. Pursuant to the terms of each agreement between UCR and US Bank, US Bank agreed to “sell, assign, and transfer” its rights in the transferred charged-off debt to UCR.

31. US Bank sold and assigned charged-off debt to UCR that included debt owed by residents of Colorado. UCR thereby took assignment of the charged-off debt for collection purposes.

32. Each agreement between US Bank and UCR provided that UCR would engage in “collection efforts” with respect to the charged-off debt and, in doing so, would “conform with all requirements of all applicable federal, state, and local laws” including the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq.

33. US Bank’s sales of charged-off debt to UCR included, without limitation, the following transactions:

- a. December 7, 2007 sale of 148,145 charged-off accounts with a gross balance of \$88,677,640.00.
- b. December 20, 2007 sale of 7,865 charged-off accounts with a gross balance of \$31,883,028.48.
- c. March 18, 2008 sale of 90,289 charged-off accounts with a gross balance of \$44,270,072.54.
- d. August 22, 2008 sale of 106,817 charged-off accounts with a gross balance of \$69,865,201.16.
- e. February 20, 2009 sale of 61,907 charged-off accounts with a gross balance of \$91,781,056.17.
- f. May 22, 2009 sale of 416,363 charged-off accounts with a gross balance of \$257,939,488.68.
- g. September 29, 2009 sale of 109,432 charged-off accounts with a gross balance of \$71,049,459.57.

- h. November 30, 2009 sale of 93,746 charged-off accounts with a gross balance of \$54,284,868.88.
- i. September 24, 2010 sale of 100,105 charged-off accounts with a gross balance of \$52,338,375.21.
- j. February 18, 2011 sale of 44,041 charged-off accounts with a gross balance of \$29,151,250.24.
- k. May 14, 2011 sale of 45,256 charged-off accounts with a gross balance of \$30,469,886.41.
- l. July 25, 2011 sale of 62,781 charged-off accounts with a gross balance of \$35,242,714.22.

34. Each of the transactions set forth in the preceding paragraph included the sale and assignment to UCR of charged-off debt that was owed by consumers who were residents of Colorado.

D. Minimal Account Information Provided To Buyers

35. In connection with the debt sales referenced above, US Bank and Wells Fargo limited their obligations with respect to efforts to collect on the charged-off debt.

36. With respect to the sale of US Bank's charged-off debt, US Bank did not provide UCR with account documents (such as account agreements and account statements) (hereinafter "Account Documents") regarding each conveyed account.

37. Instead, US Bank provided a spreadsheet containing information regarding each conveyed account, such as the account holder's name and address, social security number, amount of debt owed, and the charge-off date.

38. While UCR could obtain Account Documents from US Bank, US Bank was entitled to charge a fee for all requests for Account Documents.

39. Each agreement between UCR and US Bank further provided that US Bank would provide an affidavit regarding an account in the event other documentation could not be located:

6. PURCHASER'S REQUEST FOR DOCUMENTATION
SELLER and PURCHASER recognize this is an "as is"
sale. Both SELLER and PURCHASER agree that special

circumstances may arise from cause of claim or action similar to that outlined in Section 4 which may require additional documentation. PURCHASER shall have the right to request documents not limited to bank statements, signature cards or any and all terms and condition disclosure materials related to such Purchased Accounts from SELLER but will be required to pay a "reasonable fee" to cover the administrative costs of securing such data. Buyer will pay \$10.00 per account itemization requested, located and delivered. If PURCHASER does not agree to pay a "reasonable fee" for such documentation, the SELLER is not obligated to provide it, except in cases involving dual claims or ineligible accounts as defined in this contract. **If Seller is unable to locate any Media, Seller will provide an Affidavit of Lost Documents, Affidavit of Correctness and/or Affidavit of Sale.** The failure of Seller to locate requested media shall not be deemed a breach of this agreement. Seller will reasonably provide all media requested to Buyer within a reasonable time frame no more that sixty (60) days minimum.

(Emphasis added.)

40. Pursuant to each agreement between UCR and US Bank, UCR could sell the purchased debt to a third party. However, such third parties could not request Account Documents or affidavits directly from US Bank.

41. With respect to sales of Wells Fargo charged-off debt, Wells Fargo similarly was not required to provide Account Documents to UCR regarding each account involved in the sale.

42. Like US Bank, Wells Fargo provided UCR with a spreadsheet containing information regarding each conveyed account, such as the account holder's name and address, social security number, amount of debt owed, and the charge-off date.

43. Under the Wells Fargo Agreement, UCR was entitled to request Account Documents for 1% of the conveyed accounts without incurring any fee. Thereafter, UCR could request additional Account Documents but was required to pay a \$5 fee per request.

44. If Wells Fargo could not locate the Account Documents for a particular account, it agreed to provide "an affidavit attesting to the name of the obligor(s),

account number, amount owed, interest rate, and charge-off date of such Receivable.”

45. Under the Wells Fargo Agreement, Wells Fargo’s obligation to provide Account Documents regarding a particular account terminated 365 days after the account was sold to the buyer.

E. Use of Account Documentation for Colorado Debt Collection

46. Debt collection in Colorado is regulated by, amongst other laws, the CFDCPA.

47. Account Documents are valuable to debt collectors who seek to collect on debt.

48. Unlike original creditors, debt collectors do not have personal information regarding the facts and records that give rise to a debt.

49. Accordingly, Account Documents are valuable to debt collectors because, amongst other things:

- a. when properly presented, debt collectors can use Account Documents to convince debtors that they owe a particular amount;
- b. when properly presented, debt collectors can use Account Documents to satisfy validation of debt requirements set forth in C.R.S. § 12-14-109;
- c. when properly presented, debt collectors can use Account Documents as relevant evidence in a court of law regarding the amount owed by a debtor.

F. Creation of Bank Documents

50. US Bank and Wells Fargo periodically provided UCR with original affidavits, notices, or other documents that were executed by officers of Wells Fargo or US Bank. Those affidavits, notices, and other documents contained original signatures and, where appropriate, original notarizations.

51. In order to maximize the profits that it obtained as a result of its purchases of charged-off debt from US Bank and Wells Fargo, UCR engaged in a routine and pervasive scheme to fabricate documents that would aid in efforts to collect on that debt.

52. UCR routinely copied bank officer signatures from documents it received from Wells Fargo and US Bank and inserted those signatures onto new, false, documents (the “False Bank Documents”) created by UCR.

53. The False Bank Documents appeared to bear a bank officer’s signature but were not actually signed by a bank officer.

54. The bank officer signatures on the False Bank Documents often were also notarized. UCR routinely copied legitimate notarizations from the documents it received from Wells Fargo and US Bank and inserted those notarizations onto the False Bank Documents.

55. The False Bank Documents are in the form of affidavits, notices, or similar documents that purport to provide the personal knowledge of a bank officer regarding a debt owed by a particular debtor.

56. As an example, attached as **Exhibit 1** are ten False Bank Documents that UCR created and distributed to Colorado debt buyer GTF Services. Each of the ten False Bank Documents that are attached as **Exhibit 1** purport to be an affidavit signed by a US Bank officer on December 21, 2009. UCR provided these ten False Bank Documents to GTF Services on a computer CD that contained a total of 2,817 False Bank Documents, each purporting to be an affidavit signed by the same bank officer on December 21, 2009.

57. As another example, attached as **Exhibit 2** are ten False Bank Documents that UCR created and distributed to Colorado debt buyer Stride Card, LLC. Each of the ten False Bank Documents that are attached as **Exhibit 2** purport to be an affidavit signed by a Wells Fargo bank officer on October 12, 2010. UCR provided these ten False Bank Documents to Stride Card, LLC on a computer CD that contained a total of 4,437 False Bank Documents, each purporting to be an affidavit signed by the same bank officer on October 12, 2010.

58. UCR copied the signatures and produced the False Bank Documents without the knowledge, consent, or participation of either Wells Fargo or US Bank.

59. Through this process, UCR created hundreds of thousands of False Bank Documents that incorrectly purported to have been signed, before a notary public, by an officer of US Bank or Wells Fargo.

60. Each of the False Bank Documents purported to provide the personal knowledge of a bank officer regarding a debt owed by a particular debtor.

61. On April 19, 2012, Potillo, as UCR's principal, sole member, and director, testified under oath as follows regarding the False Bank Documents:

Q: Okay. You're familiar with the term "affidavits of correctness," aren't you?

A: Yes, I am.

Q: And in fact, it is true, isn't it, that in relation to each and every portfolio UCR sells to third parties they provide an affidavit of correctness from US Bank relative to each of the individual accounts within that portfolio?

A: United Credit Recovery provides a mail merged document of an affidavit of correctness.

....

Q: All right. And with regard to when UCR provides these affidavits, they in fact provided these affidavits to each and every third party purchaser of debt relative to each and every one of the thousands of accounts that are purchased, correct?

A: We provide the mail merge information of the affidavit, yes.

....

Q: It uses a mail merge program to accomplish that function?

A: United Credit Recovery provides a mail merge function

....

....

Q: So the affidavits that you provided, the 24,000 affidavits that you provided to [particular debt buyer] relative to the portfolios it purchased from UCR for \$1.1 million, none of them, not one, was authentic, was it?

A: No. They're not real affidavits. They are a mail merge document.

62. Potillo provided the testimony set forth in the foregoing paragraph in a lawsuit captioned *Portfolio Management Group Two, LLC v. United Credit Recovery, LLC*, 27-CV-10-28726 (State of Minnesota, County of Hennepin District Court).

63. Upon obtaining copies of False Bank Documents purporting to have been executed by its bank officers, Wells Fargo filed suit against UCR on September 20, 2013 in the United States District Court for the Middle District of Florida over UCR's creation, use, and dissemination of the False Bank Documents.

G. Use of False Bank Documents

64. UCR profited from the debt they purchased from US Bank and Wells Fargo via two business models.

65. First, UCR retained ownership of some of the debt it purchased from US Bank and Wells Fargo.

66. UCR collected on the debt it owned by placing it for collection with third-party debt collection agencies.

67. The debt collection agencies then remitted amounts collected back to UCR, after deducting fees charged for the collection activities.

68. The debt collection agencies acted on behalf of and under the control of UCR with respect to collecting on debt owned by UCR.

69. The debt collection agencies that UCR used to collect on its debt that was owed by residents of Colorado included, without limitation, Regent Asset Management Solutions, Inc., Imperial Recovery Partners, LLC, I Recovery LLC, and The Jakoby Law Firm, P.C.

70. The debt collection agencies that collected debt in Colorado on behalf of UCR are referred to herein as the “Colorado Agencies.”

71. UCR distributed False Bank Documents to the Colorado Agencies.

72. The False Bank Documents assisted the Colorado Agencies in collecting money from debtors.

73. For example, acting on behalf of UCR, the Colorado Agencies filed False Bank Documents in court to provide evidence of the amount owed by debtors.

74. The Colorado Agencies also sent the False Bank Documents directly to Colorado debtors who requested validation or verification of the amounts allegedly owed.

75. In addition to placing debt with collection agencies, UCR also sold, conveyed, and assigned some of the purchased debt to third parties at a premium above the price at which it acquired the debt and thereby earned a profit.

76. UCR sold debt owed by Colorado residents to, without limitation, the following entities: Regent Asset Management Solutions, Inc., Stride Card, LLC, The Jakoby Law Firm, P.C., Liberty Acquisitions II, LLC, and GTF Services, LLC.

77. The entities that purchased debt from UCR that was alleged to have been owed by residents of Colorado are referred to herein as the “Colorado Buyers.”

78. In connection with the sale of debt to the Colorado Buyers, UCR provided False Bank Documents to the Colorado Buyers.

79. The Colorado Buyers placed a value on the False Bank Documents and often requested the False Bank Documents from UCR when UCR delayed in providing the False Bank Documents following a debt sale.

80. The price that UCR charged the Colorado Buyers for the sale of the debt that was accompanied by the False Bank Documents exceeded the price that UCR paid to purchase the debt.

H. Use of False Bank Documents by GTF Services and Standley & Associates

81. UCR sold to GTF Services charged-off US Bank debt that was owed by consumers who were residents of Colorado. The debt sales included, without limitation, the following transactions:

- a. February 17, 2009 sale of 3,090 charged-off accounts with a gross balance of \$4,410,407.20.
- b. May 13, 2009 sale of 13,932 charged-off accounts with a gross balance of \$9,177,037.10.
- c. September 21, 2009 sale of 2,280 charged-off accounts with a gross balance of \$1,566,724.83.
- d. November 16, 2009 sale of 2,817 charged-off accounts with a gross balance of \$1,693,499.93.

82. In connection with each debt sale identified in the foregoing paragraph, GTF Services received from UCR a computer CD containing False Bank Documents for each account involved in a debt sale. Specifically:

- a. In connection with the February 17, 2009 sale, GTF Services received a computer CD. The computer CD contained Microsoft Word files. The Microsoft Word files contained a total of over 3,000 separate documents, each titled “AFFIDAVIT OF CORRECTNESS/ASSIGNMENT.” Each of the documents purports to have been signed before a notary by a US Bank officer on February 23,

2009. The signature of the US Bank officer on each of the over 3,000 separate documents appears to be identical. The signature of the notary on each of the over 3,000 separate documents appears to be identical.

- b. In connection with the May 13, 2009 sale, GTF Services received a computer CD. The computer CD contained Microsoft Word files. The Microsoft Word files contained a total of over 13,900 separate documents, each titled "AFFIDAVIT OF CORRECTNESS/ASSIGNMENT." Each of the documents purports to have been signed before a notary by a US Bank officer on June 8, 2009. The signature of the US Bank officer on each of the over 13,900 separate documents appears to be identical. The signature of the notary on each of the over 13,900 separate documents appears to be identical.
- c. In connection with the September 21, 2009 sale, GTF Services received a computer CD. The computer CD contained Microsoft Word files. The Microsoft Word files contained a total of over 2,280 separate documents, each titled "AFFIDAVIT OF CORRECTNESS/ASSIGNMENT." Each of the documents purports to have been signed before a notary by a US Bank officer on October 28, 2009. The signature of the US Bank officer on each of the over 2,280 separate documents appears to be identical. The signature of the notary on each of the over 2,280 separate documents appears to be identical.
- d. In connection with the November 16, 2009 sale, GTF Services received a computer CD. The computer CD contained Microsoft Word files. The Microsoft Word files contained a total of over 2,800 separate documents, each titled "AFFIDAVIT OF CORRECTNESS/ASSIGNMENT." Each of the documents purports to have been signed before a notary by a US Bank officer on December 21, 2009. The signature of the US Bank officer on each of the over 2,800 separate documents appears to be identical. The signature of the notary on each of the over 2,800 separate documents appears to be identical.

83. GTF Services sought to collect on the charged-off US Bank debt that it purchased from UCR by placing the debt for collection with Standley & Associates, LLC.

84. Standley & Associates, LLC acted on behalf of and under the control of GTF Services with respect to collecting on debt owned by GTF Services.

85. GTF Services, acting on its own or through Standley & Associates, LLC, used the False Bank Documents to collect debt from Colorado residents.

86. GTF Services and Standley & Associates knew that the False Bank Documents were not actually signed by a bank officer and that the False Bank Documents therefore did not reflect the personal knowledge of a bank officer.

87. From 2009 through 2011, GTF Services filed a False Bank Document in at least 364 Colorado debt collection lawsuits.

88. In total, GTF Services collected in excess of \$495,000 from Colorado consumers with the use of False Bank Documents. The amounts collected were divided with a percentage paid to GTF Services and a percentage paid to Standley & Associates.

89. At the time the lawsuits were filed in Colorado, neither GTF Services nor Standley & Associates, LLC had policies or procedures for the evaluation of the validity or accuracy of account documentation that they received regarding debt that they purchased or sought to collect on.

**FIRST CLAIM FOR RELIEF
FALSE, DECEPTIVE, OR MISLEADING REPRESENTATION OR MEANS
IN VIOLATION OF CFDCPA (C.R.S. § 12-14-107(1))**

90. The State incorporates by reference the allegations of paragraphs 1 through 89 above as if fully set forth herein.

91. UCR, GTF Services, and Standley & Associates are collection agencies as defined by the CFDCPA.

92. UCR created the False Bank Documents.

93. UCR, GTF Services, and Standley & Associates used False Bank Documents to collect on debt from consumers who were Colorado residents.

94. UCR distributed False Bank Documents to the Colorado Buyers.

95. The creation, use, and distribution of the False Bank Documents constituted a false, deceptive, or misleading representation or means of collection in violation of C.R.S. § 12-14-107(1).

SECOND CLAIM FOR RELIEF
VIOLATIONS OF CFDCPA LICENSING REQUIREMENTS
(C.R.S. §§ 12-14-115(1)(a) AND 12-14-118) – AGAINST DEFENDANT
UCR ONLY

96. The State incorporates by reference the allegations of paragraphs 1 through 95 above as if fully set forth herein.

97. The CFDCPA defines “collection agency” to include one whose principal purpose is the collection of debts or who “[r]egularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another.” C.R.S. § 12-14-103(2)(a).

98. Under the CFDCPA, it is unlawful for any person to “[c]onduct the business of a collection agency or advertise or solicit, either in print, by letter, in person, or otherwise, the right to make collection or obtain payment of any debt on behalf of another without having obtained a license” to do so. C.R.S. § 12-14-115(1)(a).

99. Moreover, “[a]ny person acting as a collection agency must possess a valid license issued by the administrator” C.R.S. § 12-14-118.

100. UCR has conducted the business of, and acted as, a collection agency in Colorado without obtaining a license.

101. Therefore, UCR has violated C.R.S. § 12-14-115(1)(a) and C.R.S. § 12-14-118.

THIRD CLAIM FOR RELIEF
VIOLATIONS OF CCPA – PASSING OFF GOODS
AS THOSE OF ANOTHER

102. The State incorporates by reference the allegations of paragraphs 1 through 101 above as if fully set forth herein.

103. In connection with its business, UCR created the False Bank Documents.

104. In connection with their businesses, UCR, GTF Services, and Standley & Associates used False Bank Documents to collect on debt from consumers who were Colorado residents.

105. Defendants thus have knowingly sought to pass off the False Bank Documents as having been legitimately executed by an authorized bank officer.

106. By reason of the foregoing, Defendants engaged in deceptive trade practices in violation of C.R.S. § 6-1-105(1)(a).

**FOURTH CLAIM FOR RELIEF
VIOLATIONS OF CCPA – FALSE REPRESENTATIONS**

107. The State incorporates by reference the allegations of paragraphs 1 through 106 above as if fully set forth herein.

108. In connection with their businesses, Defendants have knowingly made false representations as to the source, sponsorship, approval, or certification of the False Bank Documents.

109. By reason of the foregoing, Defendants engaged in a deceptive trade practices in violation of C.R.S. § 6-1-105(1)(b).

**FIFTH CLAIM FOR RELIEF
VIOLATIONS OF CCPA – FALSE REPRESENTATIONS**

110. The State incorporates by reference the allegations of paragraphs 1 through 109 above as if fully set forth herein.

111. In connection with their businesses, Defendants have knowingly made false representations as to the characteristics of the False Bank Documents.

112. By reason of the foregoing, Defendants engaged in a deceptive trade practices in violation of C.R.S. § 6-1-105(1)(e).

**SIXTH CLAIM FOR RELIEF
VIOLATIONS OF CCPA (C.R.S. § 6-1-105(1)(z)) – AGAINST
DEFENDANT UCR ONLY**

113. The State incorporates by reference the allegations of paragraphs 1 through 112 above as if fully set forth herein.

114. Under the CCPA, a person engages in a deceptive trade practice when, in the course of such person's business, such person engages in any business without a license required to engage in the business. C.R.S. § 6-1-105(1)(z).

115. UCR failed, and continues to fail, to obtain all governmental licenses required to engage in debt collection.

PRAYER FOR RELIEF

ACCORDINGLY, the State prays for entry of judgment in its favor and against Defendants, and requests that the Court provide the following relief:

A. Issue a preliminary and permanent injunction, enjoining Defendants, and their officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from:

1. committing any of the acts, conduct, transactions, or violations described above, or otherwise violating the CFDCPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured by Defendants' conduct; and
2. engaging in deceptive trade practices, in the course of their business activities, in violation of the CCPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured by Defendants' conduct.

B. Impose civil penalties against Defendants under C.R.S. § 6-1-112 and C.R.S. § 12-14-130(10)(a).

C. Award actual damages to those injured by the violations of the CFDCPA and the CCPA.

D. Order Defendants to make restitution of money to the persons aggrieved by the violations.

E. Order Defendants to disgorge all profits from their unlawful activities in the State of Colorado.

F. Award costs, expenses, and attorneys' fees incurred by the State.

G. Award pre- and post-judgment interest.

H. Award such other relief as the Court deems proper and just.

Dated November 25th, 2013.

JOHN W. SUTHERS
Attorney General

/s/ Nikolai N. Frant

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Pursuant to C.R.C.P. 121, § 1-26(7), the original of this document with original signatures is maintained in the Offices of the Colorado Attorney General, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, Sixth Floor, Denver, Colorado 80203, and will be made available for inspection by other parties or the Court upon request.