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CASE NUMBER: 18-2-23698-3 SEA

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON, Plaintiff, v. EGP INVESTMENTS, LLC, a Washington limited liability company; JPRD INVESTMENTS, LLC, a Washington limited liability company; THE COLLECTION GROUP LLC, a Washington limited liability company; FAIR RESOLUTIONS, INC., a Washington corporation; and BRIAN FAIR, an individual, Defendants.	NO. COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF UNDER THE CONSUMER PROTECTION ACT, RCW 19.86, AND THE COLLECTION AGENCY ACT, RCW 19.16

COMES NOW PLAINTIFF, State of Washington, by and through its attorneys Robert W. Ferguson, Attorney General, and Assistant Attorneys General Matthew Geyman and Amy C. Teng, and brings this action against Defendants EGP Investments, LLC ("EGP"), JPRD Investments, LLC ("JPRD"), The Collection Group LLC ("TCG"), Fair Resolutions, Inc. ("Fair Resolutions") and Brian Fair (collectively, "Defendants"), alleging as follows on information and belief:

I. INTRODUCTION

1.1 Defendants EGP, JPRD and TCG are debt buying companies owned and managed by Defendant Brian Fair. Each of these companies bought large portfolios of charged-

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off debt accounts for pennies on the dollar, then sued Washington consumers to collect the full face amount of the accounts, plus pre-judgment interest, attorneys' fees, court filing fees, and other collection costs.

1.2 However, EGP, JPRD and TCG missed a key requirement for any company that solicits, purchases and sues to collect on consumer debt accounts in the State of Washington: obtaining a license to operate as a collection agency.

1.3 Under the Washington Collection Agency Act, RCW 19.16 ("Collection Agency Act"), operating as a collection agency in Washington without being licensed is prohibited. RCW 19.16.110. Aiding or abetting the operation of an unlicensed collection agency is also prohibited. RCW 19.16.250(1). Operating as a collection agency without a license, or aiding or abetting such an operation, is also a *per se* unfair act or practice in the conduct of trade or commerce under the Washington Consumer Protection Act, RCW 19.86 ("CPA"). RCW 19.16.440.

1.4 EGP, JPRD and TCG were not licensed collection agencies prior to August 2013. Prior to licensure, EGP, JPRD and TCG obtained thousands of debt collection judgments against Washington consumers unlawfully.

1.5 Since obtaining these unlawful judgments, EGP, JPRD and TCG, aided by Defendants Brian Fair and Fair Resolutions, have collected and continue to collect on the unlawful judgments by garnishing consumers' wages, seizing funds from consumers' bank accounts, and foreclosing or threatening to foreclose on consumers' homes.

1.6 By identifying and bidding on debt portfolios, negotiating and entering into contracts to purchase charged-off debt accounts, then suing Washington consumers to collect on the accounts without being licensed as required by Washington law, EGP, JPRD and TCG, along with Brian Fair and Fair Resolutions, violated both the CPA and the Collection Agency Act.

1.7 Defendants' continuing efforts to collect on these unlawful judgments are unfair, deceptive and unlawful under the CPA and the Collection Agency Act and contrary to the public interest.

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1.8 The State, therefore, brings this action and asks the Court to enjoin Defendants from engaging in the unlawful conduct complained of herein; assess civil penalties under RCW 19.86.140 of up to $2,000 per violation for each violation of RCW 19.86.020; order Defendants to provide restitution to consumers of the money acquired through their unlawful conduct pursuant to RCW 19.86.080; reimburse the State for the costs of this action, including reasonable attorneys' fees, pursuant to RCW 19.86.080; and order such other and further relief as the Court deems just and proper.

II. PARTIES

2.1 The Plaintiff is the State of Washington.

2.2 Authority of the Attorney General to commence this action is conferred by RCW 19.86.080, RCW 19.86.140, RCW 19.16.440 and RCW 19.16.460. The Attorney General may seek restitution, injunctive relief, civil fines and penalties, and its costs and reasonable attorneys' fees in this action under RCW 19.86.080, RCW 19.86.140 and RCW 19.16.460.

2.3 Defendant EGP Investments, LLC is a Washington limited liability company with its principal place of business located at 1697 N. Western Avenue, Wenatchee, Washington 98801. EGP was formed on December 15, 2009. Defendant Brian Fair is a managing member of EGP and has been at all times material hereto. At all times material hereto, EGP regularly conducted business through its agents, employees, and/or representatives throughout the State of Washington, including King County.

2.4 Defendant JPRD Investments, LLC is a Washington limited liability company with its principal place of business located at 1697 N. Western Avenue, Wenatchee, Washington 98801. JPRD was formed on June 27, 2007. Defendant Brian Fair is a managing member of JPRD and has been at all times material hereto. At all times material hereto, JPRD regularly conducted business through its agents, employees, and/or representatives throughout the State of Washington, including King County.

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2.5 Defendant The Collection Group LLC is a Washington limited liability company with its principal place of business located at 1697 N. Western Avenue, Wenatchee, Washington 98801. TCG was formed on May 10, 2004. Defendant Brian Fair is a managing member of TCG and has been at all times material hereto. At all times material hereto, TCG regularly conducted business through its agents, employees, and/or representatives throughout the State of Washington, including King County.

2.6 Defendant Fair Resolutions, Inc. is a Washington corporation with its principal place of business located at 1697 N. Western Avenue, Wenatchee, Washington 98801. It was formed on June 27, 2007 and was licensed as a Washington collection agency on August 14, 2007. Defendant Brian Fair owns Fair Resolutions, in whole or in part, and is President of the company and has been at all times material hereto. At all times material hereto, Fair Resolutions regularly conducted business through its agents, employees, and/or representatives throughout the State of Washington, including King County.

2.7 Defendant Brian Fair is a resident of Wenatchee, Chelan County, Washington. At all times material hereto, he was an owner, manager, agent, employee, and/or representative of Defendants EGP, JPRD, TCG, and Fair Resolutions.

2.8 At all times material hereto, Defendants, and each of them, have been engaged in trade or commerce within the meaning of the CPA, RCW 19.86.020.

2.9 Defendants, and each of them, knowingly assisted, directed, controlled, participated in, carried out, and/or approved of the acts, practices, and activities that are the subject of this Complaint. Because Defendants operated as a common enterprise, each of them is jointly and severally liable for the unfair or deceptive acts and practices described herein.

III. JURISDICTION AND VENUE

3.1 This Court has subject matter jurisdiction over this Complaint under the provisions of the CPA, RCW 19.86, and the Collection Agency Act, RCW 19.16.

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3.2 This Court has personal jurisdiction over Defendants because each of them has engaged in the conduct set forth in this Complaint in King County and elsewhere in the State of Washington.

3.3 Venue is proper in King County because many of the events giving rise to this action occurred in King County, and because one or more of the Defendants has done and continues to do business in King County. RCW 4.12.020(3); RCW 4.12.025(1).

IV. FACTS

A. EGP, JPRD and TCG Took Affirmative Steps as Debt Buyers to Acquire Thousands of Charged-Off Debt Accounts and Then Collect on the Accounts

4.1 The high rate of consumer indebtedness has created a market for companies such as EGP, JPRD and TCG, which purchase charged-off debt accounts (*i.e.*, accounts written off by the creditor) for pennies on the dollar and then attempt to collect on the charged-off accounts. This practice is known as debt buying.

4.2 On average, debt buyers pay four cents on the dollar for charged-off debt accounts. Federal Trade Commission, *The Structure and Practices of the Debt Buying Industry* ("FTC Report") 22-23 (2013), *available at* https://www.ftc.gov/reports/structure-practices-debt-buying-industry. Thus, for example, if a debt buyer paid the average of four cents on the dollar for an account, it would have paid $80 for the right to sue on an alleged $2,000 debt.

4.3 The debt buyer's business model is simple: "If debt buyers can acquire debts cheaply enough, and develop efficient, low-cost methods of pursuing debtors, they can realize substantial profits by collecting even a small percentage of the debts they purchase." Human Rights Watch, *Rubber Stamp Justice: U.S. Courts, Debt Buying Corporations, and the Poor* 11 (2016), *available at* https://www.hrw.org/sites/default/files/report_pdf/us0116_web.pdf.

4.4 In this case, the affirmative steps that EGP, JPRD and TCG took as debt buyers included identifying sellers of debt accounts, bidding on debt portfolios, and/or negotiating and

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entering into contracts to buy debt accounts, and then suing Washington consumers to collect on the debt accounts they purchased.

4.5 In 2009, Brian Fair stated in a sworn declaration filed in King County Superior Court that JPRD was "in the business of buying consumer debt" and that "[a]s of May 14, 2009, [JPRD] owned approximately $20,000,000 in consumer debt." *See* Exhibit A, ¶ 2.[1]

4.6 Similarly, EGP and TCG—like JPRD—were in the business of buying consumer debt accounts, and they also purchased and owned millions of dollars in consumer debt accounts.

4.7 In 2010, EGP and Fair Resolutions entered into a services agreement under which Fair Resolutions agreed to provide and did provide, the following services to EGP, among others: locating sellers of debt; researching portfolios of debt for purchase consideration; negotiating with sellers of debt; and executing purchase and sale agreements with sellers of debt.

4.8 Fair Resolutions took these and other affirmative steps to assist EGP in locating sellers of debt accounts, researching debt portfolios for consideration, negotiating with sellers of debt, and/or entering into purchase and sale agreements with sellers of debt.

4.9 JPRD entered into one or more similar agreements with Fair Resolutions and/or another contracting party, under which Fair Resolution and/or another contracting party agreed to undertake, and did undertake, affirmative steps to assist JPRD in locating sellers of debt, researching portfolios of debt for consideration, negotiating with sellers of debt, and/or entering into purchase and sale agreements with sellers of debt.

4.10 Likewise, TCG also entered into one or more similar agreements with Fair Resolutions and/or another contracting party, under which Fair Resolution and/or another contracting party agreed to undertake, and did undertake, affirmative steps to assist TCG in

[1] The State has redacted consumers' names and other personal information from Exhibits A, C, D, E, F and G to this Complaint to protect consumers' privacy.

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locating sellers of debt, researching portfolios of debt for consideration, negotiating with sellers of debt, and/or entering into purchase and sale agreements with sellers of debt.

4.11 The steps that Brian Fair took to acquire debt accounts for collection for TCG are also described in court pleadings that he and TCG filed in a lawsuit with a former business partner. *See LK Operating, LLC v. The Collection Group, LLC*, 181 Wn.2d 48, 331 P.3d 1147 (2014).

4.12 In one of their court filings in that case, Brian Fair and TCG described the affirmative steps they took to negotiate contracts with debt sellers, purchase debt accounts, and then collect on the accounts they purchased. *See* Brief of Respondents/Cross-Appellants, filed in *LK Operating, LLC v. The Collection Group, LLC*, No. 297411-III, Washington Court of Appeals, Division 3 (Sept. 26, 2011), relevant excerpts attached as Exhibit B.

4.13 In the filing, Brian Fair and TCG stated that "Fair formed TCG to engage in the business of debt collection, by purchasing debt on the open market and then taking steps, including legal proceedings if necessary, to collect that debt," and that "Fair, as manager of TCG, set up the company and investigated possible sources of debt." *See* Exhibit B, p. 4.

4.14 Brian Fair and TCG went on to describe the steps they took to purchase debt accounts from a debt seller, Unifund, stating: "Fair, as manager of TCG . . . negotiate[d] with Unifund," TCG "went forward with the purchase of two accounts from Unifund," and "Fair then began work to collect the debt that TCG had purchased." *See* Exhibit B, pp. 6-7.

4.15 In many cases, after purchasing the debt accounts, TCG would then send one or more collection letters to consumers stating that TCG had purchased the accounts allegedly owed by the consumers and seeking to collect payment on the accounts. Attached as Exhibit C is a representative sample of these collection letters.

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4.16 In these initial communications with consumers regarding the alleged debts, TCG did not include an itemization of the interest added to the accounts by TCG, nor did it provide a separate itemization of the interest added to the accounts before they were purchased by TCG.

4.17 In these collection letters, TCG also told consumers, "THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE." TCG made this statement to consumers even though it was not a licensed collection agency at the time.

B. EGP, JPRD and TCG Acted as Collection Agencies Without Being Licensed

4.18 EGP, JPRD and TCG, directly and through their agents, including Brian Fair and Fair Resolutions, took these and other affirmative steps to identify sellers, bid on debt portfolios, negotiate and enter into contracts to purchase the subject debt accounts, and collect on the accounts—thus constituting and acting as collection agencies—without being licensed Washington collection agencies as required by law.

4.19 Under the Collection Agency Act, a collection agency includes any person or entity that directly or indirectly engages in soliciting claims for collection, or collecting or attempting to collect claims owed or due or asserted to be owed or due another person. RCW 19.16.100(4)(a).

4.20 The Washington Supreme Court has noted that the business of debt collection affects the public interest, and under the Collection Agency Act, collection agencies are subject to strict regulation to ensure they deal fairly and honestly with alleged debtors. *Panag v. Farmers Ins. Co. of Washington*, 166 Wn.2d 27, 54, 204 P.3d 885 (2009).

4.21 Among other prohibited collection practices, the Collection Agency Act prohibits any licensed collection agency or its employees from making false representations as to the legal status of a debt, threatening alleged debtors with impairment of their credit rating, attempting to

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collect amounts not actually owed, or implying legal liability for costs not actually recoverable. RCW 19.16.250.

4.22 In order to protect alleged debtors from these and other prohibited collection practices and achieve the purposes of the Collection Agency Act, it is essential that all persons or entities acting, assuming to act, or advertising as a collection agency in Washington must be licensed. RCW 19.16.110.

4.23 Under Washington law, a debt buyer is a collection agency under the Collection Agency Act and must be licensed as a collection agency if it enters into contracts with sellers of debt accounts or takes other affirmative steps to acquire accounts for collection, either directly or through an agent. *Gray v. Suttell & Associates*, 181 Wn.2d 329, 340-42, 334 P.3d 14 (2014).

4.24 Because EGP, JPRD and TCG identified sellers of debt accounts, bid on debt portfolios, negotiated and entered into contracts to buy debt accounts, then sued Washington consumers to collect on the debt accounts purchased, each of them was a collection agency under the Collection Agency Act. Each of them was required to be licensed when it solicited and acquired the debt accounts and sued to collect on the accounts.

4.25 EGP was not licensed as a Washington collection agency until August 21, 2013, *after* it solicited and acquired the debt accounts at issue and *after* it sued Washington consumers to collect on the accounts.

4.26 EGP's filings in Washington superior courts show that between December 15, 2009 and August 20, 2013, the day before EGP was licensed, EGP had sued to collect on over 1,200 debt accounts of Washington consumers.

4.27 In addition to the 1,200 collection actions reflected in EGP's Washington superior court filings, EGP filed numerous additional lawsuits in state district courts before it was licensed that are not reflected in the superior court filings. The number of the additional collection

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lawsuits EGP filed in state district courts before being licensed is believed to be considerable but is presently unknown.

4.28 Similarly, JPRD was not licensed as a Washington collection agency until September 17, 2013, *after* it solicited and acquired the debt accounts at issue and *after* it sued Washington consumers to collect on the accounts.

4.29 JPRD's filings in Washington superior courts show that between June 27, 2007 and September 16, 2013, the day before JPRD was licensed, JPRD had sued to collect on over 1,600 debt accounts of Washington consumers.

4.30 In addition to the 1,600 collection actions reflected in JPRD's Washington superior court filings, JPRD filed numerous additional lawsuits in state district courts before it was licensed that are not reflected in the superior court filings. The number of the additional collection lawsuits JPRD filed in state district courts before being licensed is believed to be considerable but is presently unknown.

4.31 Again similarly, TCG was not licensed as a Washington collection agency until September 23, 2013, *after* it solicited and acquired the debt accounts at issue and *after* it sued Washington consumers to collect on the accounts.

4.32 TCG's filings in Washington superior courts show that between May 10, 2004 and September 22, 2013, the day before TCG was licensed, TCG had sued to collect on over 700 debt accounts of Washington consumers.

4.33 In addition to the 700 collection actions reflected in TCG's Washington superior court filings, TCG filed numerous additional lawsuits in state district courts before it was licensed that are not reflected in the superior court filings. The number of the additional collection lawsuits TCG filed in state district courts before being licensed is believed to be considerable but is presently unknown.

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4.34 In these collection lawsuits that EGP, JPRD and TCG filed as unlicensed collection agencies, they sought to collect not only the face amount of the debts accounts, but also interest, attorneys' fees, court filing fees, and other collection costs.

C. Brian Fair and Fair Resolution Provided Substantial Assistance to EGP, JPRD and TCG in Their Actions as Unlicensed Collection Agencies and in Obtaining and Collecting on these Unlawful Judgments

4.35 Brian Fair's knowledge that EGP, JPRD and TCG were not licensed collection agencies is evidenced by the fact that he was a managing member of each company and was personally involved in obtaining their collection licenses on August 21, 2013, September 17, 2013, and September 23, 2013, respectively, *after* EGP, JPRD and TCG solicited and acquired the debt accounts at issue and *after* they sued Washington consumers to collect on the debt accounts as described above.

4.36 Fair Resolution's knowledge that EGP, JPRD and TCG were not licensed collection agencies is established by the fact that Fair Resolutions was and is owned and operated by Brian Fair as its President.

4.37 Brian Fair and Fair Resolutions provided substantial assistance to EGP in the actions it took as an unlicensed collection agency prior to August 21, 2013. Brian Fair and Fair Resolutions did so with knowledge that EGP was unlicensed prior to that date.

4.38 The substantial assistance that Brian Fair and Fair Resolutions provided to EGP in its solicitation, acquisition and collection of consumer debt accounts as an unlicensed collection agency prior to August 21, 2013 included, but was not limited to, sending collection letters to Washington consumers through Fair Resolutions. Many of the letters were signed by Brian Fair and intended to collect on the accounts purchased by EGP.

4.39 Brian Fair and Fair Resolutions also provided substantial assistance to JPRD in the actions it took as an unlicensed collection agency prior to September 17, 2013. Brian Fair

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and Fair Resolutions did so with knowledge that JPRD was unlicensed prior to that date.

4.40 The substantial assistance that Brian Fair and Fair Resolutions provided to JPRD in its solicitation, acquisition and collection of consumer debt accounts as an unlicensed collection agency prior to September 17, 2013 included, but was not limited to, sending collection letters to Washington consumers through Fair Resolutions. Many of the letters were signed by Brian Fair and intended to collect on the accounts purchased by JPRD.

4.41 Similarly, Brian Fair or Fair Resolutions, or both, provided substantial assistance to TCG in the actions it took as an unlicensed collection agency prior to September 23, 2013. Again, this assistance was provided with knowledge that TCG was unlicensed prior to that date.

4.42 The substantial assistance that Brian Fair or Fair Resolutions, or both of them, provided to TCG in its solicitation, acquisition and collection of consumer debt accounts as an unlicensed collection agency prior to September 23, 2013 included, but was not limited to, sending collection letters to Washington consumers. Many of the letters were signed by Brian Fair and intended to collect on the accounts purchased by TCG.

4.43 The substantial assistance that Brian Fair and his company, Fair Resolutions, provided to EGP, JPRD and TCG in the solicitation, acquisition and collection of these consumer debt accounts is also evidenced by Fair Resolutions' statement on its website that "Fair Resolutions *handles all of the affairs* of our specific clients including . . . The Collection Group, LLC . . . [;] JPRD Investments, LLC . . . [;] [and] EGP Investments, LLC." Fair Resolutions website, "Clients," http://fairresolutionsinc.com/clients.php (emphasis added).

4.44 In handling the affairs of EGP, JPRD and TCG, Fair Resolutions, under the direction of Brian Fair, assisted EGP, JPRD and TCG with their efforts to solicit, acquire and collect on consumer debts as unlicensed collection agencies.

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4.45 In many cases, Fair Resolutions, under the direction of Brian Fair, would send one or more collection letters to a consumer, stating that JPRD had purchased a debt account allegedly owed by consumer and seeking payment on behalf of JPRD, even though JPRD was operating as an unlicensed debt collection agency.

4.46 These letters would serve as the first written communication the consumer received that JPRD had purchased the alleged debt. Attached as Exhibit D is a representative sample of these letters.

4.47 At the time of these written communications, JPRD was operating as an unlicensed debt collection agency. Fair Resolutions did not notify consumers of this fact.

4.48 In these initial communications with consumers, Fair Resolutions and JPRD failed to include any itemization of the interest added to the debt accounts after they were acquired by JPRD or received by Fair Resolutions for collection. Fair Resolutions and JPRD similarly failed to provide a separate itemization of interest added to the accounts before they were purchased by JPRD.

D. Since Obtaining the Unlawful Collection Judgments, EGP, JPRD and TCG Have Continued to Enforce the Judgments

4.49 Through their actions, EGP, JPRD and TCG obtained thousands of collection judgments against Washington consumers on debt accounts they solicited, purchased, and sued on as unlicensed collection agencies.

4.50 Since obtaining these unlawful collection judgments, EGP, JPRD and TCG have sought to enforce the judgments by garnishing consumers' wages, seizing funds from consumers' bank accounts, and foreclosing or threatening to foreclose on consumers' homes.

4.51 EGP, JPRD and TCG have filed writs of garnishment to garnish up to 25 percent of the paychecks of consumers named in the unlawfully obtained collection judgments.

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4.52 EGP, JPRD and TCG have filed writs of attachment to seize funds from bank accounts of consumers named in the unlawfully obtained collection judgments.

4.53 EGP, JPRD and TCG have recorded thousands of judgment liens in the counties where these judgments were unlawfully obtained, allowing EGP, JPRD and TCG to foreclose, or threaten to foreclose, on the homes of consumers named in the unlawfully obtained collection judgments.

4.54 In King County alone, the county auditor's records show that EGP, JPRD and TCG currently have more than 230, 160, and 100 recorded judgment liens, respectively, based on collection judgments they unlawfully obtained.

4.55 EGP, JPRD and TCG have used and continue to use these judgment liens to force consumers to pay the unlawful collection judgments by threatening to foreclose and filing foreclosure actions to foreclose on consumers' homes.

4.56 In early 2018, for example, Brian Fair, EGP and Fair Resolutions wrote to a consumer in Lynnwood and told her EGP was prepared to file a writ of execution with the county sheriff and would foreclose on her home unless she contacted them immediately to pay off a collection judgment EGP had unlawfully obtained as an unlicensed collection agency. In the letter, Brian Fair described Fair Resolutions as the "Managing Company" of EGP, and he said they were "prepared to file a Writ of Execution with the Snohomish County Sheriff to begin the foreclosure process" and to contact them "if you wish to make arrangements to avoid this process." *See* Exhibit E.

4.57 In response, the consumer sent them a handwritten letter explaining that she was living on a monthly SSI check and that her only functioning vehicle was a 2004 Honda Civic that needed new tires and a clutch replacement. *See* Exhibit F.

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4.58 Despite her precarious financial situation, Brian Fair responded that "Interest continues to accrue at 12%" and he advised her to "begin the process of applying for a 'reverse' mortgage" to pay off the unlawful collection judgment. *See* Exhibit G.

4.59 At no time did Brian Fair, EGP or Fair Resolutions tell the Lynnwood consumer that EGP was not licensed as a collection agency when it solicited and acquired her debt account, sued to collect on the account, and obtained the unlawful collection judgment it sought to enforce by targeting her home.

V. VIOLATION OF COLLECTION AGENCY ACT UNLICENSED COLLECTION AGENCY—RCW 19.16.110

(Defendants EGP, JPRD, TCG, Brian Fair, and Fair Resolutions)

5.1 Plaintiff re-alleges Paragraphs 1.1 through 4.59 and incorporates them as if set forth fully herein.

5.2 Under the Collection Agency Act, it is prohibited for any person or entity to act as a collection agency in Washington without having a collection agency license. RCW 19.16.110.

5.3 The Collection Agency Act defines a "collection agency" as "[a]ny person or entity that directly or indirectly engages in soliciting claims for collection, or collecting or attempting to collect claims owed or due or asserted to be owed or due another person." RCW 19.16.100(4)(a).

5.4 Under this definition, a debt buyer is a collection agency and must be licensed if it enters into contracts with sellers of claims or takes other affirmative steps to obtain claims for collection, either directly or through an agent. *Gray v. Suttell*, 181 Wn.2d at 340-42.

5.5 Thus, when a debt buyer enters into contracts with sellers to purchase debt accounts or takes other affirmative steps to purchase such accounts, it is a collection agency and is prohibited from filing lawsuits in Washington to collect on the debt accounts without being licensed. *Id.* at 344.

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5.6 EGP, JPRD and TCG were required to be licensed as Washington collection agencies when they located sellers of debt accounts, bid on debt portfolios, negotiated and entered into contracts to buy the debt accounts, and then sued Washington consumers and obtained collection judgments on the debt accounts purchased, as outlined above.

5.7 Yet EGP, JPRD and TCG were not licensed as Washington collection agencies until August 21, 2013, September 17, 2013, and September 23, 2013, respectively, *after* they solicited and contracted to purchase the debt accounts for collection and *after* they filed the collection lawsuits to obtain judgments against Washington consumers.

5.8 By purchasing these thousands of debt accounts as described above and then suing consumers to collect on the purchased accounts without being licensed collection agencies as required by law, EGP, JPRD and TCG violated the Collection Agency Act. RCW 19.86.110.

5.9 Fair Resolutions, which Brian Fair owns, and directs as its President, knowingly assisted, directed, controlled, participated in, carried out, and/or with knowledge approved of the actions of EGP, JPRD and TCG as unlicensed collection agencies in violation of RCW 19.86.110. As such, Fair Resolutions is liable for its role in these violations of the Collection Agency Act by EGP, JPRD and TCG.

5.10 As an owner and managing member of EGP, JPRD and TCG, Brian Fair knowingly assisted, directed, controlled, participated in, carried out, and/or with knowledge approved of their actions as unlicensed collection agencies. As such, Brian Fair is also personally liable for these violations of the Collection Agency Act by EGP, JPRD and TCG.

VI. VIOLATION OF COLLECTION AGENCY ACT PROHIBITED COLLECTION PRACTICES—RCW 19.16.250(1) & (8)(c)(ii)-(iii)

(Defendants Fair Resolutions and Brian Fair)

6.1 Plaintiff re-alleges Paragraphs 1.1 through 5.10 and incorporates them as if set forth fully herein.

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6.2 Under the Collection Agency Act, it is prohibited for any licensee or employee of a licensee, directly or indirectly, to aid or abet any unlicensed person to engage in business as a collection agency in Washington or to receive compensation from an unlicensed collection agency. RCW 19.16.250(1).

6.3 Fair Resolutions was and is a licensee for purposes of RCW 19.16.250, which states that "No licensee or employee shall" take any of the prohibited practices listed therein, including RCW 19.16.250(1)'s prohibition against aiding or abetting an unlicensed person to engage in business as a collection agency.

6.4 Fair Resolutions, under the direction of Brian Fair, aided or abetted EGP, JPRD and TCG in operating as unlicensed collection agencies in violation of the Collection Agency Act. RCW 19.16.250(1).

6.5 As an owner and President of Fair Resolutions, Brian Fair is also personally liable for Fair Resolution's actions in aiding or abetting EGP, JPRD and TCG in their conduct as unlicensed collection agencies in violation of the Collection Agency Act. RCW 19.16.250(1).

6.6 The Collection Agency Act also requires that a licensed Washington collection agency must include in its first written communication with the alleged debtor an itemization of the claim asserted, including an itemization of any interest added to the original obligation by the original creditor, customer or assignor before it was received for collection, and also including a separate itemization of any interest added by the collection agency, customer or assignor after the obligation was received for collection. RCW 19.16.250(8)(c)(ii) & (iii).

6.7 By collecting or attempting to collect on these accounts without first providing to consumers, in the first written notices they received regarding the alleged debts, any itemization of interest added to the accounts before the accounts were purchased by JPRD, or any separate itemization of interest added by JPRD or Fair Resolutions after the accounts were received for

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collection, Fair Resolutions violated RCW 19.16.250(8)(c)(ii) & (iii).

6.8 As an owner and President of Fair Resolutions, Brian Fair is also personally liable for these violations of RCW 19.16.250(8)(c)(ii) & (iii) by Fair Resolution.

VII. VIOLATION OF CONSUMER PROTECTION ACT *PER SE* VIOLATIONS OF RCW 19.86.020—BASED ON RCW 19.16.110

(Defendants EGP, JPRD, TCG, Brian Fair and Fair Resolutions)

7.1 Plaintiff re-alleges Paragraphs 1.1 through 6.8 and incorporates them as if set forth fully herein.

7.2 Pursuant to the CPA, "[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are . . . unlawful." RCW 19.86.020.

7.3 Violations of RCW 19.16.110 of the Collection Agency Act are *per se* unfair or deceptive practices in trade or commerce under the CPA. RCW 19.16.440.

7.4 Violations of the Collection Agency Act also satisfy the "public interest impact" element required to establish a CPA claim. *Panag*, 166 Wn.2d at 54.

7.5 Under the Collection Agency Act, it is prohibited for any person or entity to act as a collection agency in Washington without a collection agency license. RCW 19.16.110.

7.6 EGP, JPRD and TCG violated the Collection Agency Act, RCW 19.16.110, by engaging in business as collection agencies in Washington without first obtaining licenses.

7.7 These violations of RCW 19.16.110 are *per se* unfair or deceptive practices in trade or commerce that violate the CPA. RCW 19.16.440.

7.8 By acting as collection agencies in Washington without a collection agency license, EGP, JPRD and TCG each committed unfair or deceptive acts or practices in trade or commerce in violation of the CPA. RCW 19.86.020; RCW 19.16.440.

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(206) 464-7745

7.9 Because Brian Fair and Fair Resolutions knowingly assisted, directed, controlled, participated in, carried out, and/or approved of the acts, practices, and activities of EGP, JPRD and TCG in acting as collection agencies without a license, Brian Fair and Fair Resolutions also committed unfair or deceptive acts or practices in trade or commerce in violation of the CPA and they are also liable for these violations of the CPA. RCW 19.86.020; RCW 19.16.440.

7.10 Each *per se* violation of RCW 19.86.020 by Defendants, based on their violations of RCW 19.16.110, constitutes a separate violation of the CPA under RCW 19.86.140.

VIII. VIOLATION OF CONSUMER PROTECTION ACT *PER SE* VIOLATIONS OF RCW 19.86.020—BASED ON RCW 19.16.250(1) & (8)(c)(ii)-(iii)

(Defendants Fair Resolutions and Brian Fair)

8.1 Plaintiff re-alleges Paragraphs 1.1 through 7.10 and incorporates them as if set forth fully herein.

8.2 Violations of RCW 19.16.250(1) of the Collection Agency Act are *per se* unfair or deceptive practices in trade or commerce under the CPA. RCW 19.16.440.

8.3 Violations of RCW 19.16.250(1) of the Collection Agency Act satisfy the "public interest impact" element of a CPA claim. *Panag*, 166 Wn.2d at 54.

8.4 Under RCW 19.16.250(1), it is prohibited for any person or entity, directly or indirectly, to aid or abet any unlicensed person to engage in business as a collection agency in Washington or to receive compensation from an unlicensed collection agency. RCW 19.16.250(1).

8.5 Fair Resolutions and Brian Fair violated RCW 19.16.250(1) by aiding or abetting EGP, JPRD and TCG in acting as collection agencies in Washington without first obtaining collection agency licenses, as set forth above.

8.6 Fair Resolutions' and Brian Fair's violations of RCW 19.16.250(1) are *per se* unfair or deceptive practices in trade or commerce that affect the public interest and violate the

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CPA. RCW 19.86.020; RCW 19.16.440.

8.7 In addition, Fair Resolutions violated the Collection Agency Act, RCW 19.16.250(8)(c)(ii)-(iii), by collecting or attempting to collect on these accounts without first providing to consumers, in the first written notices they received regarding the alleged debts, any itemization of interest added to the accounts before the accounts were purchased by JPRD, or any separate itemization of interest added by JPRD or Fair Resolutions after the accounts were received for collection.

8.8 These violations of RCW 19.16.250(8)(c)(ii)-(iii) by Fair Resolutions are *per se* unfair or deceptive practices in trade or commerce that violate the CPA. RCW 19.16.440.

8.9 By collecting or attempting to collect on these accounts without first providing to consumers, in the first written notices they received regarding the alleged debts, any itemization of interest added to the accounts before the accounts were purchased by JPRD, or any separate itemization of interest added by JPRD or Fair Resolutions after the accounts were received for collection, Fair Resolutions committed unfair or deceptive acts or practices in trade or commerce in violation of the CPA. RCW 19.86.020; RCW 19.16.440.

8.10 Because Brian Fair knowingly assisted, directed, controlled, participated in, carried out, and/or approved of these acts, practices, and activities of Fair Resolutions in violation of RCW 19.16.250(8)(c)(ii)-(iii), he is also personally liable for these violations of the CPA. RCW 19.86.020; RCW 19.16.440.

8.11 As a result of the above unlawful actions and practices in violation of RCW 19.16.250(1) and RCW 19.16.250(8)(c)(ii)-(iii), Fair Resolutions and Brian Fair were and are prohibited from recovering any interest, service charges, attorneys' fees, collection costs, delinquency charges, or any other fees or charges on any of these claims. RCW 19.16.450.

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8.12 Each *per se* violation of RCW 19.86.020 by Fair Resolutions and Brian Fair, based on their violations of RCW 19.16.250(1) and RCW 19.16.250(8)(c)(ii)-(iii), constitutes a separate violation of the CPA under RCW 19.86.140.

IX. PRAYER FOR RELIEF

Wherefore, the State prays for the following relief:

9.1 That the Court adjudge and decree that Defendants have engaged in the conduct complained herein;

9.2 That the Court adjudge and decree that the conduct complained of violates the Collection Agency Act, RCW 19.16.110, RCW 19.16.250(1), and RCW 19.16.250(8)(c)(ii)-(iii);

9.3 That the Court adjudge and decree that the conduct complained of constitutes unfair or deceptive acts or practices in trade or commerce that affects the public interest, in violation of the CPA, RCW 19.86.020;

9.4 That the Court issue a permanent injunction, pursuant to the Collection Agency Act, RCW 19.16.460, the CPA, RCW 19.86.080, and other authority, enjoining and restraining Defendants and their representatives, successors, assigns, offices, agents, servants, employees, and all other persons acting or claiming to act for, on behalf of, or in concert or participation with Defendants, from continuing or engaging in the unlawful conduct complained of herein;

9.5 That the Court assess civil penalties against Defendants pursuant to the CPA, RCW 19.86.140, of up to $2,000 per violation for each violation of RCW 19.86.020;

9.6 That the Court make such orders pursuant to the CPA, RCW 19.86.080, as it deems appropriate to require Defendants to provide restitution to Washington consumers for the money or property Defendants acquired as a result of their violations of RCW 19.86.020;

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(206) 464-7745

9.7 That the Court order Defendants Fair Resolutions and Brian Fair pursuant to the Collection Agency Act, RCW 19.16.450, to disgorge, and forever discharge the right to recover, any interest, service charges, attorneys' fees, collection costs, delinquency charges or other fees applied to affected debt accounts of Washington consumers as a result of their violations of RCW 19.16.250(1) and RCW 19.16.250(8)(c)(ii)-(iii);

9.8 That the Court order Defendants to file satisfactions of judgment, release judgment liens, and correct or update the credit reports of Washington consumers as necessary to remedy the harms caused by the conduct complained of herein;

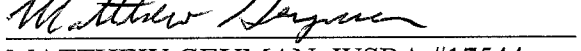
9.9 That the Plaintiff, State of Washington, recover from Defendants the costs of this action, including reasonable attorneys' fees, pursuant to RCW 19.86.080; and

9.10 That the Court order such other and further relief as it deems just and proper to remedy the effects of the conduct complained of herein.

DATED this 21st day of September, 2018.

Presented by:

ROBERT W. FERGUSON
Attorney General



MATTHEW GEYMAN, WSBA #17544
AMY C. TENG, WSBA #50003
Assistant Attorneys General
Attorneys for Plaintiff State of Washington
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 464-7745
matthewg@atg.wa.gov
amyt2@atg.wa.gov

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Consumer Protection Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188
(206) 464-7745

EXHIBIT A

FILED

09 JUN 17 PM 1:27

KING COUNTY
SUPERIOR COURT CLERK
KENT, WA

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

JPRD INVESTMENTS, LLC, a Washington Limited Liability Company,

Plaintiff,

vs.

[redacted], wife and husband,

Defendants.

The Honorable Hollis R. Hill

NO. 09-2-11802-7 KNT

DECLARATION OF BRIAN FAIR IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

I, BRIAN FAIR, state and declare as follows:

1. I am the member manager of JPRD Investments, LLC, Plaintiff herein, over the age of eighteen, and competent to be a witness herein. I make this declaration in support of Plaintiff's Motion for Summary Judgment after reviewing Plaintiff's records and files concerning this lawsuit.

2. Plaintiff is in the business of buying consumer debt receivables. As of May 14, 2009, Plaintiff owned approximately $20,000,000.00 in consumer debt receivables. The majority of these receivables consist of revolving charge accounts or credit cards issued by large national banks. As the member manager of Plaintiff, I have extensive firsthand knowledge of

ORIGINAL

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1200 Wells Fargo Plaza
1201 Pacific Avenue
Tacoma, WA 98402
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Fax: 253.272.5732

such revolving charge accounts and the policies and practices implemented by the national banks that issue these accounts and their assignees, and I consider myself to be an expert in this regard.

3. Bank of America ("**B of A**") is a national bank organized under the federal National Bank Act ("**NBA**"). Defendant [redacted], previously opened a revolving charge account through B of A under Account Number [redacted] on February 17, 2000 ("**Account**"). Public records reflect the fact that [redacted] was married to her current husband, [redacted] when she opened the Account. Defendants borrowed money and/or obtained goods and services from the Account.

4. B of A assigned the Account to CACH, LLC ("**CACH**"). CACH later sold the Account to Plaintiff. Plaintiff has received a complete assignment of the Account, and is now the owner and holder thereof and successor in interest to B of A and CACH insofar as the Account is concerned. A true and correct copy of the B of A Affidavit of Claim and Certification of Debt and the Affidavit of Kristin E. Dougherty of CACH, which reflect Plaintiff's ownership of the Account, is attached as **Exhibit A**. A true and correct copy of the Assignment and Bill of Sale reflecting Plaintiff's purchase of the Account from CACH is attached as **Exhibit B**.

5. By borrowing money and/or purchasing goods and services using the Account, Defendants became bound to the duties and obligations as set forth in the written terms and conditions issued in connection with the Account ("**Agreement**"). A true and correct copy of the Agreement, which Plaintiff received in connection with its purchase of the Account, is attached as **Exhibit C**.

6. I believe Defendants were provided with a copy of the Agreement. Plaintiff regularly receives copies of agreements issued in connection with the revolving charge accounts Plaintiff purchases. Plaintiff relies on the accuracy and validity of the information contained in said agreements in conducting its business and affairs, and I believe the attached Agreement to

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be a true and correct copy of the Agreement that was provided to Defendants concerning the Account.

7. The Account is in default. All monies owing thereunder are now due and owing to Plaintiff.

8. Attached as **Exhibit D** is a true and correct copy of [redacted] TransUnion Credit report. Plaintiff is legally entitled to obtain this credit report. Plaintiff regularly obtains credit reports like this in conducting Plaintiff's business and affairs. Plaintiff relies on the accuracy and validity of information contained in such reports in conducting its business and affairs, and Plaintiff pays a respectable sum of money to obtain such credit reports. I believe the contents of this credit report are true, correct, and accurate.

9. Said credit report reflects the existence on the Account on page 1 under the subname "BK OF AMER." This credit report lists the last four digits of the Account's account number and reflects that the Account was opened in February 2000. This credit report does not list the Account as being disputed by [redacted] nor does it state that said Defendant has been the victim of fraud or identity theft.

10. The first address listed for [redacted] on her TransUnion credit report under the "former address" heading on Page 1 of the credit report is the same address where [redacted] was served with Plaintiff's Summons and Complaint.

11. Attached as **Exhibit E** is a true and correct copy of two letters [redacted] sent to Plaintiff, which are dated December 11, 2008 and March 6, 2009. In her December 11, 2008 letter to Plaintiff, [redacted] states she disputes the subject debt and argues the statute of limitations on Plaintiff's claims has run. In her March 6, 2009 letter to Plaintiff, [redacted] admits the Account is hers. [redacted] also claims in her March 6, 2009 letter "that the last activity on this account occurred January 2003." Plaintiff is treating this correspondence as [redacted] Answer to Plaintiff's Complaint.

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12. Attached as **Exhibit F** is a true and correct copy of the federal case entitled Munoz v. Pipestone Financial, LLC, 513 F. Supp. 2d 1076 (D. Minn. 2007). This case discusses, among other things, credit cards, the NBA, interest rates on credit cards in the context of the NBA, and an assignee's right to collect interest on credit cards issued by national banks.

13. Plaintiff's Account documents reflect that the interest rate on the Account is 23.990% per annum. Given that Plaintiff is the successor in interest to B of A and CACH regarding the Account, Plaintiff is entitled to recover from Defendants pre-judgment and post-judgment interest on the Account at the parties' contract rate of 23.990% per annum pursuant to the NBA and RCW 4.56.110(1).

14. By way of the Account documents and the use of a calculator, Plaintiff has determined Defendants owe Plaintiff $40,857.77 in principal and interest on the Account as of May 14, 2009. This sum is comprised of a principal balance of $20,054.66 as of January 18, 2005 and interest that has accrued on said balance at the rate of 23.990% per annum or $13.18 per day from January 18, 2005 to date. As of this date, no less than $20,803.11 in interest has accrued on the Account since January 18, 2005. Plaintiff can properly recover this interest pursuant to the NBA and applicable state law. The aforementioned sum does not include Plaintiff's costs and attorney's fees, which are recoverable from Defendants under the Agreement.

I declare under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED at Wenatchee, Washington, this 15th day of May, 2009.

BRIAN FAIR

EISENHOWER
EISENHOWER & CARLSON, PLLC
1200 Wells Fargo Plaza
1201 Pacific Avenue
Tacoma, WA 98402
Tel: 253.572.4500
Fax: 253.272.5732

EXHIBIT B

FILED

SEP 26 2011

COURT OF APPEALS
DIVISION III
STATE OF WASHINGTON
By_____

No. 297411-III

COURT OF APPEALS, DIVISION III
OF THE STATE OF WASHINGTON

LK OPERATING, LLC,
a Washington Limited Liability Company,

Appellant,
v.
THE COLLECTION GROUP, LLC,
a Washington Limited Liability Company,
and BRIAN FAIR and SHIRLEY FAIR, husband and wife,
and the marital community composed thereof

Respondents/Cross-Appellants.

APPEAL FROM THE SUPERIOR COURT
FOR CHELAN COUNTY
THE HONORABLE THEODORE SMALL

BRIEF OF RESPONDENTS/CROSS-APPELLANTS

SMITH GOODFRIEND, P.S.

By: Catherine W. Smith
WSBA No. 9542

1109 First Avenue, Suite 500
Seattle, WA 98101
(206) 624-0974

HACKETT, BEECHER & HART

By: Ronald J. Trompeter
WSBA No. 3593

1201 Third Avenue, Suite 1650
Seattle, WA 98101-3036
(206) 382-1830

A. Appellant LKO Was Controlled By Two Attorneys Who Never Told Their Client Fair Of The Ethical Constraints On Their Business Dealings With Respondents TCG Or Fair.

On May 10, 2004, Fair formed The Judgment Group LLC, a Washington limited liability company, by filing a Certificate of Formation with the Washington Secretary of State. (CP 214) The name of the company was changed to The Collection Group LLC ("TCG") by article of amendment filed with the Secretary of State on June 7, 2004. (CP 1614, 1621)

Fair formed TCG to engage in the business of debt collection, by purchasing debt on the open market and then taking steps, including legal proceedings if necessary, to collect that debt. (CP 195-96) The Certificate of Formation expressly states that the company was to be manager-managed. (CP 214) It is undisputed that the manager of the company is and has always been Fair. (*See* CP 847, 924-25, 1412)

During the summer and fall of 2004, Fair, as manager of TCG, set up the company and investigated possible sources of debt. (CP 195) Fair, who is a CPA, knew that a necessary part of any debt collection business would be filing legal actions to obtain judgments in cases where debtors could not or would not pay the

balances owed. (CP 908) For that reason, he believed that it would be useful to include in the business an attorney. In the fall of 2004, Fair spoke with at least two attorneys about the possibility of joining in the venture. (CP 942) One of those attorneys was Powers. (CP 195-96) In his CPA practice, Fair had become acquainted with lawyers Powers and his partner Therrien, who practiced together as Powers & Therrien in Yakima, Washington. (CP 194-95) Earlier in 2004, Powers and Therrien had assisted Fair in tax planning by providing legal services to form, renew, and close a Nevada corporation, BF Trading, of which Fair was sole shareholder. (CP 195, 1591) These services continued until after the commencement of this lawsuit. (CP 1520-21)

Following discussions with attorneys Powers and Therrien in the fall of 2004, on October 27, 2004, Fair, as manager of TCG, sent to Powers and Therrien an email that discussed the possibility of TCG, Powers and Therrien working together to purchase a particular portfolio of debt, two accounts from the company Unifund:

> Les, Keith
>
> ...
>
> Attached is a sample purchase agreement from Unifund, the company selling the debt, and the attachment for when they sell FUSA debt (aka First

> USA). I have not had a chance to review it, but I will do so tonight.
>
> *Regarding an agreement between myself and you two*, this is how I would like to see it:
>
> ....
>
> B. You will contribute legal services you can provide (review the purchase agreement contract, *legal doc for this JV (if needed)*, demand letter, ask smart questions, kick the tires, etc.)

(CP 216) (emphasis added). Fair did not have any particular structure in mind, but thought a joint venture ("JV") between TCG and Powers & Therrien P.S. might be a possibility, and therefore asked the attorneys to draft an agreement. (CP 196, 1007) Fair attached to the e-mail a sample purchase agreement from Unifund, a seller of indebtedness. (CP 216, 1416) The sample agreement did not identify the buyer. (CP 1417-30)

On December 16, 2004, Powers sent Fair an e-mail forwarding a redlined redraft of the Unifund agreement. (CP 218) Powers made extensive changes to the Unifund agreement, but did not directly respond to Fair's request that he draft a joint venture agreement. (CP 196-97, 219-27)

Fair, as manager of TCG, continued to negotiate with Unifund. (See CP 1442) On January 26, 2005, Fair received from

Unifund an updated purchase and sale agreement naming TCG as the prospective purchaser of debt from Unifund. (CP 1906; *see also* CP 1911) The same day, Fair sent that updated agreement to Powers. (CP 1118) In the body of the email, Fair asked Powers whether he was still interested in the deal with Unifund. (CP 1118) Powers did not respond. (CP 197, 1114)

On February 1, 2005, TCG went forward with the purchase of two accounts from Unifund using its own resources. (CP 197) Fair then began work to collect the debt that TCG had purchased. (CP 197) On February 8, 2005, Fair sent e-mails to Powers forwarding a quitclaim deed for review and legal advice (CP 729-30, 731), and told Powers: "Also, the name of the company is The Collection Group, LLC." (CP 732)

The following day, on February 9, 2005, Diane Sires, a legal assistant employed by Powers & Therrien, sent an e-mail to Fair forwarding legal pleadings for TCG to use:

> Attached is the DRAFT Summons and Lis Pendens . . . . Les is working on the Complaint. We checked the statute and once we file with the court it must be served and/or published in the newspaper within 90 days. Thought you would like to know.

Dated this 22nd day of September, 2011.

HACKETT, BEECHER & HART

By: _____
Ronald J. Trompeter
WSBA No. 3593
1201 Third Ave., Suite 1650
Seattle, WA 98101-3036
(206) 382-1830

SMITH GOODFRIEND, P.S.

By: _____
Catherine W. Smith
WSBA No. 9542
1109 First Ave., Suite 500
Seattle, WA 98101-2988
(206) 624-0974

EXHIBIT C

The Collection Group, LLC
610 N. Mission St., Suite B3
Wenatchee, WA 98801
Tel (509) 662-1790 Fax (509) 662-4150
Toll Free (866) 530-5888

05/03/2007

[redacted]
Seattle WA [redacted]

Original Issuer: HOUSEHOLD BANK
Card Number: [redacted]
Balance: $4,293.99

The Collection Group, LLC, has purchased your account with the above named bank.

The records of HOUSEHOLD BANK indicate that your balance is now seriously past due and that you owe the balance indicated above. If you wish to make payment now, please remit to the above address.

If payment has already been made, or if you desire to arrange alternate payment arrangements, please contact us immediately by phone, fax, or regular mail, as listed above.

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Sincerely,

Christy Gay, Operations Manager
The Collection Group, LLC

The Collection Group, LLC
610 N. Mission St., Suite B3
Wenatchee, WA 98801
Tel (509) 662-1790 Fax (509) 662-4150
Toll Free (866) 530-5888

11/01/2006

[redacted]
Seattle WA [redacted]

Credit Card Bank: Metris Companies
Card Number: [redacted]
Balance: $1,411.82

The Collection Group, LLC, has purchased your account balance with the above named bank.

The records of Metris Companies indicate that your balance is now seriously past due and that you owe the balance indicated above. If you wish to make payment now, please remit to the above address.

If payment has already been made, or if you desire to arrange alternate payment arrangements, please contact us immediately by phone, fax, or regular mail, as listed above.

UNLESS YOU NOTIFY THIS OFFICE WTHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGEMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Sincerely,

Christy Gay

Christy Gay, Operations Manager
The Collection Group, LLC

EXHIBIT D

Fair Resolutions, Inc.
610 N. Mission St., Suite 200
Wenatchee, WA 98801
Tel (509) 662-1790 • Fax (509) 662-4150
Toll Free (866) 530-5858

September 23, 2008

[redacted]
KIRKLAND, WA [redacted]

Original Issuer:	BANK OF AMERICA, N.A.
Account Number:	[redacted]
Charge off Date:	3/15/2005
Charge off Balance:	$2,205.16
Accrued Interest through today:	$2,338.51
Total Balance Due:	$4,543.67

JPRD Investments, LLC has purchased your above listed account balance originated with the above named bank, JPRD Investments, LLC, has assigned your account to Fair Resolutions, Inc., to collect the balance owed by you.

The records of BANK OF AMERICA, N.A. indicate that your balance is now seriously past due and that you owe the balance indicated above. If you wish to make payment now, please remit to the above address.

If payment has already been made, or if you desire to arrange alternate payment arrangements, please contact us immediately by phone, fax, or regular mail, as listed above.

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Sincerely,

Tiffany Billingsley, Operations Manager
Fair Resolutions, Inc.

TB/hsp

Fair Resolutions, Inc.
610 N. Mission St., Suite 200
Wenatchee, WA 98801
Tel (509) 662-1790 • Fax (509) 662-4150
Toll Free (866) 530-5888

April 21, 2008

[redacted]
PUYALLUP, WA [redacted]

Original Issuer:	Bank of America, N.A.
Account Number:	[redacted]
Date Sagres Company acquired account:	3/1/2007
Balance as of date acquired by Sagres:	$10,185.64
Additional Accrued Interest through today:	$ 1,790.91
Total Balance Due:	$11,976.55

JPRD Investments, LLC has purchased your above listed account balance from Sagres Company which originated with the above named bank. JPRD Investments, LLC, has assigned your account to Fair Resolutions, Inc., to collect the balance owed by you.

The records of Bank of America, N.A. and Sagres Company indicate that your balance is now considerably past due and that you owe the balance indicated above. If you wish to make payment now, please remit to the above address.

If payment has already been made, or if you desire to arrange alternate payment arrangements, please contact us immediately by phone, fax, or regular mail, as listed above.

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Sincerely,

Christy Gay, Operations Manager
Fair Resolutions, Inc.

EXHIBIT E

Fair Resolutions, Inc.
PO BOX 2868
Wenatchee, WA 98807
Tel (509) 662-1790 • Fax (509) 662-4150
Toll Free (866) 530-5888

January 11, 2018

Ms. [redacted]
[redacted]
Lynnwood, WA [redacted]

Total Judgment/Current Amount Due:	
Balance of Judgment entered 4/19/11:	$33,458.11
Interest accrued through 1/11/18:	$27,048.82
Prior Costs:	
Attorney:	$0.00
Court Cost:	$0.00
Less: Prior payments/credits:	<$0.00>
Total Balance due:	$60,506.93

Re: EGP INVESTMENTS, LLC vs [redacted]
Snohomish County Superior Court Cause No: 11-2-06325-7

Dear Ms. [redacted]

On July 12, 2011, our client, EGP Investments, LLC recorded a judgment against your property in Snohomish County. A copy of the recorded judgment in enclosed. With accrued interest, the balance as of today is $60,506.93.

The estimated fair market value of the property per Zillow is now $578,363.

We are prepared to file a Writ of Execution with the Snohomish County Sheriff to begin the foreclosure process. Please contact us by January 19, 2018, if you wish to make arrangements to avoid this process. Alternatives other than payment in full are possible.

THIS LETTER IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. THIS IS A COMMUNICATION FROM A DEBT COLLECTOR.

Sincerely,

Brian Fair, President
Fair Resolutions, Inc.
Managing Company of EGP INVESTMENTS, LLC

BF/crf

EXHIBIT F

May 10, 2018

Fair Resolutions, Inc.
P.O. Box 2868
Wenatchee, WA 98807
FAX 509-662-4150

Re: EGP Investments, LLC vs [redacted]
Snohomish County Superior Court Case No: 11-2-06325-7

To whom it may concern:

This letter is in response to your office's request for source of income and assets information per our phone conversation today, May 10, 2018.

I do solemnly declare that my only source of income is my monthly SSI payments. My only assets are my home valued at $358,800 and my primary vehicle, a Honda Civic 2004 I purchased for $1,035 that needs new tires & a clutch replacement work done, and my previous vehicle a 1993 Mercury Topaz salvaged vehicle that I retained at a cost of $119. (I estimate the value of the Mercury Topaz at $250. The Honda Civic's value is close to $2000 in it's current state.) I swear under penalty of perjury this is a true statement.

Sincerely,

[redacted]

EXHIBIT G

Fair Resolutions, Inc.
PO BOX 2868
Wenatchee, WA 98807
Tel (509) 662-1790 • Fax (509) 662-4150
Toll Free (866) 530-5888

May 14, 2018

[redacted]
Lynnwood, WA [redacted]

Total Judgment/Current Amount Due:

Balance of Judgment entered 4/19/11:	$33,458.11
Interest accrued through 5/14/18:	$28,401.81
Prior Costs:	
Attorney:	$0.00
Court Cost:	$0.00
Less: Prior payments/credits:	<$0.00>
Total Balance due:	$61,859.92

Re: BGP INVESTMENTS, LLC vs [redacted]
Snohomish County Superior Court Cause No: 11-2-06325-7

Dear [redacted]

Thank you for communicating with us last week regarding your current financial position. The hearing dated for May 15, 2018 has been stricken. As of today, you owe our client BGP Investments, LLC, $61,859.92. Interest continues to accrue at 12%.

Based on the information you provided it appears that the only asset you possess that could potentially be sold to pay this debt is your home. The Washington State "Homestead Exemption" protects up to $125,000 of a consumer's equity in their home from a creditor's foreclosure. Your home has significantly more than $125,000 of equity, which means potentially we could initiate a foreclosure process.

We don't want to do that. At this time, we advise you to research and begin the process of applying for a "reverse" mortgage that could possibly pay our debt and a monthly payment to you as well.

You may want to start your research with the Federal Trade Commission. The following is a link to an article you may want to review:

https://www.consumer.ftc.gov/articles/0192-reverse-mortgages

Please call us once you receive this letter so that we know you are addressing the issue.

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Sincerely,

Brian Fair, President
Fair Resolutions, Inc.
Managing Company of EGP INVESTMENTS, LLC

BF/crf