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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

PDL RECOVERY GROUP, LLC, a
New York limited liability company,
d/b/a d/b/a PDL RECOVERY, PDL
SUPPORT, PDL SERVICES, PDL
RECOVERY SERVICES, PDLI and
PDLR GROUP, a New York limited
liability company, and JAMIE
BELSTADT,

Defendants.

NO.

COMPLAINT FOR INJUNCTIVE
AND OTHER RELIEF

I. INTRODUCTION

1.1 Plaintiff, the State of Washington, by and through its attorneys Robert W. Ferguson, Attorney General, and Kimberlee Gunning, Assistant Attorney General, brings this action against Defendants, PDL Recovery Group, LLC, d/b/a PDL Recovery, PDL Support, PDL Services, PDL Recovery Services, PDLI and PDLR Group, and Jamie Belstadt. The claims for relief alleged herein arise from Defendants' unfair practices in collecting, and attempting to collect, alleged debts from businesses, other entities, and/or persons in Washington. These debt collection activities violate the Consumer Protection Act, RCW chapter 19.86, and the Collection Agency Act, RCW chapter 19.16.

1 **II. PARTIES**

2 2.1 Plaintiff is the State of Washington (the "State").

3 2.2 Defendant PDL Recovery Group, LLC, d/b/a PDL Recovery, PDL Support,
4 PDL Services, PDL Recovery Services, PDLI and PDLR Group ("PDL") is a New York
5 limited liability company with its principal place of business in Amherst, Erie County, New
6 York.

7 2.3 Upon information and belief, Defendant Jamie Belstadt resides in Niagara Falls,
8 New York. He is now and has been at all times relevant to this action, a principal owner and
9 operator of PDL. Upon information and belief, he has participated in, or with constructive or
10 actual knowledge approved of, the acts, practices, and activities of PDL that are the subject
11 matter of this Complaint.

12 2.4 For purposes of this Complaint, the term "Defendants," unless otherwise specified,
13 shall refer collectively to PDL and Jamie Belstadt.

14 **III. JURISDICTION**

15 3.1 The State files this complaint and institutes these proceedings under the
16 provisions of the Consumer Protection Act, RCW chapter 19.86 ("CPA") and the Collection
17 Agency Act, RCW chapter 19.16 ("CAA"). The Attorney General is authorized under
18 RCW 19.86.080 and RCW 19.86.140 to bring suit to enforce the CPA's prohibitions on unfair
19 or deceptive acts or practices in the conduct of trade or commerce, including violations of the
20 CAA, which are *per se*, unfair acts or practices in the conduct of trade or commerce for
21 purposes of the CPA. See RCW 19.16.440. The Attorney General is authorized under
22 RCW 19.16.460 to bring suit to restrain and prevent any violation of the CAA.

23 3.2 This Court has personal jurisdiction over Defendants pursuant to
24 RCW 19.86.160, RCW 19.16.390, RCW 4.28.180, and RCW 4.28.185 because they have
25 purposely acted or consummated transactions in the State of Washington, and thus have
26 purposely availed themselves of the privilege of conducting business in the State of

1 Washington. Defendants have collected or attempted to collect debts from Washington
2 residents. The violations of RCW chapter 19.86 and RCW chapter 19.16 alleged herein arise
3 from or are connected with those transactions. Exercise of personal jurisdiction over
4 Defendants comports with traditional notions of fair play and substantial justice, and
5 jurisdiction is not inconsistent with the United States Constitution or the Washington State
6 Constitution.

7 3.3 This Court has subject matter jurisdiction over this action under
8 RCW 19.86.140.

9 **IV. VENUE**

10 4.1 Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025, and
11 Civil Rule 82 because Defendants have transacted business in King County – to wit, by
12 collecting or attempting to collect debts from persons located in King County – and transacted
13 such business in King County at the time the causes of action in this Complaint arose.

14 **V. FACTS**

15 5.1 PDL operates a collection agency. On its website, www.pdlrecovery.com, it
16 describes itself as “a leader in debt management” that will “lead you on a course to financial
17 freedom,” suggesting that it provides services to consumers. However, PDL’s stated mission is
18 “to outwork, network, and fulfill a higher standard of excellence in the account receivable
19 industry.” See www.pdlrecovery.com/About.html.

20 5.2 Jamie Belstadt is the operator and manager of PDL. At all times relevant to this
21 action, Belstadt participated in, and/or with knowledge approved of, PDL’s business activities
22 that are the subject of this Complaint.

23 5.3 Defendants contact consumers, including Washington residents, by telephone
24 and in writing regarding alleged debts.

1 6.5 None of Defendants have or have ever had a valid license in Washington as either
2 a collection agency or an out-of-state collection agency, as defined by RCW chapter 19.16.
3 Despite this, Defendants have been collecting or attempting to collect alleged debts from
4 Washington residents.

5 6.6 Defendants' failure to obtain a license as an out-of-state collection agency or as a
6 collection agency from the Washington State Department of Licensing violates RCW 19.16.110.

7 6.7 RCW 19.16.430 prohibits any person who operates as an out-of-state collection
8 agency or a collection agency in the State of Washington without a valid license issued pursuant
9 to the CAA from charging or receiving any fee or compensation on any moneys received or
10 collected while operating without a license.

11 6.8 The State requests that the Court declare that each and every attempt by
12 Defendants to collect a debt from a person or business in Washington is a violation of
13 RCW 19.16.110, and pursuant to RCW 19.16.460, enjoin and restrain Defendants from violating
14 RCW 19.16.110 and from receiving any fee or compensation on any moneys received or collected
15 while operating without a license.

16 **VII. SECOND CLAIM FOR RELIEF**

17 **(Violation of RCW 19.86 – Per Se Unfair Acts or Practices Based on Violation of**
18 **RCW 19.16.110)**

19 7.1 The State realleges and incorporates by reference the allegations set forth in each
20 of the preceding paragraphs of this Complaint.

21 7.2 Defendants are “persons” within the meaning of RCW 19.16.100(11).

22 7.3 To establish a CPA violation, the Attorney General must prove: (1) an unfair or
23 deceptive act or practice; (2) that occurs in trade or commerce; and (3) that has a public interest
24 impact. *See State v. Kaiser*, 161 Wn. App. 705, 719, 254 P.3d 850 (2011). Unlike private
25 litigants, the State is not required to prove causation or injury. *Id.*

1 7.4 Pursuant to RCW 19.16.450, the operation of a collection agency or out-of-state
2 collection agency without a license as prohibited by RCW 19.16.110 is an unfair act or practice in
3 the conduct of trade or commerce for the purpose of the application of the CPA.

4 7.5 As alleged above, Defendants' failure to obtain a license as an out-of-state
5 collection agency or as a collection agency from the Washington State Department of Licensing
6 violates RCW 19.16.110, and thus, is an unfair act or practice in the conduct of trade or commerce
7 under the CPA.

8 7.6 Defendants' unfair practices affect the public interest because they had a uniform
9 practice of collecting or attempted to collecting alleged debts from persons in Washington without
10 possessing a license as an out-of-state collection agency or as a collection agency.

11 7.7 The State requests that the Court declare that the acts and practices described
12 above violate the CPA, and, pursuant to RCW 19.86.080(1), enjoin and restrain Defendants from
13 violating the CPA.

14 **VIII. THIRD CLAIM FOR RELIEF**

15 **(Violation of RCW 19.86 – Non –Per Se Unfair or Deceptive Acts or Practices –** 16 **Representations Regarding Licensed Status)**

17 8.1 The State realleges and incorporates by reference the allegations set forth in each
18 of the preceding paragraphs of this Complaint.

19 8.2 Defendants are "persons" within the meaning of RCW 19.86.010(1).

20 8.3 To establish a CPA violation, the Attorney General must prove: (1) an unfair or
21 deceptive act or practice; (2) that occurs in trade or commerce; and (3) that has a public interest
22 impact. *See State v. Kaiser*, 161 Wn. App. 705, 719, 254 P.3d 850 (2011). Unlike private
23 litigants, the State is not required to prove causation or injury. *Id.*

24 8.4 An act or practice is deceptive for purposes of the CPA if it has the capacity to
25 deceive a substantial portion of the public. *See Hangman Ridge Training Stables v. Safeco Title*
26 *Ins. Co.*, 105 Wn.2d 778, 785, 719 P.2d 531 (1986).

1 9.2 That the Court adjudge and declare that Defendants' acts and practices as alleged
2 herein are unfair or deceptive acts or practices in trade or commerce, affecting the public interest,
3 and in violation of the Consumer Protection Act, RCW chapter 19.86.

4 9.3 That the Court issue a permanent injunction prohibiting and restraining
5 Defendants and their representatives, successors, assigns, officers, agents, servants, employees,
6 and all other persons acting or claiming to act for, on behalf of, or in active concert or
7 participation with Defendants, from collecting debts and/or alleged debts from any persons in
8 Washington, including natural persons, businesses, or other entities, without a license to act as a
9 collection agency or out-of-state collection agency, as required by RCW 19.16.110.

10 9.4 That the Court issue a permanent injunction prohibiting and restraining
11 Defendants and their representatives, successors, assigns, officers, agents, servants, employees,
12 and all other persons acting or claiming to act for, on behalf of, or in active concert or
13 participation with Defendants from charging or receiving any fee or compensation on any moneys
14 received or collected in connection with collection activity in Washington while operating without
15 a license, pursuant to RCW 19.16.430.

16 9.5 That the Court assess civil penalties, pursuant to RCW 19.86.140, of two thousand
17 dollars (\$2,000) per violation against Defendants for each and every violation of RCW 19.86.020,
18 pursuant to RCW 19.86.140;

19 9.6 That the Court make such orders pursuant to RCW 19.86.080(2) as it deems
20 appropriate to restore to any business, other entity or person in interest any moneys or property,
21 real or personal, which may have been acquired by Defendants by means of an act prohibited by
22 the Consumer Protection Act;

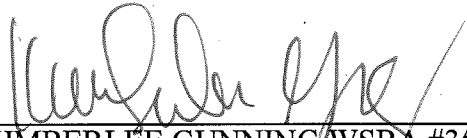
23 9.7 That the Court make such orders pursuant to RCW 19.86.080 to provide that the
24 State recovers the costs of this action, including reasonable attorneys' fees;

25 9.8 That the court grant the State leave to amend the Complaint to conform to the
26 evidence presented at trial; and

1 9.9 That the Court enter such other and further relief as the Court may deem equitable,
2 just and proper.

3 DATED this 20th day of August, 2015.

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5 ROBERT W. FERGUSON
6 Attorney General

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8 _____
9 KIMBERLEE GUNNING/WSBA #35366
10 Assistant Attorney General
11 Attorney for Plaintiff, State of Washington
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