

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA

**FILED**  
*[Signature]*  
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U.S. DISTRICT COURT  
N.D. OF ALABAMA

**MATTHEW CRAWFORD, TERESA  
CRAWFORD, and GLORIA HARRISON,** )  
**Plaintiffs, on behalf of themselves and all others** )  
**similarly situated,** )  
)  
)  
**v.** )  
**AMERIDEBT, INC., DEBTICATED, INC.,** ) **CASE NO. \_\_\_\_\_**  
**also known as DEBTICATED CONSUMER** )  
**COUNSELING, INC., DEBTWORKS, INC.,** )  
**BALLENGER GROUP, INC, BALLENGER** )  
**HOLDINGS, INC., INFINITY RESOURCES,** )  
**INC., F & M MORTGAGE, INC.** )  
**FIDELITY AND TRUST MORTGAGE, INC.,** )  
**ANDRIS PUKKE, a natural person, and** )  
**ERIKS PUKKE, a natural person,** )  
)  
**Defendants.** )

**COMPLAINT**

Come now the Plaintiffs and bring this action on their own behalf and on behalf of a class of persons similarly situated against these Defendants and states as follows:

**PARTIES**

1. The Plaintiffs are Matthew Crawford and Teresa Crawford, husband and wife. The Crawfords are citizens of Lacey’s Spring, Alabama.
2. The Plaintiff Gloria Harrison is an adult resident citizen of Tuskegee, Alabama.
3. Defendant AmeriDebt, Inc., is a non-stock corporation organized and incorporated under Maryland law, on or about December 23, 1996, by Andris Pukke, his wife, and others, and has its principal place of business at 12800 Middlebrook Road, Germantown, Maryland 20874.

4. Debtworks, Inc. was a Maryland For Profit corporation. Its principal place of business was in a building just across the parking lot from the headquarters of AmeriDebt, at 12800 Middlebrook Road, Germantown, Maryland 20874. It was solely owned by Andris Pukke, who also occupied the offices of President, Vice-President, Treasurer, and Secretary of Debtworks, Inc.

5. Ballenger Group, Inc., another For Profit corporation, was the successor corporate entity to Debtworks, Inc., and at some point in the relevant time period, it took over and assumed performing all functions and tasks formerly conducted by Debtworks, Inc. As with Debtworks, its sole shareholder was Andris Pukke.

6. Ballenger Group Holdings, Inc., another For Profit corporation, is the successor corporate entity to "Debtworks" and later also to "Ballenger Group, Inc.," and at some point in the relevant time period, it took over and assumed performing all functions and tasks formerly completed by Debtworks, and then by Ballenger Group, Inc.

7. Ballenger Group Holdings, Inc., is now owned 49% by Andris Pukke, and 51% by a select few officers and directors of "Debtworks," later of "Ballenger Group, Inc.," which officers and directors borrowed the money to buy their fractional interests in that corporation from Andris Pukke. They make loan payments to Andris Pukke. The landlord of Ballenger Group Holdings, Inc., is Andris Pukke.

8. Debticated, Inc., also known as Debticated Consumer Counseling, Inc., claims to be a New York "not for profit" corporation. Debticated is solely owned by Mr. Eriks Pukke, the brother of Andris Pukke. However, the offices of Vice President and Secretary are/were held by Andris Pukke. Debticated is controlled by Eriks and Andris Pukke.

9. Infinity Resources, Inc., is/was a Washington, D.C., For Profit corporation, with principal place of business in Germantown, Maryland, in the same building as AmeriDebt, Inc. Upon information and belief, Infinity Resources, Inc., is/was solely owned by Andris Pukke, and/or possibly Eriks Pukke, and is controlled by Andris and Eriks Pukke.

10. Upon information and belief, Infinity Resources, Inc. was later renamed or reincorporated as "F & M Mortgage, Inc.," then later as "Fidelity and Trust Mortgage, Inc.," but still occupies Infinity's former office space and employs many former Infinity employees.

11. Upon information and belief, Andris Pukke and Eriks Pukke were the sole owners and shareholders of Infinity Resources, Inc., and later of successor name F & M Mortgage, Inc., and are now the sole owners of the successor entity, named Fidelity and Trust Mortgage, Inc.

#### **JURISDICTION AND VENUE**

12. This Court has personal jurisdiction over the defendants by virtue of their having transacted business in Alabama, made contracts in Alabama, purposefully advertised in Alabama soliciting new customers, and other acts yet to be discovered.

13. Federal causes of action are stated against these Defendants.

#### **FACTS COMMON TO ALL COUNTS**

##### **Defendants Falsely Represent That They Are "Not For Profit" Companies.**

14. AmeriDebt, Inc. ("AmeriDebt") and Debticated, Inc. ("Debticated") have advertised, soliciting new customers, on television and radio commercials broadcast in

Alabama and throughout the country, internet websites made available to throughout the country, and possibly direct mail.

15. In their television, radio, and internet advertisements, AmeriDebt and Debticated falsely represent that they are “Non Profit Companies.”

16. Most of these materials also repeatedly state, or strongly imply, that AmeriDebt and Debticated provide their services “For Free,” since they are “Non Profit.”

17. AmeriDebt’s and Debticated’s sales scripts, used by every salesperson, also falsely represent that the companies are “Non Profit.”

18. All the above-mentioned misrepresentations are designed to, and do have the effect of, persuading consumers that AmeriDebt and Debticated are non-profit companies that provide free services.

19. Internally, AmeriDebt functions like a profit-driven company. The “credit counselors” are thought of, and even referred to, as “salesmen” (of debt management plans, “DMP’s”), or as “producers” (of sales and revenue for the defendant companies). Those salespersons are judged and evaluated in large part upon their current week or month’s “production” (of sales/revenues). They are compensated, in part, on commission.

20. On information and belief, Debticated operates in the same fashion as AmeriDebt.

21. These “Non Profit” companies also spend millions of dollars each year on aggressive advertising.

22. For AmeriDebt or Debticated to represent in any way to the class members that they are “Non Profit” or “Not for Profit” is deceptive, misleading, and omits many material facts.

**Defendants Affirmatively Misrepresent that They Operate “At Cost” and that Upfront Fees Paid By Consumers are “Voluntary Contributions.”**

23. In its advertising and scripted telephone calls with consumers, AmeriDebt represents that it is a nonprofit organization, that it operates at cost, and that it does not make money.

24. In fact, AmeriDebt does not operate at cost.

25. AmeriDebt does make a profit.

26. Upon information and belief, Debticated does not operate at cost, and does make money.

27. Representing to consumers that they “operate at cost,” and that the companies need “contributions” because otherwise they could not “cover their costs,” along with numerous other related representations, is deceptive, misleading, and omits or suppresses several material facts.

28. AmeriDebt and Debticated falsely represent that they “do not charge any advance fees for [their] services.” AmeriDebt’s print advertisements state “No Up-front Fees.”

29. Defendants’ representation that they do not charge any “advance” or “up-front” fees for services is false, misleading and deceptive. AmeriDebt and Debticated do charge their customers an advance or up-front fee equaling 3% of the consumer’s outstanding debts. AmeriDebt’s average up-front fee is \$327.

30. The consumer’s *first* monthly payment, in a dollar amount exactly equal to all the other monthly payments he is asked to make, is retained by AmeriDebt and/or Debticated, as a “voluntary contribution” to their organization. Pricing their up-front fee in this amount, and timing it this way, has the effect of concealing, suppressing, or

obfuscating from many consumers' awareness the fact that their first "payment" is actually a "fee" paid to AmeriDebt or Debticated. Pricing and timing it that way is deceptive, misleading, omits or suppresses material facts, and constitutes an unfair practice.

31. Many consumers, having just contracted with AmeriDebt or Debticated, send their first payment to that company, reasonably expecting that first payment (and all later payments) to be paid to their creditors. Instead, the consumer's *first* payment is pocketed by AmeriDebt or Debticated, and not passed on to the consumer's creditors.

32. Defendants' practice of pocketing the consumer's first payment increases the consumer's indebtedness through the imposition of additional late charges.

33. A consumer's first payment to these companies is neither voluntary, nor a contribution.

34. AmeriDebt and Debticated also charge monthly fees of \$7 per creditor, with a \$20 minimum and \$70 maximum monthly fee (and an average monthly fee of \$33), throughout the 3 - 5 year long term of the consumer's debt management plan (i.e., another \$1,000 - 2,000 per consumer in fees). These fees are also falsely characterized as "voluntary contributions."

**AmeriDebt and Debticated Falsely Represent That They Provide Debt Management Services.**

35. In most instances throughout this document, the term "Debtworks" shall be understood as being used interchangeably or generically to mean the For Profit entity, which processes consumer accounts for the Pukkes, and which was formerly known by that name, and later known by various corporate successor names, such as Ballenger Group, Inc., Ballenger Group Holdings, Inc., etc.

36. In their advertising, AmeriDebt and Debticated falsely represent that as nonprofit organizations, *they* will provide the services and obtain the benefits for customers.

37. In fact, AmeriDebt and Debticated seldom provide the debt management services that they advertise that they provide as nonprofit organizations. Instead, they advertise their services as “Non Profit organizations,” then enroll consumers in debt management plans, then immediately turn consumers’ files, accounts, and most of the money, over to DebtWorks, Inc., a For Profit company.

38. AmeriDebt and Debticated transfer virtually all tasks, and virtually all customer fees, to the For Profit company, Debtworks, Inc.

39. The tasks or services performed by For Profit DebtWorks, Inc., (*not* by the Non-Profits AmeriDebt and Debticated), include, but are not limited to: preparing proposals to creditors for each consumer participating in defendants’ debt management plans; communicating such proposals to creditors; obtaining the consumers’ approval for any changes to the terms of the debt management plan required by creditors; receiving and disbursing consumers’ budget plan payments to creditors; negotiating with customers about their demands for refunds; receiving “Fair Share” contributions from creditors to fund the “Non Profit” companies’ offering of debt management plans; maintaining paperwork in connection with defendant’s debt management plan customers; and fielding and responding to telephone calls from customers.

40. Pursuant to a September 1, 1999, contract entitled “Fulfillment Agreement” between DebtWorks, Inc. and AmeriDebt, Inc., AmeriDebt agreed to pay

DebtWorks \$50 for each *current* debt management plan customer of defendant and \$100 for each *new* debt management plan customer.

41. Pursuant to that contract, virtually all monthly fees, throughout the 3 - 5 years of a Debt Management Plan (“DMP”), are transferred to DebtWorks, Inc. (i.e., \$25 per customer, per month is transferred, or up to \$1,500 per customer.) At no time do AmeriDebt and Debticated make it clear to consumers that they are paying monthly fees to DebtWorks, Inc., or to any For Profit company.

42. Debtworks, Inc., and its alter ego, Andris Pukke, daily handle many thousands of dollars of class members’ money. As such, they owe a duty to those class members, including but not limited to a fiduciary duty.

43. Each month, with each customer, when For Profit Debtworks, Andris Pukke, and any other owners/officers/directors of Debtworks, fail to disclose or conceal the facts that consumers’ money is being received and handled by a For Profit company and that consumers are paying fees to a For Profit company, that constitutes another separate instance of deceptive, misleading behavior, omission of numerous material facts, and unfair practices, committed by Debtworks and Andris Pukke, for which they are individually and personally liable.

**AmeriDebt and Debticated Falsely Represent That They Provide Credit Counseling to Consumers.**

44. AmeriDebt and Debticated advertise that they provide “credit counseling.”

45. The employees of AmeriDebt and Debticated with whom consumers consult on the phone are salespeople, not trained credit counselors.



46. Upon information and belief, throughout most or all of their existence, AmeriDebt and Debticated have failed to provide adequate training in credit counseling to the employees whom they paid to deal with consumers over the phone.

47. Failing to do so is an unfair practice. Failing to clearly and conspicuously disclose this failure, and the “counselors”’ lack of training, is deceptive, misleading, and omits many materials facts.

48. AmeriDebt and Debticated provide incentives to their salespeople in the form of sales commissions, and internal sales contests leading to bonuses, based upon the number of DMP’s they sell, and upon the amount of “voluntary contributions” and monthly contributions they bring in for their employers.

49. Providing such incentives constitutes an unfair practice, since a DMP is not best or appropriate for every caller, or even every caller who can be persuaded to buy one, and callers reasonably expect, based upon the advertising, that they are going to receive fair, honest, tailored, unbiased “counseling” about what is best for their unique circumstances.

50. Failing to clearly and conspicuously disclose these commissions, incentives, etc., which are obviously detrimental to the best interests of the consumers, is deceptive, misleading, and an omission or suppression of material facts.

51. AmeriDebt’s and Debticated’s advice to consumers is based upon profit generation, not on the consumers’ best interests. Advising vulnerable consumers on this basis is deceptive, misleading, constitutes an unfair practice, and constitutes an omission of material facts.

**AmeriDebt and Debticated Fail to Disclose Their Limitations in “Negotiating” DMP’s for Consumers.**

52. Upon information and belief, the creditors (credit card issuers, etc.) dictate to all “credit counseling” companies what late fees and penalties they will waive for a consumer who enrolls in a DMP, what reductions in interest rate they will agree to, how much or if they will agree to “re-age” the debtor’s account, etc.

53. Upon information and belief, a creditor will grant the same or substantially the same terms and rate reductions, etc., to a particular debtor, based upon his payment history, debt load, and other factors unique to that debtor, regardless of whether he enrolls in a DMP through one of the defendant companies, or through some other “credit counseling agency.”

54. AmeriDebt and Debticated fail to disclose this information to consumers.

55. Failing to disclose that all competing companies can accomplish substantially the same result for a given client, while implying that AmeriDebt and Debticated “negotiate” better than others, is deceptive, misleading, an unfair practice, and omits material facts.

**Defendant Companies Fail to Disclose The True Nature of their Relationship With Credit Card Issuers.**

56. AmeriDebt and Debticated are paid by most or virtually all of the creditors on whose behalf they collect and remit monthly payments from consumers. The amounts are in direct proportion to the amount collected and disbursed to each creditor, that month, on behalf of that consumer, just like a commission.

57. This commission is called a “Fair Share” payment from the creditor (e.g., First Bank Visa) to AmeriDebt/Debticated, and is designed to cover AmeriDebt’s and

Debticator's costs of setting up the account for the consumer and forwarding the consumer's payments to the creditor.

58. Upon information and belief, AmeriDebt and Debticator are paid many millions of dollars in "Fair Share" commissions, from creditors.

59. By not disclosing the nature of their relationships with creditors, including the payment of "Fair Share" commissions, AmeriDebt and Debticator are concealing their financial incentives to sell DMPs to consumers. This conduct is deceptive, misleading, and constitutes both an unfair practice and an omission of material facts.

**Huge Profits in Loan *Applications* (Not Lending).**

60. In September, 1996, in Pittsburgh, Pennsylvania, Andris Pukke was charged with, and pleaded guilty to, the federal felony of trying to defraud consumers by falsely promising "debt consolidation loans," then not providing them.

61. The same month that Andris Pukke pleaded guilty to felony fraud in connection with "debt consolidation loans," he and his wife, Pamela Shuster, formed AmeriDebt, Inc.

62. After three years of probation, Andris Pukke's company "Infinity Resources," was again committing basically the same type of loan fraud, and was sued by the Office of Washington D.C. Corporation Counsel. That suit alleged that Andris Pukke (a personal defendant) and his alter ego, Infinity Resources, Inc., engaged in the sham of charging consumers hundreds of dollars to apply for a "debt consolidation loan," after having repeatedly and aggressively implied or stated to the consumer, through the Pukkes' other company, AmeriDebt, that the consumer was highly likely to be approved and get the loan.

63. According to the D.C. Corporation Counsel's suit, "the overwhelming majority of consumers" who paid that large application fee, and met the other loan criteria, were denied and never got a loan. In fact, perhaps as many as 98% of paying applicants were denied, with only 2% ultimately getting loans.

64. That suit alleged that the revenues to Infinity Resources, Inc., and Andris Pukke, merely from application fees, "far exceeded" the total amount of money it ever loaned to applicants.

65. The Pukkes, and their company, ultimately settled the D.C. Corporation Counsel's lawsuit, paying back \$2M. Recently, the Pukke brothers began offering "debt consolidation loans," through the companies listed above, with similar results for consumers, and those violations are part of this cause of action.

66. The settlement with the D.C. Corporation Counsel forced Infinity Resources, Inc. (the lender) to agree to not charge large "application fees." So, the Pukke brothers modified their arrangement, and now their "Non Profit" companies (AmeriDebt and Debticated) perform the function of extracting that large fee from consumers, rather than having the lender (Infinity) do it.

67. Since that settlement, AmeriDebt and Debticated charge hundreds of dollars in upfront fees, enticing consumers to pay and enter the program with promises of getting a "debt consolidation loan" from "an outside lender." Since they now charge the large fees through their "Non Profit" companies, the Pukke's "For Profit" lending arm, Infinity, only charges a \$25 application fee. Yet, the effect is just the same; huge profits to the Pukkes, largely from application fees, and too few "debt consolidation loans" for desperate, misled consumers.

68. Also, the Pukkes still conceal from consumers the fact that the lender is not really an “outside lender,” as they represent it to be, but is another company owned and controlled by the Pukke brothers, the same people who created and control the “Non-Profit” company which is referring the consumer to that “outside lender.” Concealing that connection is deceptive, misleading, omits material facts, and is an unfair practice.

**AmeriDebt and Debticated Falsely Claim to Have a “Zero Tolerance Consumer Complaint Policy.”**

69. AmeriDebt states in marketing materials that it has a “zero tolerance” consumer complaint policy, and that all consumer complaints are resolved in favor of the consumer. In fact, many or most consumer complaints are not resolved quickly, easily, willingly, or in the consumer’s favor.

70. Hundreds of consumers have complained about defendants’ practices to defendants, many state Attorney General Offices, the Federal Trade Commission, and the Better Business Bureau for the District of Columbia (serving the area in which defendants’ principal place of business is located).

71. The Better Business Bureau for the District of Columbia has issued a “BBB Reliability Report” concerning AmeriDebt. The BBB Reliability Report states:

Based on BBB files, this company has an unsatisfactory record with Bureau, due to the pattern of complaint activity as shown in the both the nature of the disputes and in the number of complaints.

The BBB Reliability Report further states:

Complaints against this business concern contract disputes, credit or billing disputes, refund practices, selling practices and service issues.

72. Advertising its complaint policy this way is deceptive, misleading, unfair, and omits or suppresses material facts.

**Andris and Eriks Pukke Are Personally Liable For The Conduct of All Defendant Companies.**

73. Andris and Eriks Pukke run or control all of the defendant companies.

74. Andris Pukke served as President of Ameridebt, from 1997 to 1998.

75. Andris Pukke's wife, Pamela Shuster, was the incorporator of AmeriDebt, Inc., and held the titles of director, vice-president, and treasurer of AmeriDebt from its incorporation on December 26, 1996, until October 13, 1999.

76. Another relative of Andris Pukke, Monica Shuster, is or was an officer of AmeriDebt. Another relative of Andris Pukke, Stella Storm, is or was the "Director of [new employee] Education" at AmeriDebt.

77. All Pukke companies use the same tax accountant, and get their returns prepared and filed together. Upon information and belief, for tax year 2000, the same accountant prepared the returns for AmeriDebt, Inc., DebtWorks, Inc. (Andris' company), and Infinity Resources, Inc. (Andris' company), Debticated, Inc. (Andris and Eriks' company), then signed or filed them the same day.

78. Furthermore, upon information and belief, DebtWorks, Inc. (owned primarily by Andris) and Debticated, Inc. (owned primarily by Eriks), either share the same office space, or are across a parking lot from each other, and AmeriDebt, Inc., is indeed just across the parking lot from DebtWorks, Inc. All these companies are within 1/4 mile of each other, including Infinity Resources, Inc. (or successor entity names).

79. Upon information and belief, AmeriDebt, Inc., and Debticated, Inc., share advertising budgets or expenditures.

80. Debticated, Inc., is owned by Andris and Eriks Pukke. Upon information and belief, Andris holds the offices of Vice President and Secretary.

81. Further, AmeriDebt and Debticated use virtually identical pre-printed consumer contracts.

82. Lastly, when Andris Pukke first formed the For Profit processor of payments, DebtWorks, Inc., he retained employees of his "Non Profit" marketing arm, AmeriDebt, to walk across the parking lot and run it.

83. AmeriDebt, Inc., and DebtWorks, Inc., and Debticated, Inc., and Infinity Resources, Inc. (and successor entity names) are all the alter egos of Andris Pukke and Eriks Pukke.

84. Additionally, those natural persons are liable under the responsible corporate officer doctrine, and other common law.

#### **The Plaintiffs' Transaction**

85. The Crawford Plaintiffs contacted Ameridebt to seek counseling on how to handle some of their debts.

86. Ameridebt informed the Crawford Plaintiffs that there would be a voluntary contribution but never told them how much said contribution would be.

87. The Crawford Plaintiffs remitted their first payment to Ameridebt and Ameridebt took the entire first payment as a "voluntary contribution".

88. The Crawford Plaintiffs never agreed to pay this amount and requested a refund.

89. Ameridebt refused to issue the refund.

90. The Crawford Plaintiffs believed that this was a non-profit organization based on the information provided to them when they obtained services from Ameridebt.

91. The Harrison Plaintiff contacted Ameridebt to seek counseling on how to handle some of her debts.

92. Ameridebt informed the Harrison Plaintiff that there would be a voluntary contribution but never told her how much said contribution would be.

93. The Harrison Plaintiff remitted her first payment to Ameridebt and Ameridebt took the entire first payment as a "voluntary contribution".

94. The Harrison Plaintiff believed that this was a non-profit organization based on the information provided to her when she obtained services from Ameridebt.

#### **Count I**

#### **VIOLATION OF 18 U.S.C. §1962**

95. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

96. The Defendants, through their actions as described above, violated the Federal Civil Racketeer Influenced and Corrupt Organizations Act found at 18 U.S.C §1962, *et seq.*

97. The Defendants' violation of this act injured and damaged the Plaintiffs. Specifically, the Defendants' actions, as described above, deprived the Plaintiffs and all others similarly situated of their property through the payment of additional and excessive fees.

98. The Plaintiffs are claiming treble damages, along with attorneys fees and expenses pursuant to this count.



**COUNT II**

**UNJUST ENRICHMENT**

99. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

100. The Defendants hold money that in equity and good conscience belongs to the Plaintiffs and the class members or was improperly paid to the Defendants because of mistake or fraud.

101. As a proximate result thereof the Plaintiffs and the class members have been injured and damaged.

**COUNT III**

**BREACH OF CONTRACT**

102. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

103. The Defendants entered into a contract with the Plaintiffs and the class members.

104. The Defendants breached that contract through their actions as described above.

105. The Plaintiffs have been injured as a result of the Defendants' breach of contract.

**COUNT IV**

**BREACH OF FIDUCIARY DUTY**

106. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

107. The Defendants undertook a fiduciary duty to the Plaintiffs and the class members.

108. The Defendants breached that duty through their actions as described above.

109. The Plaintiffs have been injured as a result of the Defendants' wrongful actions.

#### COUNT V

#### BREACH OF IMPLIED CONTRACT OF GOOD FAITH AND FAIR DEALINGS

110. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

111. There was an implied contract to act in good faith and deal fairly between the Plaintiffs and the Defendant.

112. The Defendants breached that contract through their actions as described above.

113. The Plaintiffs have been injured as a result of the Defendants' wrongful actions.

#### COUNT VI

#### CONSPIRACY

114. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

115. The Defendants conspired between themselves to commit the wrongful acts described above.

116. The Plaintiffs have been injured as a result of the Defendants' conspiracy.

**CLASS ACTION**

117. The Plaintiffs reallege all allegations of this complaint as if set out here in full.

118. The Plaintiffs pray that this Court will certify this action as a class action as provided by the Federal Rules of Civil Procedure, and reallege and incorporate by reference the allegations and counts of this Complaint on behalf of all those persons hereinafter described, belonging to the class or any sub-class therein.

119. The Plaintiffs bring this action on behalf of all members of the class composed of persons who purchased a debt management plan from the defendants and that paid any "contributions" to the defendants as part of that plan. The Plaintiff avers that the class is so numerous that joinder of all members is impracticable and the total membership of the class and sub-class is too numerous to count. The Plaintiff further avers that there are questions of law or fact common to the class relating to the charges by the Defendants for this product or service. The Plaintiffs further aver that the claims as a representative of the class are typical of the claims of the class. The Plaintiff further avers that in this representative capacity, the Plaintiffs will fairly and adequately protect the interest of the class.

120. The Plaintiffs aver that the prerequisite for class action treatment contained in Rule 23(b)(1) and 23(b)(2) F.R.C.P. do not apply to this action but rather, questions of law or fact commonly to the members of the class predominate over any questions affecting only individuals members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

A. Each class member has or has had in the past a debt management plan with the defendants. The name and address of class members are presently unknown to the Plaintiffs, but can be readily ascertained from the Defendant's business records. (Hereafter, Plaintiffs shall refer to the named Plaintiffs as well as members of the class and/or sub-class).

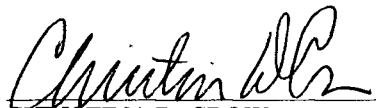
B. The common or similar issues of law and fact that predominate over individual issues include, but are not limited to, the following:

1. Whether the actions of the Defendants violate the contract between the Defendants and the class members;
2. Whether the actions of the Defendants constitute wire fraud or mail fraud so as to justify the imposition of treble damages pursuant to the Civil RICO Act.
3. The legal rights and obligations of the parties are nearly identical concerning the imposition of the amount charged by the Defendants for this coverage.
4. Proof of common facts and legal doctrines by the representative Plaintiffs will determine the claims of each member of the Plaintiffs' class.
5. The class action proceedings will provide a practical basis for the termination of all interests of the parties, prevent inconsistent adjudications, maximize judicial economy, and is superior to all other available methods of fair and efficient adjudication of the controversy.

C. The named representative claims are typical and representative of the class claims because the Defendants have similarly treated the Plaintiffs.

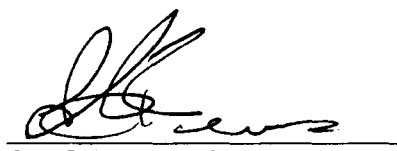
WHEREFORE, premises considered, the Plaintiffs and other class members pray judgment against the Defendants and seek compensatory and punitive damages, including interest and cost of court as may be allowed by law. The Plaintiffs pray such damages in

character and quantity as may be allowed by law. The Plaintiffs pray injunctive relief, attorney's fees, costs and such other general relief as may be appropriate.

  
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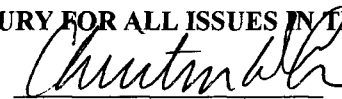
  
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**JURY DEMAND**

**PLAINTIFF DEMANDS A STRUCK JURY FOR ALL ISSUES IN THIS CASE.**

  
OF COUNSEL