

Sealed

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 17-60907-CIV-ALTONAGA/Goodman

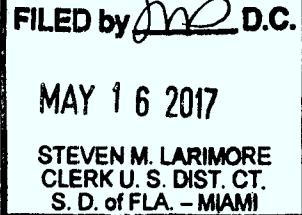
FEDERAL TRADE COMMISSION, and
STATE OF FLORIDA

Plaintiffs,

vs.

JEREMY LEE MARCUS, *et al.*,

Defendants.



**DEFENDANTS' MEMORANDUM IN OPPOSITION
TO PLAINTIFFS' REQUEST FOR PRELIMINARY INJUNCTION**

Defendants Jeremy Lee Marcus; Craig Davis Smith; Yisbet Segrea (collectively, “Individual Defendants”); Financial Freedom National, Inc. f/k/a Institute for Financial Freedom, Inc. Marine Career Institute Sea Frontiers, Inc. also d/b/a 321 Loans, Instahelp America, Inc., Helping America Group, United Financial Support, Breeze Financial Solutions, 321Financial Education, Credit Health Plan, Credit Specialists of America, American Advocacy Alliance, and Associated Administrative Services; 321 Loans, Inc. f/k/a 321 Loans, Inc. also d/b/a 321 Financial, Inc.; Instahelp America, Inc. f/k/a Helping America Team, Inc. also d/b/a Helping America Group; Helping America Group, LLC f/k/a Helping America Group, Inc.; Breeze Financial Solutions, Inc. also d/b/a Credit Health Plan and Credit Maximizing Program; US Legal Club, LLC; Active Debt Solutions, LLC f/k/a Active Debt Solutions, Inc. also d/b/a Guardian Legal Center; Guardian LG, LLC also d/b/a Guardian Legal Group; American Credit Security, LLC f/k/a American Credit Shield, LLC; Paralegal Support Group LLC f/k/a Paralegal Staff Support LLC; Associated Administrative Services, LLC also d/b/a Jobfax (collectively “Corporate Defendants”) (Individual Defendants and Corporate Defendants are referenced herein

as “Defendants”), file this Memorandum in Opposition to Plaintiffs’ Request for Preliminary Injunction.

I. INTRODUCTION TO DEFENDANTS

For anyone who is unfamiliar with Defendants and who picks up the FTC’s¹ *ex parte* motion for temporary restraining order, it certainly casts as grave shadow on the Corporate Defendants and Individual Defendants. After all, it is what led to the FTC’s knee-jerk reaction to seek *ex parte* relief from the Court. And while hindsight is 20/20, based on Defendants’ responses to a handful of regulator inquiries into Defendants’ practices, it is clear that Defendants are highly cooperative and would not have destroyed company records or dissipated company assets. Indeed, as the *ex parte* motion pointed out, much of Defendants’ assets are in *illiquid* real estate. Moreover, taking a step back from the material relied upon in the *ex parte* motion, it includes a description from a former employee, who was fired and apparently disgruntled, and copies of a mail solicitation that are about two years old, just before Defendants revamped all marketing which included eliminating loan-type mailers² and adding additional disclosures to verification scripts with prospective customers to ensure that they knew precisely what they were contracting to receive.³ This former employee statement, as well as Plaintiffs’ focus on past history and dated consumer statements, cannot do the heavy lifting Plaintiffs suggest and fail to satisfy the high burden necessary to freeze the Defendants’ assets *ex parte*.

¹ The Federal Trade Commission and the State of Florida may collectively be referred to herein as the “FTC.”

² Any references to loans would be to a special purpose loan, not a hard money loan which is quite different and the difference was explained in depth by the Defendants’ employees on every call with every consumer. Upon further review of the old mailers 2 years ago, the Defendants self-corrected and changed their marketing efforts in order to avoid any possible consumer confusion.

³ At all times, over 2 years ago until today, the Defendants reviewed all advertisements with their compliance attorneys in order to try to completely adhere to the law.

Significantly, and contrary to the FTC's assertions, *Defendants paid, settled and obtained dismissals of consumers' debts. Defendants also improved many consumers' credit*, in part because Defendants actively disputed debts and inaccurate statements of credit reports with the credit bureaus.

Defendants offer programs that include services to investigate, validate and dispute alleged debts, while assuming liabilities of the valid debts. Such services do not fit within the usual construct of debt settlement companies that typically wait for a consumer to set aside sufficient funds to then offer to settle certain debt. Rather Defendants offer a much more proactive and innovative program that affords a consumer the ability to consistently make a set payment in exchange for Defendants working on their behalf to eliminate the debts through validation, litigation (through the use of a legal club) or settlement if litigation is unsuccessful. Importantly, Defendants do not handle any of the litigation, but contract out for the litigation support to attorneys throughout the country. Since about two and a half years ago, in the newest evolution of the program (Defendants are constantly seeking to improve customer service and the program as a whole),. Defendants actually put themselves on the hook for the debts, assuming the liabilities of the consumers' valid debts and agreeing that by the end of the program, the consumers are freed of their debt obligations.⁴ As part of the process, Defendants review of all of the consumers' credit contracts, contract modifications, statements, advertising material, collection letters, and all creditor and collector's action as to each alleged debt listed in Exhibit A and/or B of each consumer contract. Defendants then determine and attempt to verify each alleged debt of the client by, among other things, reviewing the credit contract and establishing compliance of the creditor or lack thereof.

⁴ Not every client is enrolled in this new program that warranties that Defendants will pay all of their existing valid debts upon completion of the program. Most clients will be on this program. Older clients did not have the warranty but were charged less and received all other services.

In the event an account appears invalid, Defendants will send validation letters pursuant to the FDCPA. If a creditor is unable to validate a given debt within the statutory time frame, Defendants will send a demand requesting said debt be removed from the client's credit report. If a creditor fails to comply, Defendants will refer the client to US Legal Club ("USLC") for legal assistance for no additional fee. US Legal Club is a network of independent attorneys and law firms. USLC does not provide validation or dispute services as detailed above, but rather is only involved in client matters in litigation and over the past several years, has spent approximately \$1 million on discounted legal services on behalf of their consumer clients.

Defendants disclose their program and have, during the past couple of years changed their scripts to make it abundantly clear what it is they are offering. Indeed, during a separate verification call the consumer is requested to explain their understanding of the program so that there is no confusion. Then Defendants have yet another welcome call that explains the program again to ensure that the clients are fully informed of the services they will be receiving.

Defendants' "loans"

The loans are not hard money loans. But they are providing a special purpose service loan that is offered for the specific purpose of financing the debt programs offered by Defendants to help the clients afford the many services provided by Defendants to eliminate the clients' debts.. Defendants do so by providing the services above—disputing debts, sending verification request letters and paying counsel to litigate over the debts. And, when necessary, paying to settle the debts. Generally speaking, Defendants contract to provide these services on behalf of a large "risk pool" knowing that they may be able to get rid of many debts for some consumers and if they cannot on behalf of others, Defendants have the funds to resolve them. The special purpose loan benefits the client in two very important ways. It allows consumers to

pay a manageable monthly payment (generally much lower than their current monthly payments) to have the Defendants work on eliminating their alleged debts. Also, Defendants report to all three credit bureaus when their clients make their monthly payments, so the clients are able to build and improve their credit scores by making timely monthly payments.

Multiple Corporate Names

As part of Defendants' model, they have purchased lead to clients of multiple failing debt relief companies, the largest being Legal Helpers Debt Resolution ("LHDR").⁵ As explained above, Defendants offered a more robust program that assisted consumers in handling their debt while attempting to maintain their credit. For each new set of consumers that came over, they were frequently associated with a different company. This made it easier for tracking the consumers' history. What has been noticeable is that the customers who hired Defendants after working with LHDR seem to have the most complaints, likely because they had gone a while without debt resolution. That is why the Minnesota Department of Commerce inquired into some of Defendants.

Additionally, Defendants have made a good faith effort to distinguish companies based on the services that they focus on providing to the consumers. For example, Paralegal Support Group LLC f/k/a Paralegal Staff Support LLC provides back office support for attorneys, Associated Administrative Services, LLC also d/b/a Jobfax provides Customer service, verification, processing, back office support, management, and IT. US Legal Club, LLC provides Legal Memberships, Associated Administrative Services provides back office support and administration to all of the companies. Breeze Financial Solutions and Credit Health Plan each provide credit corrections and education to consumers.

⁵ Upon purchasing the leads, Defendants would call the consumers to see if they were interested in joining their program. Each client that chose to work with Defendants would sign Defendants' separate contract and Defendants would fully explain the program and services to them.

History of Working Cooperatively with Regulators

Defendants have been contacted by a small number of regulators and have been cooperative in responding to their inquiries.

The Maryland Office of the Commissioner of Financial Regulation served a June 13, 2016 Administrative Subpoena on 321Loans, Paralegal Support Group, LLC and Helping America Group on August 2, 2016 which counsel for Defendants (Franqui Tootten, LLP) responded to on July 29, 2016. The same Maryland Office served follow-up August 2, 2016 Administrative Subpoenas Duces Tecum on 321Loans, Paralegal Support Group, LLC and Helping America Group. On September 8, 2016, the entities responded to the subpoenas. No further investigative efforts have been made since Defendants timely responded with full information

Florida Department of Agriculture: Defendants had licensed telemarketers working from their Florida call center. They let their license lapse after purchasing a non-profit company based on their understanding from their compliance counsel that as long as they offered certain educational services through the non-profit entity, they did not need to renew their licenses. As it turned out, given their business operations, they learned from the Department of Agriculture that they needed to continue obtaining licenses. As such, not only did they obtain them, but Defendants have made it a habit to consult with the Department of Agriculture to determine whether certain new hires needed licenses.

Minnesota: Most recently, certain of the Defendants (Financial Freedom National Inc., dba 321Loans, Helping America Team, Inc. dba Helping America Group and US Legal Club LLC worked through a nearly 2-year inquiry from the Minnesota Office of the Attorney General. The Minnesota AG has spent a great amount of time and effort reviewing Defendants' business practices. Some of the recent production in that investigation is useful for showing that Defendants do provide the services that they promise and that they benefit their customers.

Defendants Provide Proven Benefits to their Customers

A review of Plaintiffs' filings in this matter show a clear misunderstanding of the program that Defendants offer. More specifically, the characterization that Defendants take money and perform no work is resoundingly false. As Minnesota consumers comprise a sampling of Defendants' customers and since Defendants do not currently have access to their client records, the best opportunity to examine the benefits of Defendants' program is by reviewing certain documents that accompany this brief. *See Exhibit 1. Decl. of Jeremy Lee Marcus ("Marcus Decl.")*.

Notably, included are 17 consumer affidavits which evidence work performed by Defendants. *See Marcus Decl.* at ¶11. Additionally, Defendants previously provided two spreadsheets to the Minnesota Department of Commerce that illustrate (1) the benefits conferred on Minnesota consumers who hired Active Debt Solutions dba Guardian Legal Center (“ADS”) and (2) the fees paid by Minnesota consumers to ADS and those paid by ADS on the MN consumers’ behalf. *See Marcus Decl.* at ¶¶12 and 13. These examples are all that are available on such short notice since Defendants do not have access to their electronic records. However, they happen to have recently been cooperating with the Minnesota Department of Commerce and prepared records showing all of the benefits they have provided to Minnesota consumers approximately one month ago.

When debt settlement companies entered the market, many regulators believed they did not provide any benefit to consumers and were placing the consumers in far worse financial position than they started. Ultimately, though, regulators saw professional companies providing great benefit to struggling consumers. As a consumer protection measure, the Telemarketing Sales Rule was amended to include specific limitations and requirements concerning debt relief companies.

Defendants created a program like no other. It includes much more active engagement, providing debt validation, credit repair, and litigation. A common complaint among consumers who sign up for debt settlement is that they are told to cease making payments on their debts and when a creditor sues them over debt owed, the debt settlement company points to a carve-out in the agreement that says litigation assistance is not included. Moreover, during the timeframe that the consumers are not making payments on the debts owed, their credit is hurt. Here, Defendants aggressively dispute debts. Defendants actively reach out to creditors, asking for the creditors to

validate the debt and show that they are the true creditors with rights to collect. In some instances, the creditors have to walk away because they realize they lack the chain of ownership. And as lawsuits are active, Defendants carbon copy the credit bureaus so that the credit reports reflect that there is a dispute regarding the debts. *See Marcus Decl.* at ¶8. Moreover, based on the fact that there is a loan that Defendants record, as long as the consumers are making their monthly payments to Defendants, it is helpful to their credit.

a. Defendants' Sales Model

Defendants generate leads via Mailers, pay-per-click, agreed leads from vendors, and live transfers from vendors. While the FTC provided a copy of a mailer, Defendants ceased using any mailers that refer to loans approximately two years ago and Defendants estimate that mailers are only used about 1/8 of the time to generate leads. Half of the leads come from pay-per-click, 1/5 comes from aged leads from vendors and 1/5 come from live transfers from vendors. *See Marcus Decl.* at ¶16.

b. Effect of TRO on Defendants

Defendants currently employ a workforce of approximately 150 people with full-time employees. Since the entry of the TRO, Defendants' business operations have abruptly stopped, as have Defendants' sales, promotions and other marketing. Since the entry of the TRO, Defendants have been foreclosed from generating any revenues. What's most concerning is that Defendants' customers may be in the midst of having work performed for their benefit and then the consumers try to login to Defendants' portal that shows work being performed and they now lack access and many are concerned when they cannot get in touch with Defendants. *See Marcus Decl.* at ¶17. RAM, a third party dedicated account providers that collects monthly funds that are due to Defendants, advised Defendant Jeremy Lee Marcus that some consumers are cancelling their program after reaching out to Defendants and learning

about the appointment of a receiver. *See* Marcus Decl. at ¶18. If the TRO were to remain in effect or a preliminary injunction entered that continues the current restraints of the TRO, Defendants would be forced to close its doors and cease its business operations. Even worse, consumers who understood the program they were signing up for would be stuck without assistance or the continued support they had been receiving.

II. FTC ALLEGATIONS AGAINST DEFENDANTS

In its Complaint, the FTC alleges that Defendants engaged in a “massive scheme to defraud financially distressed consumers through phony debt relief services,” and that, “Defendants do not pay, settle, or obtain dismissals of consumers’ debts, and they do not improve consumers’ credit. Instead, the FTC alleges that Defendants convert consumers’ money to their own use and generally provide nothing in return.” *See* Plaintiffs’ *Ex Parte* Motion for Temporary Restraining Order with Asset Freeze, Appointment of a Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (the “*Ex Parte* Motion”) at p. 1.

None of these accusations are supported by probative evidence.

III. SUMMARY OF THE ARGUMENT

In order to obtain an injunction under the FTC Act, the FTC must meet the heavy burden of showing the likelihood of success on the merits and that the balance of the equities weigh in its favor. Even then, it is black letter law that an injunction may not issue unless the wrongs are ongoing or reasonably likely to recur. Failing to satisfy any one of these three requirements is dispositive to the FTC’s motion for preliminary injunction. In this case, the FTC fails to satisfy its burden on *all* three of these legal thresholds. *First*, the FTC has not shown a likelihood of success because Defendants’ representations are not false or misleading when viewed by the

reasonable consumer.⁶ Defendants' evidence to that effect makes clear that there exists no serious or substantial questions going to the merits of this issue that would warrant the extraordinary remedy of a preliminary injunction. *Second*, the equities weigh strongly in Defendants' favor as granting the injunction would seriously injure Defendants and their customers without any benefit to the public. *Finally*, even assuming for the sake of argument that Defendants had violated the law, those violations are not ongoing and are not reasonably likely to recur, meaning an injunction is simply not authorized either under § 53 or under the basic principles governing preliminary injunctions. The FTC's motion should accordingly be denied.

IV. STANDARD FOR DENYING PRELIMINARY INJUNCTION

In determining whether to grant a preliminary injunction under § 13(b) of the Federal Trade Commission Act, 15 U.S.C. § 53(b), a court must (1) determine the likelihood that the FTC will ultimately succeed on the merits and (2) balance the equities. *FTC v. Univ Health, Inc.*, 938 F.2d 1206, 1217 (11th Cir. 1991). “The entry of a preliminary injunction is ‘the exception rather than the rule,’ and the movant must clearly carry the burden of persuasion.” *FTC v. Home Assure, LLC*, No. 8:09-cv-547-T-23TBM, 2009 WL 1043956, at *18 (M.D. Fla. Apr. 16, 2009) (citing *Texas v. Seatrail Int'l, S.A.*, 518 F.2d 175, 179 (5th Cir. 1975)).⁷ “Obviously much care should be exercised in the issuance of an injunction without

⁶ The marketing piece showing a loan offer is more than 2 years old. When Defendants noticed that consumers were confused by the offer, they self-corrected. Indeed, their scripts for calls (all of which are recorded and in the possession of the Receiver) have a final section where the sales representative actively engages the consumer to explain their understanding of the program as they do not want there to be confusion concerning a program that provides real value to the consumers.

⁷ The exceptional nature of a preliminary injunction is beyond dispute as shown by the multitude of cases in which courts have refused to enjoin defendants. See, e.g., *FTC v. Sterling Precious Metals, LLC*, 894 F.Supp. 2d 1378 (S.D. Fla. 2012) (FTC failed to prove likelihood of success);

bond which might destroy or very largely depreciate a business . . . and action should be withheld unless the facts fairly require affirmative relief in the public interest." *FTC v. Nat'l Health Aids*, 108 F.Supp. 340, 346 (D.C.Md. 1952). Finally, the express language of §53(b) authorizes a preliminary injunction only if the wrongs are ongoing or are apt to continue. *Mktg. Response*, 1996 WL 420865, at *2 (citing *FTC v. Evans Prods. Co.*, 775 F.2d 1084, 1087 (9th Cir. 1985)).

V. ANALYSIS

A. The FTC did not sufficiently show likelihood of success on the merits.

A preliminary injunction must be denied if the FTC fails to meet "its heavy burden for the granting of extraordinary injunctive relief." *FTC v. Sterling Precious Metals, LLC*, 894 F.Supp. 2d 1378, 1383 (S.D. Fla. 2012) (denying preliminary injunction for failure to prove likelihood of success). To meet this heavy burden the FTC must "raise questions going to the merits so serious, substantial, difficult and doubtful as to make them fair ground for thorough investigation, study, deliberation and determination." *Mktg. Response*, 1996 WL 420865, at *2 (quoting *Univ. Health, Inc.*, 938 F.2d at 1218).

1. The FTC has not shown, and cannot show, that Defendants violated section 5(a) of the FTC Act, 15 U.S.C. § 45(a)

Section 5(a) of the FTC Act prohibits "deceptive acts or practices in or affecting commerce." 15 U.S.C. § 45(a)(1). "To establish that an act or practice is deceptive. The FTC

Home Assure, 2009 WL 1043956 (failed to show risk of recurrence); *FTC v. Mktg. Response Group, Inc.*, No. 96-111-civ-T-17A, 1996 WL 420865 (M.D. Fla. June 24, 1996) (failed to prove likelihood of success); *FTC v. Idea Research & Dev., Inc.*, No. CA 3-75-0710, 1975 WL 824 (N.D. Tex. June 23, 1975) (denied injunction where the FTC's evidence was largely irrelevant to whether the injunction was necessary to protect the public from future harm); *FTC v. Freeman Hosp.*, 69 F.3d 260 (8th Cir. 1995) (failed to show likelihood of success); *FTC v. Nat'l Tea Co.*, 603 F.2d 694 (8th Cir. 1979) (balance of equities weighed against issuing the injunction); *FTC v. Simeon Mgmt. Corp.*, 532 F.2d 708 (9th Cir. 1976) (same); *FTC v. Tenneco, Inc.*, 433 F.Supp. 105 (D.D.C. 1977) (failed to show likelihood of success).

must show that (1) there was a representation or omission, (2) the representation or omission was likely to mislead consumers citing reasonably under the circumstances, and (3) the representation or omission was material.” *FTC v. Tashman*, 318 F.3d 1273, 1277 (11th Cir. 2003).

In determining whether a representation is likely to mislead consumers, courts look to the net impressions. *FTC v. Stefanchik*, 559 F.3d 924, 928 (9th Cir. 2009); *FTC v. Sterling Drug, Inc.*, 215 F.Supp. 327, 332 (S.D.N.Y. 1963) (denying preliminary injunction to halt allegedly false advertising where the FTC failed to show the advertisements were significantly false or misleading), *aff’d* 317 F.2d 669.

The advertisement that the FTC provides the Court was from more than two (2) years ago. Similarly, the only former employee who provided an affidavit regarding the company was terminated two years ago and worked only in intake. That is, he did not actually engage in the work that he describes did not occur. Rather than speaking with more current employees or requesting copies of marketing pieces that have been in use, the FTC aggressively relied on old matters along with about 200 BBB complaints (representing a sliver of the nearly 15,000 consumers that Defendants have assisted) and make the sweeping statement that Defendants are not performing any work and basically stealing consumers’ money. As shown by the Minnesota sampling, that could not be farther from the truth and had the FTC simply served a Civil Investigative Demand or the like on Defendants, they would have cooperated just as they recently did with Minnesota.

While the marketing pieces have changed and improved over time to ensure less likelihood of consumer confusion, Defendants have substantially revised their telephone scripts to ensure consumers understand precisely what they are being offered and signing up for. A copy

of the recent script is enclosed. *See Marcus Decl.* at ¶5. Now that the Receiver has access to such records (and Defendants do not), hopefully the Receiver will quickly listen to the recordings and see that the final piece to verification calls includes the consumer explaining what their understanding of the program is. Defendants have spent considerable time and money revamping its policies and procedures to ensure compliance and have cooperatively worked with regulators to satisfy their questions and concerns.

Unfortunately, our client finds itself now having to dig itself out of a mess, not knowing whether banks where assets have been frozen will even continue working with Defendants, and not knowing how many of its 150 employees will return to work. Consumers who cannot get in touch with Defendants are reaching out to the dedicated account provider, RAM, and cancelling their accounts after learning there is a receiver in place.

In addition, recent customer declarations support that Defendants provides the services advertised and explained *and that their credit scores improved*. *See Marcus Decl.* at ¶11. The declarations submitted by Defendants in this matter resoundingly demonstrate that the services are delivered as promised and that consumer satisfaction is high. By contrast the customer complaints offered by the FTC in this matter, through declarations, are generally older and represent a small portion of nearly 15,000 customers who Defendants have assisted.

B. The equities weigh against issuing a preliminary injunction.

After evaluating the FTC's likelihood of success, the Court must next weigh the equities. *Univ. Health, Inc.*, 938 F.2d at 1217 (11th Cir. 1991). While the public equities receive far greater weight, private equities must be considered. *FTC v. Warner Commc'ns Inc.*, 742 F.2d 1156, 1159-60 (9th Cir. 1984). The Court may deny a preliminary injunction even if the FTC has made a sufficient showing of likelihood of success if the balance of equities weighs against it. *See, e.g., FTC v Nat'l Tea Co.*, 603 F.2d 694, 698 (8th Cir. 1979) (preliminary injunction denied despite

FTC demonstrating likelihood of success; balance of the equities was “close” but did not weigh in FTC’s favor); *FTC v. Freeman Hosp.*, 69 F.3d 260, 272 (8th Cir. 1995) (affirming preliminary injunction denied in part because injunction would result in extensive economic harm to the defendant).

The principal public equity weighing in favor of issuing an injunction under § 53(b) is protecting the public from unfair and illegal business practices. *See Home Assure*, 2009 WL 1043956, at *20 (principal public equity was protecting the public from alleged mortgage foreclosure relief scam); *Univ. Health, Inc.*, 938 F.2d at 1225 (principal equity weighing in favor of injunction was the public’s interest in effective enforcement of antitrust laws). In this instance the public interest is limited because Defendants, as explained above, do not engage in deceptive marketing and have made it a point to ensure that consumers understand the program enough at the time of entering into their contract that they can explain the program to a compliance caller. Absent a cognizable risk of future violations, as explained below, there is simply no significant public interest in granting the preliminary injunction against Defendants.

The private equities, on the other hand, weigh significantly against the injunction. In *FTC v. Simeon Mgmt., Inc.*, the Ninth Circuit affirmed a finding that the equities weighed against a preliminary injunction in part because of the “serious financial harm” to defendants that would result if an injunction was granted. 532 F.2d 708, 717 (9th Cir. 1976). A preliminary injunction here will similarly cause serious financial harm to Defendants, leaving approximately 150 employees with no income (and possibly no health insurance) and harming both Defendants’ goodwill, approximately 10,000 active customers that rely on Defendants’ services being continuously provided. *See also Home Assure*, 2009 WL 1043956, at*20 (denying preliminary injunction where it “would have immediate and extended personal and professional

consequences” on the defendants); *Freeman Hosp.*, 69 F.3d at 272 (economic hardships defendants would face during the pendency of proceedings if a preliminary injunction was issued were properly weighed by the court in denying the injunction).

C. A preliminary injunction is not authorized under § 53(b) as there is no ongoing or recurring violations.

Even assuming arguendo that the FTC meets its heavy burden of showing the likelihood of success on the merits, and that the equities weigh in its favor, the preliminary injunction should be denied because there is no showing of ongoing or recurring violations by Defendants. § 53(b) authorizes preliminary injunctions only against those violating or about to violate the law. *See* 15 U.S.C. § 53(b)(1). This requires more than a speculative showing, rather “to make a proper showing for an injunction to issue, the FTC must show there is a ‘cognizable danger of recurrent violation’ or ‘some reasonable likelihood of future violations’”. *FTC v. Netfran Dev. Corp.*, No. 05-22223-CIV-Ungaro-Benages, (S.D. Fla. June 9, 2006) (unpublished); *see also U.S. v. W.T. Grant Co.*, 345 U.S. 629, 633 (1953) (same). In other words, “federal courts should not grant injunctive relief when the conduct sought to be stopped has ceased and is unlikely to resume.” *Snair v. City of Clearwater*, 787 F.Supp. 1401, 1415 (M.D. Fla. 1992). The support for any violations of law comes mostly via allegations from individuals who have not dealt with Defendants for the past year. Over the course of two years, Defendants have spent much time revising their processes and marketing. They have been very cooperative with other regulators in an effort to continue running their business. Indeed, to enhance the consumer experience, Defendants created a special portal for them to have access and know what work has been performed at any given time. *See* Marcus Decl. at ¶15.

Here, there is neither a cognizable danger of recurrent violations by Defendants because the company has worked to improve its business model to ensure no likelihood of confusion.

Most important, based on the only sampling of data that Defendants have at their disposal, they show work performed on files and that consumers have benefitted from Defendants' assistance. See Marcus Decl. at ¶¶12 and 13. The FTC's motion for preliminary injunction here should be denied for failing to show a cognizable danger of recurrent violation or some reasonable likelihood of future violations of the law on the part of Defendants.

D. The asset freeze should be lifted or modified with the temporary trustee being replaced by a special master to monitor corporate defendants.

To justify an asset freeze, the FTC must demonstrate that the potential disgorgement remedy greatly exceeds the frozen assets. *FTC v. IAB Marketing Assocs., LP*, 746 F.3d 1228, 1234 (11th Cir. 2014) (\$70 million potential disgorgement contrasted by \$2.3 million in frozen assets). See *CFTC v. Levy*, 541 F.3d 1102, 1114 (11th Cir. 2008) ("district court may freeze a defendant's assets to ensure the adequacy of a disgorgement remedy.").

Consequently, more than evidence or accusations of a deceptive trade practice is required. Otherwise, an asset freeze would issue in every deceptive trade practice case. To meet the bar established by the Eleventh Circuit for an asset freeze, the FTC must provide evidence quantifying the disgorgement remedy sought and the value of the assets frozen. Plaintiffs have conducted an extensive investigation, seized the business and records, and interviewed two of the individual Defendants and others since filing suit. *Id.* Unlike Defendants who no longer possess the business records to address these issues, the FTC is in bird's eye possession of the wealth of information to meet their burden.

Nonetheless, the FTC provides no more than speculation, as opposed to probative evidence, regarding the measure of any potential disgorgement remedy and whether it vastly exceeds the value of the frozen assets. Furthermore, contrary to the FTC's observations in the Verduse Declaration about litigation involving other parties, there is no evidence of any attempt

to undermine the FTC's efforts (as Defendants have fully cooperated), to dissipate or conceal assets, or to destroy business records. There are many cases in which the FTC fails in its efforts to freeze assets. *See, e.g., FTC v. Bishop*, 425 Fed. Appx. 796 (11th Cir. 2011) ("The district court abused its discretion by imposing too broad of an asset freeze without making any reasonable approximation of Defendant-Appellant's ill-gotten gains."); *FTC v. John Beck Amazing Profits, LLC*, No. 2:09-cv-4719, 2009 WL 7844076 *15 (C.D. Cal., Nov. 17, 2009) (asset freeze not warranted because "no evidence that Defendants have ever previously attempted to intentionally dissipate, hide or otherwise shelter corporate or personal assets from an effort to collect a debt or judgment against Defendants.").

To the extent this Court does not completely lift the asset freeze, Defendants submit that this Court should modify it to the extent necessary to protect any disgorgement remedy reasonably quantified by the FTC. In addition, Defendants submit that this Court should substitute a special master for the temporary receiver to oversee the corporate Defendants and protect the FTC's disgorgement remedy, if any.

WHEREFORE, Defendants respectfully request that the Court deny the preliminary injunction sought by the Federal Trade Commission and the State of Florida.

Dated: May 15, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of May, 2017, I conventionally filed the foregoing document with the Clerk of the Court by causing same to be hand delivered. I also certify that the foregoing document is being served this date on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notice of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: s/ Garry W. O'Donnell
Garry W. O'Donnell, Esq.

SERVICE LIST

FTC, et al. v. Jeremy Lee Marcus, et al.
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EXHIBIT “1”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 17-60907-CIV-ALTONAGA/Goodman

FEDERAL TRADE COMMISSION, and
STATE OF FLORIDA

Plaintiffs,

vs.

JEREMY LEE MARCUS, *et al.*,

Defendants.

DECLARATION OF JEREMY LEE MARCUS

Pursuant to 28 U.S.C. § 1746, I, Jeremy Lee Marcus, declare as follows:

1. I, Jeremy Lee Marcus, am the owner of the Corporate Defendants in the above-captioned litigation. I have personal knowledge of the facts stated herein or through a review of records over which I have care, custody, and control, and am competent to testify as follows. If called as a witness in this case, I would be competent to testify as to the facts stated in this Declaration.

2. Defendants offer programs where Defendants work on behalf of their customers to eliminate consumers' debts by validating them, litigating (through the use of a legal club) or settling them out if litigation is unsuccessful. Importantly, Defendants do not handle any of the litigation, but contract out for the litigation support. All the while, Defendants put themselves on the hook for the debts, assuming the liabilities of the consumers' valid debts and agreeing that by the end of the program, the consumers are freed of their debt obligations. As part of the process, Defendants review of all of the consumers' credit contracts, contract modifications, statements, advertising material, collection letters, and all creditor and collector's action as to each alleged debt listed in Exhibit A and/or B of each consumer contract. Defendants then determine and

attempt to verify each alleged debt of the client by, amongst other things, reviewing the credit contract and establishing compliance of the creditor or lack thereof.

3. In the event an account appears invalid, Defendants will send validation letters pursuant to the FDCPA. If a creditor is unable to validate a given debt within the statutory time frame, Defendants will send a demand requesting said debt be removed from the client's credit report. If a creditor fails to comply, Defendants will refer the client to US Legal Club ("USLC") for legal assistance for a minor additional fee of \$300 or \$500 (and in two instances due to nature of the case \$1,000) and Defendants cover the rest. USLC is a network of independent attorneys and law firms. USLC does not provide validation or dispute services as detailed above, but rather is only involved in client matters in litigation and, over the past several years, has spent approximately \$1 million on discounted legal services on behalf of their consumer clients.

4. Defendants disclose their program and have, during the past couple of years, changed their scripts to make it abundantly clear what it is they are offering. Indeed, during a separate verification call the consumer is requested to explain their understanding of the program so that there is no confusion.

5. A copy of Defendants current call scripts are attached as composite Exhibit A.

6. The loans referenced in the FTC's *ex parte* motion are not hard money loans. Defendants provide a special purpose service loan that is offered for the specific purpose of clearing debts. Defendants do so by providing the services above—disputing debts, sending verification request letters and paying counsel to litigate over the debts. And, when necessary, paying to settle the debts. Generally speaking, Defendants contract to provide these services on behalf of a large "risk pool" knowing that they may be able to get rid of many debts for some consumers and if they cannot on behalf of others, Defendants have the funds to resolve them.

7. As part of Defendants' model, they have purchased clients of multiple failing debt relief companies, the largest being Legal Helpers Debt Resolution ("LHDR"). As explained above, Defendants offered a more robust program that assisted consumers pay off their debt while attempting to maintain their credit. For each new set of consumers that came over, they were frequently associated with a different company. This made it easier for tracking the consumers' history. And what has been noticeable was that the customers who hired Defendants after working with LHDR seem to have the most complaints, likely because they had gone a while without debt resolution. That is why the Minnesota Department of Commerce inquired into some of Defendants.

8. Defendants actively reach out to creditors, asking for the creditors to validate the debt and show that they are the true creditors with rights to collect. In some instances, the creditors have to walk away because they realize they lack the chain of ownership. And as lawsuits are active, Defendants carbon copy the credit bureaus so that the credit reports reflect that there is a dispute regarding the debts.

9. Additionally, Defendants have made a good faith effort to distinguish companies based on the services that they focus on providing to the consumers. For example, Paralegal Support Group LLC f/k/a Paralegal Staff Support LLC provides back office support for attorneys, Associated Administrative Services, LLC also d/b/a Jobfax provides Customer service, verification, processing, back office support, management, and IT. US Legal Club, LLC provides Legal Memberships, Associated Administrative Services provides back office support and administration to all of the companies. Breeze Financial Solutions and Credit Health Plan each provide credit corrections and education to consumers.

10. Defendants have been contacted by a small number of regulators and have been cooperative in responding to their inquiries:

Maryland: The Maryland Office of the Commissioner of Financial Regulation served a June 13, 2016 Administrative Subpoena on 321 Loans, Paralegal Support Group, LLC and Helping America Group August 2, 2016 which counsel for Defendants (Franqui Totten, LLP) responded to on July 29, 2016. The same Maryland Office served follow-up August 2, 2016 Administrative Subpoenas Duces Tecum on 321 Loans, Paralegal Support Group, LLC and Helping America Group. On September 8, 2016, the entities responded to the subpoenas.

Florida Department of Agriculture: Defendants had licensed telemarketers working from their Florida call center. They let their license lapse after purchasing a non-profit company based on their understanding that as long as they offered certain educational services through the non-profit entity, they did not need to renew their licenses. As it turned out, given their business operations, they learned from the Department of Agriculture that they needed to continue obtaining licenses. As such, not only did they obtain them, but Defendants have made it a habit to consult with the Department of Agriculture to determine whether certain new hires needed licenses.

Minnesota: Most recently, certain of the Defendants (Financial Freedom National Inc., dba 321 Loans, Helping America Team, Inc. dba Helping America Group and US Legal Club LLC) worked through a nearly 2 year inquiry from the Minnesota Office of the Attorney General. The Minnesota AG has spent a great amount of time and effort reviewing Defendants' business practices. Some of the recent production in that

investigation is useful for showing that Defendants do provide the services that they promise and that they benefit their customers.

11. Attached as Exhibit B are 17 declarations of consumers that Active Debt Solutions dba Guardian Legal Center (“ADS”) assisted in Minnesota. These were provided to the Minnesota Department of Commerce and show our efforts and success in assisting our clients.

12. Attached as Exhibit C is a spreadsheet that shows benefits conferred on Minnesota consumers in connection with ADS’s validation and dispute efforts. The rows in the spreadsheet are color-coded as follows:

- a. Green - These debts were deemed unenforceable or the SOL has run out on them and the creditors are not collecting on these debts. These accounts have not been litigated and were resolved by ADS through other means.
- b. Yellow - These accounts are in active litigation. ADS is paying for client’s US Legal Club Fees, any attorney and/or court filing fees in connection with litigation.
- c. Gray - These accounts were removed by clients of ADS and no work was done on the accounts.
- d. Orange - Client canceled before ADS could do anything on these accounts- no efforts by ADS permitted on these accounts.

13. Attached as Exhibit D is a spreadsheet that illustrates the fees paid by MN consumers to ADS and those paid by ADS on the MN consumers’ behalf. The columns in the spreadsheet are color-coded as follows:

- a. Column B - Trust Account funds carried over from Client Legal Helpers Account
- b. Column C - Client’s monthly payment to ADS
- c. Column D - Total amount paid by client to ADS through July 2016.
- d. Column G - Total savings on all client enrolled accounts
- e. Column H - Estimated postage and mail costs - PAID BY ADS
- f. Column I - Credit Report Fee- PAID BY ADS

g. Column J - NSF Fee- PAID BY ADS

h. Column K - RAM Fee -PAID by ADS. This column shows total amount paid to RAM by ADS and incorporates the \$9.95 monthly service fee as well as any NSF fee assessed by RAM.

i. Column L - US Legal Club Fee - PAID BY ADS

j. Column M - Attorney Fees - PAID BY ADS

k. Column N - Court Filing Fees - PAID by ADS

14. The sample declarations and spreadsheets evidencing benefits provided to Minnesota consumers are all that could be compiled on such short notice without access to Defendants CRM system. As such, they are what were provided to a Minnesota regulator but I believe that if I could run reports for other states, they would show similar work, success and satisfied customers.

15. Much of the allegations about marketing or business processes have changed over the past couple of years, in particular. That occurred on Defendants' own doing and while working with regulators to alleviate any concerns that they may have had. Indeed, to enhance the consumer experience, Defendants created a special portal for them to have access and know what work has been performed at any given time.

16. Defendants generate leads via Mailers, pay-per-click, agreed leads from vendors, and live transfers from vendors. While the FTC provided a copy of a mailer, Defendants ceased using any mailers that refer to loans approximately two years ago and Defendants estimate that mailers are only used about 1/8 of the time to generate leads. Half of the leads come from pay-per-click, 1/5 comes from aged leads from vendors and 1/5 come from live transfers from vendors.

17. Defendants currently employ a workforce of approximately 150 people fulltime. Since the entry of the TRO, Defendants' business operations have abruptly stopped, as have

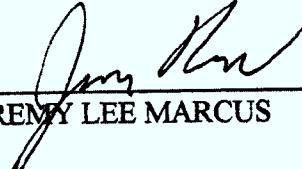
Defendants' sales, promotions and other marketing. Since the entry of the TRO, Defendants have been foreclosed from generating any revenues. What's most concerning is that Defendants' customers may be in the midst of having work performed for their benefit and then the consumers try to login to Defendants' portal that shows work being performed and they now lack access and many are concerned when they cannot get in touch with Defendants.

18. RAM, a third party dedicated account providers that collects monthly funds that are due to Defendants, advised me that some consumers are cancelling their program after reaching out to Defendants and learning about the appointment of a receiver.

19. Defendants have worked with approximately 15,000 consumers.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury and of the laws of the United States that the foregoing is true and correct.

Dated this 15 day of May, 2017, in Broward County, Florida



JEREMY LEE MARCUS

EXHIBIT “A”

MANAGER PRE VERIFICATION SCRIPT

Hello Mr. / Ms. _____, my name is _____, and I'm a Senior Advisor here at Helping America Group. My principal purpose for coming on the line is to verify your complete understanding of our program and answer any questions you may have regarding the benefits you will be receiving.

First off, I would like to verify some of the information you have already provided. We need to make sure all the information we have is accurate to ensure we have every possible way of contacting you as we deal with your creditors. Understand that certain legal matters may be time sensitive and require your immediate attention. What is currently on file is the following:

Best contact phone number is _____, the secondary number is _____. Is there a better number you prefer we use to contact you? **SECONDARY NUMBER IS MANDATORY, NO EXCEPTIONS**

Second, we must ensure the company's ability to process your payments consistently so there is never a lapse in your coverage with creditors. The banking information is as follows:

Checking Acct: The name of your bank is _____. The routing number is _____, and your account number is _____.

Now the terms of your contract have been finalized as follows: (**INSERT INTEREST RATE**) for (**INSERT # OF MONTHS**) and a payment of (**INSERT PAYMENT AMOUNT**) with your first payment starting on (**INSERT PAYMENT DATE**), is this correct? Excellent!

For compliance purposes I just want to further verify the following items to insure you have a clear understanding of what to expect from us:

	First, I want to make sure you are aware that Helping America Group or any of the approved vendors will not be paying your creditor(s) directly . They will be working for you to get your debts dismissed or deemed uncollectable. Do you understand?
	I want to make sure you have a clear understanding of how your credit will be affected during this program. By entering this program any account(s) you have may go into a delinquent status and it will lower your credit score. Do you understand?
	Are you a proud member of any of our armed services or have any special government clearance? (IF YES) Do you understand we cannot prevent any disciplinary action against you by your Commanding Officer and it is your responsibility to check with your C.O.?
	Do you know if any of the debt(s) enrolled are secured with any type of property/ collateral? (IF YES) Do you understand that you run a risk of the property being repossessed without notice?
	To legally protect you, I must make sure there is no pending legal action on any of the account(s) enrolled in your program? Do you understand? Have you been served? (IF YES) The warranty will be void on the account(s) that are in legal status and you are required to send in any related documents immediately.
	I need to make sure that none of the account(s) enrolled in this program are associated with the same bank that your monthly payment will be debited from?
	CHECK: Check in client's credit report to see in any of the accounts are current. If there are any account(s) that are in current status then you must state: (IF YES) I see here you have (INSERT # OF ACCTS) that are current. I need you to understand that they will be going delinquent. Do you understand?
	Finally, I need you to understand that your payments to 321Financial will show up on your bank statements as either 321Financial or United Financial Support. Do you understand?

Do you have any questions about what we just discussed or the program?

IF YES – Answer the Clients Questions, ask them if they understand your answer and move on...

Excellent, we're almost done! I just need to transfer you over to our New Client Welcome Team where they are going to go over the benefits you are getting from our program along with outlining your responsibilities for the success of the dismissal of your debt(s). I'll put (**Rep Name**) back on the phone while I let the Welcome Team know we are going to transfer you. I'd like to say congratulations on your first step to being debt free and welcome to the Helping America Group family.

Helping America / Breeze Financial Solutions / 321 Loans / US Legal Club

Hello Mr./Mrs./Ms. _____ My name is _____ with the Paralegal Support Verification Department. Please note that this call may be monitored or recorded for quality assurances purposes. We are here to ensure business compliance and your understanding of the programs offered by Helping America Group, Breeze Financial Solutions, 321 Loans, and US Legal Club.

I would like to congratulate you on taking the first step towards re-building your credit!

1. First, I want to make sure you understand that Helping America Group is a separate company from, Breeze Financial Solutions, 321 Loans, and US Legal Club. Breeze Financial Solutions, 321 Loans, and US Legal Club are outside companies recommended by Helping America Group. **DO YOU UNDERSTAND?**
2. Do you understand that Helping America Group **WILL NOT BE PAYING YOUR CREDITORS DIRECTLY**. The money they receive from 321 Loans will go towards paying for their services, which is to get your debt dismissed, settled or deemed legally uncollectible. Helping America Group guarantees if none of those solutions work, they are responsible for paying the debt - not you. **DO YOU UNDERSTAND?**
3. Do you understand that Breeze Financial Solutions Credit Correction Program is going to work on improving and building your credit by removing all of the inaccurate negatives from your report and will audit all of the information on your credit report to ensure that the information is being accurately reported?
4. Do you understand that the US Legal Club is not a law firm and you are not hiring an attorney? By signing up for Helping America Group's program, you automatically receive a membership to the US Legal Club. Your membership in the US Legal Club gives you access to a network attorney in your area that best fits your needs, **DO YOU UNDERSTAND?**
5. Do you understand that you can pay for the Helping America Group's program, the Breeze Financial Credit Correction Program, and membership in the US Legal Club yourself, without taking out a loan from 321 Loans if you prefer?
6. Do you understand that 321 Loans will be responsible for processing your loan payments only?
7. Do you understand that Helping America does **NOT** provide debt management or debt settlement services?
8. Are you in the military or have any government clearance? (**IF YES**) Do you understand that if you are in the military, we cannot prevent any disciplinary action against you by your Commanding Officer?

Confirm Demographics (name, date of birth, address, etc.) Creditors & Accounts on the agreement, such as Sears, Chase, Medical Bills, etc.

(Continued on next page)

Ok great. I need to confirm with you that your first loan payment will be on date _____ for _____ dollars and the recurring loan payment will be on the _____ of each Month for the amount _____. **(DO YOU AGREE TO THESE LOAN PAYMENT TERMS?)**

Please remember that you must call Helping America Group if you will have any issue with your loan payment. They will work with you on any issue as long as you contact them to communicate your loan payment issue at least 5 business days before hand. If you incur a non-payment status on your account you may incur an additional fee of \$20.00 which will be assessed to your _payment. **DO YOU UNDERSTAND?**

DO YOU HAVE ANY QUESTIONS FOR ME AT THIS TIME?

As we start setting up your account today, you will receive emails from 321 Loans about your account and loan payments. Please watch for an email that will also provide your login information so you can access your loan account at any time. This will only show your upcoming payments and payment history.

You will also receive a phone call from your account representative at Helping America Group to welcome you as well and go over a few items. So you are aware, anyone from Helping America will be able to assist you any time during work hours.

Now, can you please pull out a pen and paper? I am about to give you 2 very important phone numbers you will need for your entire time in the program. Please let me know when you're ready.

The first number connects you straight to Helping America Group; it's 888-983- 6850.

PLEASE REPEAT THAT BACK TO ME SO I CAN ENSURE I GAVE IT TO YOUR CORRECTLY.

Ok. The second number is in case a creditor calls you. Please give them this creditor hotline number and we will take it from there. The number is 954-692- 1354.

PLEASE REPEAT THAT BACK TO ME SO I CAN ENSURE I GAVE IT TO YOUR CORRECTLY.

Congratulations and Welcome Aboard!

Verification Call Script

Hello Mr./Mrs./Ms._____ My name is_____ the compliance manager. Please note that this call may be monitored or recorded for quality assurances purposes.

Congratulations on taking your first step towards getting out of debt! I just want to spend a few minutes going over the process and making sure you have a clear understanding of what to expect

We will be going over the following items:

- 1. Benefits**
- 2. Demographics and Creditors**
- 3. Compliance**
- 4. Client Responsibilities**

I want to make sure you have a clear understanding of the benefits you will be receiving as a result of your consistent monthly payments. Five (5) Individualized Services **WILL** begin working on your behalf. These five (5) services are completely separate but all working with the common goal of resolving your debt and rebuilding your credit. I will address each service and offer a brief description:

- 1.) **Credit Reporting:** We will begin reporting your payment history as well as the Total AMOUNT FINANCED monthly to the Credit Bureaus. Your consistent payments will be crucial.
- 2.) **Validation Process:** Starts by investigating, disputing and ultimately preparing to get your debts dismissed or deemed legally uncollectible.
- 3.) **Legal Club:** is utilized IF and WHEN a legal situation arises from the creditors that are enrolled. We will have an attorney that will defend your rights.
- 4.) **Credit Corrections:** works for you and the Credit Bureaus to contest any inaccurate or derogatory items so they can be removed.
- 5.) **Financing:** Allows ALL of these services combined efforts to achieve your goal of financial freedom in one low monthly payment.

RECAP: These Services will be performed by Instahelp America working on your behalf with the goal of resolving your enrolled debt(s), rebuilding your credit, and protect your rights in the process.

This process will be ongoing for the full term of your financing, however the average **IS** between 36-72 months depending on many variables such as, number of account(s) enrolled and the existing creditor history.

Do you understand? Do you have any questions?

**Confirm Demographics (name, date of birth, address), Creditors & Accounts on the Agreement
(Ex: Sears, Chase, Medical Bills)**

OK Great! Next let's address our Compliance Statements:

1. First, I want to make sure you are aware that InstaHelp America or any of the approved vendors will not be paying your creditor(s) directly or on a monthly basis. Do you understand?
2. I want to make sure you have a clear understanding of how your credit will be affected during this program. By entering this program any account(s) **WILL** go into a **delinquent status** and it **WILL** lower your credit score. Do you understand?

3. Are you a proud member of any of our armed services or have any special government clearance? **(IF YES)** Do you understand we cannot prevent any disciplinary action against you by your Commanding Officer and it is your responsibility to check with your C.O.?
4. Do you know if any of the debt(s) enrolled are secured with any type of property/collateral?
 - i. **(IF YES)** Do you understand that you run a risk of the property being repossessed without notice?
5. To legally protect you, I must make sure there is no pending legal action on any of the account(s) enrolled in your program?
 - i. **(IF YES)** The warranty will be void on the account(s) that are in legal status. In addition, you MAY incur additional fees for attorney representation. All legal documents will go through the underwriting process and you will be contacted with an update.
6. I need to make sure that none of the account(s) enrolled in this program are associated with the same bank that your monthly payment will be debited from?
 - i. **(IF YES)** Do you understand you must close that account and switch to another bank within thirty (30) days.

7. **IF CREDIT SCORE IS ABOVE 600 – YOU MUST STATE THE BELOW:**

(IF YES) I see here you have _____ number of account(s) that are current. I need remind you that **ANY** of your **CREDITORS** have the option to extend or deny any credit at any point and time and you **WILL** face **NEUTRAL OR DEROGATORY** reporting. Do you understand?

We are almost done with the verification process, now I need you to write down your responsibilities for the success of the dismissal of your account(s):

The following three (3) areas is where you **WILL** assist us in collecting the information needed in your defense and progress.

- 1) **Call Logs:** If the creditor violates your rights and harasses you, we want to make sure they pay for the damages. We need your help to track them. We provide you with the call logs in your welcome packet that you will be receiving. At the top of the call log it will tell you exactly what to say to the creditor, you just read it and take down their information and we take care of the rest.
- 2) **Credit Hits:** If you receive any credit hit on any of the account(s) in the program we need to know about it. These items should be showing up as 'under dispute' while being disputed which has a neutral impact on your credit. You will receive letters in the mail from the credit bureaus themselves. It's important for you to know that you might receive letters from the credit bureaus stating that they might not take the items off initially and some might come off right away. It's a process and we are going to see it through until the end.
- 3) **Collection Letters:** We need **ANY** and **ALL** correspondence you receive from any of your creditors involved in the program. Please send this in once a month. If you receive a summons from a creditor we are going to need that right away. It's usually hand delivered. It's very important that

we get that right away! We provide an attorney in the legal club that will immediately jump on the case for you and fight the creditor in court to get rid of the debt.

So to recap we need you to keep accurate call logs, look out for credit hits and letters of collections. We need any and all correspondence you receive from any of your creditors involved in the program. Please send this in once a month.

You are able to send these to us by mail, email or fax. How would you like to send that in to us? Mail? Email? Or fax?

[Provide the client with the information requested]

MAIL: Instahelping America – 1410 SW 3rd St, Pompano Beach FL 33069

FAX: (954) 734-9395

EMAIL: info@clientsupportteam.com

DO YOU HAVE ANY QUESTIONS FOR ME AT THIS TIME?

Please recap what you will need to provide Client Services if you are receiving collection calls and/or receiving collection letters.

SETTING CLIENT'S EXPECTATIONS:

You should expect to receive a phone call from Client Services at **Instahelp America** within thirty (30) days with an account update and informing you that the process has begun. Customer Service at **Instahelp America** will be your main point of contact. They will be able to assist you any time during work hours Monday through Friday 9AM - 6PM EST. You may receive calls from different phone numbers with **Instahelp America**, but always ensure you return the voicemail message or call their Toll Free Number (888) 860-6676. It's very important that you take this number down because it will be your main contact with us during the process. Documents can be emailed to info@clientsupportteam.com. If you prefer to fax, the fax number is (954) 734-9395, but please include your full name and return phone number in the fax so we can properly identify you.

I must stress the importance of making your payment on-time. In the event you are faced with any issues regarding timely payment, call and provide **Instahelp America AT LEAST 5 BUSINESS DAYS** before your payment is due so we can review your request. In the event you request a payment modification; you may incur a fee, and the 100% warranty may be voided.

As we start setting up your account today for underwriting. Please watch for an email that will also provide your login information so you can access your client portal! It is our best program feature and you are able to review and upload document(s) as necessary. It will provide pending Action Tasks and any notifications that may need additional information.

NOW THAT WE ARE FINISHED WITH THE VERIFICATION PROCESS, TO ENSURE YOU HAVE A CLEAR UNDERSTANDING OF THE PROGRAM, CAN YOU PROVIDE ME A BRIEF EXPLANATION OF YOUR UNDERSTANDING OF HOW THE PROGRAM IS GOING TO WORK FOR YOU?

ONE LAST QUESTION: HOW WOULD YOU RATE YOUR OVERALL EXPERIENCE WITH THE ENROLLMENT PROCESS OF INSTAHELP AMERICA?

Again congratulations on taking the first step towards getting out of debt. Welcome Aboard!

EXHIBIT “B”

Robert Beech
21764 Quincy St Ne
East Bethel Minnesota, 55011

RE: Declaration of Robert Beech

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of May 2, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Discover Bank	Account 4 Ending Number: 8726	Status: Active Litigation
--------------------------------	----------------------------------	------------------------------

Guardian Legal has been able to assist me on my Discover Bank account. While in the debt validation process, Discover Bank filed suit against me and GLC was able to appoint an attorney to rerepresent me. The end result was a summary judgment and right now are in the attempt to finalize the account with a positive financial resolution for me. I am going through a difficult financial hardship, they have helped all along through this process. GLC has been able to help me with correcting any negative accounts I had reporting negatively with LHDR.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Robert Beech
9bfa2959-120b-4dad-82cb-c3285b94cc98
Signature

Robert Beech
Print Full Name

County of Anoka , State of Minnesota

04/14/2017
Date

Daniel Bishman
14135 Uplander St. Nw
Andover Minnesota, 55304

RE: Declaration of Daniel Bishman

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of August 8, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
World Foremost Bank/CACH	7322	Successfully Dispute
Wells Fargo Bank	0001	Successfully Dispute
Capital One Bank	3463	Completed

Previously with LHDR I had obtained a judgment for my Capital One Bank account. With my SSI financial hardship, with GLC I was able to finalize a payment plan affordable to me and was able to complete the judgment as satisfied. Including, GLC helping report it correctly on my credit report. My other two accounts that were not completed by LHDR, GLC was able to successfully dispute them and they are no longer enforcing their collection efforts. The World Foremost Bank/CACH is no longer reporting on my credit report. Through GLC's efforts and services I have been able to achieve a FICO credit score of 670. We are still working on the my Wells Fargo Bank account; even though no longer enforcing the debt, GLC is disputing to make sure it does not affect me negatively.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Daniel Bishman
e4ac5bb5-0bc4-451b-891e-23a4b71e4e14
Signature

Daniel Bishman
Print Full Name

County of Anoka , State of Minnesota

04/19/2017
Date

Eric Boie
12500 Marion Lane West Apt 4314
Hopkins Minnesota, 55305

RE: Declaration of Eric Boie

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of August 19, 2015. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
CHASE CARD	5957	Active Litigation
Midlands Funding LLC	0354	Successfully Validated

I've been with Guardian Legal for nearly two (2) years. They were able to successfully
dispute and unenforce the collection efforts for my Midland Funding, LLC account.
Including, the account taken off successfully from my credit reports (3 major credit
bureaus). I was sued by Chase Bank USA and have successfully worked with Guardian
Legal to come to a resolution on the account. They have made sure the judgement does
not appear on my credit report and hurt me negatively. My current FICO credit score is
648. I am looking forward to the continuation of disputing the derogatories from the

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Eric Boie
1054a6a5-dcfc-49e7-906a-f2ad886cd601
Signature

Eric Boie
Print Full Name

County of Hennepin , State of Minnesota

04/19/2017
Date

Suely Bredeck
10994 N Ridge Lane
Avon Minnesota, 56310

RE: Declaration of Suely Bredeck

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of June 18, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
JH Portfolio Debt Equities, LLC	8454	Successfully Dispute
MACYSDSNB	12-0	Successfully Dispute

I agreed to sign up for GLC's debt validation services due to my two accounts left not being resolved by Legal Helpers. During GLC's program, Bank of America account ending 8454 and my Macy's account ending 2824 have been disputed accordingly and no longer enforcing debt collections. My Macy's account has been fully removed from my Equifax credit report, the other reporting are in the process of making sure they are removed. I have not had any legal accounts with the two accounts. I've been able to apply for other type of credit cards and loans because together I've achieve my current credit score of 671.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Suely Bredeck
28c842e9-2bb6-468c-9866-490d0fc2b144
Signature

Suely Bredeck
Print Full Name

County of Stearns , State of Minnesota

04/23/2017
Date

Baramee Chindavong
14510 Gleason Lake Drive
Minesotta Minnesota, 55447

RE: Declaration of Baramee Chindavong

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of June 12, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Midland Funding, LLC	Account 4 Ending Number: 9945	Status: Successfully Dispute
---------------------------------------	----------------------------------	---------------------------------

Thanks to GLC's debt validation program I've been legally protected through out the length of the program, and we were able to successfully unenforced the debt. The account is no longer being collected and has been removed from my credit report, achieving my FICO credit score of 670. I have an account which I may be able to add to the program to continue with the validation services.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Baramee Chindavong

2ce199ac-e6ac-4216-9ced-1e206cfe1955

Signature

Baramee Chindavong

Print Full Name

County of Hennepin , State of Minnesota

04/21/2017

Date

Denise Cosgrove
15129 Monroe Street Ne
Ham Lake Minnesota, 55304

RE: Declaration of Denise Cosgrove

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 3, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: American Express	Account 4 Ending Number: 2000	Status: Successfully Dispute
-----------------------------------	----------------------------------	---------------------------------

My husband and I have been with Guardian Legal after LHDR left my American Express unsettled. Through their debt validation process, they were able to successfully dispute the American Express. The account is no longer enforcing collection on the account because they were unable to prove the account. In addition, GLC made sure it was removed from our credit report. My FICO credit score is 719 and my husband's FICO credit score is 698. I am working with them to ensure any derogatory accounts left by LHDR are disputed accordingly with the lender and the credit bureaus. We are pleased that we have been able to achieve our financial freedom, and the credit scores we had hope for.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Denise Cosgrove
235c4db6-9d69-4cc7-90f0-728cb102b56f
Signature

Denise Cosgrove
Print Full Name

County of Anoka , State of Minnesota

04/19/2017
Date

Scott Halverson
202 Sw 4th Street
Truman Minnesota, 56088

RE: Declaration of Scott Halverson

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 2, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
Capital One Bank	9247	Successfully Dispute

Legal Helpers Debt Resolutions was able to settle many of my debts but never have been updated on my credit reports. GLC took over my last account being Capital One Bank, without having to settle the have been successful that Capital One Bank is no longer enforcing the collection of the debt. During the process all debt collector communication cease, including no legal proceedings filed against me. We are in the final stages of the program to clean up everything negatively affecting me on my credit. My FICO credit score has increased from the period I started this process and achieved 668.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Scott Halverson
819ad505-19bb-4d8b-b763-19cde4587814
Signature

Scott Halverson
Print Full Name

County of Martin , State of Minnesota

04/23/2017
Date

Nathan Hawes
3430 List Place 701
Minneapolis Minnesota, 55416

RE: Declaration of Nathan Hawes

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 8, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
Department Stores National Ban	3135	Satisfied
PNC	3135	Successfully Dispute
MACYS/Citibank, N.A.	3135	Satisfied

Coming into an agreement with Guardian Legal; I came in with two judgments I received while LHDR was handling my accounts. I signed up with a total of 3 accounts. During the time I have been with Guardian Legal, I was able to satisfy my two judgment accounts; Citibank N.A. and Macy's. My PNC bank has not been able to validate the account and the account has become unenforceable. Guardian Legal has legally protected me on my PNC Bank. We are working together to ensure we get my FICO score credit of 637 higher by disputing the accounts left derogatory from LHDR.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Nathan Hawes
9128103-b115-4160-a6ae-f3e3c67171ff
Signature

Nathan Hawes
Print Full Name

County of Hennepin , State of Minnesota

04/21/2017
Date

Karleen Henderson
295 Cari Park Lane
Hastings Minnesota, 55033

RE: Declaration of Karleen Henderson

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 8, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
Capital One Bank	6945	Successfully Dispute
True Neighbor (VISA)	SSN	Successfully Dispute
CBCS National	SSN	Successfully Dispute

I was with a debt settlement company prior to Guardian Legal; LHDR. They were unable to complete the debt settlement process with the above accounts. GLC has been able to unenforce the debt(s) and ALL have been completely removed from my credit reports. We are in the process of any derogatories left from LHDR are disputed, in the hope that they get removed. With their help I currently have a FICO credit score of 685. They have been helpful through out the couple of years I've been with them including being legally protected.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Karleen Henderson
51889507-099d-4a0a-bf0f-9941c4131350

Signature

Karleen Henderson

Print Full Name

County of Dakota , State of Minnesota

04/14/2017

Date

Brenda Koshiol
660 Dardanelle Lane
Shakopee Minnesota, 55379

RE: Declaration of Brenda Koshiol

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of June 5, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
JC Penny	2-41	Successfully Dispute

My JC Penney account has been disputed and is now unenforceable. Including being removed from ALL of my credit reports. This has help me achieve my FICO credit score of 760. GLC has performed the duties under my debt validation agreement. We are still in the process of disputing the derogatory accounts LHDR left on my credit report.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Brenda Koshiol
1e3424e1-2f39-4719-95e3-5cbh3d65285e
Signature

Brenda Koshiol
Print Full Name

County of Scott , State of Minnesota

04/14/2017
Date

Patty Morris
1900 Stevens Avenue
Minneapolis Minnesota, 55403

RE: Declaration of Patty Morris

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 21, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
Advanta	4553	Successfully Dispute

My Advanta Bank business account has been able to stop all their collection efforts against me and my business. Including ceasing all communication efforts from all the collection agencies attempting to collect on the debt. GLC has provided the services they promised of debt validation and we are currently in the process of cleaning up the derogatory accounts Legal Helpers settled and are affecting me. I have been able to achieve my FICO credit score of 711. I was able to apply for a mortgage and get qualified in 2016 and 2017, including apply for additional credit.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Patty Morris
59124e1fe22a-4b2c-a388-2de71c10962d
Signature

Patty Morris
Print Full Name

County of Hennepin , State of Minnesota

04/21/2017
Date

Kimberly Nelson
9738 210 Street
Milaca Minnesota, 56353

RE: Declaration of Kimberly Nelson

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of June 26, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Sears/CBNA	Account 4 Ending Number: 0059	Status: Successfully Dispute
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During the last three years, I've been working with Guardian Legal to successfully
dispute my Sears account. LHDR was unable to complete this account, and GLC has
been able to dispute the debt and stop collection efforts. They are now working with the
credit bureaus to have the account disputed with the credit bureaus. Furthermore, any
older account(s) taken care by LHDR that are still reporting on my credit as negative. To
date, GLC has been helping me build my FICO credit score to 644. I look further to the
resolution of the dispute process with the credit bureaus.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Kimberly Nelson
fede3912-782d-427b-8fe1-e0d045324ac9e
Signature

Kimberly Nelson
Print Full Name

County of Mille Lacs , State of Minnesota

04/14/2017
Date

Micheal Olander
21681 460th St
Staples Minnesota, 56479

RE: Declaration of Micheal Olander

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of June 2, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Midland Funding, LLC	Account 4 Ending Number: 2748	Status: Successfully Dispute
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I have been able to achieve my desired outcome of FICO credit score of 674 with Guardian Legal's help. GLC was able to successfully dispute my Midland Funding account. The debt is no longer being reported on my credit report and they have ceased collection efforts due to unable to validate the balance of \$24K plus. GLC has done as accorded with their agreement and we are still working together to clean up the derogatory accounts left by LHDR.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Micheal Olander
1935bbc2-0620-46ca-acd7-5566592c3bca
Signature

Micheal Olander
Print Full Name

County of Todd , State of Minnesota

04/18/2017
Date

Joel Phillips
6876 Maple Beach Ct Ne
Bemidji Minnesota, 56601

RE: Declaration of Joel Phillips

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 21, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
GECRB- JC Penny	6008	Successfully Dispute
Sears-CBNA	5121	Successfully Dispute

Guardian Legal Center was able to dispute my account above with results that the
creditor is not longer collecting on the accounts and they have both been removed from
my credit report. After successfully removing the accounts, with their help, I have built
my FICO credit score to a 697. I have additional accounts reporting negatively, which
GLC will help me dispute these negative debts. In addition, they will be helping me
dispute old debts settled by LHDR that are still affecting my credit. I am looking forward
to working together towards this further resolution.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Joel Phillips
d1ca32ee-5ff1-46f2-88b0-657d44ff5f9b
Signature

Joel Phillips
Print Full Name

County of Beltrami , State of Minnesota

04/14/2017
Date

Ruth Schafer
4790 Centerville Road Apt. 320
Saint Paul Minnesota, 55127

RE: Declaration of Ruth Schafer

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of April 1, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Blatt, Hasenmiller, Leibske & N	Account 4 Ending Number: 3637	Status: Successfully Dispute
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I signed up with GLC to take care of the only account Legal Helpers was not able to resolve for me. During the stages of the validation of my sole account, the account is no longer enforceable and at no point in time did Bank of America sued me for the debt even though it went through law firms and debt collectors to attempt to collect. Collector calls ceased and I was not bothered. We are working on getting everything cleaned up from LHDR program. I have been able to achieve my FICO credit score of 680.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Ruth Schafer
b641353-e1f8-4d50-b529-0a94e01b9bd0
Signature

Ruth Schafer
Print Full Name

County of Ramsey , State of Minnesota

04/21/2017
Date

Anne Stoesz
1705 Whitetail Run
Buffalo Minnesota, 55313

RE: Declaration of Anne Stoesz

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of May 12, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name: Portfolio Recovery Associates	Account 4 Ending Number: 4530	Status: Successfully Dispute
--	----------------------------------	---------------------------------

GLC has been able to successfully dispute my Capital One Bank ending 4530. During LHDR, my Capital One Bank account was sold to Portfolio Recovery Associates. GLC has been successful at their validation services, as Portfolio Recovery Associates is no longer pursuing collection. Including but not limited, the account has been removed from two major credit bureaus. GLC is also helping me clean up the derogatory accounts that LHDR left negatively affecting me.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Anne Stoesz
b702a335-bb25-490b-ac80-dc1b3c3906af
Signature

Anne Stoesz
Print Full Name

County of Wright , State of Minnesota

04/18/2017
Date

Kathleen White
7818 Pioneer Rd
Wyoming Minnesota, 55092

RE: Declaration of Kathleen White

I have been a client of ACTIVE DEBT SOLUTIONS ("ADS") DBA GUARDIAN
LEGAL CENTER as of October 15, 2014. ADS has fulfilled their obligation under
the Agreement by providing validation services performed on the below account(s)
which been resolved:

Account Name:	Account 4 Ending Number:	Status:
First National Bank	3078	Successfully Dispute

LHDR was not able to finalize all my accounts while in their program. GLC took on my case voluntary of my signing a new agreement. I believe that they have fulfilled their part of their debt validation agreement by making sure my First National Bank of Omaha (Millennium Financial) account not being able to enforce debt collection. Furthermore, I am looking forward for GLC to continue their dispute process with the credit bureaus to clean up the accounts negatively affecting me from LHDR.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Kathleen White

Signature

Kathleen White

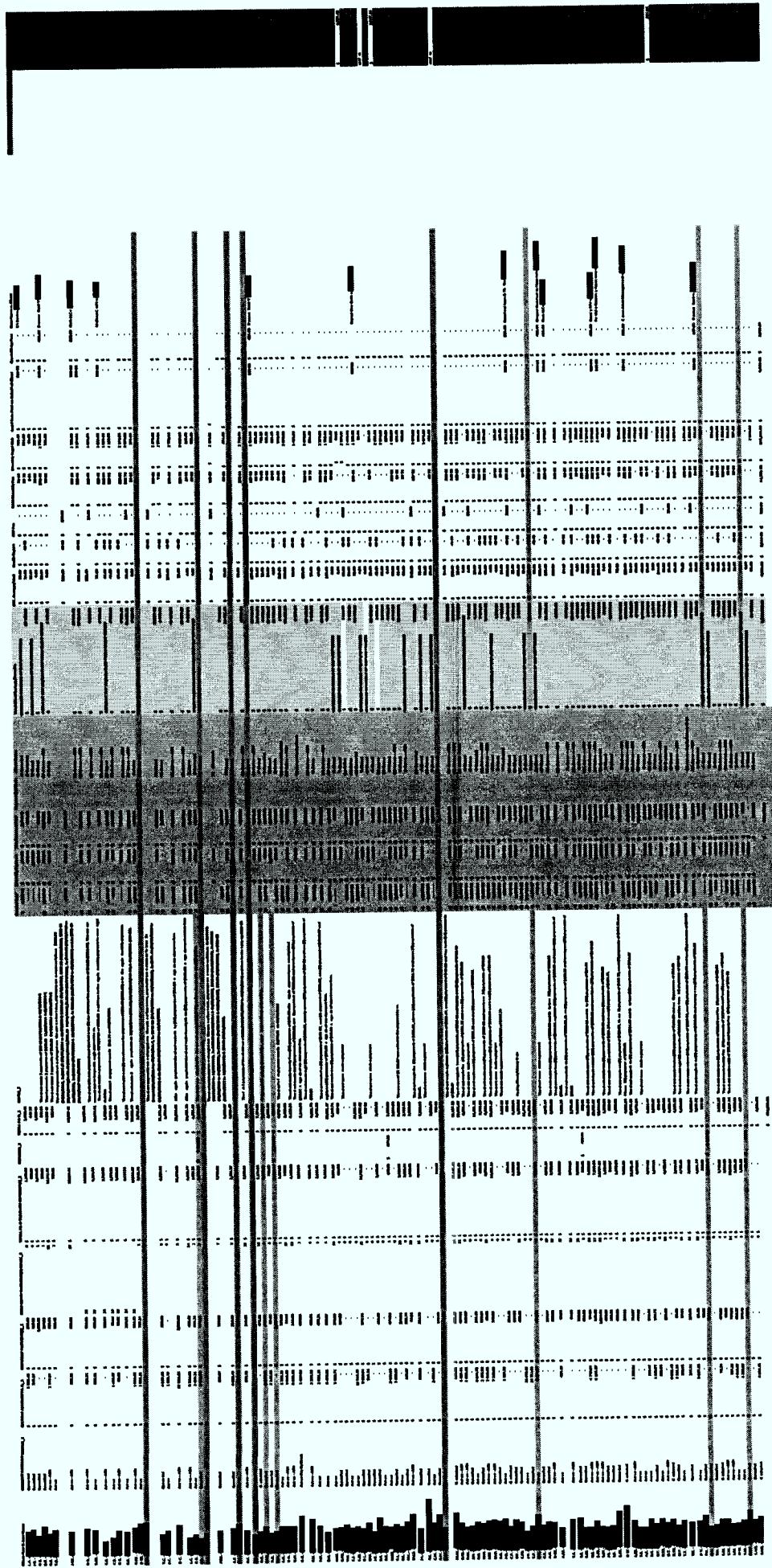
Print Full Name

County of Chisago , State of Minnesota

04/21/2017

Date

EXHIBIT “C”



ADS/GLC ---Exhibit A (DRAFT)

Minnesota Consumer	Total over all reimbursement
L.A.	\$ 4 122.05
J.B.	\$ 5 453.70
H.B.	\$ 1 108.95
B.B.	\$ 926.85
R.B.	\$ 14 442.65
T.B.	\$ 958.64
J.B2.	\$ 15 877.10
D.B.	\$ 14 633.56
R.B2.	\$ 10 950.56
E.B.	\$ 2 609.45
C.B.	\$ 4 817.47
N.B.	\$ 2 459.59
S.B.	\$ 9 427.44
R.B3.	\$ 20 339.36
D.B2.	\$ 5 228.51
P.C.	\$ 1 584.00
T.C.	\$ 11 324.78
S.C.	\$ 4 234.80
D.C.	\$ 87 037.16
I.C.	\$ 25 504.95
G.D.	\$ 4 904.39
J.D.	\$ 3 493.86
D.D.	\$ 2 321.55
I.D2.	\$ 8 205.67
A.E.	\$ 9 790.22
C.F.	\$ 1 111.35
R.F.	\$ 9 897.12
L.F.	\$ 2 591.45
R.G.	\$ 9 685.46
M.G.	\$ 8 755.26
P.G.	\$ 3 807.10
R.H.	\$ 2 337.84
S.H.	\$ 7 005.73
D.H.	\$ 5 446.50
N.H.	\$ 10 694.78
G.H.	\$ 12 772.00
K.H.	\$ 19 170.30
P.H.	\$ 7 028.11
B.H.	\$ 22 045.14
K.H2.	\$ 9 389.81
B.H2.	\$ 835.80
V.H.	\$ 4 053.00
K.J.	\$ 4 228.40
K.J2.	\$ 14 040.35
D.J.	\$ 15 380.32
M.K.	\$ 1 102.36
J.K.	\$ 1 000.00
S.K.	\$ 2 835.80
B.K.	\$ 3 987.64
M.K2.	\$ 5 412.00
R.L.	\$ 3 713.98
B.L.	\$ 8 504.87
M.L.	\$ 4 717.28
M.L2.	\$ 1 044.75
J.L.	\$ 11 102.12
R.L.	\$ 4 303.85
C.M.	\$ 4 165.00
S.M.	\$ 3 577.41
J.M.	\$ 1 000.00
M.M.	\$ 27 918.26
B.M.	\$ 18 815.40
P.M.	\$ 14 931.28
J.N.	\$ 2 033.04
K.N.	\$ 16 703.62
M.N.	\$ 3 429.20
J.N2.	\$ 9 322.43
M.O.	\$ 24 895.87
S.O.	\$ 1 891.17
J.O.	\$ 4 624.12
C.P.	\$ 2 913.00
K.P.	\$ 11 141.99
K.P2.	\$ 7 691.79
J.P.	\$ 14 052.12
T.P.	\$ 16 467.78
D.R.	\$ 10 259.53
K.R.	\$ 2 415.48
A.R.	\$ 6 754.34
D.R2.	\$ 5 614.80
A.R2.	\$ 3 629.41
T.S.	\$ 6 832.48
S.S.	\$ 8 598.39
S.S2.	\$ 2 968.98
R.S.	\$ 10 684.35
S.S3.	\$ 20 159.90
S.S4.	\$ 43 712.66
J.S.	\$ 10 523.75
L.S.	\$ 858.58
S.S5.	\$ 2 608.09
D.SK.	\$ 14 438.97
L.S2.	\$ 23 742.23
F.S.	\$ 8 026.93
A.S.	\$ 15 369.73
B.S.	\$ 3 440.22
B.T.	\$ 4 119.57
B.T2.	\$ 851.05
D.T.	\$ 6 214.80
D.T2.	\$ 7 666.45
M.T.	\$ 9 222.15
T.T.	\$ 12 024.01
R.T.	\$ 7 708.39
D.V.	\$ 13 713.51
P.V.	\$ 1 131.80
A.V.	\$ 2 471.60
T.V.	\$ 4 467.20
S.W.	\$ 3 192.82
K.W.	\$ 5 179.00
L.W.	\$ 11 408.36
O.W.	\$ 8 303.89
Y.W.	\$ 4 731.22
M.W.	\$ 135.95
K.W2.	\$ 353.74
S.W2.	\$ 8 383.75

EXHIBIT “D”

Processing	Company	Account Status	Name	Name	Credit Account Status
Active Debt Solutions (ADS)	obtained the below client(s), many had judgment to be resolved. Every other account ADS took in to ensure a resolution (or the client.				ADS fought through the process of validation that the below account be deemed uncollectivable.

CHASE BANK		Successfully Disputed/Unenforceable	\$ 11,055.72
HFC		Successfully Disputed/Unenforceable	\$ 20,759.00
ADVANTA		Successfully Disputed/Unenforceable	\$ 1,80.44
NORTHLAND GROUP INC.		Successfully Disputed/Unenforceable	\$ 3,275.75
BP/CHASE		Successfully Disputed/Unenforceable	\$ 628.26
Guardian LG		Successfully Disputed/Unenforceable	\$ 11,795.64
POO SCORE: 638		Business Revenue Syste	\$ 100.00
Guardian LG		Business Revenue Syste	\$ 363.00
LVW FUNDING LLC		Business Revenue Syste	\$ 100.00
BUSINESS REVENUE SYSTE		Business Revenue Syste	\$ 100.00
BUSINESS REVENUE SYSTE		Portfolio Recovery Ass	\$ 293.00
PORTFOLIO RECOVERY ASS		MIDLAND FUNDING	\$ 582.00
MIDLAND FUNDING		Department Stores National Bank	Successfully Disputed/Unenforceable
	PNC	Successfully Disputed/Unenforceable	\$ 4,881.07
	MACY'S/OrBank, N.A.	Successfully Disputed/Unenforceable	\$ 7,488.00
	Sears	Successfully Disputed/Unenforceable	\$ 18,422.77
		Successfully Disputed/Unenforceable	\$ 2,687.00
POO SCORE: 635		Capital One Bank	Successfully Disputed/Unenforceable
Guardian LG		True Neighbor (USA)	\$ 4,509.61
POO SCORE: 635		CDCS National	Successfully Disputed/Unenforceable
Guardian LG		Capital One	\$ 1,773.27
POO SCORE: 637		GEOB8/ACP	Successfully Disputed/Unenforceable
Guardian LG		Sears/CBNA	Successfully Disputed/Unenforceable
POO SCORE: 636		HUNT & HENRICKS	Successfully Disputed/Unenforceable
Guardian LG		Asset Acceptance	Successfully Disputed/Unenforceable
POO SCORE: 635		Portfolio Recovery Associates	Successfully Disputed/Unenforceable
Guardian LG		Chase Bank/STATE	Successfully Disputed/Unenforceable
Guardian LG		Fredrick J. Hanna & Associates	Cancelled In Middle Of Dispute Process
Guardian LG		Portfolio Recovery Associates	Cancelled In Middle Of Dispute Process
Guardian LG		Macy's	Cancelled In Middle Of Dispute Process
POO SCORE: 633		Capital One Bank	Successfully Disputed/Unenforceable
Guardian LG		Capital One Bank	Successfully Disputed/Unenforceable
POO SCORE: 633		US Bank	Successfully Disputed/Unenforceable
Guardian LG		Bank of America	Successfully Disputed/Unenforceable
Guardian LG		Capital One Bank	Successfully Disputed/Unenforceable
POO SCORE: 633		HSBC	Cancelled In Middle Of Dispute Process
Guardian LG		Discover Bank	Cancelled In Middle Of Dispute Process
Guardian LG		US Bank	Cancelled In Middle Of Dispute Process
Guardian LG		Bank of America	Cancelled In Middle Of Dispute Process
Guardian LG		AMEX	Cancelled In Middle Of Dispute Process
Guardian LG		Chase	Successfully Disputed/Unenforceable
Guardian LG		Citibank	Successfully Disputed/Unenforceable
Guardian LG		Capital One	Successfully Disputed/Unenforceable
Guardian LG		Bank of America	Successfully Disputed/Unenforceable
Guardian LG		JC Penny	Successfully Disputed/Unenforceable
POO SCORE: 700		Rausch	Successfully Disputed/Unenforceable
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable
Guardian LG		WALMART	Successfully Disputed/Unenforceable
Guardian LG		Midland Funding	Successfully Disputed/Unenforceable
Guardian LG		WebBank	Successfully Disputed/Unenforceable
Guardian LG		Rausch	Successfully Disputed/Unenforceable
Guardian LG		Delta Outsource Group	Successfully Disputed/Unenforceable
Guardian LG		[REDACTED]	Cancelled In Middle Of Dispute Process
Guardian LG		[REDACTED]	Credit Connection Only

Guardian LG	Judith Lutzach	Macy's Bloomingdale's/DEPT STORES Citibank, N.A. Discover Bank World Financial Network Bank	Successfully Disputed/Unenforceable Successfully Disputed/Unenforceable Removed Successfully Disputed/Unenforceable	\$ 14,047.44 \$ 4,053.28 \$ 3,934.71 \$ 20,774.08 \$ 2,470.53
Guardian LG		[REDACTED]	Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process	\$ 2,571.10 \$ 1,531.10 \$ 1,531.10 \$ 2,529.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 3,145.00
Guardian LG		[REDACTED]	Cancelled In Middle of Dispute Process	\$ 3,155.00
Guardian LG		[REDACTED]	Cancelled In Middle of Dispute Process	\$ 3,155.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 29,262.23
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 3,119.94
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 5,660.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 16,160.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 5,965.00
FICO Score:	731	Chase Bank Capital One Bank	Cancelled In Middle of Dispute Process/Fully Refunded Cancelled In Middle of Dispute Process/Fully Refunded	\$ 11,231.00 \$ 4,851.00
Guardian LG	664	Sears/CBNA	Successfully Disputed/Unenforceable	\$ 7,650.00
FICO Score:	690	Wells Fargo Card Services Capital One	Successfully Disputed/Unenforceable Successfully Disputed/Unenforceable	\$ 6,134.78 \$ 7,774.00
Guardian LG	651	Midland Funding, LLC	Successfully Disputed/Unenforceable	\$ 24,635.32
FICO Score:	674	Bank of America Capital One Bank Discover	Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process	\$ 3,063.00 \$ 4,430.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 1,232.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 7,515.55
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 236.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 1,360.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 10,900.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 587.00
FICO Score:	677	Medical Payment Contract Bank Beneficial Loan Midland Funding Midland Funding Gurul Corp P.A. First Premier Bank THD/CBNA Medical Payment Messerli & Kramer P.A. Sportsman Edition Visa GE/CB# AC Penny Sears-CBNA	Successfully Disputed/Unenforceable Successfully Disputed/Unenforceable	\$ 921.00 \$ 2,100.00 \$ 438.00 \$ 748.00 \$ 319.00 \$ 6,115.00 \$ 5,751.00 \$ 251.00 \$ 3,275.00 \$ 10,775.75 \$ 5,164.77 \$ 6,761.77 \$ 19,350.08
Guardian LG		[REDACTED]	Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process	\$ 1,575.00 \$ 4,249.06 \$ 1,738.00
Guardian LG		[REDACTED]	Successfully Disputed/Unenforceable	\$ 5,509.00
FICO Score:	672	WFMNAT BANK Sams Club HSBC Bank	Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process Cancelled In Middle of Dispute Process	\$ 2,725.00 \$ 637.00 \$ 1,500.00
Guardian LG		[REDACTED]	IC Systems C U Recovery Groquet Community Hospital	\$ 1,575.00 \$ 4,249.06 \$ 1,738.00
Guardian LG		[REDACTED]	Chase Bank	\$ 5,509.00

			Successfully Disputed/Uncollectable	\$ 6,039.00
			Successfully Disputed/Uncollectable	\$ 6,499.48
			Active Litigation	\$ 6,962.00
			Successfully Disputed/Uncollectable	\$ 1,117.58
			Successfully Disputed/Uncollectable	\$ 1,071.24
			Successfully Disputed/Uncollectable	\$ 521.59
			Successfully Disputed/Uncollectable	\$ 1,957.37
			Successfully Disputed/Uncollectable	\$ 1,585.00
			Successfully Disputed/Uncollectable	\$ 1,032.14
			Successfully Disputed/Uncollectable	\$ 3,784.00
			Successfully Disputed/Uncollectable	\$ 3,043.00
			Successfully Disputed/Uncollectable	\$ 5,672.00
			Successfully Disputed/Uncollectable	\$ 8,487.20
			Successfully Disputed/Uncollectable	\$ 5,302.00
			Removed	\$ 12,530.36
			Successfully Disputed/Uncollectable	\$ 5,620.00
			Successfully Disputed/Uncollectable	\$ 14,589.42
			Active Litigation	\$ 11,552.00
			Successfully Disputed/Uncollectable	\$ 3,474.00
			Active Litigation	\$ 27,793.08
			Successfully Disputed/Uncollectable	\$ 13,105.39
			Active Litigation	\$ 25,663.00
			Active Litigation	\$ 10,714.28
			Active Litigation	\$ 16,293.38
			Successfully Disputed/Uncollectable	\$ 13,227.00
			Removed	\$ 1,355.39
			Successfully Disputed/Uncollectable	\$ 2,330.00
			Successfully Disputed/Uncollectable	\$ 672.00
			Successfully Disputed/Uncollectable	\$ 7,565.00
			Successfully Disputed/Uncollectable	\$ 3,569.00
			Successfully Disputed/Uncollectable	\$ 1,736.00
			Successfully Disputed/Uncollectable	\$ 14,196.58
			Successfully Disputed/Uncollectable	\$ 4,413.08
			Successfully Disputed/Uncollectable	\$ 5,226.89
			Successfully Disputed/Uncollectable	\$ 4,431.72
			Successfully Disputed/Uncollectable	\$ 2,899.99
			Active Litigation	\$ 9,316.51
			Successfully Disputed/Uncollectable	\$ 29,891.29
			Successfully Disputed/Uncollectable	\$ 14,742.19
			Successfully Disputed/Uncollectable	\$ 6,422.00
			Successfully Disputed/Uncollectable	\$ 1,897.10
			Successfully Disputed/Uncollectable	\$ 8,710.00
			Successfully Disputed/Uncollectable	\$ 6,834.00
			Successfully Disputed/Uncollectable	\$ 5,211.00
			Successfully Disputed/Uncollectable	\$ 1,825.34
			Successfully Disputed/Uncollectable	\$ 913.76
			Successfully Disputed/Uncollectable	\$ 1,070.00
			Successfully Disputed/Uncollectable	\$ 1,215.79
			Successfully Disputed/Uncollectable	\$ 6,267.00
			Successfully Disputed/Uncollectable	\$ 961.00
			Successfully Disputed/Uncollectable	\$ 865.00
			Successfully Disputed/Uncollectable	\$ 7,090.34
			Successfully Disputed/Uncollectable	\$ 6,574.00
			Successfully Disputed/Uncollectable	\$ 3,538.29

PRO. SCORE:			
Guardian LG	613	Bardys Bank	Successfully Disputed/Uncollectable
		American Express	Successfully Disputed/Uncollectable
		Chase Bank	Successfully Disputed/Uncollectable
Guardian LG		Tinged National Bank	Successfully Disputed/Uncollectable
Guardian LG		Discover Bank	Removed
Guardian LG		Macy's	Successfully Disputed/Uncollectable
Guardian LG		Woolworth Worldwide & Associates	Failed to Verify/Canceled/Fully Refunded
Guardian LG		Capital One Bank	Cancelled/In Middle of Dispute Process
Guardian LG		Chase Bank	Successfully Disputed/Uncollectable
Guardian LG		First National Bank	Successfully Disputed/Uncollectable
FICO SCORE:	679	Gurshel Change PA	Successfully Disputed/Uncollectable
Guardian LG		Frederick J. Hannah	Successfully Disputed/Uncollectable
Guardian LG		US Bank	Successfully Disputed/Uncollectable
Guardian LG		Best Buy/Capital One Bank	Successfully Disputed/Uncollectable
Guardian LG		Capital One Bank	Successfully Disputed/Uncollectable
		WPNB	Successfully Disputed/Uncollectable
Guardian LG		Discover Fin Svcs	Failed to Verify/Canceled/Fully Refunded
Guardian LG			Removed
Guardian LG			Cancelled/In Middle of Dispute Process
Guardian LG			Cancelled/In Middle of Dispute Process
Guardian LG			Successfully Disputed/Uncollectable