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7 **IN THE UNITED STATES BANKRUPTCY COURT**
8 **FOR THE DISTRICT OF DELAWARE**

9 In re:

10 PREHIRED, LLC, *et al*,

11 Debtors¹.

12 STATE OF WASHINGTON; STATE OF
13 OREGON; CALIFORNIA
14 DEPARTMENT OF FINANCIAL
15 PROTECTION AND INNOVATION;
16 STATE OF DELAWARE;
17 STATE OF MINNESOTA; STATE OF
18 ILLINOIS; STATE OF SOUTH
19 CAROLINA; STATE OF NORTH
20 CAROLINA ex rel. Attorney General
21 Joshua H. Stein.; COMMONWEALTH
22 OF MASSACHUSETTS;
23 COMMONWEALTH OF VIRGINIA;
24 STATE OF WISCONSIN; and
25 CONSUMER FINANCIAL
26 PROTECTION BUREAU,

Plaintiffs,

v.

PREHIRED, LLC, a Delaware limited
liability company;
PREHIRED RECRUITING, LLC, a
Delaware limited liability company; and

Chapter 7

Case No. 22-11007 (JTD)

(Jointly Administered)

Adv. No.

**ADVERSARY PROCEEDING
COMPLAINT**

¹ The Debtors in the above-captioned chapter 7 cases, along with the last four digits of each Debtors' federal tax identification number and each Debtors' former business address, are Prehired Recruiting, LLC (4322), 8 The Green, Suite B, Dover, DE 19901; Prehired Accelerator, LLC (7910), 7910 4th St. N, St. Petersburg, FL, 33702; and Prehired, LLC (0436), 8 The Green, Suite B, Dover, DE 19901.

1 PREHIRED ACCELERATOR, LLC, a
2 Florida limited liability company,
3
4 Defendants.

5 Plaintiffs State of Washington, by Attorney General Robert W. Ferguson (Washington),
6 State of Oregon, the California Department of Financial Protection and Innovation (DFPI),
7 State of Delaware, State of Minnesota, State of Illinois, State of South Carolina, State of North
8 Carolina, Commonwealth of Massachusetts, Commonwealth of Virginia, State of Wisconsin,
9 and the Consumer Financial Protection Bureau (the Bureau) bring this action against Prehired,
10 LLC (Prehired), Prehired Recruiting, LLC (Prehired Recruiting), and Prehired Accelerator, LLC
11 (Prehired Accelerator) and allege as follows:

12 **INTRODUCTION**

13 1. Prior to this Chapter 7 Bankruptcy proceeding, Defendant Prehired operated a
14 private, for-profit vocational training program which did business with consumers in an unfair
15 and deceptive manner.

16 2. Prehired advertised that its program would train consumers for a “6-figure”
17 career in software sales.

18 3. The price of Prehired’s program varied over time. In 2018, Prehired’s stated
19 price was approximately \$2,500. By 2019, Prehired’s stated cash price had increased to
20 \$15,000. The increase was not in connection or in proportion with any increase in the cost or
21 value of Prehired’s services to consumers.

22 4. Prehired encouraged consumers who could not afford this sum to finance its
23 training program via an “Income Share Agreement” (ISA), a type of student loan.

24 5. Depending on the year offered, Prehired’s ISAs required consumers to make
25 minimum payments equal to between 12.5% and 16% of their gross income for 4 to 8 years or
26 until they have paid a total of \$30,000, whichever came first. Thus, in 2019, consumers with an

1 ISA were required to pay up to double the \$15,000 cash price. Prehired failed to advise
2 consumers about the cost of these loans, and deceptively represented that the ISAs are not loans
3 and did not create debt. Prehired also represented that consumers would pay nothing until they
4 got a job and “partner[ed] with” Prehired in their career. However, Prehired required consumers
5 to pay even if they never obtained a job that Prehired purported to train them for, and, in many
6 cases, calculated minimum monthly payments based on projected rather than actual income.

7 6. Defendant Prehired transferred ownership of many of these financing
8 agreements to other entities, including Defendants Prehired Recruiting and Prehired Accelerator
9 (collectively, the Debt Collector Defendants). The Debt Collector Defendants demanded and
10 collected payments, pursued debt collection actions by filing in a distant and not appropriately
11 disclosed forum, and misled consumers into signing settlement agreements that had little benefit
12 for consumers.

13 **LEGAL AUTHORITY**

14 7. Plaintiffs bring this action under Section 1042 of the Consumer Financial
15 Protection Act of 2010 (CFPA), 12 U.S.C. § 5552(a), which authorizes Plaintiffs to enforce the
16 CFPA and to secure, and the Court to order, permanent injunctive relief, monetary relief, and
17 other relief for Defendant’s acts or practices that violate the CFPA.

18 8. Plaintiffs bring this action to enforce Section 1036(a)(1)(B) of the CFPA, 12
19 U.S.C. § 5536(a)(1)(B), which makes it unlawful for covered persons and service providers to
20 engage in unfair, deceptive, or abusive acts or practices in connection with any transaction with
21 a consumer for a consumer financial product or service, or the offering of a consumer financial
22 product or service, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

23 9. Plaintiffs also bring this action to enforce Section 1036(a)(1)(A) of the CFPA,
24 12 U.S.C. § 5536(a)(1)(A), which makes it unlawful for covered persons and service providers
25 to, among other things, commit any act or omission in violation of a Federal consumer financial
26 law, such as the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.* (TILA) and the Fair Debt

1 Collection Practices Act, 15 U.S.C. § 1692 *et seq.* (FDCPA). *See* 12 U.S.C. § 5481(14) (defining
2 “federal consumer financial law”); *id.* § 5481(12)(H), (O).

3 10. Defendants are “covered persons” within the meaning of the CFPA. 12 U.S.C. §
4 5481(6).

5 11. At all times relevant hereto, Defendants offered or provided consumer financial
6 products or services by (1) extending credit in the form of ISAs and other instruments to
7 consumers who could not afford to pay Prehired’s tuition, and/or (2) demanding and collecting
8 payments on such loans.

9 12. Plaintiffs file this enforcement action to prevent and remedy Defendants’ unfair
10 and deceptive business practices and vindicate the public interest.

11 13. The CFPA, which prohibits “unfair, deceptive, or abusive acts or practices,”
12 explicitly delegates to state attorneys general the authority to bring Federal civil enforcement
13 actions in order to enforce the Act and to secure remedies provided therein. 12 U.S.C.
14 § 5552(a)(1). This provision is subject to a requirement that an attorney general provide prior
15 notice to the Consumer Financial Protection Bureau (CFPB). Plaintiff State of Washington has
16 provided such notice.

17 **JURISDICTION AND VENUE**

18 14. This adversary proceeding relates to the Defendants’ respective Chapter 7
19 bankruptcy cases, jointly administered under Case No. 22-11007, pending in the United States
20 Bankruptcy Court for the District of Delaware.

21 15. This adversary proceeding is brought pursuant to Rule 7001 of the Federal Rules
22 of Civil Procedure.

23 16. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
24 1334. This adversary proceeding is a not a core proceeding but is otherwise related to a case
25 under title 11. 28 U.S.C. § 157(c).

26 17. Venue is proper in this district pursuant to 28 U.S.C. § 1409.

1 18. Plaintiffs consent to entry of a final order by the Court in connection with this
2 adversary proceeding to the extent that it is later determined that the Court, absent consent of
3 the parties, cannot enter final orders or judgments consistent with Article III of the United States
4 Constitution.

5 **PLAINTIFFS**

6 19. Plaintiff Washington is the State of Washington, through Attorney General
7 Robert W. Ferguson, with offices located at 800 Fifth Avenue, Suite 2000, Seattle, WA 98104.

8 20. Plaintiff Oregon, is the State of Oregon by and through Attorney General Ellen
9 Rosenblum.

10 21. Plaintiff DFPI is a California state agency and is the state's banking, securities,
11 and consumer financial protection regulator. Pursuant to 12 U.S.C. § 5552(a)(1), the DFPI is a
12 "state regulator" authorized to bring a civil action to enforce the CFPA against entities
13 authorized to do business in the state.

14 22. Plaintiff Delaware is the State of Delaware, by Attorney General Kathleen
15 Jennings.

16 23. Keith Ellison is the Attorney General of Minnesota and brings this action on
17 behalf of Minnesota and its residents to enforce Minnesota and federal law, vindicate sovereign
18 and quasi-sovereign interests, and remediate harm arising out of violations of those laws. He is
19 authorized to do so by the Minnesota Constitution, *parens patriae* powers, Minn. Stat. ch. 8,
20 and 12 U.S.C. § 5552.

21 24. Plaintiff Illinois is the People of the State of Illinois, through Kwame Raoul,
22 Illinois Attorney General.

23 25. The Plaintiff State of South Carolina brings this action by and through its
24 Attorney General, Alan Wilson, in its sovereign capacity in order to protect the interests of the
25 State of South Carolina and its citizens. The Attorney General brings this action pursuant to his
26 *parens patriae*, constitutional, statutory, and common law authority.

1 26. Plaintiff North Carolina is the State of North Carolina, through Attorney General
2 Joshua H. Stein, with offices located at 114 W. Edenton Street, Raleigh, NC 27603.

3 27. Plaintiff Massachusetts is the Commonwealth of Massachusetts by and through
4 Attorney General Andrea Joy Campbell.

5 28. Plaintiff Virginia is the Commonwealth of Virginia, through Attorney General
6 Jason S. Miyares, with offices located at 202 North Ninth Street, Richmond, Virginia, 23219.

7 29. Plaintiff Wisconsin is the State of Wisconsin, through Attorney General Joshua
8 L. Kaul and the Wisconsin Department of Justice, and has its principal offices at the State
9 Capitol in Madison, Wisconsin. The address of the Wisconsin Department of Justice is 17 West
10 Main Street, P.O. Box 7857, Madison, Wisconsin, 53707.

11 30. The Bureau is an independent agency of the United States charged with
12 regulating the offering and provision of consumer financial products and services under Federal
13 consumer financial laws. 12 U.S.C. § 5491(a). The Bureau has independent litigating authority
14 to enforce Federal consumer financial laws, including the CFPA and the FDCPA. 12 U.S.C. §§
15 5564(a)-(b); 5481(12), (14); 15 U.S.C. § 1692l(b)(6).

16
17 **DEFENDANTS**

18 31. Defendant Prehired is a Delaware limited liability company with its principal place
19 of business located at 8 The Green, Suite 10588 Dover, DE 19901. Prehired has transacted
20 business in this District and throughout the United States.

21 32. Prehired has offered or provided a "consumer financial product or service" as
22 defined in 12 U.S.C. §§ 5481(5), (15)(A)(i)&(x).

23 33. Defendant Prehired Recruiting is a Delaware limited liability company with its
24 principal place of business located at 4900 O'Hear Avenue, Suite 100, North Charleston, SC
25 29405.

Program
Process (Finding a Job)
Position
Payment

What 3 things does a software Sales Development Rep do every day?

The exact work is different for every company, but it involves 3 things:

1. Prospecting
2. Qualifying
3. Scheduling

Prospecting includes identifying ideal businesses (who fit your Ideal Customer Profile) and reaching out to them (usually via email or phone) to start a conversation.

Qualifying is asking questions to see if someone is a potential fit for your product.

Scheduling is setting meetings between the prospect and an Account Executive (AE) for a software demo.

39. Many SDR positions require little or no prior sales experience or training.

40. Prehired’s program (the “Program”) primarily consisted of its online course content and access to mentoring support, all with the goal to help enrolled consumers obtain a job in software sales, even if they have no prior experience.

41. As of May 2018, Prehired’s Program included (1) approximately 15 hours of video, recorded by Defendants’ founder and owner, and made available to students via the internet; (2) approximately 30 “scripts, templates and checklists;” (3) access to Prehired’s group on the social media platform LinkedIn; and (4) access to mentoring by its staff, including via phone, email, and online chat.

42. Prehired’s Program was a postsecondary education program, consisting of courses, training, instruction or study, offered to consumers on a fee basis, for the purpose of instructing, training, or preparing consumers for the profession of software sales representative.

1 43. Agreements between Prehired and its students describe Prehired’s program as
2 “higher education or training.”

3 44. Prehired solicited and encouraged consumers nationwide to enroll in its
4 Program.

5 **B. Prehired Enticed Most Students Into Predatory Student Loans in the Form of ISAs**

6 45. In its advertising, Prehired claimed its program fits consumer’s schedules, even
7 if they already have “a house full of kids, or other commitments.” Prehired specifically targeted
8 “underrepresented groups” and military veterans with its advertising.

9 46. The price of Prehired’s full program varied over time, from approximately
10 \$2,500 in 2018, to \$15,000 in 2019 and 2020.

11 47. In or about April 2020, Prehired increased its listed upfront cost to \$30,000.

12 48. On information and belief, Prehired’s tuition price increase was implemented
13 primarily to aid Prehired in its collection efforts and to avoid regulations and potential legal
14 liability. The increase was not in connection or in proportion with any increase in the value of
15 Prehired’s services to consumers.

16 49. Neither \$15,000 nor \$30,000 was commensurate to the actual value of the
17 services Prehired provided to consumers, which was considerably less than \$15,000.

18 50. As of 2020, Prehired’s cost for providing its program was not greater than \$8,000
19 for each consumer.

20 51. As of July 2019, Prehired encouraged consumers who could not afford to pay
21 cash to finance their training program via an ISA.

22 52. ISAs are a form of consumer credit under which borrowers repay the loan
23 obligation in regular installments over a period of time. Under a typical ISA, in exchange for
24 money up front, borrowers agree that once their income exceeds an income threshold, they will
25 make payments based on a percentage of their income until either: (i) they meet a payment cap
26 or (ii) a period of years elapses.

1 53. Depending on the year offered, Prehired’s ISAs required consumers to make
2 minimum payments equal to between 12.5% and 16% of their gross income for 4 to 8 years or
3 until they paid a total of \$30,000, whichever came first.

4 54. ISAs are often marketed as an alternative to conventional private student loans.

5 55. Prehired offered and provided ISAs to consumers to help pay for educational
6 expenses. As of at least November 2020, Prehired’s website indicated that its ISA required
7 consumers to pay 12.5% of their gross income for 48 months, up to a total of \$30,000.



10 Glance At The Numbers

11 **\$60,000**

12 We guarantee you land a \$60k+ job offer
13 within 1 year of finishing coursework
14 (\$40k base + expected commissions.)

11 **12.5%**

12 You pay 12.5% of your gross income for
13 48 months for your lifetime benefits

11 **\$30,000**

12 The ISA is capped. You'll never pay more
13 than \$30k, no matter how high your
14 income

15 **\$0**

16 If you stop working or make less than
17 \$3,333.33 in a month, your ISA pauses
18 with no interest

15 **8 Years**

16 Your ISA expires after 8 years, even if
17 you've paid nothing

15 **\$3,000 OFF**

16 Take \$3k off your \$30k ISA payment cap
17 for starting \$250 monthly payments when
18 you join (optional)

19 56. Prehired’s form agreements state that an ISA “is not a loan, and does not create
20 any debt;” that an ISA “is not credit or a loan;” and that an ISA “is different from a loan”

21 57. Prehired’s form ISA agreements did not contain all the key facts about credit
22 required under Regulation Z, 12 C.F.R. § 1026.18, including “[t]he amount financed, using that
23 term,” 12 C.F.R. § 1026.18(b); “[t]he finance charge, using that term,” 12 C.F.R. § 1026.18(d);
24 and “[t]he annual percentage rate, using that term,” 12 C.F.R. § 1026.18(e).

25 58. At all relevant times, Prehired originated its ISAs, and was a party to its ISAs.

26 59. Between January 1, 2018 and April 30, 2022, hundreds of consumers from
Washington, and across the United States, enrolled in Prehired’s Program by entering into

1 contracts with Prehired. Many of these consumers financed Prehired’s Program cost through
2 Prehired’s ISAs.

3 60. Prehired originated at least 1,038 ISAs.

4 61. On the face of the ISAs, Prehired is the entity to whom the student’s obligation
5 is payable.

6 62. Prehired is therefore a “creditor” under TILA and Regulation Z. 15 U.S.C. §
7 1602(g); 12 C.F.R. § 1026.2(a)(17)(i).

8 63. Prehired’s form contracts used in 2019 and early 2020 stated that its up-front
9 tuition price was \$15,000. In or about May 2020, Prehired increased its listed upfront price to
10 \$30,000.

11 64. After Prehired increased its listed upfront price to \$30,000, it continued to offer
12 the ISAs for purchase to investors for \$15,000 each. Therefore, the maximum up-front value of
13 Prehired’s ISAs is no more than \$15,000.

14 65. This difference between the cost of Prehired’s program if financed through an
15 ISA (up to \$30,000) rather than paid in cash (\$15,000)—is a finance charge.

16 66. Prehired’s ISAs are, in fact, loans that create debt, as they grant students the right
17 to purchase services and pay for those services later.

18 **C. Prehired Failed to Disclose Required Information**

19 67. Under TILA and Regulation Z, creditors must disclose certain key facts about
20 closed-end credit, including the “amount financed,” the “finance charge,” and the “annual
21 percentage rate,” using those terms. 15 U.S.C. § 1638(a)(2)-(4); 12 C.F.R. § 1026.18.

22 68. Prehired’s ISAs are closed-end credit because they grant consumers the right to
23 incur debt (to finance training) and defer its payment, and so are credit, and that credit is not
24 open ended.

1 69. Prehired has not provided the disclosures required by TILA and Regulation Z, in
2 connection with its ISAs, including the “amount financed,” the “finance charge,” and the “annual
3 percentage rate.”

4 **D. Defendants’ Marketing Practices**

5 70. Through various forms of advertising, Defendants misrepresented to consumers
6 that completion of Prehired’s Program would lead to employment with compensation of
7 \$60,000-\$80,000 in year one, and over \$100,000 after one year on the job.

8 71. Prehired began advertising its Program to the public by May 2018. At that time,
9 Prehired represented to consumers that they could “Go from zero to your \$100,000+ sales career
10 in 40 hours,” and that “96% get hired.”

11 72. Prehired’s pricing has varied over time. In May 2018, the cost of Prehired’s full
12 Program was \$2,497. At that time, Prehired also offered consumers the option to purchase only
13 Modules 1 through 5, consisting of approximately 7 hours of online videos, for \$697.

14 73. In 2020, Prehired offered its online videos alone for \$4,997 or in three payments
15 of \$1,997 each.

16 74. As of at least July 2019, Prehired began indicating to consumers, including
17 Washington consumers, that the cost of its full Program was \$15,000.

18 75. Despite the variable upfront listed price from \$2,497 to \$15,000, Prehired’s ISA
19 contracts required students to repay Prehired up to \$30,000. If a student obtained a \$60,000 per
20 year job, 48 payments at 12.5% would also equal \$30,000. The least amount a student would
21 pay was \$20,000, if they only obtained job at \$40,000 per year.

22 76. Prehired advertised that its ISAs had no interest, but Prehired’s repayment cap
23 included a return of anywhere from 1200% (from the cost of \$2,497 in 2018) to 100% (for the
24 \$15,000 listed cost in 2020).

25 77. Additionally, Prehired consistently made extravagant claims about the earning
26 potential for its members. In or about November 2018, Prehired’s website stated: “We will teach

1 you how to get a \$100,000+ sales career in six weeks,” and invited consumers to “Learn How
2 to Get A Job At Companies Like: Amazon, Google, Slack, Outreach, Zillow,” among others.

3 78. In or about May 2022, Prehired’s website contained the following prominent
4 statements: “Your 6-Figure Sales Career Starts Here,” “After 12 weeks, Prehired members
5 average \$69,000 in their first year with 6-figure potential after that,” and “Start with zero upfront
6 cost and a job guarantee.”

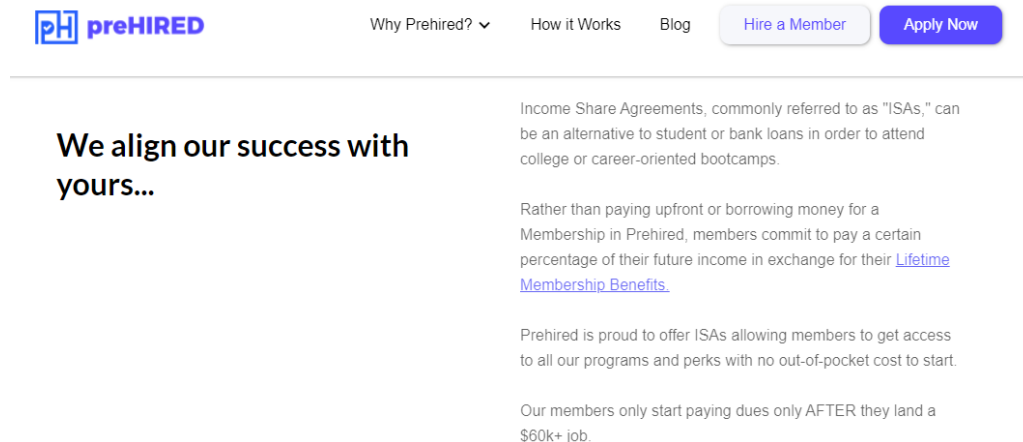
7 79. As of May 2022, Prehired’s website also stated that (a) more than 90% of
8 Prehired members are hired within 12 months; (b) the average first year income is \$69,000
9 “with a six-figure potential for this career path”; and (c) the minimum offer is \$60,000,
10 described as a \$40,000 plus base salary.



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17 80. In a video featured on Prehired’s website, Jordan stated that “people that we help
18 in our program average \$73,000 in their first year right out of our program.” He also stated that
19 it takes only 12 to 13 weeks for Prehired’s students to receive a signed offer for that amount,
20 even before they complete the program.

1 **E. Defendants’ Unfair and Deceptive Practices in Advertising and Originating ISAs**

2 81. As of at least November 2020, Prehired’s website stated: “Our members only
3 start paying dues only² AFTER they land a \$60k+ job.”



12 82. As of June 2021, Prehired’s website homepage stated: “After 12 weeks, Prehired
13 members average \$73,000 in their first year with 6-figure potential in their second year. Start
14 for \$0 down.”

15 83. In addition to its claims about earning potential, since at least 2020, Prehired
16 also offered consumers a job guarantee.

17 84. As of January 2022, Prehired’s website homepage stated: “After 12 weeks,
18 Prehired members average \$69,000 in their first year with 6-figure potential after that. Start
19 with zero upfront costs and a job guarantee.”

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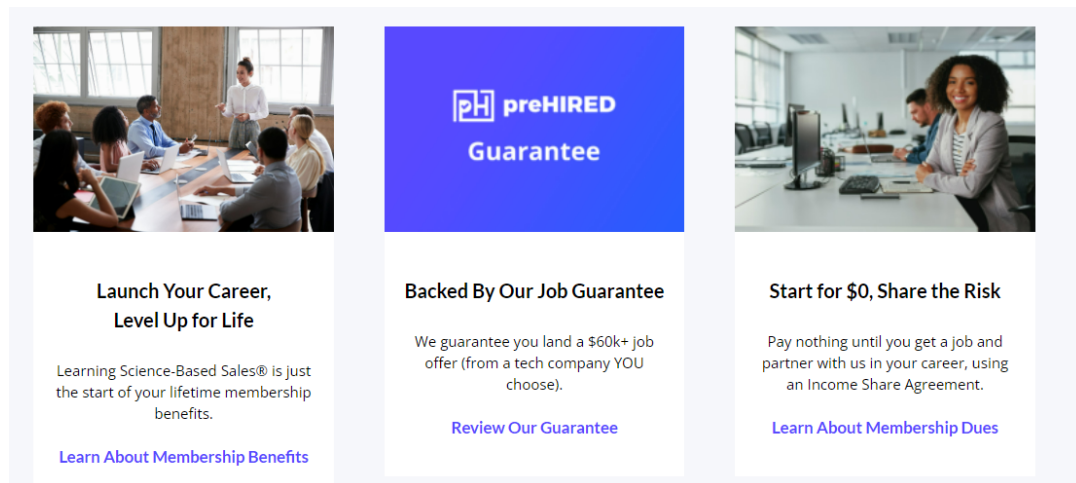
23

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26 ² *Sic.*

1 85. On the same homepage, Prehired stated: “Backed by Our Job Guarantee ... We
2 guarantee you land a \$60k job offer (from a tech company YOU choose) . . . Start For \$0, Share
3 the Risk ... Pay nothing until you get a job”



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10 86. Together, these representations created an impression that a consumer would not
11 need to make any payments toward Prehired’s Program unless and until they received a job
12 offer from a tech company with compensation of at least \$60,000 per year.

13
14 87. This representation was misleading.

15
16 88. The express terms of Prehired’s ISAs provided that payments are due when the
17 borrower’s income meets or exceeds the Minimum Threshold (“Floor”) of \$3,333.33 on a
18 monthly gross pre-tax basis (the equivalent of \$40,000 per year), and that monthly payments
19 are \$0 when the consumer’s monthly income is less than the Floor. This is \$20,000 less than
20 stated in the guarantee.

21 89. Moreover, terms of Prehired’s template agreement allowed Prehired to invoke
22 the payment obligation if the consumer makes as little as \$30,000 per year. It further provided
23 that “Members who do not complete the 12 month C[areer] S[earch] P[rocess] will have an
24 Income Floor of \$2,500/month (i.e. \$30,000/year).”

1 90. In some cases, Prehired unilaterally adjusted the ISA Floor on consumer
2 accounts in its ISA servicing system from \$40,000 to \$30,000 on the purported grounds that the
3 borrower failed to accept a bona fide offer before the completion of their CSP.

4 91. In addition, buried in the fine print in Prehired’s template agreement is a
5 provision that states Prehired students must also “**receive a bona fide offer,**” in addition to
6 completing “the 12-month CSP,” in order to have their Floor raised to \$40,000.

- 7 • **Income Floor: For Members who complete the 12 month Career Search Process (CSP) and receive a bona fide offer, you will only make monthly payments when your pre-tax earnings are *greater than* \$3,333/month (i.e. \$40,000/year). When you’re earning *less than* the Floor, your payments are automatically suspended. Members who do not complete the 12 month CSP will have an Income Floor of \$2,500/month (i.e. \$30,000/year).**

9 92. Prehired required its students to accept any “bona fide offer.”

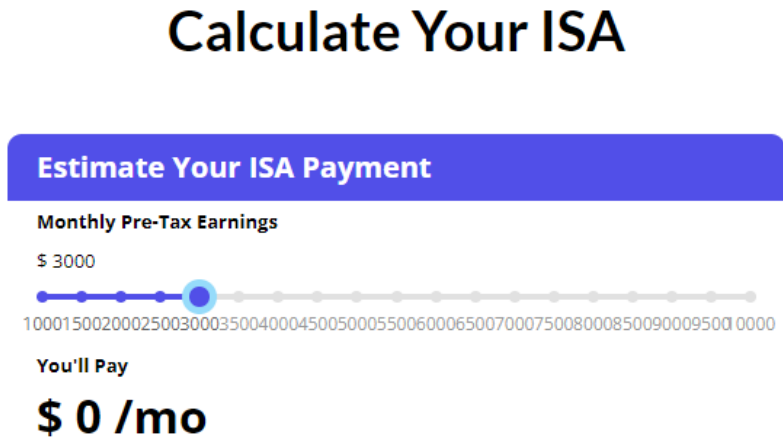
10 9. Our Member Success Guarantee is a guarantee of a bona fide offer, not your “dream” offer. If you decline to accept a
11 bona fide offer, you will void the Guarantee.

12 93. Under these terms, no consumer’s ISA Floor could ever have been set at \$40,000
13 per year, because by Prehired’s own definition, any offer below \$60,000 per year was not a
14 “bona fide offer.” This created the untenable situation that a student making \$40,000 per year
15 was obligated to pay under the ISA, but Prehired’s job guarantee was inapplicable, making the
16 guarantee illusory.

17 94. Defendants have collected or attempted to collect payments from consumers
18 who have not obtained the type of job offer Prehired advertised.

1 **F. Prehired’s Deceptive ISA Payment Calculator**

2 95. As of at least August 2020, Prehired’s website contained an ISA payment
3 calculator tool, which invited the user to “Estimate Your ISA Payment.”



13 96. The tool displayed a horizontal line representing “Monthly Pre-Tax Earnings”
14 between \$1,000 and \$10,000, with a pointer the user could toggle from side to side along the
15 line. If the user set the pointer at the 1,000 mark along the line, the calculator displayed the
16 following message: “You’ll Pay \$0/mo.” If the user set the pointer at the 5,000 mark, the
17 calculator displayed: “You’ll Pay \$625 / mo for 48 months.” The following table represents
18 select user input and corresponding output from the calculator tool:

19

Monthly Pre-Tax Earnings:	You’ll Pay:
1,000	\$0/mo
1,500	\$0/mo
2,000	\$0/mo
2,500	\$0/mo
3,000	\$0/mo
3,500	\$438 / mo for 48 months

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4,000	\$500 / mo for 48 months
4,500	\$563 / mo for 48 months
5,000	\$625 / mo for 48 months
8,000	\$1000 / mo for 30 months
10,000	\$1250 / mo for 24 months

97. According to Prehired’s ISA payment calculator tool, consumers would pay \$0 per month if they made \$3,000 per month in pre-tax earnings, or \$36,000 per year.

98. This representation conflicted with at least some of Prehired’s consumer agreements, which in some circumstances required payments when the consumer makes as little as \$30,000 per year gross.

99. This representation also conflicted with Prehired’s regular practice of adjusting the ISA Floor in its servicing system from \$40,000 to \$30,000 on the purported grounds that the borrower failed to accept a bona fide offer.

G. Prehired Has Manipulated Student Income Reporting To Trigger Repayment

100. Prehired’s form ISA required consumers to report changes in income as they occur, and by April 30 of each year.

101. Prehired agents have unilaterally increased the reported income on some borrowers’ accounts in the middle of the calendar year in a manner that triggered increased payment obligations, without the borrower’s knowledge.

102. Prehired agents have notated such adjustments with substantially the following: “Member has not done one or more of the following: Updated their employment status; uploaded paystubs for the previous month; submitted bank statements (if necessary). Therefore Prehired is updating their income to match the average members OTE earnings which is \$72k. It is on the member to update and show proof.”

1 **H. Defendants Engaged in Unfair and Deceptive in Seeking to Enforce Prehired ISAs**

2 103. At least some of Prehired's form ISAs provided that claims arising out of the
3 ISA, except claims cognizable by a small claims court, must be resolved by binding arbitration
4 administered by the American Arbitration Association in accordance with its Consumer
5 Arbitration Rules.

6 104. In September 2021, Jordan created Prehired Accelerator as a Florida LLC.

7 105. In December 2021, Jordan created Prehired Recruiting as a Delaware LLC.³

8 106. Neither Prehired Recruiting nor Prehired Accelerator were subsidiaries of
9 Prehired.

10 107. The purpose of both entities, Prehired Recruiting and Prehired Accelerator, was
11 to acquire and collect on defaulted ISAs originated by Prehired.

12 108. Prehired transferred non-performing ISAs to Prehired Recruiting and Prehired
13 Accelerator for the purpose of collecting on those obligations.

14 109. Between at least December 30, 2021 and July 28, 2022, Prehired Recruiting and
15 Prehired Accelerator contacted consumers nationwide, by phone and email, demanded
16 payments, threatened to take legal action to enforce Prehired's ISAs, and attempted to induce
17 or induced consumers to sign settlement agreements.

18 110. Between January 27, 2022 and February 16, 2022, Prehired Recruiting filed over
19 280 lawsuits in Delaware's Justice of the Peace Court against consumers located throughout the
20 United States who signed Prehired ISAs that it claimed were in default. Prehired Recruiting
21 sought to collect \$25,000 from each consumer, for a total of over \$7.2 million.

22 111. Most of Prehired's ISA's contained a New York choice of law clause while some
23 contained a New York venue clause. None of these clauses were negotiable by the consumers.

24 _____
25 ³ Jordan had previously formed a company named Prehired Recruiting as a Florida LLC. In this Chapter 7
26 proceeding, Jordan testified that he intended to change the state of incorporation of Prehired Recruiting from
Florida to Delaware, but inadvertently failed to wind down the Florida entity.

1 None of Prehired’s ISAs provided for venue in Delaware, meaning consumers could not have
2 anticipated being sued in Delaware.

3 112. Prehired Recruiting alleged that it “has been assigned” the consumers’ contracts
4 with Prehired.

5 113. The lawsuits were filed in Delaware’s Justice of the Peace Court by Jordan,
6 acting as an agent for Prehired Recruiting pursuant to Delaware Supreme Court Rule 57, which
7 allows non-lawyers to appear on behalf of corporate entities at the discretion of the Chief
8 Magistrate.

9 114. At the time of this transfer, at least some of the ISAs were placed by Prehired
10 with another third-party debt collector (“Non-Party Debt Collector”), which was conducting
11 collection activity with respect to these accounts.

12 115. Before Prehired Recruiting filed its lawsuits, the Non-Party Debt Collector
13 settled a debt with at least one consumer for less than \$25,000, and was receiving payments
14 pursuant to the settlement. At the time Prehired Recruiting filed suit, the remaining balance on
15 the consumer’s account was \$12,875. Despite this, Prehired Recruiting filed a lawsuit alleging
16 the consumer owed \$25,000.

17 116. After Prehired Recruiting filed its lawsuits, each of which sought a total amount
18 of \$25,000, Prehired Recruiting contacted the defendant consumers with an offer to settle for a
19 reduced amount “based on the percentage of your membership program you completed.” When
20 the consumers responded, Prehired Recruiting represented to them that “Your ISA amount
21 owed is \$30,000, but we’d be willing to dismiss the lawsuit and settle for a total amount of
22 \$25,000 with monthly payments being \$500.”

23 117. On or about March 8, 2022, the Consumer Protection Unit of the Delaware
24 Department of Justice (DE CPU) sent a letter to the Chief Magistrate, copying Jordan,
25 requesting review of Jordan’s fitness to serve as a Rule 57 agent.
26

1 118. On or about March 10, 2022, Prehired Recruiting entered into a contract with
2 online arbitration provider Ejudicate, Inc. (d/b/a Ejudicate.com).

3 119. On or about March 14, 2022, the Delaware Justice of the Peace Court began
4 staying each of the cases filed by Jordan on behalf of Prehired Recruiting pending a consolidated
5 hearing on jurisdiction.

6 120. In or about March 2022, Prehired unilaterally amended the online version of its
7 terms and conditions at prehired.app/pages/terms to provide for arbitration of its claims arising
8 out of its ISAs via Ejudicate.com.

9 121. As of June 2021, Prehired's online version of its Program Terms of Service,
10 available at prehired.app/pages/terms, made no reference to Ejudicate.com.

11 122. None of the consumers who had executed agreements with Prehired prior to
12 March 2022, legally consented to arbitration of claims relating to Prehired via Ejudicate.com.

13 123. As of April 11, 2022, Prehired's online version of its Program Terms of Service,
14 available at prehired.app/pages/terms, contained language stating that any dispute, claim or
15 controversy arising out of Prehired's terms, MSAs or ISAs "shall be settled by arbitration
16 administered by Ejudicate, Inc. . . ." The text went on to state, "You consent to electronic service
17 of process, with service to be made to your email address used in the electronic signing of the
18 ISA, MSA, or this Site. . . . Notwithstanding the foregoing, if a Claim that Prehired wishes to
19 assert against you is cognizable in a small claims court (or an equivalent court), Prehired may
20 pursue such Claim in that small claims court; however, if the Claim is transferred, removed, or
21 appealed to a different court, it shall be resolved by arbitration administered by Ejudicate."

22 124. On or about March 31, 2022, Prehired Recruiting voluntarily dismissed
23 substantially all of the lawsuits it filed against consumers in the Delaware Justice of the Peace
24 Court.
25
26

1 125. On or about April 4, 2022, Prehired Recruiting began filing arbitration claims
2 against consumers on Ejudicate.com, including over 60 of the same claims Prehired Recruiting
3 previously filed and dismissed in Delaware.

4 126. On or about May 18, 2022, DE CPU demanded Prehired Recruiting and its
5 affiliates cease and desist filing arbitration claims.

6 127. In or about May 2022, Prehired, Prehired Recruiting and/or Prehired Accelerator
7 began contacting consumers who signed Prehired's ISAs, and asking them to sign a settlement
8 agreement. Defendants deceptively described these "settlement agreements" as beneficial to the
9 consumer. In fact, Defendants intended these agreements to avoid defenses otherwise available
10 to the consumers under the Prehired ISAs, and to impose more onerous dispute resolution,
11 repayment, and collection terms.

12 128. Defendants' settlement agreements purport to release the consumers' claims
13 against Prehired, Prehired Recruiting and Prehired Accelerator, as well as their "directors,
14 managers, owners, officers, members, principals, agents, employees, representatives and
15 independent contractors," and convert the consumer's ISA into an agreement to make recurring
16 monthly payments to Defendants for several years.

17
18 **CLAIMS FOR RELIEF**

19 **FIRST CAUSE OF ACTION**
20 **(VIOLATIONS OF THE CFPA:**
21 **Deception Relating to Nature of ISAs as Loans)**
22 **(By All Plaintiffs Against Prehired)**

23 129. Plaintiffs re-allege and incorporate by reference the allegations contained in the
24 preceding paragraphs of this Complaint.

25 130. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in
26 "any unfair, deceptive, or abusive act or practice." 12 U.S.C. § 5536(a)(1)(B).

1 131. A representation is deceptive under the CFPA if it misleads or is likely to mislead
2 consumers acting reasonably under the circumstances and the representation is material.

3 132. Prehired entered into ISAs with consumers in Washington and nationwide.

4 133. Prehired's ISAs are credit because they provide the right to defer payment of
5 debt, incur debt and defer its payment, or purchase property or services and defer payment for
6 such purchase. 12 U.S.C. § 5481(7).

7 134. Prehired is a covered person under the CFPA because they offer credit for use
8 by consumers primarily for personal, family, or household purposes. 12 U.S.C. § 5481(5), (6),
9 (7), (15)(A)(i).

10 135. As described above, while extending credit in the form of ISAs and other
11 instruments to consumers to pay Prehired's tuition, and/or demanding and collecting payments
12 on such loans, Prehired represented to consumers that Prehired's ISAs were not loans or credit
13 and did not create debt.

14 136. These representations misled or were likely to mislead consumers because they
15 were untrue. The ISAs were loans, and did create debt.

16 137. Prehired's misrepresentations were material because they were likely to affect a
17 consumer's choice of a product.

18 138. The above-described statements are likely to mislead a consumer acting
19 reasonably under the circumstances.

20 139. These representations were deceptive in violation of §§ 1031(a) and
21 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

22 **SECOND CAUSE OF ACTION**
23 **(VIOLATIONS OF THE CFPA:**
24 **Deception Relating to ISA Terms)**
25 **(By All Plaintiffs Against Prehired)**

26 140. Plaintiffs re-allege and incorporate by reference the allegations contained in the
preceding paragraphs of this Complaint.

1 141. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in
2 “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B).

3 142. A representation is deceptive under the CFPA if it misleads or is likely to mislead
4 consumers acting reasonably under the circumstances and the representation is material.

5 143. Prehired entered into ISAs with consumers in Washington and nationwide.

6 144. Prehired’s ISAs are credit because they provide the right to defer payment of
7 debt or to incur debt and defer its payment. 12 C.F.R. § 5481(7).

8 145. Prehired is a covered person under the CFPA because they offer credit for use
9 by consumers primarily for personal, family, or household purposes. 12 U.S.C. § 5481(5), (6),
10 (7), (15)(A)(i).

11 146. As described above, while offering or providing consumer financial products or
12 services, Prehired represented to consumers that no payments would be due under Prehired’s
13 ISAs unless and until the consumer had a job making at least \$60,000 per year.

14 147. Prehired’s representations created the net impression that a consumer would not
15 be required to make any payment in connection with Prehired’s ISAs unless and until the
16 consumer had a job making at least \$60,000 per year.

17 148. These representations misled or were likely to mislead consumers because they
18 were untrue. The terms of Prehired’s ISAs required many consumers to make payments when
19 they were making as little as \$30,000 per year, and Defendants regularly caused their servicing
20 system to trigger a payment obligation for consumers who were making as little as \$30,000 per
21 year, or were not working at all.

22 149. Prehired’s misrepresentations were material because they were likely to affect a
23 consumer’s choice of a product.

24 150. The above-described statements are likely to mislead a consumer acting
25 reasonably under the circumstances.
26

1 151. These representations were deceptive in violation of §§ 1031(a) and
2 1036(a)(1)(B) of the CFPB, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

3
4 **THIRD CAUSE OF ACTION**
5 **(VIOLATIONS OF TILA:**
6 **Failure to Provide Disclosures Required by TILA and Regulation Z)**
7 **(By the Bureau Against Prehired)**

8 152. Plaintiffs re-allege and incorporate by reference the allegations contained in the
9 preceding paragraphs of this Complaint.

10 153. TILA and Regulation Z require creditors to disclose certain key facts about closed-
11 end credit, including the “amount financed,” “finance charge,” and “annual percentage rate,”
12 using those terms. 15 U.S.C. § 1638(a)(2), (3), (4); 12 C.F.R. § 1026.18(b), (d), (e).

13 154. Prehired’s ISAs are credit under Regulation Z because they provide the right to
14 defer payment of debt or to incur debt and defer its payment. 12 C.F.R. § 1026.2(a)(14). The ISAs
15 are closed-end credit because they are consumer credit that is not open ended.

16 155. Prehired is a creditor within the meaning of TILA and Regulation Z because, from
17 2019 through 2022, it regularly extended credit in the form of originating at least 1,038 ISAs, the
18 ISAs were subject to a finance charge, and the ISAs were payable to Prehired.
19 12 C.F.R. § 1026.2(a)(17).

20 156. TILA and Regulation Z require creditors to disclose certain key facts about
21 credit, including: “The amount financed, using that term,” 12 C.F.R. § 1026.18(b); “[t]he
22 finance charge, using that term,” 12 C.F.R. § 1026.18(d); and “[t]he annual percentage rate,
23 using that term,” 12 C.F.R. § 1026.18(e).

24 157. Between at least July 2019 through 2022, Prehired did not provide consumers
25 the disclosures required under TILA and Regulation Z. Prehired, therefore, violated TILA and
26 Regulation Z. 15 U.S.C. § 1638(a)(2), (3), (4); 12 C.F.R. § 1026.18(b), (d), (e).

1 **FOURTH CAUSE OF ACTION**
2 **(VIOLATIONS OF THE CFPA BY VIOLATING TILA AND REGULATION Z**

3 **(By All Plaintiffs Against Prehired)**

4 158. Plaintiffs re-allege and incorporate by reference the allegations contained in the
5 preceding paragraphs of this Complaint.

6 159. Section 1036(a)(1)(A) of the CFPA prohibits covered persons from offering or
7 providing consumer-financial products or services not in conformity with “Federal consumer
8 financial law” or otherwise committing any act or omission in violation of a “Federal consumer
9 financial law.” 12 U.S.C. § 5536(a)(1)(A).

10 160. TILA and Regulation Z are each a “Federal consumer financial law.” 12 U.S.C.
11 § 5481(14) (defining “Federal consumer financial law” to include “enumerated consumer laws”
12 and “any rule or order prescribed by the Bureau under this title”); 12 U.S.C. § 5481(12)(O),
13 (14) (defining “enumerated consumer law” to include TILA).

14 161. Prehired offered ISAs in a manner that violated TILA and Regulation Z.

15 162. By violating TILA and Regulation Z, Prehired violated the CFPA, 12 U.S.C.
16 § 5536(a)(1)(A).

17 **FIFTH CAUSE OF ACTION**
18 **(VIOLATIONS OF THE CFPA: Unfair Distant Forum Collection Actions)**
19 **(By All Plaintiffs Against Prehired Recruiting)**

20 163. Plaintiffs re-allege and incorporate by reference the allegations contained in the
21 preceding paragraphs of this Complaint.

22 164. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in
23 “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B).

24 165. An act or practice is unfair if it “causes or is likely to cause substantial injury to
25 consumers” that “is not reasonably avoidable by consumers[] and ... is not outweighed by
26 countervailing benefits to consumers or to competition.” 12 U.S.C. § 5531(c)(1).

1 166. Prehired Recruiting’s principal purpose was to collect debts, in the form of ISAs
2 that were originated by Prehired, and had subsequently defaulted. Prehired Recruiting is a
3 “covered person” because it collected debt related to a consumer financial product or service.
4 12 U.S.C. §§ 5481(6), (15)(A)(x).

5 167. In the course of collecting on such debts, in or about January and February 2022,
6 Prehired Recruiting filed over 280 debt collection lawsuits in the Delaware Justice of the Peace
7 Court in New Castle, Delaware, against consumers who (i) had signed contracts far away from
8 New Castle, Delaware, and (ii) resided far away from Delaware when the lawsuits were
9 commenced.

10 168. Many consumers were unaware that an action could be commenced against them
11 in Delaware because Prehired’s ISAs did not provide for venue in Delaware and/or the
12 consumers had little or no opportunity to review the portion of the contract that contained such
13 a provision.

14 169. To the extent a venue selection clause favoring Delaware existed in Prehired’s
15 contracts, and the consumers were aware of, read and understood the venue-selection clause,
16 there was no opportunity to bargain for its removal because the clause was non-negotiable.

17 170. The practice of filing debt-collection lawsuits in a distant forum when the
18 consumer does not live in that forum and was not physically present in that forum when the
19 contract was executed has caused or is likely to cause substantial injury that is not reasonably
20 avoidable by consumers and is not outweighed by any countervailing benefit.

21 171. Prehired Recruiting’s practice of filing debt collection lawsuits in a distant forum
22 when the consumers did not live in that forum and were not physically present in that forum
23 when they executed the financing contract is unfair. Because Prehired Recruiting is a “covered
24 person,” its conduct is unlawful under sections 1031 and 1036(a)(1)(B) of the CFPA, 12 U.S.C.
25 §§5531, 5536(a)(1)(B).

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SIXTH CAUSE OF ACTION
(VIOLATIONS OF THE CFPA:
Deceptive Inducement to Enter into Settlement Agreements)
(By All Plaintiffs Against Prehired Recruiting and Prehired Accelerator)

172. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

173. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B).

174. A representation is deceptive under the CFPA if it misleads or is likely to mislead consumers acting reasonably under the circumstances and the representation is material.

175. The principal purpose of Prehired Recruiting and Prehired Accelerator was to collect debts, in the form of ISAs that were originated by Prehired, and had subsequently defaulted.

176. Prehired Recruiting and Prehired Accelerator are “covered persons” because they collected debt related to a consumer financial product or service. 12 U.S.C. §§ 5481(6), (15)(A)(x).

177. Prehired Recruiting and Prehired Accelerator engaged in deceptive acts or practices in attempting to collect on Prehired ISA debt by inducing consumers to convert the Prehired ISA into an agreement to make recurring monthly payments for several years. Defendants deceptively described these “settlement agreements” as beneficial to the consumer without disclosing that the true purpose of the settlement agreements was to avoid consumers’ defenses to the original Prehired ISAs, and impose more onerous dispute resolution and collection terms.

178. Defendants’ representations created the net impression that the settlement agreements would benefit the consumer.

179. Defendants’ representations were likely to mislead a consumer acting reasonably under the circumstances.

1 180. Defendants' representations misled or were likely to mislead consumers because
2 they were untrue. Defendants' settlement agreements were designed to avoid consumers'
3 defenses to the original Prehired ISAs, and contained more onerous dispute resolution and
4 collection terms.

5 181. Defendants' misrepresentations were material because they were likely to affect
6 a consumer's choice with respect to entry into the settlement agreement and remittance of
7 payments that were not due under the original ISA.

8 182. Prehired Recruiting and Prehired Accelerator's use of this practice to collect ISA
9 debts was an unlawful means used to collect or attempt to collect debts under sections 1031 and
10 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§5531, 5536(a)(1)(B).

11 **SEVENTH CAUSE OF ACTION**
12 **(VIOLATIONS OF THE FDCPA:**
13 **Deceptive, Unfair or Unconscionable Means to Collect or**
14 **Attempt to Collect on a Debt)**
15 **(By all Plaintiffs Against Prehired Recruiting and Prehired Accelerator)**

16 183. Plaintiffs re-allege and incorporate by reference the allegations contained in the
17 preceding paragraphs of this Complaint.

18 184. Defendants Prehired Recruiting and Prehired Accelerator have been persons
19 who have used an instrumentality of interstate commerce or the mails in a business the principal
20 purpose of which is the collection of debts, or who regularly collect or attempt to collect,
21 directly or indirectly, debts owed or due or asserted to be owed or due another, and, are "debt
22 collectors" under the FDCPA within the meaning of 15 U.S.C. § 1692a(6).

23 185. In numerous instances, in connection with the collection of debts, Prehired
24 Recruiting and/or Prehired Accelerator, directly or indirectly, expressly or by implication, have
25 used false, deceptive, or misleading representations or means, in violation of Section 807 of the
26 FDCPA, 15 U.S.C. § 1692e, including, but not limited to:

- 1 a. Falsely representing the amount of debt owed by consumers by stating that
2 Prehired could collect more than the consumer legally owed, in violation of
3 Section 807(2)(A) of the FDCPA, 15 U.S.C. § 1692e(2)(A); and
4 b. Using false representations or deceptive means to collect or attempt to collect
5 a debt by requesting consumers to sign settlement agreements deceptively
6 described as beneficial to consumers when Defendants designed those
7 agreements to avoid defenses otherwise available to the consumers under the
8 Prehired ISAs, and to impose more onerous dispute resolution, repayment,
9 and collection terms in violation of Section 807(10) of the FDCPA, 15
10 U.S.C. § 1692e(10).

11 186. Defendants, therefore, violated § 807 of the FDCPA, 15 U.S.C. §§ 1692e.

12 **EIGHTH CAUSE OF ACTION**
13 **(VIOLATIONS OF THE CFPA BY VIOLATING THE FDCPA:**
14 **(By All Plaintiffs Against Prehired Recruiting and Prehired Accelerator)**

15 187. Plaintiffs re-allege and incorporate by reference the allegations contained in the
16 preceding paragraphs of this Complaint.

17 188. Section 1036(a)(1)(A) of the CFPA prohibits covered persons from offering or
18 providing consumer-financial products or services not in conformity with “Federal consumer
19 financial law” or otherwise committing any act or omission in violation of a “Federal consumer
20 financial law.” 12 U.S.C. § 5536(a)(1)(A).

21 189. The FDCPA is a “Federal consumer financial law.” 12 U.S.C. § 5481(14)
22 (defining “Federal consumer financial law” to include “enumerated consumer laws” and “any
23 rule or order prescribed by the Bureau under this title”); 12 U.S.C. § 5481(12)(H), (14) (defining
24 “enumerated consumer law” to include FDCPA).

25 190. Prehired Recruiting and Prehired Accelerator collected and/or attempted to
26 collect debt in a manner that violated the FDCPA.

1 191. By violating the FDCPA, Prehired Recruiting and Prehired Accelerator violated
2 the CFPA, 12 U.S.C. § 5536(a)(1)(A).

3
4 **REQUEST FOR RELIEF**

5 Plaintiff requests the following relief:

6 1. A declaration that Defendants' conduct as described herein above is in violation
7 of the CFPA and that ISAs Prehired originated were void *ab initio* as they were procured by
8 misrepresentation;

9 2. An injunction permanently enjoining Defendants and all other persons acting on
10 their behalf, directly or indirectly, from violating the CFPA, or any other provision of Federal
11 consumer financial law, as defined by 12 U.S.C. § 5481(14), and any amendments thereto;

12 3. An order directing Defendants to make full restitution to all borrowers who have
13 suffered losses as a result of the acts and practices alleged in this complaint and any other acts
14 or practices proved by the Plaintiffs, or in the alternative, enter an order allowing an unsecured
15 creditor claim on behalf of the Plaintiffs for the full restitution amount;

16 4. An injunction permanently enjoining Defendants from selling, assigning,
17 transferring, conveying, collecting or causing to be collected (including but not limited to
18 through litigation or judgments) any portion of a loan, including ISAs that resulted from the
19 acts and practices alleged in this complaint and any other acts or practices proved by the
20 Plaintiff;

21 5. An order directing Defendants to disgorge and forfeit all money it has derived
22 as a result of the conduct alleged herein, or in the alternative, enter an order allowing an
23 unsecured creditor claim on behalf of the Plaintiffs for any disgorgement amount

24 6. An order directing Defendants to pay to Plaintiffs appropriate civil penalties
25 pursuant to the CFPA, or in the alternative, enter an order allowing a unsecured creditor claim
26 for appropriate civil penalties;

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