

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



In the Matter of:

Collect Pros, LLC

**ASSURANCE OF VOLUNTARY
COMPLIANCE**

This Assurance of Voluntary Compliance (“Assurance”) is entered into between the Office of Consumer Protection of the Office of the Attorney General for the District of Columbia (the “Office of Consumer Protection”) and Michael Ross and Collect Pros, LLC (“Collect Pros” and referred to collectively as “Respondents”). The Office of Consumer Protection and Respondents agree as follows:

I. The Parties

1. The Office of Consumer Protection is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District of Columbia’s consumer protection laws, including the Consumer Protection Procedures Act (CPPA), D.C. Code §§ 28-3901, *et seq.*

2. Collect Pros is a California-based company engaged in the purchase and collection of unpaid consumer debts from consumers nationwide, including consumers residing in the District of Columbia.

3. Michael Ross is an officer, owner, and employee of Collect Pros. Respondent Ross participated in the unlawful conduct alleged herein, possessed and/or exercised the authority to control the policies and trade practices of Collect Pros, and directed and/or supervised the employees of Collect Pros who participated in the unlawful conduct alleged herein.

II. Definitions

4. "Portfolio Debt" means any debt or accounts claimed to have arisen from magazine subscriptions requested by consumers living in the District of Columbia that Collect Pros purchased, including without limitation the following: Thrive Entertainment, LLC; JRC Consulting; Levy 9 Consulting LLC; Publishers Service Center; Next Level of Xellence LLC; Healthy and Beauty MH; Media Brand; Elite Discount Coupons; JR Media; Limelight; Levy 9 Consulting Magazines; Thrive Entertainment; and Publishers Services.

5. "Consumer" shall include the definition contained in D.C. Code § 28-3901(a)(2) and for purposes of this Assurance shall refer to any resident of the District of Columbia from whom Collect Pros has collected any amount in connection with a debt, including Portfolio Debt.

III. The District's Allegations

6. Respondents are third-party debt buyers that purchase debts, debt pools, or lists of defaulted debts from creditors and other debt collectors, including Portfolio Debt. When consumers fail to pay debts owed, their creditors often sell the right to collect the debts to third-party debt buyers, such as Respondents.

7. Respondents attempted to collect Portfolio Debts that were inaccurate in their amount; had already been settled or discharged; were not, in fact, owed by consumers; or otherwise were uncollectible from consumers.

8. Respondents did not identify the original creditor in the collection or “dunning” letters they sent to consumers to collect Portfolio Debt, which violated the Fair Debt Collections Practices Act, 15 U.S.C. §§ 1692, *et seq.*, and the District’s Debt Collection Law, D.C. Code § 28-3814.

9. Respondents did not maintain any record of the “dunning” letters sent to consumers from whom they sought to collect Portfolio Debts.

10. Respondents did not maintain any policies, procedures, or protocols for their pre-litigation debt collection practices.

11. Respondents’ conduct violated the District’s Consumer Protection Procedures Act, D.C. Code §§ 28-3901, *et seq.* and Debt Collection Law, D.C. Code § 28-3814.

IV. Injunctive Provisions

12. The provisions of this Assurance shall apply to Collect Pros and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, wholly owned subsidiaries, and all other persons acting in concert with Collect Pros.

13. The provisions of this Assurance apply to Michael Ross and any partnership, corporation, or entity in which he, individually or jointly, currently or in the future, directly or indirectly, has any ownership interest and/or right to control, or for which he establishes policy or has the authority to establish policy.

14. The provisions of this Assurance shall apply to Respondents conduct in connection with its collection of consumer debt in the District of Columbia.

15. Respondents shall not engage in any unlawful practice prohibited by the Consumer Protection Procedures Act, D.C. Code §§ 28-3901, *et seq.*

16. Respondents shall not fail to state a material fact, the omission of which deceives or tends to deceive consumers.

17. Respondents shall not make any oral or written statements that have the capacity, tendency, or effect of deceiving or misleading consumers

18. Respondents shall comply with the District's Debt Collection Law, D.C. Code § 28-3814.

19. Respondents shall validate and verify the debts they collect consistent with the requirements of the Fair Debt Collections Practices Act, 15 U.S.C. §§ 1692, *et seq.*

20. Respondents shall not engage in the collection of Portfolio Debt and shall not assign, transfer, or sell any of their Portfolio Debt.

21. Respondents shall discharge, cancel, release, forgive, and adjust to a zero balance all of their Portfolio Debt as it relates to consumers living in the District of Columbia.

22. Respondents shall request credit reporting agencies to remove any adverse information reported by Collect Pros in regards to their Portfolio Debt.

23. Respondents shall notify in writing any consumer in whose name they held any accounts that comprise its Portfolio Debt that such debt is discharged, cancelled, released, and the balance of which is adjusted to zero pursuant to the prior paragraphs.

24. Respondents shall not further engage in any debt collection activities in the District of Columbia, unless:

- a. Respondents register to do business in the District of Columbia with the District's Department of Consumer and Regulatory Affairs;
- b. Respondents write, implement, and keep written policies, procedures, or protocols concerning their pre-litigation debt collection from District of Columbia consumers; and
- c. Respondents retain records of all of the written communications and correspondences they have with consumers for a period of three (3) years.

V. RESTITUTION

25. Respondents shall pay restitution equal to the total amounts Collect Pros received or collected from consumers.

26. Within thirty (30) days from the effective date of this Assurance, Respondents shall review their business and other records available to them, and provide the Office of Consumer Protection a list of all consumers that they identify during this review from whom Collect Pros collected any amounts (the "Consumer List"). For each such consumer whose name is contained on the Consumer List, Respondents shall provide the following information in the form of a spreadsheet, with each item below contained in a separate field that is capable of being sorted:

- a. the consumer's name;
- b. the consumer's street address;
- c. the consumer's city;
- d. the consumer's state;

- e. the consumer's zip code;
- f. the consumer's email;
- g. the consumer's telephone number; and
- h. the individual restitution amount the consumer is owed.

27. Within thirty (30) days from the effective date of this Assurance, Respondents shall deliver to the District a check, made payable to the D.C. Treasurer, in the total amount of restitution owed to each individual consumer identified on the Consumer List. The Office of Consumer Protection may then conduct its own claims process to attempt to pay individual restitution amounts over to the individual consumers identified in the Consumer List, or use the funds for any other lawful purpose, including paying those funds to the District.

VI. MONETARY PAYMENT

28. Respondents shall pay to the District the sum of Two Thousand And Five Hundred Dollars (\$2,500.00) as a civil penalty and the cost the Office of Consumer Protection has incurred investigating this matter. Payment under this section shall be made within sixty (60) calendar days from the execution of this Assurance via check made out to the D.C. Treasurer and delivered to the Office of Consumer Protection consistent with instructions from the Office of Consumer Protection.

VII. ADDITIONAL TERMS

29. Respondents understand that this Assurance is enforceable by the Office of Consumer Protection and agree that any violations of this Assurance shall be considered an unlawful trade practice that violates the Consumer Protection Procedures Act subjecting Respondents to the legal and equitable remedies provided therein.

30. Any and all notices, requests, consents, or communications sent to Respondents or the District pursuant to this Assurance shall be sent by first class mail and by email to the named persons at the following addresses:

For the Respondents

Michael Ross
Collect Pros, LLC
12924 Pierce Street, #101
Pacoima, CA 91331
michael@collectpros.com
(818) 303-9352

For the Office of Consumer Protection

Richard V. Rodriguez
Assistant Attorney General
Office of Consumer Protection
Office of the Attorney General for the District of Columbia
441 4th Street, N.W., Suite 600 South
Washington, DC 20001
Richard.Rodriguez@dc.gov
(202) 727-6337

31. Nothing contained herein shall be construed as relieving Respondents of their obligation to comply with all District of Columbia and federal regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

32. The parties voluntarily agree to this Assurance without trial or adjudication of any issue of fact or law as a compromise settlement of all claims that the Office of Consumer Protection could have brought, pursuant to D.C. Code § 28-3909, against Respondent related to the factual issues set out in paragraphs 6 through 11 above.

33. It is further agreed that the execution and compliance of this Assurance is not an admission of guilt by Respondent of any allegations contained herein.

