

IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY, OHIO

FILED

2016 FEB 23 A 10:00

STATE OF OHIO, *ex rel.*
MICHAEL DEWINE
ATTORNEY GENERAL OF OHIO

Plaintiff

v.

UNIVERSAL DEBT & PAYMENT
SOLUTIONS, LLC, et al.

Defendants.

CASE NO. CV-15-845782
JUDGE MATTHEW McMONAGLE

AGREED CONSENT JUDGMENT
ENTRY AND ORDER BETWEEN
PLAINTIFF STATE OF OHIO AND
DEFENDANT MOHAN BAGGA

PREAMBLE

This matter came to be heard upon the filing of a Complaint by Plaintiff, State of Ohio, acting through counsel, Ohio Attorney General Michael DeWine ("Plaintiff"), alleging that Defendants Mohan Bagga, Universal Debt & Payment Solutions, LLC ("UDPS"), and Marcus Brown ("Brown"), aka Marcus Middlebrooks, Marcus Johnson, and Ernest Johnson, dba LRS Litigations ("LRS"), dba IRS Equity and Worldwide Requisitions,¹ violated the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. 1692 – 1692p, the Dodd-Frank Act, 12 U.S.C. 5536, and the Ohio Consumer Sales Practices Act ("CSPA")².

Plaintiff has reached an agreement with Defendant Bagga and this Agreed Consent Judgment Entry and Order ("Consent Judgment") is intended to resolve all pending claims alleged against Defendant Bagga in the Complaint. By signing this entry, Defendant submits to

¹ Defendants UDPS, Brown, and LRS are not parties to this Consent Judgment.

² This Consent Judgment only pertains to Defendant Bagga and the violations of the Dodd-Frank Act and the CSPA.

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the personal jurisdiction of this Court and consents to the entry of this Consent Judgment pursuant to R.C. 1345.07(F).

Defendant hereby consents to the Court's findings of facts and conclusions of law, to the imposition of this Consent Judgment, and to the rights of Plaintiff to enforce this Consent Judgment.

FINDINGS OF FACT

1. Defendant Universal Debt & Payment Solutions, LLC ("UDPS") is a Georgia limited liability company that does business in Cuyahoga County and in the State of Ohio and is registered at 3939 Lavista Road, Suite 312, Tucker, Georgia 30084.
2. Defendant UDPS was organized by Defendant Mohan Bagga ("Bagga").
3. Defendant Bagga is the owner of Defendant UDPS.
4. Defendant Bagga is an individual and resides at 6375 Whitestone Place, Duluth, Georgia 30097.
5. Defendant UDPS had its principal place of business located at 6375 Whitestone Place, Duluth, Georgia 30097-8076.
6. The 3939 Lavista Road address belongs to a post office box at a UPS Store, which is registered to Defendant Marcus Brown.
7. Defendant UDPS is also registered as a limited liability company in the State of New York.
8. The New York articles of incorporation include a mailing address of 142 Stratford Road, Buffalo, New York 14216, which is also a residential mailing address for Defendant Marcus Brown.

9. Defendant Marcus Brown, also known as Marcus Middlebrooks, Marcus Johnson, and Ernest Johnson ("Brown"), is an individual and resides at 142 Stratford Road, Buffalo, New York 14216.
10. Defendant Brown is the treasurer for Defendant UDPS.
11. Defendant Brown also does business as LRS Litigations ("LRS"), a fictitious business entity which has a purported business address of 600 Superior Avenue East, Suite 1300, Cleveland, Ohio 44114.
12. Defendant LRS Litigations does business as IRS Equity and Worldwide Requisitions.
13. Defendants UDPS and LRS did business in Cuyahoga County and in the State of Ohio; however, Defendants UDPS and LRS failed to register with the Ohio Secretary of State.
14. Defendants LRS and Brown were, at all times relevant to this action, engaged in providing collection services by regularly collecting, or attempting to collect, from consumers debts that are due or alleged to be due.
15. Using the names LRS Litigations, IRS Equity, and Worldwide Requisitions, Defendants LRS and Brown attempted to collect on alleged debts through telephone calls.
16. Defendants LRS and Brown used threats, intimidation, and harassment to collect debts purportedly owed by consumers.
17. In most cases, consumers did not owe the debts referenced.
18. However, due to Defendant LRS and Brown's collection methods of using false statements and threats, consumers often sent money to these debt collectors.
19. Defendant Bagga and his company, Defendant UDPS, regularly accepted payments from such consumers on behalf of Defendants LRS and Brown.

20. Although Defendant Bagga did not personally make any debt collection calls to consumers, he played a key role in the debt collection scheme as he is not only the owner of UDPS, but he also controlled the bank accounts in the names of UDPS and used these accounts to receive deposits from the funds taken from consumers and to distribute those funds to Defendant Brown, among others.

CONCLUSIONS OF LAW

21. The Court has jurisdiction over the subject matter, issues, and parties to this Consent Judgment pursuant to R.C. 1345.04.
22. The Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3) in that some of the transactions complained of herein, and out of which this action arose, occurred in Cuyahoga County.
23. The business practices of Defendant Bagga, as described herein and in Plaintiff's Complaint, are governed by the CSPA, R.C. 1345.01 et seq., and the Dodd-Frank Act, 12 U.S.C. 5536.
24. The Ohio Attorney General is the proper party to commence these proceedings under the authority of R.C. 1345.07 and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of Ohio.
25. Defendant Bagga is a "supplier" as that term is defined in R.C. 1345.01(C) as Defendant was, at all times relevant herein, engaged in the business of effecting consumer transactions by accepting payment of debts allegedly owed by consumers, which arose from consumer transactions, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D), to individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.

26. Defendant Bagga is a "covered person" as that term is defined in 12 U.S.C. 5481(6)(B) as Defendant Bagga has, at all times relevant herein, been an affiliate of Defendants LRS and Brown with regard to transactions with individuals in Cuyahoga County and other counties in the State of Ohio and across the United States.
27. Defendant Bagga has engaged in acts and practices in violation of the Dodd-Frank Act, 12 U.S.C. 5536(a)(1)(A), by regularly accepting payments, via his business, Universal Debt & Payment Solutions, LLC, from the consumers on behalf of the Defendants LRS and Brown, when such payments were obtained through the acts and practices of LRS and Brown in violation of the FDCPA.
28. Defendant Bagga has engaged in acts and practices in violation of the Dodd-Frank Act, 12 U.S.C. 5536(a)(3), by knowingly or recklessly providing substantial assistance to Defendants LRS and Brown in violation of 12 U.S.C. 5531.
29. Defendant Bagga has committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in acts and practices in violation of the Dodd-Frank Act as set forth in paragraphs (27) and (28) above.

ORDER

For purposes of affecting this Consent Judgment, it is therefore ORDERED, ADJUDGED, AND DECREED that:

1. Plaintiff's request for a Declaratory Judgment is GRANTED; and it is therefore DECLARED that the acts and practices enumerated in the Conclusions of Law set forth above in Paragraphs (27) through (29) violate the CSPA, R.C. 1345.01 et seq., and the Substantive Rules enacted thereunder, in the manner set forth therein.

Plaintiff's request for Declaratory Judgment is GRANTED, and it is therefore DECLARED that the acts and practices set forth in Paragraph (27) – (29) above violate the Dodd-Frank Act, 12 U.S.C. 5536, in the manner set forth herein and in Plaintiff's Complaint.

2. Defendant is PERMANENTLY ENJOINED from soliciting and engaging in the business of effecting consumer transactions in the State of Ohio as a supplier, as defined in R.C. 1345.01(C).
3. Defendant, under his own name or any other names, his agents, representatives, salespeople, employees, successors and assigns, and all persons acting on behalf of the Defendant directly or indirectly, through any corporate or private device, partnership or association, is PERMANENTLY ENJOINED from engaging in the acts and practices enumerated in the Conclusions of Law set forth above in Paragraphs (27) through (29).
4. Defendant, under his own name or any other names, his agents, representatives, salespeople, employees, successors and assigns, and all persons acting on behalf of the Defendant directly or indirectly, through any corporate or private device, partnership or association, is PERMANENTLY ENJOINED from engaging in the acts or practices of which Plaintiff complains and from further violating the Dodd-Frank Act, 12 U.S.C. 5536 et seq., and the CSPA, R.C. 1345.01 et seq., and the Substantive Rules enacted thereunder.
5. Defendant is ORDERED to maintain in his possession and control for a period of five (5) years, and in a manner designed to secure the privacy of all consumers' personal information, all business records relating to Defendant's actions including solicitation, payment acceptance and any additional records in the State of Ohio and to permit the

Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice, to inspect and/or copy any and all records.

6. IT IS ACKNOWLEDGED that Defendant Bagga has provided restitution, in the amount of One Hundred Sixty-Two Dollars and 50/100 Cents (\$162.50), to the Attorney General who shall distribute the funds to consumer Debra Oliver, who had funds taken out of her account by Defendant and his company, Defendant UDPS.
7. IT IS FURTHER ORDERED that Defendant Bagga is assessed a civil penalty in the amount of Fifteen Thousand Dollars (\$15,000.00). Upon Defendant Bagga's submission of an Individual Financial Statement, the civil penalty shall be suspended in its entirety for so long as Defendant Bagga is in full compliance with all provisions of this Consent Judgment.
8. The Attorney General may assert any claim that Defendant has violated this Consent Judgment in a separate civil action to enforce this Consent Judgment or to seek any other relief afforded by law. In any such action or proceeding, relevant evidence of conduct that occurred before the filing date of this Consent Judgment shall be admissible on any material issue, including alleged willfulness, intent, knowledge, contempt or breach, to the extent permitted by law. By this paragraph, Defendant does not waive any evidentiary objection or any other objection it may have as permitted by law to the admissibility of any such evidence.
9. IT IS FURTHER ORDERED that any violation of the terms of this Consent Judgment shall constitute contempt. Service of any action for contempt shall be complete upon mailing a certified copy of such action to the Defendant.
10. In the event the Ohio Attorney General must initiate legal action or incur any costs to

compel Defendant to abide by this Agreed Entry, upon order of the Court, Defendant shall be liable to the Ohio Attorney General for any and all penalties imposed by the Court for contempt and, in addition to the payment to the State awarded herein, any such costs and reasonable attorneys' fees expended to proceed with such a motion for contempt that the Court may impose.

11. Failure of the Attorney General to timely enforce any term, condition, or requirement of this Consent Judgment shall not provide, nor be construed to provide, Defendant a defense for noncompliance with any term of this Consent Judgment or any other law, rule, or regulation; nor shall it stop or limit the Attorney General from later enforcing any term of this Consent Judgment or seeking any other remedy available by law, rule, or regulation.
12. Nothing in this Consent Judgment shall in any way preclude any investigation or enforcement action against Defendant under any legal authority granted to the State for transactions not subject to this action.
13. IT IS FURTHER ORDERED that Defendant shall not represent directly or indirectly or in any way whatsoever that the Court or the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of Defendant's business operation.
14. IT IS FURTHER ORDERED that Defendant shall pay all court costs associated with this matter.
15. This Court shall retain jurisdiction to enforce compliance with this Consent Judgment.

IT IS SO ORDERED.

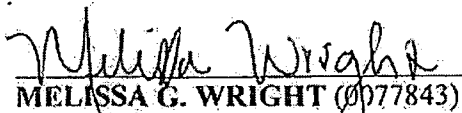
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JUDGE McMONAGLE

JOINTLY APPROVED FOR ENTRY AND SUBMITTED BY:

FOR THE OHIO ATTORNEY GENERAL, MICHAEL DEWINE


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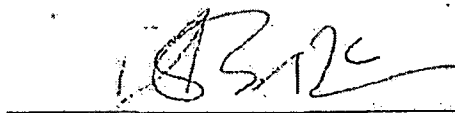
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Counsel for Plaintiff Ohio Attorney General

2/17/16
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2/17/16
Date