

IN THE COURT OF COMMON PLEAS  
MONTGOMERY COUNTY, OHIO

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

Plaintiff,

v.

NATIONWIDE RECOVERY  
GROUP, LLC, *et al.*,

Defendants.

CASE NO. 2015CV00797

JUDGE LANGER  
MAGISTRATE FUCHSMAN

**AGREED FINAL JUDGMENT**  
**ENTRY AND ORDER**

**RECEIVED**  
ATTORNEY GENERAL OF OHIO

MAY 14 2019

**PREAMBLE**

CONSUMER PROTECTION SECTION  
PUBLIC INSPECTION FILE

This matter came to be heard upon the filing of a complaint by the Ohio Attorney General alleging that Defendants, Nationwide Recovery Group, LLC and Michael P. McCarthy, violated the Ohio Consumer Sales Practices Act ("CSPA"), codified at R.C. § 1345.01 *et seq.* The parties have reached an agreement in this case. By signing this Agreed Final Judgment Entry and Order ("Judgment") Defendants submit to the personal jurisdiction of this Court and, in accordance with R.C. § 1345.07(F), consent to the entry of this Judgment. Defendants also consent to the Court's findings of fact, to its conclusions of law, to its imposition of this Judgment, and to the Plaintiff's right to enforce this Judgment. Defendants specifically deny Plaintiff's Factual Assertions stated in Paragraph 8.

**FINDINGS OF FACT**

1. Defendant Nationwide Recovery Group, LLC. ("NRG") is a limited liability company that was organized in the State of Delaware in May of 2008. Its principal place of business is located at 2461 Seneca Street, Buffalo, New York 14210.
2. Defendant Michael P. McCarthy ("McCarthy") is an individual and resides at 62 Buffum Street, Buffalo, New York 14210.

3. Defendant McCarthy is the sole owner and managing member of Defendant NRG. He has the authority to and does formulate, approve, reject, direct, or control the policies and procedures for Defendant NRG.
4. Defendants conducted business in Ohio using the business name Nationwide Recovery Group.
5. Defendants purchased debts and engaged in the practice of debt collection services by regularly collecting or attempting to collect, debts that were due or alleged to be due from consumers.
6. Defendants engaged in the practice of debt services by regularly collecting, or attempting to collect debts that were due or alleged to be due from consumers to others for whom Defendants provided collections services.

#### **DEFENDANTS' FACTUAL ASSERTIONS**

7. The Defendants specifically deny the factual allegations set forth in Paragraph 8. The Defendants further affirmatively assert that an unrelated third party was responsible for conduct described in Paragraphs 8(e) and 8(h).

#### **PLAINTIFF'S FACTUAL ASSERTIONS**

8. The Ohio Attorney General alleged the following additional facts in his Complaint:
  - a) Defendants collected, or attempted to collect debts, by using debt collection methods which were deceptive and abusive.
  - b) Defendants attempted to collect on alleged debts by placing telephone calls to alleged consumer debtors without meaningful disclosures of the identities of the callers.
  - c) Defendants engaged in conduct that was harassing or abusive to consumers in an effort to intimidate consumers into paying debts allegedly owed.
  - d) Defendants called consumers using technology that blocked, disguised or "spoofed" the originating telephone numbers from which they called by purposefully blocking

or transmitting other telephone numbers for display on the call recipients' caller identification service.

- e) Defendants called consumers while spoofing their originating number to display as telephone numbers associated with governmental, judicial or law enforcement agencies to create a false impression for the call recipient.
- f) Defendants collected or attempted to collect debts allegedly owed by consumers by falsely posing as associated with governmental, judicial or law enforcement agencies including but not limited to, county sheriff deputies, an investigator from Greene County District Court, or process servers from several Ohio clerk of courts' offices, including the Montgomery, Cuyahoga and Greene counties.
- g) Defendants collected or attempted to collect debts allegedly owed by consumers by making false or misleading statements, including representations that a civil or criminal action was imminent if consumers failed to pay a debt immediately.
- h) Defendants informed consumers that they could or would be arrested or imprisoned for "theft of merchandise" or "theft of services" for failing to pay a debt.
- i) Defendants threatened actions against consumers when there was no legal authority or intention to do so, including representations that wage garnishments would be obtained or that debts would be reported to the Internal Revenue Service which would result in "unearned income" tax assessments in amounts three times higher than the original debts.
- j) Defendant McCarthy attempted to collect debts from consumers while falsely identifying himself as John McGuire or Jason Gallagher.
- k) Defendants attempted to collect debts from consumers while falsely informing consumers that they were mediating between the original merchant and an attorney.

- l) Defendants attempted to collect debts from consumers while falsely informing consumers that statutes of limitations or other deadlines were quickly approaching to create false senses of urgency.
- m) Defendants engaged in business in Montgomery County and other counties throughout the State of Ohio; however, Defendants are not registered with the Ohio Secretary of State's Office.

### **CONCLUSIONS OF LAW**

- 9. This Court has personal jurisdiction over each Defendant, pursuant to R.C. § 2307.382, as this cause of action arose from the Defendants' business transactions with residents of Ohio.
- 10. Venue is proper with this Court under Civ. R. 3(B)(3) as Defendants conducted activity in Montgomery County giving rise to some of the claims for relief in the Complaint.
- 11. This Court has subject matter jurisdiction over this action, pursuant to R.C. § 1345.04, as the claims in this Complaint arose from consumer transactions subject to R.C. § 1345.01 *et seq.*
- 12. Defendants are "suppliers" under R.C. § 1345.01(C).
- 13. Defendants are "debt collectors" as that term is defined in 15 U.S.C. § 1692(A)(6).
- 14. By engaging in acts or practices that violate the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §§ 1692 – 1692p, a supplier commits unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, §§ R.C. 1345.02(A) and R.C. 1345.03(A).
- 15. A supplier commits unfair and deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. §§ 1345.02(A) and 1345.03(A), by threatening to take actions for nonpayment of alleged debts that could not be legally taken or that the debt collector or creditor did not intend to take.
- 16. A supplier commits unfair and deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. §§ 1345.02(A) and 1345.03(A), by placing telephone calls to consumers

without meaningfully disclosing the identity of the caller.

17. A supplier commits unfair and deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. §§ 1345.02(A) and 1345.03(A), by placing telephone calls to consumers while blocking originating telephone numbers or disseminating false originating telephone numbers to evade caller identification services used by call recipients for misleading or deceptive purposes.
18. A supplier commits unfair and deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. §§ 1345.02(A) and 1345.03(A), by making false, misleading or deceptive representations in connection with the collection of a debt.
19. A supplier commits unfair and deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. §§ 1345.02(A) and 1345.03(A), by representing or implying that nonpayment of debts will result in the arrest or filing of criminal or civil actions when such actions were not lawful or the debt collector or creditor did not intend to take such action.

### **ORDER**

For purposes of effecting this Agreed Final Judgment Entry and Order, it is therefore **ORDERED, ADJUDGED, AND DECREED** that:

- I. Plaintiff's request for a Declaratory Judgment is GRANTED. It is therefore DECLARED that the acts and practices alleged by the Ohio Attorney General but specifically denied by Defendants would violate the CSPA, § R.C. 1345.01 *et seq.*, in the manner set forth in the Conclusions of Law.
- II. The Defendants, their agents, servants, representatives, salespersons, employees, successors, assigns, and all persons acting on behalf of the Defendants, directly or indirectly, through any corporate device or private device, partnership or association, including any person or entity which purchases any interest in the business and continues to operate the business, in connection with any consumer transaction, are

PERMANENTLY ENJOINED within the State of Ohio from acting as “suppliers” as that term is defined in R.C. § 1345.01(C) and as “debt collectors” as that term is defined in 15 U.S.C. § 1692(A)(6).

- III. The Attorney General of Ohio, Michael DeWine, filed this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. § 1345.07. Therefore, Defendants are assessed, jointly and severally, a civil penalty, pursuant to R.C. § 1345.07(D), in the amount of \$49,550.00 and consumer damages, pursuant to R.C. § 1345.07(B), in the amount \$450.00, which shall be distributed at the sole discretion of the Attorney General.
- IV. Due, *inter alia*, to the Defendants’ inability to pay the full amount of the civil penalty, the Attorney General agrees to suspend a portion of the civil penalty in the amount of \$35,000 upon the condition that Defendants NRG and McCarthy comply with the permanent injunction set forth in Paragraph II of this Order; comply with the terms of the payment plan as outlined in Paragraph V of this Order and comply with the terms of Paragraph VII of this Order with respect to other alleged Ohio debts owned or serviced by Defendants. Should Defendants NRG and McCarthy knowingly fail to comply with any provisions herein, the Attorney General shall seek an order from this Court to reinstate the full civil penalty amount.
- V. The Defendants shall pay, jointly or severally, to the Ohio Attorney General’s Office a total sum of \$15,000 for the unsuspended portion of the civil penalty and the consumer damages. The Defendants shall pay \$5,000 due 30 days from the entry of this Order; a second payment of \$5,000 due 60 days from the entry of this Order; and the remaining \$5,000 in monthly payments for up to 24 months with a minimum monthly payment of \$208.33, unless paid earlier.
- VI. Monetary provisions of this Order shall be paid by Defendants directly to the Attorney

General's Office by certified cashier's check or money order, made payable to the "Ohio Attorney General's Office," and mailed or delivered to:

**Consumer Protection Section  
Ohio Attorney General's Office  
Attn: Compliance Officer  
30 E. Broad Street, Floor 14  
Columbus, Ohio 43215**

To ensure the funds are properly applied, please reference "**National Recovery Group, Montgomery County Case No. 2015 CV 797**" on the check or money order or on an attached cover letter.

- VII. Defendants NRG and McCarthy agree that any debts alleged to be owed by Ohio residents that are currently owned by, or in the possession of Defendants will not be sold, or shared in any manner and that all collection efforts by Defendants will be terminated.
- VIII. Defendants shall pay court costs.

IT IS SO ORDERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
JUDGE LANGER

AGREED TO BY:

MICHAEL DEWINE  
Ohio Attorney General

/s/ **Erin B. Leahy**

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/s/ **Katherine S. Decker**  
(per written auth- by Erin Leahy)

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/s/ **Michael P. McCarthy**  
(per written auth from Counsel Decker-  
by Erin Leahy)

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MICHAEL P. MCCARTHY, Individually  
And as Owner and Managing Member of  
NATIONWIDE RECOVERY GROUP,  
LLC  
62 Buffum Street  
Buffalo, New York 14210  
*Defendants*





General Division  
Montgomery County Common Pleas Court  
41 N. Perry Street, Dayton, Ohio 45422

**Type:** Agreed Entry: (Signed By Judge)  
**Case Number:** 2015 CV 00797  
**Case Title:** STATE OF OHIO EX REL ATTORNEY GENERAL DEWINE vs  
NATIONWIDE RECOVERY GROUP LLC.

So Ordered

A handwritten signature in black ink, appearing to read "Dennis J. Langer".