FILED
U.S. DISTRICT COURT
EASTERN DISTRICT ARKANSAS

AUG 14 2019

JAMES W. McCORMACK, CLERK
By: DEP CLERK

**UNITED STATES DISTRICT COURT**
**EASTERN DISTRICT OF ARKANSAS**

| | |
|---|---|
| Bureau of Consumer Financial Protection and the State of Arkansas *ex rel.* Leslie Rutledge, Attorney General,<br><br>Plaintiffs,<br><br>v.<br><br>Andrew Gamber, Voyager Financial Group, LLC, BAIC, Inc., and SoBell Corp.,<br><br>Defendants. | Case Number: 4:19-cv-565 - BSM<br><br>COMPLAINT<br><br>**This case assigned to District Judge** Miller<br>**and to Magistrate Judge** Ray |

The Bureau of Consumer Financial Protection (Bureau) and the State of Arkansas *ex rel.* Leslie Rutledge, Attorney General (Arkansas), bring this action against Andrew Gamber; Voyager Financial Group, LLC; BAIC, Inc.; and SoBell Corp. ( collectively, Defendants) under the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536(a), 5564, 5565. Arkansas also brings this action under the Arkansas Deceptive Trade Practices Act (ADTPA), Ark. Code Ann. § 4-88-101, *et seq*. and the Arkansas Constitution, as amended by Amendment 89, § 3. Plaintiffs allege as follows.

## Jurisdiction and Venue

1. This Court has subject-matter jurisdiction over this action because it is brought under "Federal consumer financial law," 12 U.S.C. § 5565(a)(1), presents a federal question, 28 U.S.C. § 1331, and is brought by an agency of the United States, 28 U.S.C. § 1345.

2. This Court has supplemental jurisdiction over Arkansas's state-law claims because they are so related to the federal claims that they form part of the same case or controversy. 28 U.S.C. § 1367(a).

3. This Court has personal jurisdiction over Defendants because Defendants are located, reside, and do business in this district. 12 U.S.C. § 5564(f).

4. Venue is proper because Defendants are located, reside, and do business in this district, 12 U.S.C. § 5564(f), because Defendants reside in this district and all Defendants are residents of the State of Arkansas, 28 U.S.C. § 1391(b)(1), and because a substantial part of the events or omissions giving rise to the claims occurred in this district, 28 U.S.C. § 1391(b)(2).

**Parties**

5. The Bureau is an independent agency of the United States created by the CFPA. 12 U.S.C. § 5491(a). The Bureau has independent litigating authority and is authorized to initiate civil actions in federal district court to secure appropriate relief for violations of "Federal consumer financial law," 12 U.S.C. § 5564(a)-(b), including the CFPA, 12 U.S.C. § 5481(14).

6. Leslie Rutledge is the Attorney General for the State of Arkansas and is the chief legal officer of the State. She is statutorily mandated to maintain and defend the interests of the State, the legitimate business community, and Arkansas consumers in federal court. Ark. Code Ann. §§ 4-88-105, 25-16-701 *et seq.* Under Ark. Code Ann. § 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA.

7. Defendant Voyager Financial Group, LLC (VFG) was an Arkansas corporation headquartered in Little Rock, Arkansas. VFG brokered extensions of credit to consumers and is therefore a "covered person" under the CFPA. 12 U.S.C. § 5481(5)-(7), (15)(A)(i).

8. Defendant BAIC, Inc. (BAIC) was a Texas corporation headquartered in Little Rock, Arkansas. BAIC brokered extensions of credit to consumers and is therefore a "covered person" under the CFPA. 12 U.S.C. § 5481(5)-(7), (15)(A)(i).

9. Defendant SoBell Corp (SoBell) was a Mississippi corporation headquartered in Little Rock, Arkansas. SoBell brokered extensions of credit to consumers and is therefore a "covered person" under the CFPA. 12 U.S.C. § 5481(5)-(7), (15)(A)(i).

10. Defendant Andrew Gamber was a co-founder and owner of VFG. Gamber was the sole founder and owner of BAIC and SoBell. He had managerial responsibility for VFG, BAIC, and SoBell, and he materially participated in the conduct of their affairs. Gamber is therefore a "related person" under the CFPA, 12 U.S.C. § 5481(25)(C)(i)-(ii), and is thus deemed a "covered person" under the CFPA. 12 U.S.C. § 5481(25)(B). Further, under Ark. Code Ann. § 4-88-113(d)(1), Gamber is liable for violations of the ADTPA as a "partner, officer, or director" and a "person who directly or indirectly control[led]" VFG, BAIC, and SoBell.

**Factual Background**

11. Gamber, through his companies VFG, BAIC, and SoBell, brokered contracts offering high-interest credit to consumers. The credit offers were marketed as purchases of consumers' future pension or disability payments.

12. Defendants set up contracts between consumers and investors where consumers receive a lump-sum payment, ranging from a few thousand to tens of thousands of dollars, and were thereafter obligated to repay a much larger amount by assigning to investors part of consumers' monthly pension or disability payments. The consumers' obligations typically last five to ten years.

13. The majority of the high-interest credit offers Defendants brokered were for veterans who have Department of Veterans Affairs (VA) disability pensions or pensions administered by the Defense Finance and Accounting Service (DFAS). The VA establishes a veteran's level of disability compensation and administers disability pensions. DFAS is a federal

agency within the Department of Defense; it includes an office that issues monthly pension payments to military retirees.

14. From at least 2011 through 2016, Defendants' contracts required veterans to go into their VA or DFAS online portal and change their entire pension direct-deposits or their monthly allotments to be routed directly into a bank account controlled by Defendants or Defendants' agents. If veterans contracted to sell only part of their pensions through Defendants, Defendants would receive the veterans' entire pension direct-deposits or monthly allotments and then remit portions of them to the veterans' bank accounts.

15. Federal law prohibits agreements under which another person acquires the right to receive a veteran's pension payments. 38 U.S.C. § 5301(a)(3)(C).

16. South Carolina law, the law governing these contracts according to their choice-of-law provisions, prohibits an assignment of earnings for payment or as security for payment of a debt arising out of a consumer loan and deems a sale of unpaid earnings made in consideration of the payment of money to the seller of the earnings to be a loan secured by an assignment of earnings. S.C. Code § 37-3-403 (2012). "Earnings" includes periodic payments under a pension, retirement, or disability program. S.C. Code § 37-1-301(15). Thus, these contracts are prohibited under their governing state law.

17. Consumers could repay the contracts from sources other than the contracted-for income stream. In fact, consumers were required to purchase life-insurance policies so that, should a consumer die and the income stream stop, the outstanding amount on the contract would still be paid.

18. Defendants represented to consumers that the products Defendants brokered were sales of payments and not high-interest credit offers. For example, the first page of the "New

Seller Information Packet," sent to consumers by Defendants, stated, "It is important to note that this is not a loan[.]" The first paragraph of a form email sent with the packet stated, "Please keep in mind that this is not a loan, you are selling a product for a set price."

19. Defendants did not disclose to consumers the interest rates of the products Defendants brokered.

20. In Defendants' communications with consumers who had ostensibly been matched with a buyer, Defendants routinely told consumers that consumers would receive their funds by a specific date or within a specified period. On multiple occasions, however, Defendants did not deliver the funds to the consumer by the promised date. Many consumers experienced funding delays, some as long as several months.

21. Many consumers realized the illegal nature of the transactions, and some complained directly to Defendants that the transactions are illegal. In response, Defendants repeatedly told consumers that the transactions were legal.

## Count I

*Deceptive Acts or Practices in Violation of the CFPA*

22. The allegations in paragraphs 1 to 21 are incorporated here by reference.

23. An act or practice is deceptive if it involves a material misrepresentation or omission that is likely to mislead consumers acting reasonably under the circumstances.

24. Information that is material to consumers is information that is likely to affect a consumer's choice of, or conduct regarding, a product or service.

25. The contracts brokered by Defendants were void from inception because federal law prohibits agreements under which another person acquires the right to receive a veteran's pension payments, 38 U.S.C. § 5301(a)(3)(C), and because South Carolina law, which governs

the contracts, prohibits sales of unpaid earnings and prohibits assignments of pensions as security on payment of a debt, S.C. Code § 37-3-403.

26. Defendants repeatedly failed to disclose to consumers that the contracts Defendants brokered were illegal because (1) assignments of veterans' pensions are prohibited by federal law and (2) sales of unpaid earnings and assignments of pensions as security on payment of a debt are prohibited under South Carolina law. Defendants repeatedly misrepresented the contracts as valid and enforceable.

27. Defendants' failures to disclose the illegality of the contracts and their misrepresentations of the contracts as valid and enforceable were likely to mislead consumers acting reasonably under the circumstances.

28. Defendants' omissions and misrepresentations were material because they were likely to influence the decisions of consumers acting reasonably under the circumstances.

29. Therefore, Defendants engaged in deceptive acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Count II**

*Deceptive Acts or Practices in Violation of the CFPA*

30. The allegations in paragraphs 1 to 21 are incorporated here by reference.

31. Defendants brokered contracts that provide for consumers to receive a lump-sum payment and thereafter repay a much larger total amount over time using their monthly pension or disability payments. These products are high-interest credit offers.

32. Defendants represented to consumers that Defendants' products were sales and not high-interest credit offers.

33. Consumers acting reasonably under the circumstances were likely to be misled by Defendants' misrepresentations.

34. Defendants' misrepresentations regarding the nature of the products Defendants brokered were material to consumers because the misrepresentations rendered a reasonable consumer unable to compare the cost of Defendants' products with other potential sources of credit and were likely to influence the decisions of consumers acting reasonably under the circumstances.

35. Therefore, Defendants engaged in deceptive acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Count III**

*Deceptive Acts or Practices in Violation of the CFPA*

36. The allegations in paragraphs 1 to 21 are incorporated here by reference.

37. Defendants misrepresented to consumers that consumers would receive funds from Defendants within a specified period when, in fact, many consumers did not receive funds by the specified date.

38. Defendants' misrepresentation were likely to mislead consumers acting reasonably under the circumstances.

39. Misrepresentations about the date by which consumers would receive lump-sum payments under Defendants' contracts were material because they were likely to influence the decisions of consumers acting reasonably under the circumstances.

40. Therefore, Defendants engaged in deceptive acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Count IV**

*Unfair Acts or Practices in Violation to the CFPA*

41. The allegations in paragraphs 1 to 21 are incorporated here by reference.

42. An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition.

43. Defendants failed to inform consumers of their products' interest rates.

44. Defendants caused or likely caused substantial injury to consumers because Defendants prevented consumers from comparing alternative products. And by failing to inform consumers about the products' interest rates, Defendants deprived consumers of information consumers would need to determine whether the product is usurious and therefore potentially unlawful under their state's law.

45. Consumers could not reasonably have avoided injury in this situation; consumers could not reasonably be expected to make the interest-rate calculation themselves, particularly after Defendants misrepresented that the product was not a high-interest credit offer.

46. This injury was not outweighed by countervailing benefits to consumers or competition.

47. Therefore, Defendants engaged in unfair acts and practices in violation of the CFPA 12. U.S.C. §§ 5531(c), 5536(a)(1)(B).

**Count V**

*Deceptive, Unconscionable, and False Practices in Violation to the ADTPA*

48. The allegations in paragraphs 1 to 21 are incorporated here by reference.

49. Defendants' business practices constitute the sale of "goods" or "services" within the meaning of Ark. Code Ann. § 4-88-102(3) & (6). These same practices constitute business, commerce, or trade within the meaning of Ark. Code Ann. § 4-88-107.

50. The deceptive and unconscionable trade practices enumerated are in addition to and do not limit the types of unfair trade practices actionable at common law or under other statutes of the State of Arkansas, including the Arkansas Constitution. Ark. Code Ann. § 4-88-107(b).

51. Defendants' conduct constitutes deceptive, false, and unconscionable trade practices prohibited by the ADTPA, including but likely not limited to Ark. Code Ann. § 4-88-107(a)(1) and 4-88-107(a)(10). More specifically, Defendants violated the ADTPA by:

a. Knowingly making a false representations as to the characteristics, uses, benefits, sources, and approval of these lump-sum payments, rather than correctly characterizing the transactions as loans that were void from inception because federal law prohibits agreements under which another person acquires the right to receive a veteran's pension payments, under 38 U.S.C. § 5301(a)(3)(C).

b. Advertising "lump-sum payments" with the intent not to sell them as advertised to both pension sellers and buyers was deceptive because Defendants affirmatively state that the transactions are not loans or are structured in such a manner that the practice of both selling and buying a veteran's pension is legal.

c. Engaging in other unconscionable, false, or deceptive action or practice in business, by charging and collecting usurious interest rates (in excess of 17% ) as a matter of law and that violates the Arkansas Constitution. *See Ark. v. R & A. Inv. Co., Inc.*, 336 Ark. 289, 782 S.W.2d 299 (1991); *Ark. Bd. of Collection Agencies & Old*

*Republic Sur. Co. v. McGhee*, 372 Ark. 136, 271 S.W.3d 512 (2008); *Staton v. Ark. Bd. of Collection Agencies & Am. Mfrs. Mut. Ins. Co.*, 372 Ark. 387, 277 S.W.3d 190 (2008); *McGhee v. Ark. Bd. of Collection Agencies*, 375 Ark. 52, 289 S.W.3d 18 (2008). The usurious interest rates are believed to have ranged from 25% to over 40%, not including fees and the required life-insurance premiums costs that may be considered as part of the overall cost of credit.

d. Requiring consumers to purchase life-insurance policies that paid the purchaser of the loan upon the consumers' death is unfair and unconscionable in that the cost of the life-insurance policy is not disclosed as part of the cost of the loan.

52. Defendants' conduct in connection with the sale or advertisement of "lump-sum payment" or "income stream purchases" was in violation of Ark. Code Ann. § 4-88-108 through the concealment, suppression, or omission of material facts:

a. That the assignment of the pension was void at its inception and Defendants' act, use, or employment of a carefully crafted and constructed scheme to cast the loans as "lump-sum payments" was employed to obtain commissions and fees through deceit, defraud, or false pretenses.

b. That the assignment of certain pensions was void at its inception, such that Defendants' advertisements, statements and business model was deliberately designed to skirt both the definition of a loan and the definition of a security with the intent that both buyers and sellers rely upon the concealment, suppression, or omission.

c. That Defendants Gamber and VFG were subject to a cease-and-desist consent order for the sale of unregistered securities. *See In re VFG, LLC f/k/a Voyager Fin. Grp., LLC.,* Arkansas Security Department Order No. S-12-0015-14-OR06.

d. And that both the life-insurance coverage on the seller and limits to other "wrap insurance" purportedly provided by Lloyds of London to protect the buyers did not disclose that the life insurance may lapse or that the seller could reduce or direct the income stream at any time.

53. Defendants' conduct is ongoing in that many veterans and other consumers who sold their pensions are still paying on these loans and buyers who purchased the "income streams" are still receiving payments.

54. Further, Defendants' affirmative and fraudulent scheme sought to characterize the transactions as the sale of a pension rather than a usurious loan in order to prevent consumers from discovering the fraud and usurious interest.

55. Finally, some of these transactions were committed against "elder or disabled persons" that subject Defendants to additional civil penalties not to exceed $10,000 for each violation, Ark. Code Ann. § 4-88-201 *et seq.*, because:

a. Defendants' conduct was in disregard of the rights of the elder or disabled person to his or her pension.

b. Defendants knew or reasonably should have known that their conduct was directed toward these elder or disabled persons because the customers were receiving pensions and disability payments.

c. The elder or disabled person was more vulnerable to Defendants' conduct because of age, poor health, infirmity, impaired understanding, restricted mobility, or disability than other persons and the elder or disabled person actually suffered substantial physical, emotion, or economic damage resulting from Defendants' conduct.

d. And Defendants' conduct caused an elder or disabled person to suffer:

i. mental or emotional anguish;

ii. loss of or encumbrance upon a primary residence of the elder or disabled person;

iii. loss or encumbrance upon the elder or disabled person's principal employment or principal source of income;

iv. loss of funds received under a pension or retirement plan or a government benefits program;

v. loss of property set aside for retirement or for personal or family care and maintenance;

vi. loss of assets essential to the health and welfare of the older or disabled person; or

vii. any other similar facts the Court deems appropriate.

**Prayer for Relief**

Wherefore, the Bureau and Arkansas request that the Court:

1. permanently enjoin Defendants from committing future violations of the CFPA, 12 U.S.C. §§ 5531, 5536(a), or any provision of "Federal consumer financial law," as defined by 12 U.S.C. § 5481(14);

2. permanently enjoin Defendants from committing future violations of the ADTPA and the Arkansas Constitution, Amend. 89;

3. grant additional injunctive relief as the Court may deem just and proper;

4. order the suspension or forfeiture of franchises, corporate charters, or other licenses or permits or authorization to do business in Arkansas. Ark. Code Ann. § 4-88-113(b);

5. award restitution, damages, or other monetary relief against Defendants;

6. order Defendants to pay redress to harmed consumers;

7. order Defendants to disgorge all ill-gotten gains;

8. impose on Defendants civil money penalties;

9. order Defendants to pay the Bureau's and Arkansas's costs incurred in connection with prosecuting this action; and

10. award additional relief as the Court may determine to be just and proper.

Respectfully submitted,

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Jeffrey Paul Ehrlich
*Acting Principal Deputy Enforcement Director*
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CIVIL COVER SHEET 4:19-cv-565-BSM

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

## I. (a) PLAINTIFFS

Bureau of Consumer Financial Protection and the State of Arkansas ex rel. Leslie Rutledge, Attorney General

**(b)** County of Residence of First Listed Plaintiff ______________
*(EXCEPT IN U.S. PLAINTIFF CASES)*

**(c)** Attorneys *(Firm Name, Address, and Telephone Number)*

(See attachment)

## DEFENDANTS

Andrew Gamber, Voyager Financial Group, LLC, BAIC, Inc., and SoBell Corp

County of Residence of First Listed Defendant Pulaski
*(IN U.S. PLAINTIFF CASES ONLY)*

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

## II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☒ 1 U.S. Government Plaintiff
- ☐ 3 Federal Question *(U.S. Government Not a Party)*
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

## III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*

*(For Diversity Cases Only)*

| | PTF | DEF | | PTF | DEF |
|---|---|---|---|---|---|
| Citizen of This State | ☐ 1 | ☐ 1 | Incorporated *or* Principal Place of Business In This State | ☐ 4 | ☐ 4 |
| Citizen of Another State | ☐ 2 | ☐ 2 | Incorporated *and* Principal Place of Business In Another State | ☐ 5 | ☐ 5 |
| Citizen or Subject of a Foreign Country | ☐ 3 | ☐ 3 | Foreign Nation | ☐ 6 | ☐ 6 |

## IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

Click here for: Nature of Suit Code Descriptions.

**CONTRACT**
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

**REAL PROPERTY**
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

**TORTS**

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
- ☐ 365 Personal Injury - Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

**CIVIL RIGHTS**
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 448 Education

**PRISONER PETITIONS**

Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee - Conditions of Confinement

**FORFEITURE/PENALTY**
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

**LABOR**
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Management Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Retirement Income Security Act

**IMMIGRATION**
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

**BANKRUPTCY**
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

**PROPERTY RIGHTS**
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 835 Patent - Abbreviated New Drug Application
- ☐ 840 Trademark

**SOCIAL SECURITY**
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

**FEDERAL TAX SUITS**
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

**OTHER STATUTES**
- ☐ 375 False Claims Act
- ☐ 376 Qui Tam (31 USC 3729(a))
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit
- ☐ 485 Telephone Consumer Protection Act
- ☐ 490 Cable/Sat TV
- ☐ 850 Securities/Commodities/ Exchange
- ☒ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Information Act
- ☐ 896 Arbitration
- ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

## V. ORIGIN *(Place an "X" in One Box Only)*

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District *(specify)*
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***:
12 U.S.C § 5564(a)-(b)

Brief description of cause:
Violations of the Consumer Financial Protection Act and Arkansas Deceptive Trade Practices Act

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.

**DEMAND $**

CHECK YES only if demanded in complaint:
**JURY DEMAND:** ☐ Yes ☒ No

## VIII. RELATED CASE(S) IF ANY

*(See instructions):* JUDGE ______________ DOCKET NUMBER ______________

DATE
08/14/2019

SIGNATURE OF ATTORNEY OF RECORD

**FOR OFFICE USE ONLY**

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

# INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I.(a)** **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

**(b)** **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

**(c)** **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II.** **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.)**

**III.** **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV.** **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: Nature of Suit Code Descriptions.

**V.** **Origin.** Place an "X" in one of the seven boxes.
Original Proceedings. (1) Cases which originate in the United States district courts.
Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket. **PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statue.

**VI.** **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service

**VII.** **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

**VIII.** **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.

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