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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

Lynda Paulson, Plaintiff, -v.- Tek-Collect Incorporated; Defendant(s).	Index No: **COMPLAINT** **DEMAND FOR JURY TRIAL**

Plaintiff Lynda Paulson brings this Complaint by and through her attorneys, against Defendant Tek-Collect Incorporated ("Tek-Collect or Defendant"), individually and on behalf of a class of all others similarly situated, pursuant to Rule 23 of the Federal Rules of Civil Procedure, based upon information and belief of Plaintiff's counsel, except for allegations specifically pertaining to Plaintiff, which are based upon Plaintiff's personal knowledge.

INTRODUCTION/PRELIMINARY STATEMENT

1. The Fair Debt Collection Practices Act ("FDCPA") was enacted in response to the "abundant evidence of the use of abusive, deceptive, and unfair debt collection practices by many debt collectors." 15 U.S.C. §1692(a). Congress was concerned that "abusive debt collection practices contribute to the number of personal bankruptcies, to material instability, to the loss of jobs, and to invasions of individual privacy." *Id.* Congress concluded that "existing laws…[we]re inadequate to protect consumers," and that "'the effective collection of debts" does not require "misrepresentation or other abusive debt collection practices." 15 U.S.C. §§ 1692(b) & (c).

2. The purpose of the Act was not only to eliminate abusive debt collection practices, but also to ensure "that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged." *Id.* § 1692(e). After determining that the existing consumer protection laws were inadequate. *Id.* § 1692(b), the Act gave consumers a private cause of action against debt collectors who fail to comply with it. § 1692k.

JURISDICTION AND VENUE

3. The Court has jurisdiction over this class action pursuant to 28 U.S.C. § 1331 and 15 U.S.C. § 1692 et seq. The Court has pendent jurisdiction over state law claims, if any, in this action pursuant to 28 U.S.C. § 1367(a).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(2) as this is where the Plaintiff resides as well as a substantial part of the events or omissions giving rise to the claim occurred.

NATURE OF THE ACTION

5. Plaintiff brings this class action on behalf of a class of California consumers under § 1692 et seq. of Title 15 of the United States Code, also known as the Fair Debt Collections Practices Act ("FDCPA"), and

6. Plaintiff is seeking damages and declaratory relief.

PARTIES

7. Plaintiff is a resident of the State of California in the County of Los Angeles.

8. At all times material hereto Plaintiff was a "consumer" as said term is defined under 15 U.S.C. § 1692a(3) and as defined under 12 CFR § 1006.2(e).

9. Defendant is a "debt collector" as the phrase is defined in 15 U.S.C. § 1692(a)(6) and used in the FDCPA and may be served upon its registered agent c/o Corporation Service Company located at 1160 Dublin Road, Suite 400, Columbus, Ohio 43215.

10. Upon information and belief, Defendant is a company that uses the mail, telephone, and facsimile and regularly engages in business the principal purpose of which is to attempt to collect debts alleged to be due another.

FACTUAL ALLEGATIONS

11. Plaintiff repeats the above paragraphs as if set forth here.

12. Some time prior to March 7, 2024, an obligation was allegedly incurred by the Plaintiff to Marina Smiles Dentistry (hereinafter referred to as "MSD").

13. The obligation arose out of a transaction in which money, property, insurance or services, of which the subject transactions, were incurred for personal purposes, specifically, Plaintiff received dental services from MSD.

14. The alleged obligation is a "debt" as defined by 15 U.S.C. § 1692a(5).

15. Defendant collects and attempts to collect debts incurred or alleged to have been incurred for personal, family or household purposes on behalf of creditors using the United States Postal Services, telephone and internet.

Violation – March 7, 2024 Collection Letter

16. On or about March 7, 2024, Defendant sent the Plaintiff a collection letter regarding the alleged debt owed to MSD. A copy of this letter is attached as **Exhibit A**.

17. The letter states in relevant part: "TekCollect is a debt collector. We are trying to collect a debt that you owe to 10415 – Marina Smiles Dentistry." *See* Exhibit A.

18. The letter stated that the Plaintiff owed an outstanding balance of $1,740.00. *Id.*

19. On or about March 26, 2024, Plaintiff responded to the Defendant in relevant part as follows:

> I am disputing the debt in its entirety because I paid this debt. I have filed a complaint with The Better Business Bureau and the CA S Dental Board against Marina Smiles for illegal double billing for services already paid.

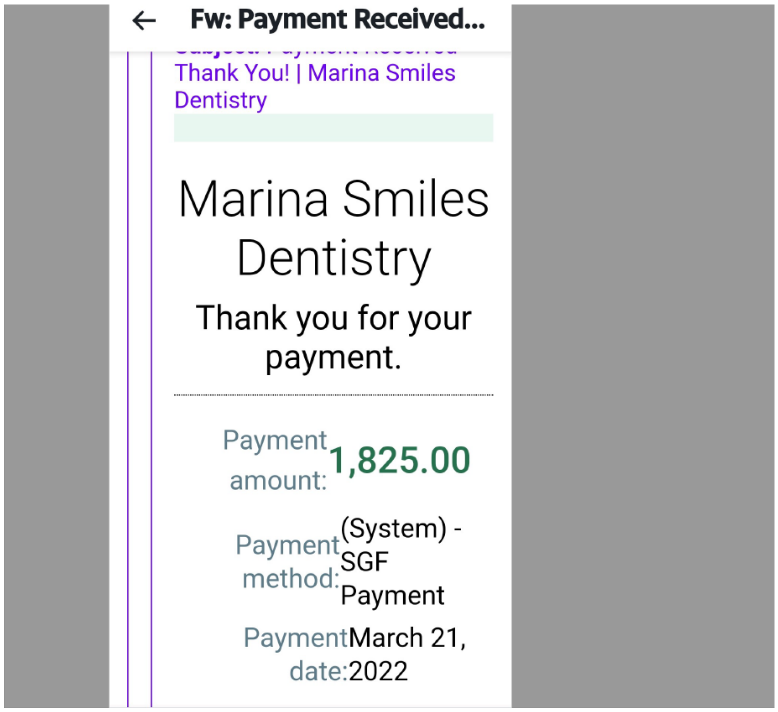
See Plaintiff's March 26 Dispute as Exhibit B.

20. Further in Plaintiff's March 26 Dispute, Plaintiff stated in relevant part:

> I am submitting:
>
> 1) The receipt of payment from Marina Smiles of $1825 on March 22, 2022. (I financed the entire amount with Smile Generation credit card).
> 2) The statement from March 2023 from Smile Generation credit card that I paid the $1825 in full within the year.
> 3) Copies of my complaints (to BBB and Dental Board) for Marina Smiles' fraudulent billing practices/referral to Tek Collect to collect on a paid debt.
> 4) Receipt of payment from Marina Smiles of $5699 for more Dental work Dec 13,2023 (in case they trying illegal double billing agains and referring me to collections).
> 5) The statement from my Smile Generation card for January 2024 showing the entire $5699 from Dec 13,2023 being financed on my credit card which means I owe Marina Smiles absolutely nothing.
>
> As you can see there is no basis to their claim (that I owe them money) so not only should you stop collections efforts towards me, but you must also cancel the entire claim.

See Exhibit B.

21. Plaintiff, attached a receipt of payment for $1,825.00, issued on March 21, 2022 to the March 26, 2024 Dispute Letter. *See* Marina Smiles March 22 receipt as Exhibit C.



22. On or about April 12, 2024, Marina Smiles, Plaintiff's original creditor, sent a letter to Better Business Bureau, which states in relevant part as follows:

> In summary, we do apologize for the inconvenience caused to Ms. Paulson. As an effort to resolve this matter, in good faith and compromise, we have removed Ms. Paulson's account from collections, and we have written off the balance leaving Ms. Paulson's account balance at zero dollars.

See MSD Correspondence with Better Business Bureau attached hereto as

Exhibit D.

23. On or about April 15, 2024, Defendant sent a second collection notice attached hereto as Exhibit E.

24. The second collection notice had a different reference number of 1361197, but had the same balance of $1,740.00.

25. Defendant was already on notice from Plaintiff that the debt was invalid and yet still sent the April 15, 2024 letter.

26. On April 23, 2024, Plaintiff sent an email to Defendant and stated in relevant part as follows:

> Per conversation with Tekcollect staff member Patricia attached is proof that this debt was paid and Marina Smiles made a billing error. I will also submit all this AGAIN to Marina Smiles Billing and go into office to dispute with them directly. I have the receipts from services billed on March 21, 2022 and statement from Smile Generation Credit Card that I financed the balance.
>
> I am submitting:
>
> 1) Screenshot from my Smile Generation Chart with the billing error that I owe $1,700 balance. They did note that I paid $700 that day. They also tacked on $85.00 (from paid service on 12/12/23) to the 3/22 statement to get the $1740 amount deducted from the full amount owed of $2525.00.
> 2) Screenshots of payments in my Marina Smiles chart (account number #2302294) posted March 23, 2022 (office receipt of $700 on March 21 and reeipt of balance financed posted to credit card on 3/23/22).
> 3) Smile Generation credit card statement (1/22/23) that I was paying down the financed debt of $1825 from services billed on March 23,2022 (original amount highlighted on page 3 under Details of Your Plan).
> 4) Receipts of both payments from Marina Smiles office: 1)$700 I paid by debit card and 2)$1825 financed through Smile Generation Credit Card.
>
> As you can see there is no merit to this claim of unpaid debt. The debt has been paid.

See April 23 Dispute Letter attached hereto as Exhibit F.

27. On or about June 5, 2024, Defendant sent Plaintiff a third collection notice with reference number 1375755 attached hereto as Exhibit G.

28. The June 5, 2024 letter had a different reference number than the previous two (2) collection notices.

29. Further, the June 5 letter had the same balance as the previous two (2) collection notices, $1,740.00. *Id.*

30. Defendant knew that Plaintiff paid her debt to Marina Smiles in full and still sent a third collection notice.

31. Defendant twice ignored Plaintiff's disputes when she sent clear documentation showing the debt was paid in full.

32. After each written dispute submitted by the Plaintiff, Defendant failed to cease its collection activities pursuant to § 1692g(b) and instead sent the Plaintiff another collection notice.

33. Defendant's conduct in attempting to collect the improper debt was done in effort to harass, and abuse the Plaintiff in an attempt to coerce money from her.

34. Defendant's conduct was false, deceptive, and misleading, as Defendant misrepresented the status of the alleged debt by sending multiple collections notices.

35. Moreover, Defendant's conduct of twice pursuing a non-existent debt after being put on notice of the prior payment, by sending multiple collection notices was unconscionable and unfair practice.

36. Plaintiff has expended significant time and resources, including making multiple attempts to alert both the original creditor and debt collector of this improper collection.

37. As a result of Defendant's conduct of pursuing collections of an invalid debt, Plaintiff has been damaged with emotional distress, fear of continued debt collection, and severe anxiety.

38. As a result of Defendant's deceptive, misleading, and unfair debt collection practices, Plaintiff has been damaged.

COUNT I
VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. § 1692d *et seq.*

39. Plaintiff repeats the above paragraphs as if set forth here.

40. Defendant's debt collection efforts attempted and/or directed towards the Plaintiff violated various provisions of the FDCPA, including but not limited to 15 U.S.C. § 1692d.

41. Pursuant to 15 U.S.C. § 1692d, a debt collector may engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt.

42. Defendant violated § 1692d:

a. As the Defendant sent multiple collection notices to Plaintiff representing that Plaintiff owes an outstanding balance when in fact Defendant was on actual notice that the debt has already been paid in full.

43. By reason thereof, Defendant is liable to Plaintiff for judgment that Defendant's conduct violated Section 1692d *et seq*. of the FDCPA and is entitled to actual damages, statutory damages, costs and attorneys' fees.

COUNT II
VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. § 1692e *et seq.*

44. Plaintiff repeats the above paragraphs as if set forth here.

45. Defendant's debt collection efforts attempted and/or directed towards the Plaintiff violated various provisions of the FDCPA, including but not limited to 15 U.S.C. § 1692e.

46. Pursuant to 15 U.S.C. § 1692e, a debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt.

47. Defendant violated § 1692e:

a. the Defendant sent multiple collection notices to Plaintiff representing that Plaintiff owes an outstanding balance when in fact the Defendant received notice that the debt has already been paid in full.

b. the Defendant sent three different initial collection letters for the same debt but changed the reference number each time.

48. By reason thereof, Defendant is liable to Plaintiff for judgment that Defendant's conduct violated Section 1692e et seq. of the FDCPA, actual damages, statutory damages, costs and attorneys' fees.

COUNT III
VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. §1692f *et seq.*

49. Plaintiff repeats, reiterates and incorporates the allegations contained in paragraphs above herein with the same force and effect as if the same were set forth at length herein.

50. Defendants' debt collection efforts attempted and/or directed towards Plaintiff violated various provisions of the FDCPA, including but not limited to 15 U.S.C. § 1692f.

51. Pursuant to 15 U.S.C. §1692f, a debt collector may not use any unfair or unconscionable means in connection with the collection of any debt.

52. Defendants violated § 1692f:

a. As the Defendant sent multiple collection notices to Plaintiff representing that Plaintiff owes an outstanding balance when in fact the Defendant received notice that the debt was paid.

53. By reason thereof, Defendant is liable to Plaintiff for judgment that Defendant's conduct violated Section 1692f et seq. of the FDCPA, actual damages, statutory damages, costs and attorneys' fees.

<u>COUNT IV</u>
VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. §1692g *et seq.*

54. Plaintiff repeats, reiterates and incorporates the allegations contained in paragraphs above herein with the same force and effect as if the same were set forth at length herein.

55. Defendant's debt collection efforts attempted and/or directed towards Plaintiff violated various provisions of the FDCPA, including but not limited to 15 U.S.C. § 1692g.

56. Pursuant to 15 U.S.C. § 1692g(b):

> If the consumer notifies the debt collector in writing within the thirty-day period described in subsection (a) that the debt, or any portion thereof, is disputed . . . the debt collector shall cease collection of the debt or any disputed portion thereof, until the debt collector obtains verification of the debt or a copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment or name and address of the original creditor is mailed to the consumer by the debt collector.
>
> 15 U.S.C. § 1692g(b).

57. Plaintiff sent Defendant an email on March 26, 2024 in response to Defendant's March 7, 2024 collection notice, disputing the validity of the debt.

58. Defendant did not cease collections, or validate the debt, rather Defendant sent Plaintiff a second collection notice dated April 15, 2024 in violation of § 1692g(b)

59. In response to the April 15, 2024 collection notice, Plaintiff sent Defendant another email on April 23, 2024 to the Defendant, to dispute the full debt.

60. Defendant failed to cease its collection activities and sent Plaintiff a third collection notice on June 5, 2024 in violation of § 1692g(b).

DEMAND FOR TRIAL BY JURY

61. Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby requests a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Lynda Paulson demands judgment from Defendant Tek-Collect Incorporated as follows:

i. Awarding the Plaintiff actual damages pursuant to 15 U.S.C. § 1692k(a)(1);

ii. Awarding the Plaintiff statutory damages pursuant to 15 U.S.C. § 1692k(a)(2)(A);

iii. Awarding the Plaintiff costs for this Action, including reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3);

iv. Providing declaratory relief for the Plaintiff by stating that the Defendant violated the FDCPA pursuant to 28 U.S.C. § 2201;

v. Awarding the Plaintiff punitive damages for Defendant's willful and reckless conduct; and

vi. Awarding the Plaintiff any such other and further relief as this Court may deem just and proper.

Dated: October 10, 2024

Oceanside Law Center APC
By: /s/ Robert Sibilia
Robert Sibilia, Esq.