

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Newport News Division

LUCILLE MATTHEWS

Plaintiff,

V.

RECEIVABLE RECOVERY SERVICES,
LLC

Defendant.

[illegible]

Case No. 4:24-cv-77

CONSENT DECREE

WHEREAS, Plaintiff filed a Complaint against Receivable Recovery Services, LLC (“RRS”). ECF No. 1. After Plaintiff’s counsel moved to withdraw as counsel, which this Court granted (ECF No. 15), Defendant moved the Court for an order directing Phoenix Ayotte and the law firm Guards Law to appear and show cause why they should not be sanctioned. ECF Nos. 18, 19.

WHEREAS, the Parties recognize, and the Court by entering this Consent Decree finds, that the Consent Decree has been negotiated by the parties, including Guards Law LLC (“Guards Law”), Phoenix Ayotte (“Ayotte”), Lucille Matthews (“Matthews”), and RRS (the “Parties”) in good faith and will avoid litigation among the Parties and this Consent Decree is fair, reasonable, adequate, and made with the consent of the Parties.

NOW, THEREFORE, with the consent of the Parties, it is hereby Ordered and Decreed as follows:

1. Guards Law acknowledges that after Ms. Matthews' execution of an engagement agreement with the firm, the firm's communications with Ms. Matthews fell short of the standards set forth in the Virginia Rules of Professional Conduct.

2. Since filing the Complaint in this action, Guards law has taken strides to improve its client communications and the documentation of the same. These efforts include implementing a CRM tool which provides a mechanism by which all client communications (phone calls, text messages, emails, etc.) are recorded and logged into each client's separate file. Additionally, Guards Law requires and ensures that all clients receive an email with their respective complaint attached, together with a phone call discussing the same prior to the complaint's filing.

3. Guards Law shall pay to RRS and Matthews the total sum of fifty thousand dollars (\$50,000.00), thirty-five thousand (\$35,000) of which is directed to RRS and fifteen thousand (\$15,000) of which is directed to Ms. Matthews. The total sum will be payable in installments as follows:

- a. \$20,000 shall be paid within 30 days of execution of this Consent Decree;
- b. \$15,000 shall be paid within 60 days of execution of this Consent Decree;
- c. \$15,000 shall be paid within 90 days of execution of this Consent Decree.

Payments shall be made to the Frost Echols LLC IOLTA Trust Account, and Frost Echols LLC shall handle distribution of the funds as between RRS and Ms. Matthews. The Court shall retain jurisdiction to hear any issues related to nonpayment of the funds outlined above.

4. Guards Law further agrees not to pursue any claim against RRS based on a client dispute not transmitted to RRS through one or more of its publicly available dispute methods.

5. Guards Law agrees to, and will coordinate, releases of all claims against RRS from each of its clients on whose behalf Guards Law has submitted pre-litigation demands based on a client dispute not transmitted to RRS in conformity with the requirements in paragraph 4 above. In the event any such client refuses to release such claims against RRS, Guards Law agrees to inform any such client that it will no longer represent them in an action against RRS.

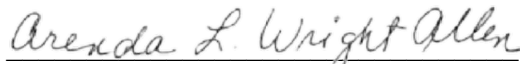
6. Ms. Ayotte agrees to no longer serve as local counsel to Guards Law on any matter.

7. Guards Law agrees to no future contact with Ms. Matthews for any reason.

8. Following entry of the consent decree, the Parties shall jointly file a stipulation of dismissal of this action, including all motions for sanctions, with prejudice.

Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final and enforceable decree of this Court.

IT IS SO ORDERED.



Honorable Arenda L. Wright Allen
United States District Judge

Norfolk, Virginia

Dated: February 28, 2025