NORTH CAROLINA

DURHAM COUNTY

GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
25CV_______________

25CV006154-310

**LYNLI WHITNEY,**

Plaintiff

v.

**NATIONAL CREDIT SYSTEMS, INC.,**

Defendant.

**COMPLAINT**

Jury Trial Demanded

Plaintiff Lynli Whitney, through this Complaint against National Credit Systems, Inc., states:

## NATURE OF ACTION

1. Plaintiff Lynli Whitney brings this action against National Credit Systems, Inc. ("Defendant" or "NCS") for repeatedly attempting to collect a debt that was proven to be invalid by a final judgment issued by the Superior Court of California, County of Riverside. Despite receiving a court order, multiple disputes, and documentary evidence establishing the invalidity of the debt, Defendant continued to try to collect the fraudulent debt.

2. Plaintiff brings this action to challenge the actions of NCS with regard to unlawfully and abusively attempting to collect a fraudulent debt from Plaintiff, inclusive of inaccurate credit reporting, and this conduct caused Plaintiff damages.

3. While many violations are described below with specificity, this Complaint alleges violations of the statutes cited in their entirety.

4. Any violations by each Defendant were knowing, willful, and intentional, and Defendant did not maintain procedures reasonably adapted to avoid any such violation.

## PARTIES, JURISDICTION AND VENUE

5. Jurisdiction is proper in this Court because the amount in controversy exceeds the jurisdictional minimum of this Court and this case involves the violation of North Carolina statutes.

6. Plaintiff is a North Carolina resident.

7. Defendant is a debt collector that regularly collects consumer debts nationwide, including Durham County, and who sought to collect a consumer debt that was alleged to be due and owing from Plaintiff.

8. This action arises from Defendants' violations of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 *et seq.* ("FDCPA") and the North Carolina Collection Agency Act, N.C.G.S. §§ 58-70 *et seq.* ("NCCAA").

## FACTUAL ALLEGATIONS

9. Plaintiff leased an apartment at Latitude 33 Apartments in Palm Springs, California, managed by Cannon Management and owned by Prism Arenas Road, LP.

10. Upon ending her lease on April 10, 2024, Plaintiff had left her apartment in good condition after only living there for approximately 11 months.

11. On April 24, 2024, Plaintiff received a letter from Cannon Management stating that Plaintiff would not be refunded the $1,050 security deposit and that Plaintiff additionally owed $1,614.28. The letter contained erroneous calculations, including charges that did not belong to Plaintiff. Notably, the calculations were based on a security deposit of $750, even though Plaintiff had paid $1,050.

12. On April 27, 2024, Plaintiff called Latitude 33 to dispute the errors. Plaintiff spoke with Assistant Manager Tina Marhon, who advised Plaintiff to contact Property Manager Chuck Rankin.

13. On April 28, 2024, Plaintiff emailed Chuck Rankin, explaining the issue and stating that all rent and utilities had been fully paid throughout the lease term and that the apartment had been left in good condition. No response was received to this email.

14. On May 6, 2024, Plaintiff called Chuck Rankin due to the lack of response. During the call,

Chuck acknowledged that there must be an error and stated he would look into it and get back to Plaintiff.

15. When no follow-up was received, Plaintiff emailed Chuck again on May 12, 2024, to follow up on the May 6 conversation. Again, no response was received.

16. Plaintiff sent another follow-up email on June 7, 2024, due to the ongoing lack of communication. On June 10, 2024, Chuck replied, stating he would "work on this and get back to you next week." However, no further response was received after this message.

17. On or about June 18, 2024, Plaintiff received a letter from NCS, stating that Plaintiff owed a debt of $1,614.28 from Latitude 33/Cannon Management. This occurred despite Cannon Management never responding to Plaintiff's numerous attempts to resolve the miscalculations.

18. During June and July 2024, Plaintiff received 3–4 calls from NCS. The representatives were rude and unprofessional. When Plaintiff attempted to explain that the debt was not owed, the calls would end abruptly. On one occasion, an individual named Bryce Thomas yelled at Plaintiff and hung up.

19. On or about July 2, 2024, Cannon Management sent Plaintiff an email with a revised ledger and attachments. The new balance claimed was $219.28, but the ledger included handwritten calculations and was still based on the wrong deposit amount. It also failed to address Plaintiff's dispute regarding cleaning, touch-up paint, and carpet charges.

20. On or about July 9, 2024, Plaintiff submitted a dispute letter to NCS via their online portal. In this letter, Plaintiff explained why the debt's balance was incorrect and attached the move out itemized statement as proof.

21. Plaintiff did not receive a response.

22. On or about July 31, 2024, Plaintiff received a new collection letter from NCS stating that Plaintiff had not made suitable arrangements to resolve the debt and that the matter may be reported to credit bureaus. The amount listed was now $219.28, reflecting the revised amount from Cannon Management.

23. The amount as revised to $219.28 is still incorrect because it was calculated based on (1) a

misstatement of her security deposit ($750 listed vs. $1,050 paid); (2) improper carpet cleaning charges; and (3) a renter's insurance charge despite Plaintiff's AAA coverage.

24. In or about August 2024, NCS reported the debt to the credit bureaus, causing Plaintiff's FICO score to drop from 802 (Exceptional) to 637 (Fair).

25. On or about August 7, 2024, Plaintiff received another letter from NCS offering "assistance." Plaintiff called and spoke with Brenae Dowling, explaining the pending small claims lawsuit. She directed Plaintiff to submit concerns via their online portal.

26. That call was Plaintiff's last telephone communication with NCS. Plaintiff subsequently submitted an explanation and attached the formal demand letter via the portal on or about August 7, 2024. No response was ever received. However, NCS did mark the credit report as "Consumer is disputing debt," but did not remove the debt from Plaintiff's credit report.

27. Plaintiff brought a small claims action against the landlord and on January 27, 2025, obtained a judgment in her favor from the Superior Court of California, County of Riverside (Case No. SCPS2400951), confirming she did not owe the debt.

28. While Plaintiff was thorough in Plaintiffs disputes at all times, Defendant merely responded with form letters that failed to take into account any of the specifics identified in Plaintiffs disputes.

29. Since Plaintiffs efforts to be absolved of the fraudulent debts were unsuccessful, Plaintiff was required to bring this action to finally resolve Plaintiffs remaining disputes.

## COUNT I
## VIOLATION OF THE FDCPA
## 15 USC §§ 1692, ET SEQ

30. Plaintiff incorporates by reference all of the above paragraphs of this Complaint as though fully stated herein.

31. Plaintiff is a natural person from whom NCS seeks to collect a debt, and is thus a consumer under 15 U.S.C. § 1692a(3).

32. As explained above, this action arises out of a "debt" as that term is defined by 15 U.S.C.

§ 1692a(5) because it was primarily for personal, family, or household purposes.

33. As described above, NCS is a debt collector as defined by 15 U.S.C. § 1692a(6).

34. The foregoing acts and omissions constitute numerous and multiple violations of the FDCPA.

35. NCS violated 15 U.S.C. § 1692e generally.

36. NCS violated 15 U.S.C. § 1692e(2), including by falsely representing both the character, amount, or legal status of this fraudulent debt that Plaintiff does not owe.

37. NCS violated 15 U.S.C. § 1692e(8) by reporting the fraudulent debt to several credit reporting agencies, including Experian, Equifax and Trans Union, after several disputes clearly showing the debt is fraudulent.

38. NCS violated 15 U.S.C. § 1692e(10).

39. NCS violated 15 U.S.C. § 1692c.

40. NCS violated 15 U.S.C. § 1692f(1) by, among other things, continually trying to collect a debt from Plaintiff that is fraudulent and incorrect.

41. As a result of each and every violation of the FDCPA, Plaintiff is entitled to any actual damages; statutory damages in the amount up to $1,000.00; and reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k from NCS.

## COUNT II
## VIOLATION OF THE NCCAA
N.C.G.S. §§ 58-70 *et seq*

42. Plaintiff incorporates by reference all of the above paragraphs of this Complaint as though fully stated herein.

43. NCS meets the definition of a collection agency under N.C.G.S. § 58-70-15(b)(4).

44. Plaintiff is a "consumer" under N.C.G.S. § 58-70-90(2) since she is an individual who has incurred a debt that Defendant has sought to collect.

45. NCS was trying to collect a "debt" under N.C.G.S. § 58-70-90(3) from the Plaintiff since it is an obligation owed or due or alleged to be owed or due from a consumer.

46. The NCCAA provides that the specific and general provisions of Part 3 of the NCCAA constitute unfair or deceptive acts or practices proscribed in the NCCAA **or** by N.C.G.S. § 75-1.1 in the area of commerce regulated thereby.

47. Part 3 of the NCCAA prohibits any collection agency from collecting or attempting to collect any debt by use of any unfair practices. This includes prohibiting a collection agency from collecting or attempting to collect "a debt or obtain information concerning a consumer by any fraudulent, deceptive or misleading representation," § 58-70-110, and collecting or attempting "any debt by use of any unfair practices," § 58-70-115.

48. NCS violated the NCCAA through its repeated letters and calls to Plaintiff. NCS's violations include, but are not limited to, the following:

**a. Deceptive Representation.**

NCS violated N.C.G.S. § 58-70-110(4) by falsely representing that Plaintiff owed money when Plaintiff clearly showed through her multiple disputes that she did not owe anything.

**b. Unfair Practices.**

NCS violated N.C.G.S. § 58-70-115(2) by attempting to collect money when that money is neither expressly authorized by the lease agreement between Plaintiff and the landlord nor is it permitted by law.

49. NCS proximately caused injury to Plaintiff, and its conduct in violating the NCCAA constitutes violations of North Carolina's Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. §§ 75-1.1 *et seq.*

50. As a result of the above violations of the NCCAA, NCS is liable to Plaintiff in the sum of Plaintiff's actual damages, treble damages, punitive damages, civil penalties of $500 to $4,000 for each violation and costs and attorney's fees.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that judgment be entered against Defendant for:

- Consequential and incidental damages against the Defendant in an amount to be determined at trial;

- Actual damages in amount to be determined at trial;
- Treble damages pursuant to N.C.G.S. § 75-16;
- Statutory damages of $1,000.00, pursuant to 15 U.S.C. § 1692k(a)(2);
- Costs of litigation and reasonable attorney's fees pursuant to 15 U.S.C. § 1692k(a)(3) and N.C.G.S. § 75-16.1;
- All available remedies under the NCCAA, including civil penalties of $4,000 per violation, actual damages, attorneys' fees and costs; and
- Any and all other relief that is fair and equitable.

**TRIAL BY JURY**

Plaintiff is entitled to, and demands, a trial by jury.

Dated: June 18, 2025

/s/ Rashad Blossom
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