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8 *Attorneys for Plaintiff*  
9 *Nicholas Jeffers*

10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **(WESTERN DIVISION)**

13 Nicholas Jeffers,  
14 *Individually and on behalf*  
15 *of all those similarly*  
16 *situated.*

17 Plaintiff,

18 v.

19 Arcon Credit Solutions, LLC,  
20 Defendants.

**Case 2:23-cv-5789**

**COMPLAINT AND DEMAND  
FOR JURY TRIAL**

**1. FDCPA, 15 U.S.C. § 1692, et  
seq.**

21 **CLASS ACTION COMPLAINT**

22 Plaintiff Nicholas Jeffers (“Plaintiff”), individually and on behalf of all  
23 those similarly situated, sues Arcon Credit Solutions LLC (“Defendant”) for  
24 violations of the Fair Debt Collection Practices Act.  
25

26 **NATURE OF ACTION**

1           1.     The Consumer Financial Protection Bureau (“CFPB”) is the  
2 administrative agency authorized to exercise its authorities under Federal  
3 consumer financial law to administer, enforce, and otherwise implement the  
4 provisions of Federal consumer financial law. *See* 12 U.S.C. § 5512; 15 U.S.C.  
5 § 1692l(d); *see also* 12 C.F.R. § 1006.1(a).  
6

7  
8           2.     On November 30, 2020, the CFPB issued their final rule to revise  
9 Regulation F (“Reg F”) of which contains, among other things, the CFPB’s  
10 most recent interpretation of the Fair Debt Collection Practices Act  
11 (“FDCPA”).  
12

13           3.     Reg F addresses, among other things, communications in  
14 connection with debt collection and prohibitions on harassment or abuse, false  
15 or misleading representations, and unfair practices in debt collection. *See*  
16 *generally* 85 FR 76734.  
17

18           4.     With respect to the purpose of Reg F, it is stated “[Reg F] carries  
19 out the purposes of the FDCPA, which include eliminating abusive debt  
20 collection practices by debt collectors, ensuring that debt collectors who  
21 refrain from using abusive debt collection practices are not competitively  
22 disadvantaged, and promoting consistent State action to protect consumers  
23 against debt collection abuses. 12 C.F.R. § 1006.1(b). Moreover, Reg F,  
24 **“prescribes requirements to ensure that certain features of debt collection**  
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1 are disclosed fully, accurately, and effectively to consumers in a manner  
2 that permits consumers to understand the costs, benefits, and risks  
3 associated with debt collection, in light of the facts and circumstances.”

4  
5 Id. (emphasis added).

6 5. This is a punitive class action under the FDCPA arising from  
7 Defendant’s violations of the FDCPA pursuant to Reg F.  
8

9 **JURISDICTION AND VENUE**

10 6. This Court has subject matter jurisdiction over Plaintiff and  
11 Defendant (collectively, the “Parties”), because the cause of action arises  
12 within the jurisdiction of this Court and, thus, venue and jurisdiction are  
13 proper.  
14

15 7. Jurisdiction of this Court arises under 15 U.S.C. §1692k(d), 28  
16 U.S.C. § 1331, and 28 U.S.C. § 1337.  
17

18 8. Venue in this District is proper because Plaintiff resides here,  
19 Defendant transact business here, and the complained conduct of Defendant  
20 occurred here.  
21

22 **PARTIES**

23 9. Plaintiff is a natural person, and a citizen of the State of Florida,  
24 residing in Los Angeles County, California.  
25  
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1           10. Defendant is a Minnesota limited liability company, with its  
2 principal place of business located in Woodbury Minnesota 55125.

3  
4                           **DEMAND FOR JURY TRIAL**

5           11. Plaintiff, respectfully, demands a trial by jury on all counts and  
6 issues so triable.

7  
8                           **ALLEGATIONS**

9           12. On a date better known by Defendant, Defendant began  
10 attempting to collect a debt (the “Consumer Debt”) from Plaintiff.

11           13. The Consumer Debt is a “consumer financial product or service”  
12 within the meaning of 12 U.S.C. § 5481(5).

13           14. The Consumer Debt is an obligation allegedly had by Plaintiff to  
14 pay money arising from an unsecured line of credit between the original  
15 creditor of the Consumer Debt, WebBank, and Plaintiff (the “Subject  
16 Service”).  
17  
18

19           15. The Subject Service was primarily for personal, family, or  
20 household purposes.  
21

22           16. The Consumer Debt is a debt related to a consumer financial  
23 product and/or service because the Consumer Debt arises from the unsecured  
24 line of credit the original creditor extended to Plaintiff, whereby said  
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1 unsecured line of creditor was for the personal benefit of Plaintiff, Plaintiff's  
2 family, and/or members of Plaintiff's household.

3  
4 17. The Consumer Debt is a consumer financial product pursuant to  
5 12 U.S.C. § 5481(15)(A)(i).

6  
7 18. Defendant is a business entity engaged in the business of  
8 soliciting consumer debts for collection.

9  
10 19. Defendant is a business entity engaged in the business of  
11 collecting consumer debts.

12  
13 20. Defendant regularly collects or attempts to collect, directly or  
14 indirectly, debts owed or due or asserted to be owed or due another.

15  
16 21. Defendant is a "debt collector" within the meaning of 15 U.S.C.  
17 § 1692a(6).

18 22. Defendant is a "person" within the meaning of Fla. Stat. § 559.72.

19  
20 23. On or after April 13, 2023, Defendant sent a collection letter to  
21 Plaintiff (the "Collection Letter") in an attempt to collect the Consumer Debt.

22 A copy of the Collection Letter is attached hereto as Exhibit "A."

23  
24 24. The Collection Letter represents Defendant's initial  
25 communication with Plaintiff in connection with the collection of the  
26 Consumer Debt.  
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1           25. Defendant did not send the Collection Letter *via* certified mail,  
2 registered mail, or any other means which would provide Defendant with  
3 conformation that the Collection Letter was delivered.  
4

5           26. Defendant was required to provide “validation information” in  
6 the Collection Letter. *See* 12 C.F.R. § 1006.34(c).  
7

8           27. The “validation information” that Defendant was required to  
9 provide in the Collection Letter includes, but is not limited to “[i]nformation  
10 about consumer protection.” *See* 12 C.F.R. § 1006.34(c)(3).  
11

12           28. The “[i]nformation about consumer protection” that Defendant  
13 was required to provide in the Collection Letter includes, but is not limited to:

14           (i) The date that the debt collector will consider the end date  
15 of the validation period and a statement that, if the  
16 consumer notifies the debt collector in writing on or before  
17 that date that the debt, or any portion of the debt, is disputed,  
18 the debt collector must cease collection of the debt, or the  
19 disputed portion of the debt, until the debt collector sends  
20 the consumer either verification of the debt or a copy of a  
21 judgment.  
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23           (ii) The date that the debt collector will consider the end date  
24 of the validation period and a statement that, if the  
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consumer requests in writing on or before that date the name and address of the original creditor, the debt collector must cease collection of the debt until the debt collector sends the consumer the name and address of the original creditor, if different from the current creditor.

(iii) The date that the debt collector will consider the end date of the validation period and a statement that, unless the consumer contacts the debt collector to dispute the validity of the debt, or any portion of the debt, on or before that date, the debt collector will assume that the debt is valid. *See* 12 C.F.R. § 1006.34(c)(3)(i)-(iii).

29. The “validation period,” for purposes of Reg F, “means the period starting on the date that a debt collector provides the validation information required by paragraph (c) of this section and ending 30 days after the consumer receives or is assumed to receive the validation information.” 12 C.F.R. § 1006(b)(5).

30. With respect to calculating the “end of the validation period,” § 1006(b)(5) of Reg F further provides that, “[f]or purposes of determining the end of the validation period, the debt collector may assume that a consumer receives the validation information on any date that is at **least five days**

1 (excluding legal public holidays identified in 5 U.S.C. 6103(a), Saturdays,  
2 and Sundays) after the debt collector provides it.” 12 C.F.R. § 1006(b)(5).  
3

4 31. April 13, 2023, is the date Defendant attempted to provide the  
5 “validation information,” for purposes of compliance with Reg F, to Plaintiff.  
6 *See* Collection Letter (wherein the Collection Letter is dated April 13, 2023).  
7

8 32. Five days (excluding legal public holidays identified in 5 U.S.C.  
9 § 6103(a), Saturdays, and Sundays) after April 13, 2023, is April 4, 2023.

10 33. Thirty (30) days after April 4, 2023, is May 20, 2023.

11 34. In the Collection Letter, Defendant represented “May 18, 2023”  
12 as the “date that the debt collector will consider the end date of the validation  
13 period” pursuant to 12 C.F.R. § 1006.34(c)(3)(i). *See* Collection Letter  
14 (stating, “If you write us by May 18, 2023, we must stop collection on any  
15 amount you dispute until we send you information that shows you owe the  
16 debt.”).  
17

18 35. In the Collection Letter, Defendant represented “May 18, 2023”  
19 as the “date that the debt collector will consider the end date of the validation  
20 period” pursuant to 12 C.F.R. § 1006.34(c)(3)(ii). *See* Collection Letter  
21 (stating, “Write to ask for the name and address of the original creditor, if  
22 different from the current creditor. If you write by May 18, 2023, we must  
23 stop collection until we send you that information.”).  
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1           36. In the Collection Letter, Defendant represented “May 18, 2023”  
2 as the “date that the debt collector will consider the end date of the validation  
3 period” pursuant to 12 C.F.R. § 1006.34(c)(3)(iii). *See Collection Letter*  
4 (stating, “Call or write us by May 18, 2023, to dispute all or part of this debt”).  
5

6           37. The end of the validation period represented in the Collection  
7 Letter, *i.e.*, May 18, 2023, is shorter than the minimum validation period  
8 required by § 1006.34(b)(5) of Reg F, *i.e.*, May 20, 2023.  
9

10           38. Defendant incorrectly calculated the end of the validation period,  
11 shortening the length of the validation period, in violation of 12 C.F.R. §§  
12 1006.34(b)(5) and (c)(3).  
13

14   **CLASS ALLEGATIONS**

15   **PROPOSED CLASS**

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17           39. Plaintiff brings this lawsuit as a class action on behalf of Plaintiff,  
18 individually and on behalf of all other similarly situated persons as a class  
19 action. Plaintiff seeks to represent the below defined “Validation Date Class.”  
20

21           40. The “**Validation Date Class**” consists of [1] all persons with  
22 California addresses [2] that were sent a letter [3] from and/or by Defendant,  
23 or someone on Defendant’s behalf [4] in an attempt to collect a debt [5] during  
24 the twelve (12) months preceding the filing of this Class Action Complaint  
25 [6] whereby said letter was required to provide the date Defendant would  
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1 consider the end of the validation period in compliance with 12 C.F.R. §  
2 1006.34(c)(3)(i)-(iii) [7] and the date provided was unlawfully shortened the  
3 length of the validation period in violation of 12 C.F.R. §§ 1006.34(b)(5) and  
4 (c)(3).  
5

6 41. Defendant and its employees or agents are excluded from the  
7 Validation Date Class.  
8

9 42. Plaintiff does not know the number of members in the Validation  
10 Date Class but believes the members of the Validation Date Class to be in the  
11 several thousands, if not more.  
12

### 13 Numerosity

14 43. Upon information and belief, Defendant has sent thousands of  
15 debt collection letters to consumers throughout the United States that are  
16 required to provide a date that Defendant considers the end of the validation  
17 period for purposes of Reg F compliance, but which unlawfully shortened the  
18 length of the validation period below the minimum threshold in violation of  
19 12 C.F.R. §§ 1006.34(b)(5) and (c)(3). The members of the Validation Date  
20 Class, therefore, are believed to be so numerous that joinder of all members  
21 is impracticable.  
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25 44. The exact number and identities of members of the Validation  
26 Date Class are unknown at this time and can be ascertained only through  
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1 discovery. Identification of each member of the Validation Date Class is a  
2 matter capable of ministerial determination from Defendant's records.

3  
4 **COMMON QUESTIONS OF LAW AND FACT**

5 45. There are numerous questions of law and fact common to the  
6 Validation Date Class which predominate over any questions affecting only  
7 individual members of the Validation Date Class. Among the questions of law  
8 and fact common to the Validation Date Class are: [1] whether Defendant sent  
9 a letter to Plaintiff and members of the Validation Date Class in an attempt to  
10 collect a debt; [2] whether said letter was Defendant's initial communication  
11 with Plaintiff and members of the Validation Date Class; [3] whether  
12 Defendant is a debt collector; and [4] Whether said letter unlawfully shortens  
13 the length of the validation period in violation of §§ 1006.34(b)(5) and (c)(3)  
14 of Reg F.  
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18 46. The common questions in this case are capable of having  
19 common answers. If Plaintiff's claim that Defendant routinely sends debt  
20 collection letters to consumers that violate 12 C.F.R. §§ 1006.34(b)(5) and  
21 (c)(3) is accurate, Plaintiff and members the Validation Date Class will have  
22 identical claims capable of being efficiently adjudicated and administered in  
23 this case.  
24  
25

26 **Typicality**  
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1           47. Plaintiff’s claims are typical of the claims of the members of the  
2 Validation Date Class, as they are all based on the same factual and legal  
3 theories.  
4

5                           **PROTECTING THE Interests OF THE CLASS MEMBERS**

6           48. Plaintiff is a representative who will fully and adequately assert  
7 and protect the interests of the Validation Date Class and has retained  
8 competent counsel. Accordingly, Plaintiff is an adequate representative and  
9 will fairly and adequately protect the interests of the Validation Date Class.  
10

11   **Superiority**

12           49. A class action is superior to all other available methods for the  
13 fair and efficient adjudication of this lawsuit because individual litigation of  
14 the claims of all members of the Validation Date Class is economically  
15 unfeasible and procedurally impracticable. While the aggregate damages  
16 sustained by members of the Validation Date Class are in the millions of  
17 dollars, the individual damages incurred by each member of the Validation  
18 Date Class resulting from Defendant’s wrongful conduct are too small to  
19 warrant the expense of individual lawsuits. The likelihood of individual  
20 members of the Validation Date Class prosecuting their own separate claims  
21 is remote, and, even if every member of the Validation Date Class could afford  
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1 individual litigation, the court system would be unduly burdened by individual  
2 litigation.

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4 50. The prosecution of separate actions by members of the  
5 Validation Date Class would create a risk of establishing inconsistent rulings  
6 and/or incompatible standards of conduct for Defendant. For example, one  
7 court might enjoin Defendant from performing the challenged acts, whereas  
8 another may not. Additionally, individual actions may be dispositive of the  
9 interests of the Validation Date Class, although certain class members are not  
10 parties to such actions.  
11

12  
13 **Count 1**

14 **VIOLATION OF 16 U.S.C. § 1692g(b)**

15  
16 ***(Validation Date Class)***

17 51. Plaintiff, individually and on behalf of the Validation Date Class,  
18 incorporates by reference ¶¶ 12 through 50 of this Class Action Complaint.  
19

20 52. Pursuant to § 1692g(b) of the FDCPA, “[a]ny collection  
21 activities and communication during the 30-day period may not overshadow  
22 or be inconsistent with the disclosure of the consumer’s right to dispute the  
23 debt or request the name and address of the original creditor.” *See* 15 U.S.C.  
24 § 1692g(b).  
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1           53. As stated above, the Collection Letter was Defendant’s initial  
2 communication with Plaintiff in connection with the collection of the  
3 Consumer Debt. Because of this, Defendant was required to provide certain  
4 “validation information” within the Collection Letter. The “validation  
5 information” that Defendant was required to provide in the Collection Letter  
6 included, *among other things*, the “end date” of the validation period.  
7  
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9           54. Pursuant to Reg F, the “end date” of the validation period is  
10 required to be a specific, minimum length of time – *i.e.*, thirty (30) days after  
11 the “validation information” is assumed to have been received by consumer,  
12 whereby the consumer is assumed to have received the “validation  
13 information” **at least five days** (*excluding legal public holidays identified in*  
14 *5 U.S.C. 6103(a), Saturdays, and Sundays*) **after the debt collector** allegedly  
15 provided it. Thus, the shortest “end date” of the validation period available to  
16 Defendant was May 20, 2023. In the Collection Letter, however, Defendant  
17 unlawfully shorted the minimum validation period by identifying May 18,  
18 2023, as the “end date” of the validation period.  
19  
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22           55. Thus, by unlawfully shorting the length of the validation period  
23 in the Collection Letter, Defendant violated 12 C.F.R. §§ 1006.34(b)(5) and  
24 (c)(3) and, as such, violated 15 U.S.C. § 1692g(b) of the FDCPA because the  
25 unlawful shorting of the minimum validation period unlawfully  
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1 overshadowed, and was otherwise inconsistent with, the consumer's right to  
2 dispute the underlying debt.

3  
4 **WHEREFORE**, Plaintiff, individually and on behalf of the Validation  
5 Date Class, requests this Court to enter a judgment against Defendant,  
6 awarding the following relief:

- 7  
8 A. Statutory damages as provided by 15 U.S.C. § 1692k;  
9 B. Costs and reasonable attorneys' fees pursuant to 15 U.S.C. §  
10 1692k; and  
11 C. Any other relief that this Court deems appropriate under the  
12 circumstances.

13  
14 Respectfully submitted this 18<sup>th</sup> day of July 2023.

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