

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

Starletta Banks,

Plaintiff,

v.

AFNI, Inc.

Defendant.

Case No.

**COMPLAINT FOR DAMAGES
UNDER THE FAIR DEBT
COLLECTION PRACTICES ACT
AND OTHER EQUITABLE
RELIEF**

JURY TRIAL DEMANDED

PARTIES

1. Plaintiff, Starletta Banks (“Starletta”), is a natural person who resided in West Bloomfield, Michigan, at all times relevant to this action.
2. Defendant, AFNI (“AFNI”), is an Illinois corporation that maintained its principal place of business in Bloomington, Illinois, at all times relevant to this action.

JURISDICTION AND VENUE

3. Pursuant to 28 U.S.C. §1331, this Court has federal question jurisdiction over this matter as it arises under the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692 et seq.

4. Pursuant to 28 U.S.C. § 1391(b), venue is proper because a substantial part of the events giving rise to this claim occurred in this judicial district.

STATEMENT OF FACTS

5. At all times relevant to this action, AFNI collected consumer debts.
6. AFNI regularly uses instrumentalities of interstate commerce and the mails to collect consumer debts owed or due or asserted to be owed or due another.
7. The principal source of AFNI's revenue is debt collection.
8. AFNI is a "debt collector" as defined by 15 U.S.C. § 1692a(6).
9. As described, *infra*, AFNI contacted Starletta to collect a debt that was incurred primarily for personal, family, or household purposes.
10. This alleged obligation is a "debt" as defined by 15 U.S.C. § 1692a(5).
11. Starletta is a "consumer" as defined by 15 U.S.C. § 1692a(3).
12. On April 18, 2023, AFNI mailed Starletta a validation notice letter (hereinafter the "Validation Letter") regarding an alleged debt with creditor Verizon Wireless (hereinafter "Verizon"). This was the first communication Starletta received from AFNI.
13. The Validation Letter attempted to collect an alleged debt for \$1,238.75.
14. According to the "My Verizon Wireless Customer Agreement," if a customer fails to pay on time and Verizon refers the account to a third party for collection, a collection fee "will be assessed and will be due at the time of referral to the

third party. This will be calculated at the maximum percentage permitted by applicable law, not to exceed eighteen (18) percent.”

15. AFNI attempted to collect only the principal balance of the Verizon debt instead of the contractually agreed upon amount.
16. Regulation F was enacted in part to force debt collectors like AFNI to honestly disclose the amount owed as of the Itemization Date the debt collector chooses to utilize.
17. AFNI’s Validation Letter informed Starletta that she could dispute the debt by May 29, 2023.
18. AFNI’s attempt to collect the alleged debt via the Validation Letter provided Starletta with two choices: (1) dispute the debt by May 29, 2023, or (2) AFNI would assume the debt was valid.
19. On May 23, 2023, Starletta responded via USPS certified mail with a letter that clearly, explicitly disputes the alleged debt and demanded validation thereof (hereinafter the “Dispute Letter”). *See* Exhibit A.
20. On May 25, 2023, AFNI received the dispute letter according to USPS tracking. AFNI received the Dispute Letter during the period of time it provided Starletta to dispute.
21. Starletta did not receive a response from AFNI.

22. AFNI informed Starletta of her federally protected rights that she could dispute the debt, then did not honor her dispute.
23. Instead of honoring Starletta's timely dispute, or informing Verizon of Starletta's timely dispute, AFNI received the dispute and did not notify Verizon.
24. Upon information and belief, despite knowing that the account will be placed with another debt collector and that the consumer will have to duplicate efforts to dispute the alleged debt, AFNI's policies and procedures for receiving consumer disputes on Verizon accounts is to simply send the account back to the creditor without properly notating the reason thereof.
25. On June 4, 2023, after AFNI returned the account to Verizon, Verizon reported the alleged debt on Starletta's credit report. Starletta received notice of the report on her credit through an Experian alert. *See Exhibit B.*
26. When furnishing Starletta's information to the credit reporting agencies, Verizon did not report the alleged debt as disputed.
27. On Starletta's credit report, the alleged debt did not show as disputed.
28. Verizon's collection account on the credit report decreased Starletta's credit score.
29. On June 6, 2023, Starletta received a letter attempting to collect the alleged debt owed to Verizon from another debt collector.

30. Due to AFNI's failure to note the timely dispute that it requested from Starletta, her credit was directly damaged, and she was forced to once again pursue her federally protected rights with another debt collector.
31. AFNI's collection efforts with respect to the debt caused Starletta to suffer concrete and particularized harm, *inter alia*, because the FDCPA provides Starletta with the legally protected right not to be misled or treated unfairly with respect to any action for the collection of any consumer debt.
32. AFNI's deceptive, misleading, and unfair representations and omissions with respect to its collection efforts were material misrepresentations that affected and frustrated Starletta's ability to intelligently respond to AFNI's collection efforts because Starletta could not adequately or informatively respond to AFNI's demand for payment of the debt.
33. When a debt collector fails to effectively inform the consumer of the legal status of their debts, in violation of statutory law, the debt collector has harmed the consumer.
34. Starletta's failure to pay the debt partially arose from AFNI's unresponsive actions because Starletta believed it was an attempt to collect inaccurate or improper monies.

35. Starletta was uncertain about the legitimacy of alleged debt and misled to her detriment by the statements and omissions in the Validation Letter, and Starletta relied on the content of the Validation Letter to her detriment.
36. Starletta would have pursued a different course of action were it not for AFNI's violations.
37. Because of AFNI's actions, the funds Starletta could have used to pay for all or part of the alleged debt were spent elsewhere.
38. In reliance on AFNI's Validation Letter, Starletta expended time and money in an effort to mitigate the risk of future financial harm in the form of dominion and control over her funds.
39. As a result of AFNI's deceptive, misleading, unfair, unconscionable, and false debt collection practices, Starletta has been damaged.
40. Due to AFNI's actions and/or omissions, Starletta's payment for postage of a second letter to again dispute the alleged debt was to her detriment. Such a detrimental action provides Article III standing. *See Mack v. Resurgent Cap. Servs., L.P.*, 70 F.4th 395 (7th Cir. 2023)(The 7th Circuit found standing after a debt collector's letter caused the plaintiff to ““to suffer a concrete detriment to her debt-management choices in the form of the expenditure of additional money to preserve rights that she had already preserved,” and “that the dollar cost was modest is irrelevant.”)

41. As a result of AFNI's deceptive, misleading, unfair, unconscionable, and false debt collection practices, AFNI's client, Verizon, failed to report the debt in a disputed status and therefore reported inaccurate information on Starletta's credit report.

COUNT ONE

Violation of the Fair Debt Collection Practices Act

42. Plaintiff re-alleges and incorporates by reference Paragraphs 5 through 41 above as if fully set forth herein.

43. A debt collector's intent to violate the FDCPA may be inferred by its maintenance of policies and procedures which, in themselves, violate the FDCPA. *See Anchondo v. Anderson, Crenshaw & Associates, L.L.C.*, 256 F.R.D. 661, 671 (D.N.M. 2009); *see also Kromelbein v. Envision Payment Sol., Inc.*, 2013 WL 3947109, *7 (M.D. Penn. Aug. 1, 2013) ("company policy can be just as much a violation of [FDCPA] as the rogue act of an individual employee. If anything, a company policy that violates the FDCPA is a more egregious transgression because it indicates endemic, rather than isolated, disregard for debtor rights."); *citing Edwards v. Niagara Credit Sol., Inc.*, 586 F. Supp. 2d 1346, 1354 (N.D. Ga. 2008) (awarding maximum damages in part because conduct was company policy, thereby making it routine and frequent).

44. Defendant's policies and procedures, as described, *supra*, constitutes "conduct the natural consequence of which is to harass, oppress, or abuse" consumers.

45. Defendant's practice, therefore, violates Section 1692d of the FDCPA, which provides:

A debt collector may not 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.

See 15 U.S.C. §1692d.

46. Because Defendant's practice, in itself, violates the FDCPA, it reflects an intent to harass consumers generally.

47. Defendant violated 15 U.S.C. § 1692d(5) by causing Plaintiff to duplicate efforts to dispute a debt and not informing the original creditor of a dispute before the creditor reports the debt to the credit reporting agencies.

COUNT TWO

Violation of the Fair Debt Collection Practices Act

48. Plaintiff re-alleges and incorporates by reference Paragraphs 5 through 41 above as if fully set forth herein.

49. Defendants violated 15 U.S.C. § 1692e by using false, deceptive, or misleading representations or means in connection with the collection of the debt.

COUNT THREE

Violation of the Fair Debt Collection Practices Act

50. Plaintiff re-alleges and incorporates by reference Paragraphs 5 through 41 above as if fully set forth herein.
51. Defendants violated 15 U.S.C. § 1692f by using unfair or unconscionable means to collect the debt.

JURY DEMAND

52. Plaintiff demands a trial by jury.

PRAYER FOR RELIEF

53. Plaintiff prays for the following relief:
- a. Judgment against each Defendant, in favor of Plaintiff, for actual damages, statutory damages, and costs and reasonable attorney's fees pursuant to 15 U.S.C. § 1692k.
 - b. For such other legal and/or equitable relief as the Court deems appropriate.

RESPECTFULLY SUBMITTED,

Date: October 31, 2023

By: /s/ Jeffrey S. Hyslip
Jeffrey S. Hyslip, Esq.
Hyslip Legal, LLC
207 S. Harrison Street, Suite A
Algonquin, IL 60102
Phone: 614-362-3322
Email: jeffrey@hysliplegal.com
Bar No. 0079315 (Ohio)

Attorney for Plaintiff