

STATE OF NEW YORK : CITY OF BUFFALO
CITY COURT : COUNTY OF ERIE

*Docket #
10 F 12 716*

PEOPLE OF THE STATE OF NEW YORK,

-against-

FELONY COMPLAINT

LAMONT D. COOPER, and
CMC Services, Inc, dba
Legal Action Recovery

Defendants.

Investigator Sandra J. Migaj, New York State Attorney General's Office, being duly sworn, deposes and says that the defendants, Lamont D. Cooper, and CMC Services, Inc., dba Legal Action Recovery committed the following crime:

SCHEME to DEFRAUD in the FIRST DEGREE, in violation of New York State Penal Law, § 190.65(1)(a), in that the defendant, acting individually and in concert with others, on or about and between March 2009 and June 3, 2010, at 3060 Bailey Avenue, Buffalo, New York, engaged in a scheme constituting a systematic ongoing course of conduct with the intent to defraud more than ten persons and to obtain property from more than ten persons by false and fraudulent pretenses, representations and promises, and so obtained property, from one or more of such persons.

And, the defendant, Lamont D. Cooper, committed the following crime:

CRIMINAL CONTEMPT in the SECOND DEGREE, in violation of New York State Penal Law, § 215.50(3), in that the defendant, Lamont D. Cooper, on or about and between May 4, 2009, and June 3, 2010, engaged in the intentional disobedience and resistance to the lawful process and mandate of a court.

1. This felony complaint is based upon an investigation conducted by the New York

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State Attorney General's ("NYSAG") office; an examination of records maintained by the NYSAG; a review of consumer complaints described below filed with the Federal Trade Commission on their Sentinel System¹; statements taken from cooperating witnesses listed below; the acquisition and review of information listed below that was obtained through the use of readily available Internet tools and databases; the acquisition and review of business records listed below, bank statements, and telephone records obtained from a variety of sources; and observations made by NYSAG investigators. These crimes were committed under the following circumstances.

Background

2. This investigation has determined that Lamont D. Cooper ("Cooper"), and others ("the Cooper group"), using numerous business identities, including CMC Recovery Services, Inc., dba Legal Action Recovery, participated in an elaborate scheme that was designed to conceal their true locations and identities, and engaged in an on-going scheme to obtain money through various means, including extortion, from individual consumers/debtors across the country. Debt collectors ("collectors") employed by the Cooper group, operating out of a location in Buffalo New York, routinely made telephone calls that were designed to instill fear in the minds of the recipients of the telephone calls. The recipients were made to believe, that if they failed to make immediate arrangements for the payment of an alleged debt, they would be charged with a crime, arrested and put in jail. In furtherance of this scheme, the debt collectors pretended to be state, federal or local law enforcement officers acting within the scope of their

¹ The Consumer Sentinel System is the unique investigative cyber tool that provides law enforcement members of the Consumer Sentinel System with access to millions of consumer complaints. Consumer Sentinel includes complaints about such matters as: identity theft, telemarketing scams, debt collections, credit reports, and financial matters. The Consumer Sentinel System provides law enforcement members with access to complaints provided directly to the Federal Trade Commission by consumers, as well as providing members with access to complaints shared by data contributors.

duties, in order to give credibility to their threats. Sometimes, the debt collectors attempted to collect non-existent debts. Frightened consumers authorized withdrawals from their checking accounts, or sent Western Union money grams and/or money orders because they were in fear. Lamont Cooper was in charge of this illegal operation and his involvement with this debt collection business was an intentional disobedience and resistance to an April 15, 2009, Consent Order and Judgment that was granted by New York State Supreme Court Justice Diane Y. Devlin.

Lamont D. Cooper, Emanee Development, Inc., and Dial Tech LLC

3. The consumer complaints described below allege that debt collectors used two specific toll-free telephone numbers, (877) 201-3399 and (877) 209-5454. The NYSAG obtained telephone subscriber records, showing that Lamont Cooper was the subscriber for these toll free numbers that were involved in the debt collection business. A search of NYSAG records showed that Lamont Cooper had a prior history of being involved in the debt collection business in Buffalo, New York.

4. Those records show that, prior to April 2009 Lamont Cooper owned and operated Emanee and Dial Tech, two debt collection businesses. Based upon consumer complaints that had been filed prior to April 2009 the NYSAG commenced a civil suit against Cooper and these companies, alleging persistent fraud and illegality in the operation of those businesses.

5. On April 15, 2009, Lamont Cooper, individually and as President of, and on behalf of, Emanee and Dial Tech, signed a Stipulation and Consent which resulted in a Consent Order and Judgment ("Judgment") that was signed on April 23, 2009 by Supreme Court Justice Diane Y. Devlin. This Judgment is binding on Cooper, Emanee, Dial Tech, and "...their agents, trustees, servants, employees, successors, heirs and assigns, and any other person under their

direction and control....” The Judgment permanently enjoins the respondents from “...engaging, directly or indirectly, in any debt collection business.” The Judgment was filed in the Erie County Clerk's office on May 4, 2009 and delivered to Lamont Cooper's attorney, Thomas Eoannou Esq., on May 6, 2009. A copy of the Consent Order and Judgment, as well as the attached Stipulation and Consent, signed by Lamont Cooper, is attached as exhibit A.²

The Present Consumer Complaints

6. Starting in December, 2009, and continuing until June 3, 2010, I have obtained and reviewed consumer complaints filed with the Georgia Better Business Bureau, the Georgia Governor's office, and the Federal Trade Commission (“FTC”) on its Consumer Sentinel System.

7. Beginning in early 2009, and continuing until June 2010 the FTC Consumer Sentinel System received dozens of consumer complaints from individuals around the country, who stated that they had been harassed and threatened about debts for which they may or may not have been responsible. All of these complaints were related to Cooper's debt collection business, CMC Recovery Services, Inc.,³ DBA Legal Action Recovery (“Legal Action Recovery”), and/or two specific toll-free telephone numbers: (877) 201-3399 and (877) 209-5454.

8. The tactics used by the individual collectors using these two telephone numbers went far beyond what is allowed by the Fair Debt Collection Practices Act (“FDCPA”)⁴, in that the callers falsely threatened to institute a lawsuit or bring other legal action, used obscene,

² It should be noted that Lamont Cooper complied with that portion of the Consent Order and Judgment which required the payment of \$40,000 to the NYSAG as restitution, costs and penalties.

³ CMC Recovery Services, Inc. was incorporated in Georgia in 2006. Lamont Cooper is listed on the records maintained by the Georgia Secretary of State as the CFO.

⁴ The FDCPA generally limits the collectors' contact with the debtors and is designed to prevent harassment, abuse, and other false or misleading practices. The FDCPA may be found at 15 USC §§ 1692-1692p.

profane or otherwise abusive language, threatened violence, failed to identify themselves as debt collectors, and often scared and coerced the individuals into paying money that they did not owe.

9. Consumers complained about high-pressure tactics, such as the refusal to discuss the basis for the alleged debt, and threats of arrest and jail by “special investigators” and other law enforcement personnel, unless arrangements were made for immediate payments. The callers commonly used the company name “Legal Action Recovery”, and consumers who were told to call back were given phone numbers: (877) 201-3399 and (877) 209-5454.

10. The NYSAG obtained and reviewed approximately 300 Consumer Sentinel complaints filed with the FTC between March, 2009, and June 3, 2010. All of these complaints mentioned Legal Action Recovery, and 243 of these complaints listed one of the two toll-free telephone numbers noted above that had been purchased and subscribed to by Lamont Cooper; 127 of the complaints listed 877-209-5454; and 116 listed 877-201-3399.

11. The approximately 300 Consumer Sentinel complaints outline multiple violations of the FDCPA. In addition to 165 instances of falsely threatening suit or legal action, there were also 40 instances of obscene, profane or otherwise abusive language; 12 instances in which the caller threatened violence; and 52 times when the caller failed to identify him/herself as a debt collector. There were 107 consumers who indicated that they were threatened with arrest and/or the seizure of their property.

12. In addition, the Georgia Better Business Bureau and the Georgia Governor’s office reported receiving 72 complaints against Legal Action Recovery from February, 2009, to June 3, 2010, including 17 in which the consumer was threatened with arrest. These threats of arrest, constituting grand larceny or attempted grand larceny by extortion, have continued into June 2010.

13. On June 21, 2010, I spoke with Kenya Barker ("Barker"), an individual who had made a complaint to the FTC Consumer Sentinel System on June 8, 2010. Barker told me that on June 8, 2010, a message was left on her mother's voicemail indicating that Kenya Barker was involved in a legal matter, and that charges were going to be brought against her. Barker returned the call to (877) 209-5454 and was told that she owed money. Barker told "special investigator Ronald Scott" that all of her debts had been discharged in bankruptcy. When Barker asked Scott for a copy of supporting documentation, or that Scott speak with her attorney, Scott refused. When Barker told Scott that she was filing a complaint with the FTC and the Better Business Bureau, Scott terminated the call.

14. Representatives of the NYSAG contacted and obtained affidavits from approximately one dozen consumers who had been contacted by Legal Action Recovery and/or given the toll-free call back telephone numbers (877) 201-3399 and (877) 209-5454. Nine of these affidavits are detailed below in paragraphs 15- 23 and describe the transactions with representatives of the Cooper debt collection group.

15. In December, 2009, Tammie King ("King") began receiving telephone voice mail messages from (877) 209-5454. The caller told "Tammie Thompson" (King's maiden name) to call the (877) 209-5454 to discuss a legal matter. A couple of days later, King received a call from "Chris" at Legal Action Recovery about an alleged pay day loan⁵ debt of \$1,940.98. Not only did King not remember any pay day loan from ten years ago, she had subsequently gone through bankruptcy and had her debts discharged. "Chris" told King that Legal Action Recovery had assumed the debt and that if King failed to pay, she would be prosecuted in Charles County,

⁵ Based upon my experience and training, I know that a pay day loan (also called a paycheck advance, check cashing loan or pay day advance) is a small, short-term loan that is intended to cover a borrower's expenses until his/her next pay day.

and that a police officer would present her with a warrant for her arrest. A few days later, a female, who identified herself as "Investigator Rosenthal" from Legal Action Recovery, called King and repeated the details that "Chris" had previously explained to King. King agreed to make a payment using her credit card on December 31, 2009. On January 4, 2010, King again received a call from Investigator Rosenthal, who told King that her credit card would not accept the charge. King asked the caller to try again on January 11, 2010. Investigator Rosenthal told King that, if the debt was not paid, charges would be filed against her in Charles County Court.

16. On December 2, 2009, a message was left on the voice mail at Leila Jacoel's ("Jacoel") mother's house. The caller, from Legal Action Recovery, said: "I am a prosecutor, there is a felony case pending against Leila Jacoel, and she needs to contact me as soon as possible at 1-877-201-3399, or she will be arrested at her job." Jacoel returned the call, pretended to be her mother, and spoke with a man who identified himself as "Beau William." William identified himself as a prosecutor and said that Leila Jacoel owed money in Santa Clara County; that there was a lawsuit pending against her, and that Jacoel would be arrested. Jacoel hung up on William. The next day, December 3, 2009, Jacoel's fourteen year-old daughter answered the telephone at her grandmother's home. The caller told Jacoel's daughter that he was looking for Leila Jacoel, and if Jacoel did not call 1-877-201-3399 immediately, she would go to jail.

17. On October 23, 2009, a man telephoned James Fleming ("Fleming") from telephone number 1-877-209-5454, and asked for a person who does not reside with Fleming. The man told Fleming that he was calling from Legal Action Recovery, and if the person failed to respond within 24 hours, a summons would be issued and the person would be arrested.

18. In June, 2009, Mickey Harvin ("Harvin") received a telephone call from a man

claiming to represent Legal Action Recovery. The man told Harvin that he owed a credit card debt from 1999, and that it could be settled for \$1,900; otherwise, Harvin would be brought before a judge. Harvin agreed to pay \$40 per month, and on or about June 23, 2009, Harvin mailed a personal check in the amount of \$40 to Central Merchants Payment Processing.

19. On January 15, 2010, Michelle Nicholas' ("Nicholas") mother-in-law received a message on her answering machine from "Karen Headley", stating that Michelle was being investigated and there were possible criminal charges pending. Nicholas called the contact telephone number immediately, and spoke with a woman who said that she would be arrested unless she paid off an alleged debt. Out of fear of being arrested, Nicholas agreed to pay \$1,925.71 using her debit card. After Nicholas provided the necessary information, she spoke with a number of people, decided that she had been scammed, and closed her debit card account before any funds could be withdrawn. Nicholas' husband called the contact number and left a message indicating they had closed the account. Shortly thereafter, a man returned the call and threatened to have both Michelle and her husband arrested, and told them that he would send the sheriff to their house to have them picked up. After this conversation, the Nicholas' received a document by mail stating the terms of the payment arrangement Michelle had made in her initial conversation with the company representative. The document was from Legal Action Recovery in Marietta, Georgia, but the envelope was postmarked Buffalo, New York.

20. Legal Action Recovery contacted Kai T. Wilson ("Wilson") in March 2008 after which he agreed to settle an alleged debt of \$5,450 for \$3,250, by paying \$50 monthly to Legal Action Recovery, c/o SBS, 164 Power Ferry Road, Building 2, Suite 300B, Marietta, Georgia 30067. Legal Action Recovery called Wilson again in August 2009 and told Wilson that the company's new name and address was CMP Processing Service, Inc., 3370 Sugarloaf Parkway,

#G2 PMV #134, Lawrenceville, Georgia 30044.

21. On December 12, 2009, Lorna King ("King") received a voice mail message from "investigator Joanna Ziokowski ("Joanna")" at 1-877-209-5454, stating that King should call back immediately regarding a specific case number. King returned the call and Joanna told King that she owed and must pay \$1,500 for a 2004 pay day loan; Joanna also stated that the failure to pay would result in King being charged within seven days with a criminal offense/felonious violation. After King told Joanna that she was a disabled veteran, Joanna agreed to reduce the debt to \$587, but specified that it had to be paid that day by credit card, debit card, or bank draft. Even though King was sure that she had paid off this loan, she was very nervous after hearing about a criminal charge and agreed to pay \$100 per month. Joanna insisted that the minimum payment be \$146 per month, and King agreed, so long as the payments did not start until December 31, 2009. King was then asked for her credit card information, as well as her social security number and driver's license number. After this last call, King checked her three credit reports and was unable to find any past due debt. As a result, King cancelled her payments. On December 31, 2009, King received a voice message from "Joanna", who at this time, purported to be calling from Harvey Lynn & Associates at 1-877-209-5454, indicating that her payment had been declined by the bank. On January 4, 2010, King received a second voice message, this time from "investigator Nicholas Morrell," stating that, as a result of King's conduct, she would be charged three times the debt, plus a \$1,000 penalty, and that criminal charges were forthcoming. A third voice message was left on King's telephone on January 11, 2010. On this occasion, a female called from 404-474-2557, and stated that King had 48 hours to respond in order to avoid having "servants" come to King's door at *** North Park Avenue, Apartment *. The caller stated that this would occur because King had allegedly committed a

felonious act in the State of Georgia.

22. On November 18, 2009, Michael Smith ("Smith") received the following voice mail message on his home telephone: "This message is for Kum Smith regarding a summons issued in Ramsey County Consolatory Court regarding a debt of \$6,295.96 to U.S. Bank. It is imperative that she call back at 1-877-209-5454." Michael Smith returned the call and a man told him that if the debt was not settled immediately, his wife would be arrested and would face jail time. After hearing that, Smith agreed to pay and gave his bank information to a woman. Further, it was agreed that the funds would be withdrawn on November 30, 2009. After this exchange, Smith researched the company and the phone number, contacted the Georgia and New York State Attorneys General, and stopped payment with his bank. Thereafter, Smith received a November 18, 2009, letter from Legal Action Recovery summarizing the proposed settlement. On December 3, 2009, the following message was left on Smith's telephone:

This message is intended for Kum Smith. This is investigator Jacob Roberts contacting you regarding a court-ordered summons, involves a criminal complaint being filed against you for writing a bad check across state lines. My agency could hold you responsible regarding this matter because it seems like the transaction to pay this account was closed. That's a criminal offense, actually its malicious intent to defraud a financial institution because it's over \$3,000. Now I need to speak to you immediately regarding this fraud to get to the bottom of the situation. My phone number is 877-209-5454, extension 111. My name is Investigator Roberts.

A similar message was left again on December 4, 2009.

23. In January, 2010, Edwin Oakland's ("Oakland") wife answered a telephone call from 1-877-201-3399, and spoke with a woman who identified herself as "Shawn Davenport, Special Legal Investigator." Oakland's wife was told that the caller was not from a collection agency, but that she represented a client at a legal recovery company, and that Oakland's son, Jason, should call her back at 1-877-201-3399, extension 124. Oakland himself returned the call to Investigator Shawn Davenport, and was told that if the matter (an alleged judgment of \$956.97

for a 2006 check advance loan) was not settled immediately, the sheriff would be sent to Jason's place of employment. When Oakland asked why the debt was not on Jason's credit report, the "investigator" offered to settle for half the total amount in monthly payments. Davenport said she could only accept payment via a credit card or electronic funds transferred from a bank account. When Oakland asked for proof of the debt, he received a fax from Legal Action Recovery in Georgia on January 7, 2010, that outlined the "settlement".

COOPER'S INVOLVEMENT IN THE DEBT COLLECTION BUSINESS

Bank Records

24. In November 2009 I obtained and reviewed bank records from the Bank of America for the period May 2009 to August 2009 for two accounts in the name of CMC Recovery Services. I observed that checks drawn on both CMC Recovery Services accounts bear what purports to be the signature of Lamont Cooper. At the same time, I also obtained and reviewed bank records from the Bank of America for the period May 2009 to August 2009 for two accounts in the name of CMP Processing, because the Bank of America records connected Lamont Cooper to those accounts. For one of the CMP Processing accounts, I observed numerous checks bearing what purports to be the signature of Lamont Cooper.

25. In December 2009 I was advised by Ira Z. Fox (Fox"), United States Probation Officer, that Lamont Cooper told him that he (Cooper) was working for Shepsu Financial Services, Inc. ("Shepsu"), earning \$72,000 per year, plus bonuses. Cooper told Fox that Shepsu, a corporation owned by Cooper's girlfriend, Cassandra Freeman, was in the business of buying and selling debt portfolios, and that he sold some of those debt portfolios to his brother, Desmond Cooper, the owner of CMC Recovery ("CMC") in Georgia.

26. During this four-month period, the CMP Processing accounts showed deposits,

apparently from debtors⁶ making payments, of approximately \$1.38 million . One of the CMP Processing accounts had deposits of \$1.085 million . There were withdrawals from this account to CMC Recovery of approximately \$589,000, and Shepsu also received approximately \$140,000.

27. During this four-month period, the primary CMC Recovery account showed deposits of \$656,000, withdrawals to Lamont Cooper for approximately \$20,000, Shepsu for approximately \$56,000, and Global Central Management, Inc., for approximately \$403,000.

28. In November 2009 I obtained and reviewed various deposit and withdrawal information for certain transactions occurring between May 2009, and August 2009, for Global Central Management, Inc. This account, using a Buffalo, New York, address, was used to pay utility bills (gas, electric, telephone, cable and water), business-related bills (computing, rentals, furniture, catering), and some payments directly to individuals, including almost \$7,000 to Lamishea Jeter.

Global Payments, Inc.

29. In January 2010 I obtained and reviewed business records maintained by Global Payments, Inc., for the period March 2008 to December, 2009, relating to two accounts in the name of CMP Processing, Inc. Both accounts were in Desmond Cooper's name, with a Georgia address. In addition, Global provided business records from September 2008 showing that CAC Financial Enterprises, Inc. ("CAC"), 1797 NE Expressway, Atlanta, Georgia 30328, opened a merchant payment account with Global. Lamont Cooper signed the merchant application as

⁶ The deposits were from Global Payment, Inc. ("Global Payment"). Based on a review of their website and business records provided by Global Payment to the NYSAG, I know that Global Payment is in the business of processing credit card, debit card, and electronic fund transfers on behalf of merchants and consumers. The records provided by Global Payment indicated that Global Payment collected money from consumers, on behalf of CMP Processing, using debit and credit cards.

vice-president and chief executive officer of CAC.

3060 BAILEY AVENUE, BUFFALO, NEW YORK

30. Based upon the connection between the toll free telephone numbers that the consumers complained about, and 3060 Bailey Avenue, Buffalo, New York, on March 4, 2010, I conducted surveillance of the property (a two-story brick building) located at the northwest corner of Bailey and Kensington Avenues in the City of Buffalo. I observed a door on the Bailey Avenue side of the building. This glass door opened to stairs leading to the second floor. The door bears the number "3060." On the Kensington Avenue side of the building is a business known as "Athlete's Foot", and just above the entrance door for this first floor commercial establishment is the number "1104." I also observed a locked entrance door on the back side of the building (the north-west corner) where there is a parking area. This rear door also appears to lead to stairs going to the second floor of the building. On June 4, 2010, I observed a 2006 Black Jeep, bearing New York registration number DTV 6783, owned by Lamishea Jeter, in the parking area at the rear of the building located at 3060 Bailey Avenue.

Lease

31. I have obtained and reviewed a copy of the J-P Group, LLC, lease file with CMC Recovery Services, Inc. ("CMC"), for office space on the second floor of the building at the corner of Bailey and Kensington Avenues in the City of Buffalo.

32. The first lease was signed by on behalf of the tenant, CMC Recovery Services, Inc., on September 12, 2007, by "Lamont Cooper, CEO." This lease is for 1,485 square feet of space on the second floor of the building at the corner of Bailey and Kensington Avenues. A diagram of the second floor found in the lease file shows a long hallway, generally running north-south, bisecting the rental space on that floor. The diagram indicates that CMC leased

space on the backside (west side) of the second floor. The diagram also confirms that the rear entrance door noted in paragraph 30 above leads to the second floor, and that front entrance door with "3060" on it also leads to the second floor.

33. In all of the paperwork contained in the J-P Group, LLC, lease file, including correspondence and the actual lease agreements, the designated representative and signatory for CMC is Lamont Cooper, as President or CEO. On June 21, 2010, I spoke with leasing agent Amy Komanecky, a representative of J-P Group, LLC, and was advised that CMC is current in its rent obligations for the space located on the West side of the second floor of the building at 3060 Bailey Avenue, Buffalo, New York 14215.

Telephone Service

35. As noted above, the NYSAG has collected and reviewed dozens of consumer-debtor complaints that are related to two toll-free telephone numbers: (877) 201-3399 and (877) 209-5454.

36. I have obtained and reviewed business records from NeuStar, the designated agent for Accessline Communications Corporation, and determined that the subscriber for both of these toll-free telephone numbers is Lamont Cooper.

37. Based on my experience and training, I am aware that Vaspian, LLC ("Vaspian"), provides voice over Internet ("VOIP") telephone service to its customers. Customers purchasing VOIP service from Vaspian pay for one or more assigned telephone numbers, and have the option of have both outgoing and incoming telephone calls routed through another telephone number.

38. I have obtained and reviewed business records from Vaspian for the customer

"CMC Recovery," 1104 Kensington Avenue, 2nd floor, Buffalo, New York 14215⁷. The contact person on this Vaspian account is Lamont Cooper.

39. I have obtained and reviewed business records from Vaspian, the CMC account that shows that Vaspian provides CMC with VOIP service for up to thirty telephone devices and voice mail boxes. The CMC account agreement is divided into three sites: twelve-line service at site name "Buffalo," 1104 Kensington Avenue, 2nd floor, for outgoing calling line (877) 209-5454; six-line service at site name "CMC-FIOS," 3060 Bailey Avenue, for outgoing calling line (877) 201-3399, and two-line service at site name "Lamont VPN," 1 Heritage Drive, Lancaster, New York, for outgoing calling line (877) 209-5454.

40. As a practical matter, the agreement between Vaspian and CMC allows up to thirty debt collectors operating out of the call center, at 3060 Bailey Avenue, to send and receive calls from debtor-consumers through the NeuStar toll-free telephone lines. Debtor-consumers with caller identification would be led to believe that the call originated at one of the toll-free numbers, and the debtor-consumer would be able to return calls to the debt collection business by using one of the toll free numbers.

Internet Service

41. I am aware, from my involvement in the investigation of the debt collection business, that it is common for such businesses to use computers to manage debt portfolios. It is also common for debt collection groups to obtain Internet access through an Internet Service Provider ("ISP") to send and receive email, manage accounts remotely, and to subscribe to services, such as LexisNexis, so that they have access to various databases that are designed to assist in locating individual debtors, their relatives, neighbors and employers. With the added

⁷ This is the alternate address used for the building.

information obtained from LexisNexis, debt collection businesses are able to increase successful collections.

42. I have obtained and reviewed business records from Seisint, Inc. ("Seisint"), DBA LexisNexis, for their customer, CMC Recovery Services, Inc., 5295 Highway 78, Suite D-309, Stone Mountain, Georgia 30087. This account was opened on July 12, 2006, by Desmond M. Cooper, as president of CMC. The application and Seisint agreement indicate that CMC is engaged in debt collection work.

43. Additional business records provided by Seisint detail account activity from September 29, 2009, until December 23, 2009. During this time, CMC representatives accessed the LexisNexis website approximately thirty thousand times from the IP address 173.14.22.1; sixty-seven thousand times from the IP address 98.117.181.7; and thirteen thousand times from the IP address 64.16.129.110.

44. Using readily available Internet tools, I determined that the IP address 173.14.22.1 is within the range of IP addresses controlled by Comcast Cable Communications (Comcast"); the IP address 98.117.181.7 is within the range of IP addresses controlled by Verizon FIOS/Verizon Internet Services, Inc. ("Verizon"), and IP address 64.16.129.110 is within the range of IP addresses controlled by Windstream Communications (formerly NuVox), Charlotte, North Carolina.

45. I obtained and reviewed business records maintained by Verizon showing that the IP address 98.117.181.7 is static⁸ and has been assigned and used by the Verizon business

⁸ Based on my experience, training and conversations I have had with NYSAG Senior Investigator Michael McCartney, I know when a computer is configured to use the same IP address each time it powers up, this is known as a static IP address. In contrast, in situations when the computer's IP address is assigned automatically, it is known as a dynamic IP address.

customer, Dial-Tech LLC, at 3060 Bailey Avenue, Buffalo, New York 14215, since October 15, 2008. The account remains open as of June 17, 2010.

46. I obtained and reviewed business records maintained by Comcast showing that the IP address 173.14.22.1 is static and has been assigned and used by the Comcast business customer, Resolution Services of America, at 1987 Senic Hgwy N, Suite 211, Snellville, Georgia 30078, since October 17, 2008. The account remains open as of February 19, 2010.

47. I obtained and reviewed business records maintained by Windstream Communications/NuVox showing that the IP address 64.16.129.110 is static and has been assigned and used by CAC Financial, 1797 Northeast Expy., NE, Ste. 250, Atlanta, GA 30329, since August 20, 2008. The account remains open as of March 18, 2010.

48. The above information confirms that Lamont Cooper, and others are operating at least three debt collection call centers, one of which is located at 3060 Bailey Avenue in Buffalo, and that individuals at those locations are consistently and repeatedly accessing the LexisNexis databases from those three locations.

Abandoned Property

49. On January 20, 2010, NYSAG investigators recovered abandoned property from a dumpster located behind the CMC offices at 3060 Bailey Avenue, Buffalo, New York. Many of those items provided additional evidence that the Cooper group of debt collectors operates using multiple names and locations, but that the main location is the 3060 Bailey Avenue address.

Included in the abandoned property were the following items:

A. More than a hundred scrap notes and papers with what appear, based on my experience and training, to be call back names, phone numbers, and debt portfolio account

reference numbers.

B. Computer-generated printouts from December, 2009, and January, 2010, listing names of “operators” (collectors), the operator’s goals for each week and month, and the actual amounts collected. From these reports, it appears that CMC has two teams of operators, each with approximately twelve individuals assigned to each team.

C. Computer-generated printouts from December, 2009, and January, 2010, listing what appears to be each operator’s initials, along with amounts collected.

D. Computer-generated printouts from December, 2009, and January, 2010, listing work schedules for each operator, identified by his/her initials, specifying work times and dates, as well as their assigned work station.

E. Forms, some blank, some completed, and some partially completed, for “Credit Card” payments by a consumer-debtor in December, 2009, and January, 2010. These forms contain such information as date, debt balance, settlement amount, operator (by initials), client, the debtor’s name, address, phone number, and credit card information.

F. Forms, some blank, some completed and some partially completed, for “Check” payments made by a consumer-debtor in December, 2009, and January, 2010. These forms contain such information as date, debt balance, settlement amount, operator (by initials), client’s name, the debtor’s name, address, phone number, bank name, account number, and routing information.

G. Forms, some blank, some completed and some partially completed, for “Payment Change” items that appear to have been completed when a consumer-debtor in December, 2009, and January, 2010, changed his/her means of paying the debt or changed the date of future payments. These forms contain such information as date, operator (by initials),

the debtor's name, address, phone number credit card and bank information.

H. Computer-generated printouts from December 2009 and January 2010 listing "NSF"⁹ accounts by week. These NSF reports identify the debtor, the payment dates, the dates that the money was posted to the CMC account, and the operator (by initials) responsible for the account.

Records from United States Bureau of Prisons

50. I am aware, from the investigation and records obtained from United States Probation, that Lamont Cooper pled guilty on May 21, 1997, to Conspiracy to Possess with Intent to Distribute Cocaine, 18 U.S.C. Sec. 841(a)(1) and Sec. 841(b)(1)(B) in the United States District Court for the Western District of New York. Lamont Cooper was sentenced to 43 months' incarceration and 5 years of supervised release. On or about October 27, 2009, Cooper violated the terms of his supervised release and was confined by the United States Bureau of Prisons at the Batavia Detention Facility. On February 5, 2010, Cooper was sentenced by Federal Court Judge Richard Arcara to 14 months confinement. While detained at the Batavia Detention Facility¹⁰, Cooper's telephone calls have been recorded and his mail monitored. I have listened to numerous telephone calls between Lamont Cooper and Lamishea Jeter and/or Desmond Cooper. In addition, I have reviewed mail sent and received by Lamont Cooper while incarcerated in January and February, 2010. As set forth below, the telephone calls and letters demonstrate that Lamont Cooper, and others have been and remain actively involved in all aspects of the debt collection business, procuring debt portfolios, operating call centers in three states, and supervising personnel in the call centers that are calling and collecting consumer

⁹ Based on my experience, I know that "NSF" is short for non-sufficient funds, and in the debt collection business, refers to those situations where promised payments by the debtors are declined by their bank or credit card company, generally because the debtor has insufficient assets to cover the payment.

¹⁰ Cooper is currently housed at the Allenwood Detention Facility in Allenwood, PA.

debts.

Telephone Calls

51. I have listened to over a hundred calls from Lamont Cooper to various individuals (inmates are not allowed to receive incoming calls) between October 27, 2009, and January 5, 2010, totaling more than 500 hours. During many of those calls, the participants either identified themselves or were named by Lamont Cooper. Accordingly, after a period of time, I was able to identify voices even when the participants did not identify themselves. In addition, I checked the subscriber information for the telephone numbers that Lamont Cooper called with an on-line service provided to the NYSAG.

52. On November 7, 2009, at approximately 10:46 a.m., Lamont Cooper placed a call to (716) 604-4855 and spoke with Cassandra Freeman for approximately 20 minutes. This telephone number is an active wireless number subscribed to by Shepsu Financial and Cassandra Freeman. During the conversation, Cooper asked Freeman to get a person by the name of "Bonnie" on the phone. A third party was then conferenced into the telephone call, resulting in a three-party conversation. Bonnie asked Lamont Cooper how he went about being notified of charge backs¹¹ against their bank accounts. Lamont Cooper informed Bonnie that Lamishea would check the accounts, see if there is a charge back, and would fax it to Lamont Cooper's efax. Lamont Cooper would then forward it over to Bonnie. Then, Jeter would forward it to either "Jahaan" or "Desmond" and they would send it to Bonnie. During this conversation, Lamont Cooper instructed Bonnie to "[f]inish off numbers for the 10th, then we need to run client reports. I'm gonna have probably "Des" run reports, just run them I think...he gonna enter

¹¹ Based on my experience and training, I know that in the debt collection business "charge backs" refer to those circumstances when a debtor-consumer advises his/her bank and or credit card company to cancel or stop payment, resulting in the bank or credit card company charging the account holders' bank account.

them into my client report spreadsheet. I'm going to have Jahaan review them so he can at least know how to do it."

53. On November 9, 2009, at approximately 10:21 a.m., Lamont Cooper placed a call to (678) 520-2039 and spoke with Jahaan McDuffie for approximately 23 minutes. This telephone number is an active wireless number subscribed to by Jahaan McDuffie. The conversation was about an account designated "WOU"¹² and purchasing debt portfolios from "Will." During the conversation, Lamont Cooper said, "The office in Buffalo got a lot of WOU in both houses." McDuffie asked Lamont Cooper how the business went about purchasing debt portfolios from Will. Lamont Cooper advised McDuffie to speak with Will and tell Will how much they wanted to spend on a portfolio. Will would then put together a package for them and send a contract over with the exact dollar amount of the portfolio. Jeter would then wire the money to Will. The portfolio accounts would come back to Jeter and she would format them so they slide right into the system.¹³

54. On November 11, 2009, at approximately 12:49 p.m., Lamont Cooper placed a call to (678) 520-2039 and spoke with Jahaan McDuffie for approximately 6 minutes. The conversation was about a CMP 2 bank account. Lamont Cooper explained to McDuffie they needed to keep enough money in this account to pay for payroll, bonuses, remits, operating costs and "anything else that might come down the pipe."

55. On November 17, 2009, at approximately 10:03 a.m., Lamont Cooper placed a call to (716) 578-0151 and spoke to Lamishae Jeter and others for approximately 24 minutes.

¹² Based on my experience in a previous investigation, where I became aware that debt collection agencies buy and sell debt portfolios, I believe that this reference to a "WOU account" may refer to a particular debt portfolio being worked by caller-collectors in Buffalo.

¹³ Based on my experience and training, I know that it is common in the debt collection industry for each new debt portfolio to be entered into the computer software system so that the caller-collectors have access to the information they use to call and collect the debts.

Based on their exchange and the exchange Lamont Cooper had with other individuals during this call, I believe that Jeter was in the Bailey Avenue office during this call. This telephone number is an active wireless number subscribed to by Lamont Cooper. During the call, Lamont Cooper asked to speak with a person by the name of "Brian". Lamont Cooper then questioned Brian regarding "Tabitha" collecting \$13,000.¹⁴ Brian stated they were hoping to have \$80,000 in new money by the end of the month. Lamont Cooper asked Brian about people dragging their feet. Brian advised that they had gotten rid of "Mike Hawkins" and "Tracy Rim". Brian said "Donte" talked about buying a TV to do a raffle for motivation for the end of the month to close real strong. Brian said that last month, they closed with \$104,000 on Team 1 and \$120,000 on Team 2. Lamont Cooper then asked for and spoke with two individuals, a person by the name of "Shamone", and a person by the name of "Raven"¹⁵. Lamont Cooper instructed Raven to teach the system to "Meka" in Charlotte, and give her insight in the "talk-off."¹⁶

56. On December 8, 2009, at approximately 8:46 a.m., Lamont Cooper placed a call to (716) 578-0151 and spoke with Lamishae Jeter for approximately 5 minutes. During the conversation, Lamont Cooper asked Jeter if she called CAC. Jeter told Lamont Cooper that she had called "Mike" and asked about the charge back, and called Will twice and left a message about the portfolio, but he had never gotten back to her. Lamont Cooper told Jeter she needed to get in contact with them because he wanted a payroll report and wanted to know about some charges.

¹⁴ Tabitha is one of the names listed on an employee sheet NYSAG investigators recovered from a dumpster located behind the CMC offices, at 3060 Bailey Avenue, Buffalo, New York, on January 20, 2010.

¹⁵ Shamone and Raven are also listed on an employee sheet found in a dumpster located behind the CMC offices, at 3060 Bailey Avenue, Buffalo, New York, on January 20, 2010.

¹⁶ Based upon my experience with another debt collection investigation, I know that a "talk-off" refers to the words used by the caller-collectors when they attempt to obtain payment from the debtors and that the "talk-off" may be in the form of a written script.

57. On January 4, 2010, at approximately 10:04 a.m., Lamont Cooper placed a call to (678) 528-7790. This is an active landline number, with no subscriber listed. A male answered the phone saying, "Greenberg, Stein & Associates." Lamont Cooper asked to speak with a person referred to as "Eric." A segment of the conversation between Lamont Cooper and Eric involved Eric's pay structure and how he should be paid. Eric told Lamont Cooper that he would do whatever Lamont wanted him to do, since his loyalty was to Cooper. Eric told Lamont Cooper that he was waiting on Cooper to set up an office and wouldn't move without Cooper. He further stated that everything is on Cooper's lead because "[he] has a proven system." During the conversation, Eric mentioned that he understood why Lamont Cooper wouldn't have Raven come down there. Lamont Cooper said that Raven works for Cooper, Jahaan, and Donte.

Letters

58. I obtained and reviewed letters that Lamont Cooper sent and received from the Batavia Detention Facility. For example, on February 8, 2010, he wrote to Desmond Cooper:

"Hey Desmond,

Well they really socked it to me. The whole motivation was to end my source of income....This makes the collection business or buying/selling debt a federal charge for me.

Anyway, I would like for you to manage my interest. I will not be buying any portfolios during my incarceration. The last portfolios I'm in on are:

| <u>Ownership</u> | <u>Remitt</u> | <u>Remitt</u> | |
|----------------------------|--------------------------|--------------------|---------|
| My HSBC 100% | 30% Shepsu | 20% Raven Wagstaff | LAR |
| My ProSolution 122909 100% | 40% Shepsu | | LAR |
| Sprint Telecom 50% | 30% Shepsu | 30% DMC | LAR/RAS |
| The New File you bought | Which I placed 10K on it | | |

HSBC is an experimental credit card file very expensive, new stuff. I have Raven working it personally. She will get 20% of all collected, and Shepsu gets 30% of all collected. The Sprint Telecom you and I split the 30% in half of total collection.

Global is under heavy scrutiny....

You may want to eliminate as much as possible, CMC's existence in New York. The office is leased to CMC as well as the utilities...I trust you will re-organize the flow of money, more properly from the payment processing. A sit down with Mishae and y'all should work it out.

The 10\$ hr that Shannon is getting from RSA is not enough. She's been there a year and is efficient in the data entry. She is considering quitting and moving back to Buffalo. Expand her duties and give her a raise.

We should update all offices "member services" membership from Collect. Also update the contact information, allowing each office's manager to be a contact. Such as Meka for BNC, Mike for CAC, Jahaan for RSA, Mishae for Global."

59. On February 8, 2010, Lamont Cooper wrote to LaMishae Jeter:

"Mishae

I will need you to really step up your game now. You have done a very good job so far in my absence. But now you will have to do it without my help. Everything I do will be carefully monitored. Our only open discussion will have to take place face to face during visits. However, you will have to monitor every account and question every debit. Not so much the Shepsu because you and Cee are the only ones over that. Most attention paid to CAC and One of a Kind, where as these are solely me....

As far as CAC, always check with them on the numbers and there portfolio needs. Monitor both bank accounts, and have them explain to you any abnormal debits discuss with Desmond every time. CAC owes me 25 thousand and I want it back within the next 3 months.

Collect system, everyone will rely on you as far as your knowledge and the importing of accounts. If there is any question that you need, you will have to contact comtech systems¹⁷ "member services."

Quick note before I forget. Make sure Kelly is backing the system up every week and storing it off site. This is extremely important. If the building burnt down we would loose millions in post dates. So make sure this is done weekly.

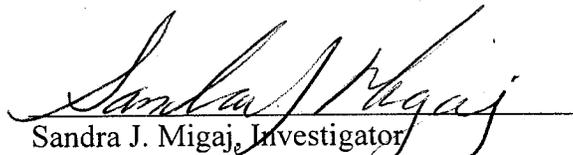
¹⁷ "Collect! Credit and Collection Software" is published by Comtech Systems Inc., of Port Angeles, Washington. This is the same software system used by a debt collection group in an earlier investigation to manage its debt portfolios and collection efforts.

Once I'm settled in I want you to resume sending me all banking activity. Do it in two week intervals. And send it the way I instructed you to do it.

Before I forget, I want you to remember that everything that you do is legal. You are not committing [sic] any crime. By you not doing anything illegal, there is nothing for you to get in trouble for. Why am I telling you this? Well the government has a way with intimidating innocent people into doing thing they not otherwise do. Scaring them with false with untrue threats. Of course I know because they shook em up, and tricked me into signing that civil order, for something that they couldn't do. I don't know I'm just thinking ahead. They really want to nail me to the cross, and they can't without help from those closes to me. Anyway, that ever happens, don't say a word, simply contact Tom¹⁸. Exercise your 5th Amendment right; and never tell them anything. No sit down for questions, no anything. No matter what they say, refuse to talk. If they got something that you done wrong, present it and you will deal with it. This is extremely important because they want to prove I'm in contempt of the civil order, and they want to hit me with a very high fine. Basically they want all my money. Without any corroboration they can't prove anything. So absolutely no discussions, period!"

Class A Misdemeanor pursuant to Penal Law § 210.45.
False statements made herein are punishable as

Dated: ~~July~~ ^{August 25}, 2010
City of Buffalo, County of Erie


Sandra J. Migaj, Investigator
New York State Attorney General's Office

¹⁸ Attorney Thomas Eoannou represented Lamont Cooper at the parole violation matter in Federal Court.

Exhibit A

At a Special Term of the Supreme Court,
held in and for the County of Erie, at 50
Delaware Avenue, in the City of Buffalo,
New York, on the ____ day of April, 2009.

FILED
ACTIONS & PROCEEDINGS

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE**

MAY - 4 2009

**THE PEOPLE OF THE STATE OF NEW YORK, by
ANDREW M. CUOMO, Attorney General of the State
of New York,**

**ERIE COUNTY
CLERK'S OFFICE**

Petitioners,

**CONSENT ORDER
AND JUDGMENT**

-against-

Index No. 1 4543/09

**LAMONT D. COOPER, EMANEE DEVELOPMENT, INC.
and DIAL TECH LLC,**

Respondents.

Upon reading and filing the Verified Petition, verified on April 10, 2009, and the Stipulation and Consent of all respondents, dated April 10, 2009,

NOW, on motion of Andrew M. Cuomo, Attorney General of the State of New York ("Attorney General"), attorney for petitioners, Dennis Rosen, Assistant Attorney General, of counsel, it is

1. ORDERED, ADJUDGED AND DECREED that respondents, their agents, trustees, servants, employees, successors, heirs and assigns, and any other person under their direction and control, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business, including businesses in which they have a legal or beneficial interest, are bound by the terms of this Consent Order and Judgment ("Judgment"); and it is further

INJUNCTIVE RELIEF

2. ORDERED, ADJUDGED AND DECREED that respondents are permanently enjoined from engaging, directly or indirectly, in any debt collection business; and it is further

3. ORDERED, ADJUDGED AND DECREED that respondents are permanently enjoined from selling consumer debts to any purchaser who intends to have the debts placed for collection with a person or company (i) to which any respondent has directed them, or (ii) with which any respondents has, or has had, directly or indirectly, a business relationship;

4. ORDERED, ADJUDGED AND DECREED that respondents shall, contemporaneously with the execution of this Stipulation and Consent, jointly provide to petitioners a certified check, in the amount of \$40,000.00 as restitution, penalties and costs, payable to the Office of the Attorney General of the State of New York. Said payment shall be delivered to Dennis Rosen, Assistant Attorney General, 350 Main Street, Suite 300A, Buffalo, NY 14202; and it is further

5. ORDERED, ADJUDGED AND DECREED that the \$40,000.00 payment received by the Attorney General pursuant to this Judgment, shall be disbursed as follows:

- A. Restitution of \$12,217.97 shall be paid by the Attorney General to all consumers listed in Schedule A attached hereto;
- B. The balance of \$27,782.03 shall constitute a Restitution Fund, from which the Attorney General shall make restitution to those consumers who made payments to respondents, which they can demonstrate to the satisfaction of the Attorney General acting in his sole discretion, were for debts they did not owe;
- C. After 60 days of service of notice of entry of this Judgment upon

respondents, any balance remaining in the Restitution Fund shall be deemed costs and civil penalties and disbursed accordingly; and it is further

MISCELLANEOUS PROVISIONS

6. ORDERED, ADJUDGED AND DECREED that nothing in this Order shall be construed to deprive any person of any private right or remedy; and it is further

7. ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter, and the parties may apply to this Court for such other and further relief as they deem necessary for the purpose of carrying out the terms of this order and judgment.

GRANTED

APR 23 2009

Joseph Joseph
JOSEPH JOSEPH
COURT CLERK

Diane Y. Devlin
HON. DIANE Y. DEVLIN, J.S.C.

[Handwritten initials]

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE**

**THE PEOPLE OF THE STATE OF NEW YORK, by
ANDREW M. CUOMO, Attorney General of the State
of New York,**

Petitioners,

-against-

**LAMONT D. COOPER, EMANEE DEVELOPMENT, INC.
and DIAL TECH LLC,**

Respondents.

STIPULATION AND CONSENT

Index No.

1. I, Lamont Cooper, individually and as president of co-respondents Emanee Development, Inc. and Dial Tech, LLC (both corporations are collectively referred to hereinafter as the "the co-respondents"), hereby consent to the entry of the proposed Consent Order and Judgment ("Judgment") without further notice, and acknowledge receipt of a copy thereof, together with a copy of the Notice of Petition and Verified Petition. I have read these documents and understand them, and have discussed their contents with our attorney, Thomas J. Eoannou.

2. I have been fully advised by Mr. Eoannou of the meaning and significance of this Consent and the Judgment to be entered against me and the co-respondents.

3. I and the co-respondents waive our rights to a trial on the merits and to appeal from the entry of the Judgment.

4. I and the co-respondents consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of the Judgment, and for all other purposes

related to this action.

5. I and the co-respondents neither admit nor deny any violation of law, or the truth of any fact alleged in the Verified Petition, or that we have engaged in the conduct prohibited by the Judgment.

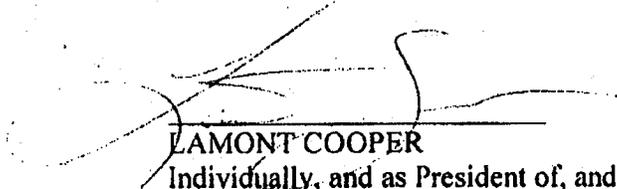
6. I and the co-respondents shall not take any action or make any statement denying, directly or indirectly, the propriety of the Judgment or expressing the view that it is without factual basis. Nothing in this paragraph affects our (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the OAG is not a party.

7. This Stipulation and Consent ("Consent") is my and the co-respondents' voluntary act, and no offers, agreements, promises, coercion, threats or inducements of any nature whatsoever have been made by the petitioners herein, or by any of its attorneys or representatives, to procure this Consent.

8. This Consent and the Judgment embody the entire agreement and understanding between the petitioners and me and the co-respondents relating to the settlement of this proceeding, and no other oral or written agreements exist between the petitioners and us or between the Office of the Attorney General and us relating to the settlement of this proceeding.

Dated: Buffalo, New York

4/15, 2009

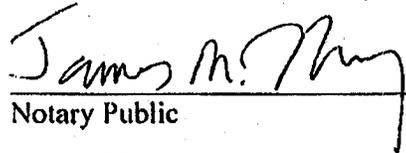

LAMONT COOPER
Individually, and as President of, and on
behalf of, EMANEE DEVELOPMENT,
INC. and DIAL TECH, LLC
Respondents

STATE OF NEW YORK)

SS:

COUNTY OF ERIE)

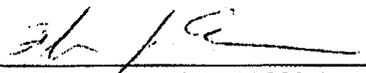
On this 19th day of April, 2009 before me came Lamont Cooper, who, being duly sworn, did depose and say that he is the president of Emanee Development, Inc, and Dial Tech, LLC, described herein, and which executed the above Consent, and that he executed such Consent on behalf of both Emanee Development, Inc, and Dial Tech, LLC with full authorization to do so.



Notary Public

JAMES M. MORRISSEY
Notary Public, State of New York
No. 470424
Qualified in Erie County
Commission Expires Oct. 31, 2009

WITNESS:



THOMAS J. EOANNOU, Esq.
Attorney for Respondents
484 Delaware Avenue
Buffalo, NY 14202