

# **Exhibit 1**

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KING COUNTY DISTRICT COURT  
STATE OF WASHINGTON  
WEST DIVISION, SEATTLE COURTHOUSE

PCA ACQUISITIONS V, LLC,

Plaintiff,

v.

TERI R KIMMONSSTRUCK, AND DOES 1-10,

Defendant.

NO. 21CIV41925KCX

**DEFENDANT'S SECOND AMENDED  
ANSWER, AFFIRMATIVE DEFENSES AND  
COUNTERCLAIMS AND THIRD-PARTY  
CLASS ACTION COMPLAINT**

and

TERI R. KIMMONS-STRUCK, on behalf of  
herself and all others similarly-situated,

Counter-Plaintiff,

v.

PCA ACQUISITIONS V, LLC d/b/a INVENIO  
FINANCIAL,

Counter-Defendant,

and

LIPPMAN RECUPERO, LLC,

Third-Party Defendant.



1 Teri Kimmons-Struck (“Ms. Kimmons-Struck”), by and through the undersigned  
2 attorneys, responds to Plaintiff PCA Acquisitions V, LLC (“PCA”)’s Complaint as follows:

3 **I. ANSWER**

4 1.1 Defendant lacks sufficient information to admit or deny Paragraph 1 of the  
5 Complaint and therefore denies.

6 1.2 Defendant lacks sufficient information to admit or deny Paragraph 2 of the  
7 Complaint and therefore denies.

8 1.3 Defendant lacks sufficient information to admit or deny Paragraph 3 of the  
9 Complaint and therefore denies.

10 1.4 Defendant lacks sufficient information to admit or deny Paragraph 4 of the  
11 Complaint and therefore denies.

12 1.5 Defendant admits that she had a Capital One credit card account. Defendant  
13 lacks sufficient information to admit or deny the remainder of the allegations in Paragraph 5 of  
14 the Complaint and therefore denies.

15 1.6 Defendant lacks sufficient information to admit or deny Paragraph 6 of the  
16 Complaint and therefore denies.

17 1.7 Defendant lacks sufficient information to admit or deny Paragraph 7 of the  
18 Complaint and therefore denies.

19 1.8 Defendant lacks sufficient information to admit or deny Paragraph 8 of the  
20 Complaint and therefore denies.

21 1.9 Defendant lacks sufficient information to admit or deny Paragraph 9 of the  
22 Complaint and therefore denies.

23 1.10 Defendant lacks sufficient information to admit or deny Paragraph 10 of the  
24 Complaint and therefore denies.

25 1.11 Defendant lacks sufficient information to admit or deny Paragraph 11 of the  
26 Complaint and therefore denies.

1 1.12 Defendant lacks sufficient information to admit or deny Paragraph 12 of the  
2 Complaint and therefore denies.

3 1.13 Defendant lacks sufficient information to admit or deny Paragraph 13 of the  
4 Complaint and therefore denies.

5 1.14 Defendant lacks sufficient information to admit or deny Paragraph 14 of the  
6 Complaint and therefore denies.

7 1.15 Defendant denies that Plaintiff is entitled to the judgment requested in its prayer  
8 for relief.

9 **II. AFFIRMATIVE DEFENSES**

10 By way of further answer and as affirmative defenses to Plaintiff's Complaint, Defendant  
11 alleges as follows:

12 2.1 Plaintiff has failed to state a claim upon which relief may be granted as the  
13 alleged facts are not sufficient to support a claim for breach of contract, and where the  
14 elements of an action sounding in tort are not presented.

15 2.2 Plaintiff lacks standing to bring this Complaint.

16 2.3 Plaintiff has failed to produce a written assignment instrument. Plaintiff cannot  
17 prove that it is the real party in interest. As a result, Plaintiff does not have the authority to  
18 maintain this lawsuit.

19 2.4 Defendant disputes the balance as alleged.

20 2.5 Plaintiff cannot prove that it suffered any damages as a result of the alleged  
21 breach of contract.

22 2.6 Plaintiff's claims are unenforceable by doctrine of waiver.

23 2.7 Plaintiff's claims are unenforceable by the doctrine of estoppel.

24 2.8 Defendant is entitled to an offset of Plaintiff's claims.

25 2.9 Plaintiff's claims are subject to setoff.

26 2.10 Plaintiff's claims are barred under the doctrine of unjust enrichment.

27 2.11 Plaintiff brings its claims with unclean hands and is therefore entitled to nothing.

1 2.12 Plaintiff failed to comply with the requirements of RCW 19.16.260(1) and  
2 therefore is not entitled to relief.

### 3 III. COUNTERCLAIMS AND CLASS ACTION COMPLAINT

4 Ms. Kimmons-Struck, on behalf of herself and all others similarly-situated, brings  
5 counterclaims for violation of Washington’s Consumer Protection Act (“CPA”) and Washington’s  
6 Collection Agency Act (“WCAA”) against Plaintiff/Counterclaim Defendant PCA and crossclaims  
7 for violation of the CPA and WCAA against Third Party Defendant Lippman Recuperero, LLC  
8 (“Lippman”).

#### 9 PARTIES

10 3.1 Defendant/Counterclaim Plaintiff Teri Kimmons-Struck (“Ms. Kimmons-Struck”)  
11 is an individual residing in King County, Washington who is a “debtor” as defined by the WCAA,  
12 RCW 19.16.100(8), a “person” as defined by the CPA, RCW 19.86.010(1), and a “consumer” as  
13 defined by the federal Fair Debt Collection Practices Act (“FDCPA”).

14 3.2 PCA Acquisitions V, LLC d/b/a Invenio Financial (“PCA”) is a Delaware limited  
15 liability corporation, which directly or indirectly engages in soliciting claims for collection,  
16 regularly attempts to collect third party debts and claims, uses instrumentalities of interstate  
17 commerce or the mails in business, the principal purpose of which is the collection of debts,  
18 operates in Washington State, and holds a Washington State Collection Agency License. Upon  
19 information and belief, PCA is engaged in the business of purchasing delinquent or charged off  
20 claims for collection purposes.

21 3.3 PCA is therefore a “collection agency,” a “licensee,” and a “debt buyer” as  
22 defined by the WCAA, RCW 19.16.100(4), (7), (10), a “person” as defined by the CPA, and a  
23 “debt collector” as defined by the FDCPA and PCA acted as such at all times relevant to this  
24 Complaint.

25 3.4 Third Party Defendant Lippman Recuperero, LLC is an Arizona limited liability  
26 company which regularly attempts to collect third party debts and claims; uses  
27 instrumentalities of interstate commerce or the mails in business, the principal purpose of

1 which is the collection of debts; and operates in Washington State but did not hold a  
2 Washington State Collection Agency License until March 3, 2022.

3 3.5 Lippman is therefore a “collection agency” as defined by the WCAA, RCW  
4 19.16.100(4), a “person” as defined by the CPA, RCW 19.86.010(1), and a “debt collector” as  
5 defined by the FDCPA, and Lippman acted as such at all times relevant to this Complaint.

6 3.6 When Lippman collects or attempts to collect debts referred to it by PCA, it is  
7 acting as PCA’s agent. On information and belief, PCA knows the collection methods and  
8 procedures used by Lippman, that it has, and had at all relevant times the right to control the  
9 collection activities of Lippman, and that it exercises that right as it deems necessary.

10 3.7 All of PCA’s and Lippman’s debt purchasing and collection activities in  
11 Washington State are governed by the WCAA and the FDCPA.

### 12 JURISDICTION AND VENUE

13 3.8 Jurisdiction and Venue in King County District Court are appropriate where the  
14 acts at issue and described herein or some part thereof occurred in King County, Washington,  
15 and where the injury to Ms. Kimmons-Struck or some part thereof occurred in King County,  
16 Washington, and where Lippman and PCA have engaged in substantial business contacts in King  
17 County, Washington, and Lippman and PCA have already submitted to this jurisdiction by  
18 attempting to collect a debt/claim in this jurisdiction, and where Ms. Kimmons-Struck prays for  
19 injunctive relief. RCW 4.12.020; 4.12.025; 4.28.180; 4.28.185; and 7.40.010.

### 20 STATEMENT OF FACTS

#### 21 **A. Washington’s Collection Agency Act prohibits certain debt collection practices.**

22 3.9 “The business of debt collection affects the public interest, and debt collection  
23 agencies are subject to strict regulation to ensure they deal fairly and honestly with alleged  
24 debtors.” *Panag v. Farmers Ins. Co. of Wash.*, 166 Wn.2d 27, 54, 204 P.3d 885 (2009).

25 3.10 Washington’s Collection Agency Act requires collection agencies to obtain a  
26 license, follow certain internal procedures, and adhere to a code of conduct. RCW 19.16.110;  
27 RCW 19.16.250; *Gray v. Suttell & Assocs.*, 181 Wn.2d 329, 334, 334 P.3d 14 (2014).

1           3.11    Since its inception, the WCAA has prohibited licensed collection agencies from  
2 aiding or abetting “any unlicensed person to engage in business as a collection agency in this  
3 state.” RCW 19.16.250(1).

4           3.12    The WCAA prohibits a collection agency from threatening to take legal action  
5 against an alleged debtor that it cannot legally take at the time the threat is made. RCW  
6 19.16.250(16).

7           3.13    Under the WCAA, no collection agency or out-of-state collection agency may  
8 bring or maintain an action in any court of this state involving the collection of its own claim or  
9 a claim of any third party without alleging and, except where judgment is to be entered by  
10 default, proving that the agency is duly licensed. RCW 19.16.260(1)(a).

11          3.14    The WCAA prohibits a debt buyer from “bring[ing] any legal action against a  
12 debtor without attaching to the complaint a copy of the contract or other writing evidencing  
13 the original debt that contains the signature of the debtor, or ... if the claim is based on a credit  
14 card debt for which a signed writing evidencing the original debt does not exist, a copy of the  
15 most recent monthly statement recording a purchase transaction, payment or other extension  
16 of credit.” RCW 19.16.260(2)(a).

17          3.15    The WCAA prohibits a collection agency from “serv[ing] a debtor with a  
18 summons and complaint unless the summons and complaint have been filed with the court and  
19 bear the case number assigned by the court.” RCW 19.16.250(27).

20          3.16    A violation of the WCAA is a *per se* unfair or deceptive act or practice occurring  
21 in trade or commerce under the Washington Consumer Protection Act, chapter 19.86 RCW.  
22 RCW 19.16.440.

23          3.17    Once a collection agency has violated any provision of section 250 of the WCAA,  
24 that agency is thereafter prohibited from collecting any amount above the principal amount  
25 owed, including fees, costs, and interests. RCW 19.16.450; *Fireside Bank v. Askins*, 195 Wn.2d  
26 365, 377 (2020) (explaining that once a violation of RCW 19.16.250 has occurred, “the creditor  
27

1 may only collect the amount of the original claim or obligation” (internal quotation marks  
2 omitted)).

3 **B. Lippman, as PCA’s agent, acted as a collection agency without a license.**

4 3.18 PCA purchases large portfolios of charged-off debt accounts—written off by the  
5 original creditor—for pennies on the dollar.

6 3.19 Lippman was not licensed to operate as a collection agency in Washington until  
7 March 3, 2022.

8 3.20 Lippman, at the direction of PCA, initiated at least 120 lawsuits in Washington  
9 courts seeking to collect on the claims of Washington consumers, including Ms. Kimmons-  
10 Struck, while it was unlicensed.

11 3.21 Lippman’s collection activities on PCA’s behalf while Lippman was unlicensed are  
12 unlawful because, without a license, it is prohibited from operating as a collection agency,  
13 including filing or maintaining lawsuits in Washington courts to collect on the claims of  
14 Washington consumers. *Gray*, 181 Wn.2d at 340-42.

15 3.22 Lippman and PCA know or have reason to know that collection agencies and  
16 debt buyers must be licensed prior to purchasing and seeking to collect on the claims of  
17 Washington consumers.

18 3.23 Lippman and PCA know or have reason to know that their unlawful conduct in  
19 violation of the WCAA prohibits them from ever collecting amounts in excess of the principal  
20 balance of the claims of Washington consumers purchased by PCA serving as a basis for the  
21 lawsuits filed by Lippman while it was unlicensed.

22 **C. Defendant and Counterclaim Plaintiff Teri Kimmons-Struck.**

23 3.24 In 2016, Ms. Kimmons-Struck opened a Walmart credit card, and for several  
24 years, her payments did not exceed \$40 per month.

25 3.25 In 2019, Ms. Kimmons-Struck fell behind on her credit card payment after she  
26 received a notice that her credit card payments would increase to about \$300 a month. She was  
27 unable to afford the increased payment as she lives on a fixed income as a disabled senior.



1 3.26 Ms. Kimmons-Struck notified her creditors that she was unable to make the  
2 payments and that her income was exempt from garnishment. Ms. Kimmons-Struck did not  
3 hear from anyone about this debt until she received a letter from Lippman dated June 7, 2021.

4 3.27 The letter dated June 7, 2021 stated that Lippman represented “current creditor  
5 PCA ACQUISITIONS V, LLC” regarding a Mastercard Worldcard account. The letter demanded  
6 that Ms. Kimmons-Struck pay \$7,181.70.

7 3.28 Having never heard of Lippman or PCA, on July 19, 2021, Ms. Kimmons-Struck  
8 sent back a certified letter to Lippman requesting validation of the debt including the date of  
9 the last payment and original account number. Ms. Kimmons-Struck paid \$4.15 in postage to  
10 send the certified letter.

11 3.29 On August 3, 2021, Lippman sent Ms. Kimmons-Struck a letter stating that the  
12 current balance of the account was \$7,181.70 and attached additional documents including a  
13 purported assignment agreement and credit card statement.

14 3.30 On January 3, 2022, Lippman and PCA served Ms. Kimmons-Struck with a  
15 summons and complaint filed in King County District Court seeking collection of the alleged  
16 Capital One account. The summons and complaint served upon Ms. Kimmons-Struck did not  
17 contain the actual case number of this matter.

18 3.31 The complaint served on Ms. Kimmons-Struck did not attach the documentation  
19 required by RCW 19.16.260(2)(a).

### 20 CLASS ALLEGATIONS

21 3.32 **Class Definition:** Pursuant to CR 23, Ms. Kimmons-Struck brings her claims as a  
22 class action on behalf of the Class defined as follows:

23 **Lawsuit Class:** All persons from whom Lippman and PCA collected  
24 or attempted to collect, directly or indirectly, at any time since May  
25 20, 2018 on a claim underlying a lawsuit initiated in a Washington  
state court prior to March 3, 2022.

26 **Letter Class:** All persons to whom Lippman sent a letter at a  
27 Washington address at any time from May 20, 2018 to March 3,  
2022 attempting to collect, directly or indirectly, on an alleged  
claim on behalf of PCA.

1 **FDCPA Lawsuit Subclass:** All persons from whom Lippman and PCA  
2 collected or attempted to collect, directly or indirectly, at any time  
since May 20, 2021 on a claim underlying a lawsuit initiated in a  
Washington state court prior to March 3, 2022.

3 **FDCPA Letter Subclass:** All persons to whom Lippman sent a letter  
4 at a Washington address at any time from May 20, 2021 to March  
5 3, 2022 attempting to collect, directly or indirectly, on an alleged  
claim on behalf of PCA.

6 3.33 **Numerosity:** On information and belief there are approximately 120 people in  
7 the Classes.

8 3.34 **Commonality:** There exist questions of law and fact common to Ms. Kimmons-  
9 Struck and the proposed Classes, including but not limited to:

10 a. Whether Lippman and PCA have a common practice of seeking to collect  
11 and collecting on claims of Washington consumers before Lippman was licensed to operate as a  
collection agency;

12 b. Whether PCA aided and abetted Lippman's engagement in business as a  
13 collection agency while Lippman was not licensed in violation of RCW 19.16.250(1);

14 c. Whether Lippman had a common practice of sending letters to  
15 Washington consumers attempting to collect claims on behalf of PCA before Lippman was  
16 licensed to operate as a collection agency;

17 d. Whether Lippman and PCA have a common practice of failing to attach  
18 the documentation required by RCW 19.16.260(2)(a) to complaints filed against Washington  
19 consumers in Washington state courts;

20 e. Whether Lippman and PCA have a common practice of failing to include  
21 the actual case number assigned by the courts on summonses and complaints served on  
22 Washington consumers as required by RCW 19.16.250(27);

23 f. Whether Lippman and PCA's violations of the WCAA constitute *per se*  
24 violations of the CPA;

25 g. Whether Lippman's and PCA's debt collection practices violated the  
26 FDCPA; and  
27

1 h. The nature and extent of Class-wide injury and the measure of  
2 compensation for such injury.

3 3.35 **Typicality:** Ms. Kimmons-Struck's claims are typical of the claims of the Classes.  
4 They arise out of a common course of conduct by Lippman and PCA and are based on the same  
5 legal and remedial theories. The debt collection practices to which Ms. Kimmons-Struck was  
6 subjected are materially identical to the debt collection practices Lippman and PCA utilized in  
7 collecting or attempting to collect alleged debts from proposed class members. Lippman and  
8 PCA routinely solicited and purchased charged-off debt portfolios and filed cases against Ms.  
9 Kimmons-Struck and members of the Classes prior to obtaining a collection agency license, and  
10 in doing so violated other provisions of the WCAA during the Class periods.

11 3.36 **Adequacy of Representation:** Ms. Kimmons-Struck is an appropriate  
12 representative party for the Classes and will fairly and adequately protect the interests of the  
13 Class. Ms. Kimmons-Struck understands and is willing to undertake the responsibilities of acting  
14 in a representative capacity on behalf of the proposed Classes. Ms. Kimmons-Struck will fairly  
15 and adequately protect the interests of the Classes and has no interests that directly conflict  
16 with the interests of the Classes. Ms. Kimmons-Struck has retained competent and capable  
17 attorneys who are experienced trial lawyers with significant experience in complex and class  
18 action litigation, including consumer class actions. Ms. Kimmons-Struck and her counsel are  
19 committed to prosecuting this action vigorously on behalf of the Classes and have the financial  
20 resources to do so.

21 3.37 **Predominance:** Lippman and PCA have a standard practice of collecting or  
22 seeking to collect on claims of Washington consumers by filing lawsuits in Washington state  
23 courts prior to becoming licensed as a collection agency and violating other provisions of the  
24 WCAA in doing so. The common issues arising from this conduct predominate over any  
25 individual issues. Adjudication of these common issues in a single action has important and  
26 desirable advantages of judicial economy.

1           3.38   **Superiority:** Ms. Kimmons-Struck and members of the Classes have suffered and  
2 continue to suffer harm and damages as a result of Lippman’s and PCA’s unlawful and wrongful  
3 conduct. Absent a class action, however, most Class members likely would find the cost of  
4 litigating their claims prohibitive. Class treatment is superior to multiple individual suits or  
5 piecemeal litigation because it conserves judicial resources, promotes consistency and  
6 efficiency of adjudication, provides a forum for small claimants, and deters illegal activities. The  
7 members of the Classes are readily identifiable from Lippman’s and PCA’s records and there will  
8 be no significant difficulty in the management of this case as a class action.

9           3.39   **Injunctive Relief:** Lippman’s and PCA’s conduct is uniform as to all members of  
10 the Classes. Lippman and PCA have acted or refused to act on grounds that apply generally to  
11 the Classes, so that final injunctive relief or declaratory relief is appropriate with respect to the  
12 Classes as a whole. Ms. Kimmons-Struck requests entry of an order dismissing any actions  
13 against Washington consumers seeking to collect a debt purchased by PCA filed while Lippman  
14 was unlicensed; vacating any judgments obtained against the Class members prior to Lippman  
15 obtaining a license to operate as a collection agency; or reducing those judgments to principal  
16 balance less any amount already collected by Lippman and PCA and prohibiting collection of  
17 amounts above principal on the claims underlying the judgments.

18   **CAUSES OF ACTION**

19   **FIRST CAUSE OF ACTION**

20   **VIOLATION OF WASHINGTON COLLECTION AGENCY ACT,**  
21 **PER SE VIOLATION OF WASHINGTON CONSUMER PROTECTION ACT**

22   **(As to Lippman and PCA)**

23           3.40   Ms. Kimmons-Struck re-alleges and incorporates by reference the allegations set  
24 forth in all of the paragraphs of this Complaint as though fully set forth herein.

25           3.41   Ms. Kimmons-Struck and Class members are “persons” within the meaning of  
26 the CPA, RCW 19.86.010(1), and “debtors” within the meaning of RCW 19.16.100(7) because  
27 Lippman and PCA allege that Ms. Kimmons-Struck and Class members each owe a “claim.”

1           3.42    The WCAA defines “Collection Agency” as “any person directly or indirectly  
2 engaged in soliciting claims for collection, or collecting or attempting to collect claims owed or  
3 due or asserted to be owed or due another person...” and “a debt buyer as defined in this  
4 section.” RCW 19.16.100(4).

5           3.43    Lippman and PCA are “collection agencies” within the meaning of the WCAA as  
6 they are directly or indirectly engaged in soliciting claims for collection, or collecting or  
7 attempting to collect claims owed or due or asserted to be owed or due another person, and  
8 “persons” within the meaning of the CPA, RCW 19.86.010(1).

9           3.44    RCW 19.16.110 provides that “[n]o person shall act...as a collection agency or  
10 out-of-state collection agency...without first having applied for and obtained a license from the  
11 director.”

12          3.45    Lippman did not hold a license to operate as a collection agency in Washington  
13 State until March 3, 2022.

14          3.46    Lippman violated RCW 19.16.110 when it acted as a collection agency by  
15 attempting to collect debts from Ms. Kimmons-Struck and Class members without a license as  
16 required by RCW 19.16.110.

17          3.47    PCA aided and abetted Lippman’s operation as an unlicensed collection agency  
18 in the state of Washington in violation of RCW 19.16.250(1) by directing Lippman to collect  
19 alleged debts owed to PCA by Washington consumers.

20          3.48    PCA is vicariously liable for the collection activities of its agent, Lippman,  
21 including the unlawful filing of lawsuits against Washington consumers seeking to collect claims  
22 on behalf of PCA while Lippman was unlicensed, as well as other violations of the WCAA.

23          3.49    Before Lippman was licensed to operate as a debt collector, Lippman sent  
24 collection letters to Ms. Kimmons-Struck and Class members on behalf of PCA in an attempt to  
25 collect alleged debts owed to PCA by Washington consumers, in violation of RCW 19.16.110.

26          3.50    Lippman and PCA served a summons and complaint upon Ms. Kimmons-Struck  
27 and Class members without the actual case number as required by RCW 19.16.250(27).

1           3.51 Lippman and PCA brought and maintained legal actions against Ms. Kimmons-  
2 Struck and Class members but failed to allege and prove that PCA is licensed under RCW 19.16  
3 *et seq* as required by RCW 19.16.260(1)(a)-(b).

4           3.52 Lippman and PCA brought and maintained legal actions against Ms. Kimmons-  
5 Struck and Class members without attaching to the complaints the documentation required by  
6 RCW 19.16.260(2).

7           3.53 A violation of RCW 19.16.110 and the commission of a practice prohibited under  
8 RCW 19.16.250 or RCW 19.16.260 are *per se* unfair acts or practices occurring in trade or  
9 commerce under the CPA. RCW 19.16.440. Lippman and PCA's debt collection activity, including  
10 acts they take in litigation against Washington consumers, occurs in trade or commerce.  
11 *Evergreen Collectors v. Holt*, 60 Wn. App. 151, 155-56 (1991).

12           3.54 If a "licensee" violates any provision of RCW 19.16.250, neither it nor any other  
13 party, including the original creditor shall ever be entitled to any amount over the principal  
14 amount of the debt. RCW 19.16.450.

15           3.55 Lippman and PCA's *per se* violations of the CPA have impacted the public interest  
16 because they have injured Ms. Kimmons-Struck and dozens of other persons and have the  
17 capacity to injure dozens more. RCW 19.86.093. Indeed, the Washington Supreme Court has  
18 explicitly held that "[t]he business of debt collection affects the public interest, and debt  
19 collection agencies are subject to strict regulation to ensure they deal fairly and honestly with  
20 alleged debtors." *Panag*, 166 Wn.2d at 54.

21           3.56 The acts or practices complained of herein are ongoing or have a substantial  
22 likelihood of being repeated.

23           3.57 As a direct and proximate result of Lippman and PCA's *per se* violations of the  
24 CPA, Ms. Kimmons-Struck and Class members suffered injury to their business or property and  
25 lost money, including but not limited to the costs associated with investigating the validity of  
26 purported debts. Accordingly, Ms. Kimmons-Struck and Class members are entitled to legal  
27

1 relief against Lippman and PCA, including actual damages, treble damages, attorneys' fees, and  
2 costs pursuant to RCW 19.86.090.

3 3.58 Lippman and PCA's conduct is uniform as to all members of the Classes. Lippman  
4 and PCA have acted or refused to act on grounds that apply generally to the Classes, so that  
5 final injunctive or declaratory relief is appropriate with respect to the Classes as a whole. Ms.  
6 Kimmons-Struck requests entry of an order dismissing any actions against Washington  
7 consumers seeking to collect a debt purchased by PCA filed while Lippman was unlicensed;  
8 vacating any judgments obtained against the Classes prior to Lippman obtaining a license to  
9 operate as a collection agency; or reducing those judgments to principal balance less any  
10 amount already collected by Lippman and PCA and prohibiting collection of amounts above  
11 principal on the claims underlying the judgments.

12 3.59 Ms. Kimmons-Struck and the Classes are also entitled to equitable relief as the  
13 Court deems appropriate, including, but not limited to, disgorgement for the benefit of Class  
14 members of all or part of the ill-gotten gains Lippman and PCA received from their unlawful  
15 scheme.

16 **SECOND CAUSE OF ACTION**

17 **NON-PER SE UNFAIR OR DECEPTIVE BUSINESS PRACTICES IN**  
18 **VIOLATION OF WASHINGTON CONSUMER PROTECTION ACT**

19 **(As to Lippman and PCA)**

20 3.60 Ms. Kimmons-Struck re-alleges and incorporates by reference the allegations set  
21 forth in all of the paragraphs of this Complaint as though fully set forth herein.

22 3.61 Ms. Kimmons-Struck and Class members are "persons" within the meaning of  
23 the CPA, RCW 19.86.010(1).

24 3.62 Lippman and PCA are "persons" within the meaning of the CPA, RCW  
25 19.86.010(1), and conduct "trade" and "commerce" within the meaning of the CPA, RCW  
26 19.86.010(2).



1           3.63   PCA aided and abetted Lippman's operation as an unlicensed collection agency  
2 in the state of Washington in violation of RCW 19.16.250(1).

3           3.64   PCA is vicariously liable for the collection activities of its agent, Lippman,  
4 including the unlawful filing of lawsuits against Washington consumers seeking to collect claims  
5 on behalf of PCA while Lippman was unlicensed, as well as other unfair or deceptive acts or  
6 practices.

7           3.65   PCA and Lippman's entire course of conduct as described throughout this  
8 Complaint is unfair or deceptive within the meaning of the CPA, RCW 19.86.010, *et seq.*

9           3.66   Lippman and PCA engaged in unfair or deceptive acts or practices in the conduct  
10 of their business by the conduct set forth above. These unfair or deceptive acts or practices  
11 include the following:

12           a.       Initiating and maintaining legal actions against Ms. Kimmons-Struck and  
13 Class members in Washington state courts while Lippman was not licensed to operate as a  
14 collection agency in Washington;

15           b.       Serving a summons and complaint upon Ms. Kimmons-Struck and Class  
16 members without the case number as required by RCW 19.16.250(27).

17           c.       Initiating and maintaining legal actions against Ms. Kimmons-Struck and  
18 Class members but failing to allege and prove that PCA is licensed under RCW 19.16 *et seq* as  
19 required by RCW 19.16.260(1)(a)-(b).

20           d.       Initiating and maintaining legal actions against Ms. Kimmons-Struck and  
21 Class members without attaching to the complaint the documentation required by RCW  
22 19.16.260(2).

23           e.       Sending collection letters to Ms. Kimmons-Struck and Class members on  
24 behalf of PCA seeking to collect alleged debts owed to PCA by Washington consumers while  
25 Lippman was unlicensed, in violation of RCW 19.16.110.

26           3.67   Lippman and PCA's unfair or deceptive acts or practices have repeatedly  
27 occurred in trade or commerce within the meaning of the CPA, RCW 19.86.010(2) and RCW



1 19.86.020, and were and are capable of deceiving a substantial portion of the public. All of  
2 Lippman and PCA's debt collection activity, including litigation against Washington consumers,  
3 occurs in trade or commerce. RCW 19.16.440; *Evergreen Collectors v. Holt*, 60 Wn. App. 151,  
4 155-56 (1991).

5 3.68 The acts complained of herein are ongoing or have a substantial likelihood of  
6 being repeated.

7 3.69 Lippman and PCA's systematic practices are unfair because these acts or  
8 practices: (1) cause substantial financial injury to Ms. Kimmons-Struck and Class members; (2)  
9 are not outweighed by any countervailing benefits to consumers or competitors; and (3) are not  
10 reasonably avoidable by consumers.

11 3.70 Lippman and PCA's systematic practices are unfair because the acts or practices  
12 are immoral, unethical, oppressive, or unscrupulous.

13 3.71 Lippman and PCA's practices are unfair because they offend public policy as  
14 established by statutes or the common law.

15 3.72 Lippman and PCA's unfair or deceptive acts or practices have impacted the  
16 public interest because they have injured Ms. Kimmons-Struck and dozens of other persons and  
17 have the capacity to injure dozens more. The Washington Supreme Court has explicitly held  
18 that "[t]he business of debt collection affects the public interest, and debt collection agencies  
19 are subject to strict regulation to ensure they deal fairly and honestly with alleged debtors."  
20 *Panag*, 166 Wn.2d at 54.

21 3.73 As a direct and proximate result of Lippman and PCA's unfair or deceptive acts or  
22 practices, Ms. Kimmons-Struck and Class members suffered injury to their business or property  
23 and lost money, including but not limited to the costs associated with investigating the validity  
24 of purported debts. Accordingly, Ms. Kimmons-Struck and Class members are entitled to legal  
25 relief against Lippman and PCA, including actual damages, treble damages, attorneys' fees, and  
26 costs and such further relief as the Court may deem proper.

1 3.74 Lippman and PCA's conduct is uniform as to all members of the Classes. Lippman  
2 and PCA have acted or refused to act on grounds that apply generally to the Classes, so that  
3 final injunctive or declaratory relief is appropriate with respect to the Classes as a whole. Ms.  
4 Kimmons-Struck and Class members are entitled to injunctive relief in the form of an order  
5 prohibiting Defendants from engaging in the alleged misconduct.

6 3.75 Ms. Kimmons-Struck and the Classes are also entitled to equitable relief as the  
7 Court deems appropriate, including, but not limited to, disgorgement for the benefit of Class  
8 members of all or part of the ill-gotten gains Lippman and PCA received from their unlawful  
9 scheme.

10 **THIRD CAUSE OF ACTION**

11 **VIOLATION OF THE FAIR DEBT COLLECTION PRACTICES ACT, 15 U.S.C. § 1692 ET SEQ**

12 **(As to Lippman and PCA)**

13 3.76 Ms. Kimmons-Struck re-alleges and incorporates by reference the allegations set  
14 forth in all of the paragraphs of this Complaint as though fully set forth herein.

15 3.77 The Fair Debt Collection Practices Act ("FDCPA") is a strict liability statute.

16 3.78 The FDCPA prohibits debt collectors from using any false, deceptive or  
17 misleading representation or means in connection with the collection of any debt. 15 U.S.C.  
18 § 1692e.

19 3.79 The FDCPA prohibits a debt collector from making a false representation of the  
20 character, amount, or legal status of a debt. 15 U.S.C. § 1692e(2)(A).

21 3.80 The FDCPA prohibits a debt collector from using any false representations or  
22 deceptive means to collect or attempt to collect any debt. 15 U.S.C. § 1692e(10).

23 3.81 The FDCPA prohibits a debt collector from using any unfair or unconscionable  
24 means to collect or attempt to collect any alleged debt. 15 U.S.C. § 1692f.

25 3.82 The FDCPA prohibits a debt collector from attempting to collect any amount  
26 not authorized by the agreement creating the debt or permitted by law. 15 U.S.C. § 1692f(1).

1           3.83    Ms. Kimmons-Struck is a “consumer” within the meaning of the FDCPA because  
2 Lippman and PCA alleged that she is obligated to pay a debt related to a credit card agreement.  
3 15 U.S.C. § 1692a(3).

4           3.84    Lippman and PCA are “debt collectors” within the meaning of the FDCPA  
5 because they use the mails in their business the principal purpose of which is the collection of  
6 debts, and because they regularly collect or attempt to collect, directly or indirectly, debts  
7 owed or due another. 15 U.S.C. § 1692a(6).

8           3.85    The money that Lippman and PCA alleged Plaintiff and the Class members owe  
9 are debts under the FDCPA because they are alleged obligations to pay money arising out of  
10 transactions that were primarily for personal, family, or household purposes. 15 U.S.C. §  
11 1692a(5).

12           3.86    As alleged above, Lippman violated the WCAA by sending collection letters and  
13 filing and maintaining lawsuits against Washington consumers in an attempt to collect claims  
14 on behalf of PCA while Lippman was not licensed as a collection agency in Washington and  
15 violated other provisions of the WCAA in doing so.

16           3.87    PCA is vicariously liable for the collection activities of its agent, Lippman,  
17 including the unlawful filing of lawsuits against Washington consumers seeking to collect claims  
18 on behalf of PCA while Lippman was unlicensed, as well as other violations of the WCAA and  
19 unfair or deceptive acts or practices.

20           3.88    Lippman violated 15 U.S.C. § 1692f(1) by collecting or attempting to collect debts  
21 it was not legally permitted to collect by virtue of its being unlicensed to operate as a debt  
22 collector in Washington prior to March 3, 2022.

23           3.89    Lippman violated 15 U.S.C. § 1692e(2)(A) by making false representations  
24 regarding the character, amount, or legal status of the debts that it collected or attempted to  
25 collect on behalf of PCA while Lippman was unlicensed, including but not limited to false  
26 representations that it was legally permitted to engage in debt collection activities within  
27 Washington state prior to March 3, 2022.

1 3.90 Lippman violated 15 U.S.C. § 1692e(10) by collecting or attempting to collect  
2 debts on behalf of PCA using false representations or deceptive means, including but not  
3 limited to false representations that it was legally permitted to engage in debt collection  
4 activities within Washington state prior to March 3, 2022.

5 3.91 Lippman violated 15 U.S.C. § 1692f by collecting or attempting to collect debts  
6 on behalf of PCA using unfair or unconscionable means, including but not limited to operating  
7 as a debt collector in Washington state while Lippman was unlicensed.

8 3.92 Plaintiff is entitled to legal relief against Lippman and PCA, including recovery of  
9 actual damages, statutory damages, attorneys' fees, costs, and such further relief as the Court  
10 may deem just and proper.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Teri Kimmons-Struck prays that the proposed Classes be certified under  
13 Civil Rule 23 and that she and her counsel be appointed to represent the Classes and judgment  
14 be entered against Counterclaim and Third-Party Defendants Lippman and PCA:

15 1. For injunctive and declaratory relief:

- 16 a. declaring Lippman and PCA's debt collection practices described in this  
17 complaint to be unlawful;  
18 b. vacating any judgments Lippman and PCA obtain against Class members;  
19 c. prohibiting Lippman and PCA from collecting amounts above principal on  
20 collection judgments obtained prior to Lippman becoming licensed as a  
21 collection agency;  
22 d. prohibiting Lippman and PCA, or any other person from attempting to  
23 collect more than the amount of the underlying alleged debt from Ms.  
24 Kimmons-Struck and Class members;

25 2. For an award to Ms. Kimmons-Struck and Class members of actual damages,  
26 treble damages, pre-judgment interest, costs, and attorneys' fees under RCW 19.86.090;

1 3. For an award to Ms. Kimmons-Struck and Class members of actual damages,  
2 statutory damages, pre-judgment interest, costs, and attorneys' fees under the FDCPA; and

3 4. For such other and further relief as may be just and equitable.

4 RESPECTFULLY SUBMITTED AND DATED this 20th day of May, 2022.

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1 CERTIFICATE OF SERVICE

2 I, Blythe H. Chandler, hereby certify that on May 20, 2022, I electronically filed the  
3 foregoing with the Clerk of the Court.

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19 DATED this 20th day of May, 2022.

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