

# CHAPTER VII

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## Who Ya Gonna Call? Consumer Assistance Agencies

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**NORTH CAROLINA**  

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**CHAPTER VII**  
**Who Ya Gonna Call? Consumer Assistance Agencies**

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## CHAPTER VII

### Who Ya Gonna Call? Consumer Assistance Agencies

1. You are a military legal assistance attorney and your client complains about a local car dealer, mechanic, insurance salesman, landlord, lender, financial institution, contractor, or other business. The client seems to have a pretty good case, substantiated by witnesses and documentary evidence, but the opposing business is resistant to any accommodation. Maybe the business even ignores your communications. Perhaps you are addressing the fifth complaint in the last two weeks about this business, or documents indicate that the illegal business practices are routine. Regulatory and practical considerations make personal, in-court representation by a legal assistance attorney unlikely and impractical. Further, litigation by outside counsel may be impractical due to the time and expense of court procedures, particularly when considering the dollar value of the claim or the transient nature of military service. Or perhaps you are a private practitioner and the case doesn't fit your business needs or expertise. But you want to help the client. Who ya gonna call?

2. A plethora of enforcement agencies and resources are available to the public, and in particular to military attorneys and their clients. This article provides a listing of some of these resources, as well as a general description, some information about procedures, and some sample cases. These samples are presented not some much for their substantive details, but rather to illustrate the type of case that may be resolved, how such cases may originate, and the spectacular results that can be achieved. This manuscript should prove useful to military and civilian practitioners, but it is NOT designed to be an exhaustive list of all resources.

3. *Why Complain?* Before addressing the types of complaint apparatus, it is appropriate to identify the various reason why the client may wish to make a complaint. They are:

*-Consumer redress.* Individual redress is the most straightforward complaint motivator. The client has been wronged and wants to be made whole. The desired redress is often in the form of a refund or money damages, but not always. The client may want a contract rescinded, home repairs made, records corrected, or some specific performance.

*-Sanction offender.* Clients, particularly senior officers or staff noncommissioned officers, sometimes present to the legal assistance attorney motivated by a desire to ensure that the offending business is punished and / or is prevented from harming others. Often, such clients have managed, through extraordinary time and effort, to have achieved some sort of minimally satisfactory resolution to their own difficulties. Sometimes, this client presents asking, "How can I get this business put off limits?"

*-Inform others.* Some clients present with a primary motivation of spreading the word about bad business practices, and thereby deter additional victimization.

*-Rulemaking.* Consumer agencies, such as the Consumer Finance Protection Bureau (CFPB) and the Federal Trade Commission (FTC), are empowered by statute to make regulations within their specified sphere of influence. The Department of Defense also has specific regulatory authority via the Military Lending Act (10 USC 987). Rulemaking agencies may rely on a variety of sources, including complaints, in determining whether and what kind of regulation to promulgate. Individual complainants, as well as input from attorneys familiar with the issue, can bolster the rulemaking record. A legal assistance attorney making a contribution to the rulemaking record should ensure that it is clear that s/he is speaking in a private, personal capacity and not on behalf of the armed forces (unless authorized to do so).

*Government enforcement.* Many of the entities discussed herein are empowered to, and have, taken legal action against offending businesses, resulting in settlements and judgements involving millions of dollars (and in some cases over a billion dollars). Such action also may direct the offending business to change its practices, properly train its employees, pay restitution to aggrieved persons, repair adverse entries in credit reports, or even refrain permanently from operating in a particular sphere of business. Other agencies have the authority to suspend or revoke a professional license.

*Private enforcement.* Often complainants requesting government enforcement and sanction also want government to provide them with a personal remedy. For example, government action against a large bank may result in restitution to the individual complainants.

4. *Free Legal Counsel.* In some cases, pro bono legal assistance and representation may be authorized and available. For example, the American Bar Association oversees “Operation Standby” and the Military Pro Bono Program.

a. *Operation Standby.* Through Operation Standby, participating private counsel offer to provide their insights to military legal assistance attorneys. (Participating attorneys do not, however provide representation or assistance directly to the individual clients.) Thus, the legal assistance attorney in North Carolina presented with a Nevada insurance case, a South Dakota child custody issue, and a New York real estate question may have access to the expertise of attorneys practicing that type of law in the relevant geographic location. Military legal assistance attorneys must register with the program to have access to this service.

b. *ABA Military Pro Bono Project.* Through the ABA Military Pro Bono Project, legal assistance attorneys can refer qualifying cases and clients for assignment of pro bono counsel. Legal assistance attorneys who have registered with the Project fill out case and client information in a password protected site. That case referral is then automatically sent to the supervisory military authority to determine whether the case / client meet program parameters and whether any additional clarification or information is required. The supervisory authority will analyze the case with the ABA “Good Cause” checklist in mind. The checklist includes such matters as:

- What are the operative facts of the case, and what is the source of those facts?
- What is the desired outcome?
- Under what legal theory will the client have a reasonable likelihood of success?

-Has the client exhausted all other practical means of resolving this issue?

Eligible clients include active duty service members of limited means. Clients in pay grade E-6 and below are presumed to meet financial eligibility criteria. Clients above paygrade E-6 are strongly presumed ineligible, and will be rejected absent compelling circumstances justifying the referral. The spouse of an eligible service member may be eligible if (a) the legal issue directly affects the well-being of the service member, his family, or military readiness; and (b) the legal interests of the spouse and the service member are aligned; and (c) the service member would have pursued the matter if s/he had been present to do so. In limited circumstances, such as when applying for guardianship of an incapacitated service member, parents may be eligible.

A variety of case types meet the Program criteria: consumer issues, employment issues involving the Uniformed Services Employment and Reemployment Rights Act, expungement of criminal records, guardianship, enforcement of tenant rights, probate, tax, trusts and estates (including special needs trusts). The program also accepts family law cases when at least one of the following elements is present: (a) the service member is deployed and needs assistance of a U.S. attorney, (b) opposing party is represented by counsel, (c) the Service member Civil Relief Act is implicated, (d) service member's physical custody of his children is at issue, (e) the service member has established that s/he is a victim of domestic violence. Additional detailed criteria address child custody issues.

After the supervisory attorney determines that the case meets Program parameters, that attorney will forward the case to ABA Headquarters in Chicago for final review and assignment to a willing attorney participant. As a practical matter, pro bono counsel are more likely to accept a case involving a consumer issue, guardianship, a non-contested family law issue, probate, or other matter that may be resolved relatively quickly. Let's face it; taking on a contested divorce / child custody case is a pretty tough ask.

c. *Legal Aid of North Carolina.* LANC has approximately 19 offices, conducts about a dozen different projects (e.g. mortgage foreclosure, domestic violence prevention), provides self-help classes, and provides legal representation in civil cases, principally to those of limited means. Eligibility criteria is based on percentage of federal poverty level. Certain projects have waived or more relaxed eligibility criteria. For example, there is no income criteria for the domestic violence prevention project. The Veteran's project, available to vets who are at or below 200% of the federal poverty limit, addresses such matters as (i) denial of disability compensation based on discharge characterization when there is evidence of sexual trauma or other mental health issue; (ii) discharge upgrades when there is evidence of traumatic brain injury or post-traumatic stress disorder, and (iii) overpayments by the veteran's administration. Clients may apply on line or by phone.

d. *State Pro Bono Projects.* The Bar of the state may conduct pro bono projects. For example, the Georgia State Bar appears to have a particularly straight forward and easy to access military pro bono program. It is available to active duty service members in pay grade E-5 or below, (ii) 100% disabled retirees and vets unable to pay legal fees (presumed if at or below 200% federal poverty guideline, and (iii) vets seeking assistance concerning VA benefits.

e. *Law School Clinics.* Most, if not all, law schools in North Carolina conduct legal clinics, providing services free to their clients. Several law schools conduct clinics relating to VA benefits and disability.

## 5. *Federal Trade Commission.*

a. *On line Complaint Assistant.* The FTC has an on line complaint assistant by which consumers can submit complaints. Unlike some agencies, The FTC is probably not going to request a business response from each complaint; nor is there likely to be much of an immediate response from the FTC. However, the FTC may (a) refer the case to other agencies, (b) use the complaint information, in the aggregate, to inform the national legislature, (c) use the information to inform its Rulemaking, and (d) take enforcement action where there is widespread harm.

### b. *Recent FTC Enforcement Actions.*

*AMG Services.* Allegations: Widespread fraud in on-line, short-term, high interest lending. Deceiving consumers to believe there will be a one-time fee and thereafter extracting multiple payments from consumer accounts. Undisclosed interest rates as high as 700% APR. Pretended affiliation with Native American tribes to evade state usury law. Judgement in U.S. District Court of Nevada on September 30, 2016 directs defendant to pay \$1.3 billion to the FTC and set up to set up \$505 million restitution fund. Defendant is permanently enjoined from consumer lending. (In a separate, criminal action in the S. Dist. NY, CEO Scott Tucker was sentenced to 16 years imprisonment.)

*Sunkey Publishing / Fanmail.com.* Allegations: Defendants run imposter web sites, deceiving viewers to believe that they are official U.S. military recruiting sites. They return calls marketing different schools, while again pretending to be U.S. officials. They sell information elicited from prospective recruits to certain schools. Settlement on September 6, 2018 shuts down the sites, and directs Sunkey and Fanmail to pay \$11.1 million and \$1 million respectively.

c. *Identity Theft.* It is not uncommon for legal assistance clients to present with a complaint of identity theft. The FTC website contains excellent information and, more to the point, a step by step ID theft recovery checklist.

6. *Consumer Finance Protection Bureau.* In 2011, the Dodd / Frank Wall Street Reform and Consumer Finance Protection Act was enacted (12 U.S.C. 5301 et seq), creating the CFPB. This newest federal agency is charged with oversight of a wide range of financial institutions and the enforcement of a wide range of finance related statutes (including the Consumer Finance Protection Act itself, which prohibits any covered person or business from engaging in any unfair, deceptive, or abusive acts or practices). The CFPB was given Rulemaking authority within this sphere and directed to provide consumer education and to take and respond to consumer complaints. The Act also created, within the CFPB, the Office of Servicemember Affairs. The CFPB website provides a great deal of detailed information concerning a variety of topics, takes on line complaints, and demands a response from the business alleged to have engaged in an unlawful practice. The site provides a means for viewing enforcement actions and



for providing comment regarding ongoing rulemaking. Additionally, the CFPB has been aggressive in enforcing consumer finance laws. The Bureau has designated Angela Martin, a Senior Enforcement Attorney, as military liaison.

a. *On Line Complaints.* The CFPB accepts on line complaints and requests timely business response. Complaints also inform the CFPB about which business needs additional supervision and when enforcement action may be called for.

b. *Consumer Education.* The CFPB posts a great deal of information for consumers and practitioners alike. It includes matters of particular interest to military legal assistance clients, such as: debt collection (including sample letters to debt collectors), mortgages (including contact information for HUD approved counsellors to help prevent foreclosure), and student loans. The website also posts information concerning current issues, for example: disaster relief. The website includes statutes, enforcement actions, and opportunities for notice and comment concerning ongoing actions. Information is also arranged for use by category of reader, including a section for service members and veterans.

c. *Enforcement Actions.* As of this writing, in the enforcement of statutes and issues specifically relating to service members, the CFPB has restored over \$200 million to the pockets of aggrieved consumers. It has obtained over \$12 billion in relief for consumers generally, including service members and their families. A summary of some CFPB enforcement actions is provided below.

(i) *Military Installment Loans and Educations Services (MILES).* Allegations: Business targeting service members requires loan repayment via allotment, but fails to include costs of this mandatory allotment in disclosing APR, loans costs, etc. Fails to disclose schedule of payments, vastly understates the cost of GAP, and overstates the coverage of extended service contracts. Consent order June 26, 2013 orders business to refund \$6.5 million to consumers.

(ii) *CitiBank.* Allegations: Failure to reevaluate penalty interest rates as required by law, thereby overcharging 1.75 million consumers. Consent order June 29, 2018 directs defendant to provide \$335 million restitution.

(iii) *Triton Management Group.* Allegation: Grossly understating finance charges on short term loans. Consent order June 19, 2018 directs defendant to pay \$1.5 million.

(iv) *Security National Automotive Acceptance Corporation.* Allegations: Auto lender marketing to service members engages in illegal debt collection by exaggerating the consequences of failure to repay the debt. Illegal debt collection included, but is not limited to illegal threats to contact (and actually contacting) debtor military superiors, and continuing to provide debt information to military superiors after requested by the debtor to cease. "Consent" for such conduct was buried in a contract addendum the borrower was unlikely to see, had no ability to negotiate away, and which could not reasonably predict the frequency of such command contacts. Consent order October 28, 2015 directed defendant to pay a \$1 million civil penalty, and to provide \$2.275 million restitution in the form of credits and refunds.

(v) *Security National Automotive Acceptance Corporation (2)*. Allegations: Based on a tip from the parent of a service member, CFPB investigates and learns that SNAAC, through various subterfuges, evades over half of the restitution requirement of the previous order. Instead of providing refunds, SNAAC provides worthless credits against non-existent debts (debts already settled or discharged in bankruptcy). Additionally, in cases in which customers were making payments under settlement agreements, SNAAC applied credits to the balance as it existed prior to making such payments. In some cases, even where credits exceeded amount owed, SNAAC failed to provide any cash restitution. On April 26, 2017, a second consent order was issued, directing SNAAC to pay a civil penalty of \$1.25 million for violations of the first order.

(vi) *Security Group*. Allegations: Violation of the Consumer Financial Protection Act by making improper in-person and telephonic collection attempts on consumer installment loans and retail sales installment contracts, including physically preventing consumers from leaving their homes, and visiting and calling consumers' places of work while knowing that those contacts could endanger the consumers' employment. Also, violation of the Fair Credit Reporting Act by regularly furnishing inaccurate information about consumers to credit reporting agencies. Consent order June 13, 2018 directed the defendant to correct consumer credit reports, to refrain from in-person debt collection, and to pay a \$5 million civil money penalty. This case originated on a tip from a military legal assistance attorney.

(vii) *Hydra Lending*. Allegations: Widespread, massive fraud involving usurious, undisclosed interest of up to 700% APR, misapplication of payments (nothing towards principal), and unauthorized automatic payments from accounts after advising that there will be a one-time fee. Additionally, stealing personal information and making loans to people who never applied. August 10, 2018 settlement calls for defendant to forfeit \$14.4 million and to pay \$69 million restitution. In separate criminal action by U.S. Department of Justice, owner is convicted and sentenced to 10 years imprisonment.

(viii) *Bank of America* Office of the Comptroller of the Currency (OCC) alleges violations of SCRA provisions concerning interest rate limits, stay of civil suit, default protection, mortgage protection in case of 73,000 service members. Consent order May 29, 2015 directs defendant to pay \$30 million civil penalty and to modify its procedures to ensure SCRA compliance.

(ix) *Wells Fargo*. OCC /CFPB joint action alleging that Wells Fargo improperly force placed auto insurance when not warranted and foisted excess interest in mortgage cases onto consumer when Wells' own delay prevented closing prior to mortgage rate lock in date. Consent order April 20, 2018 directs defendant to pay \$1 billion penalty.

## 7. *United States Department of Justice.*

a. *Servicemembers' and Veteran's Outreach Initiative*. Pursuant to this initiative, the DoJ posts information of value to servicemembers and veterans and their families, as well as legal practitioners. Moreover, the DoJ is committed to building personal relationships with legal assistance personnel, and providing guidance and in-person briefs. Legal assistance counsel may

bring issues to the attention of the DoJ for possible enforcement action (but should do so only after consultation with appropriate military supervisory counsel). In addition, the Initiative website takes on line complaints directly from individuals.

b. *Enforcement.* The U.S. Department of Justice enforces federal laws, including those directly applicable to service members, such as: the Uniformed and Overseas Citizens Absentee Voting Act, the Uniformed Services Employment and Reemployment Rights Act, the Military Lending Act, and most importantly, Servicemember Civil Relief Act. The Veteran's Benefits Act of 2010 clarified and reinforced the notion that SCRA violations can give rise to enforcement via private lawsuit (10 U.S.C. 4042). Furthermore, the DoJ may initiate enforcement action whenever there is a pattern or practice of conduct violating the SCRA or when the violation raises an issue of "significant public importance" (50 U.S.C. 4041). While the DoJ has taken on large, headline grabbing cases, it is important to note that, the DoJ has also provided assistance in cases of lesser magnitude, such as lawsuits against property managers who repeatedly violate SCRA provisions concerning lease termination. Also, a cautionary informal contact from the DoJ will often be sufficient motivation for a business to correct its conduct, even absent any formal enforcement action.

c. A sampling of some of the DoJ enforcement actions is provided below. Of note, as of September 2015, the DoJ has obtained over \$311 million in the national mortgage settlement for SCRA violations alone. (Source: DoJ Press release September 30, 2015).

(i) *Aristocrat Towing.* Allegation: Defendant illegally towed and sold 26 service member cars without a court order in violation of the SCRA. Case began as a referral from a legal assistance attorney. Consent order April 30, 2012 directs the defendant to pay \$75K to restitution and to fix the credit reports of the victims.

(ii) *Santander Consumer USA.* Allegations: Towing and selling approximately 1,112 service member vehicles without a court order to enforce a lien, thereby violating the SCRA. Consent order February 25, 2015, directs defendant to amend procedures to ensure future SCRA compliance, to provide annual SCRA training to its employees, and to pay \$9.36 million into a victim compensation fund.

(iii) *City / County of Honolulu.* Allegations: Towing and selling 1,440 servicemember vehicles without a court order to enforce a lien, in violation of the SCRA. Consent order February 15, 2018 directs the defendant to establish a victim compensation fund and to change its procedures to ensure prospective SCRA compliance. This case was referred to the DoJ after the defendant and its contracted towing company failed to take remedial action in three legal assistance cases.

(iv) *BMW.* Allegations: BMW leases charge up-front fee to reduce monthly payments. Service members (492 of them) terminate lease pursuant to the SCRA, but BMW fails to give pro rata credit for these payments as required. Settlement on February 22, 2018 directs defendant to pay \$68K civil fine, and to establish a \$2.165 million victim compensation fund. This case was initiated after BMW failed to remedy cases of three legal assistance clients.

(v) *Twin Creek Apartments*. Allegations: Twin Creek gave up front rent concessions (e.g. first month's rent free) which were forfeit if service member terminated the lease prior to the end of the lease term. Twin Creek enforced these forfeitures even when the tenant terminated the lease pursuant to the SCRA. Settlement agreement of September 11, 2018 directed defendant to pay a \$20K civil penalty and to pay \$72K damages.

(vi) *Westlake Services*. Allegation: Repossessed 70 service member vehicles secured by pre-service loan, without court order, in violation of the SCRA. Settlement agreement September 27, 2018 directed defendant to pay a civil fine of \$68,788, to provide restitution to affected service members (\$10K each, plus interest, for total of about \$760,788), to develop SCRA compliant procedures, to provide SCRA training to its employees, and to repair damage to credit reports due to the illegal repossessions.

(vii) *CitiFinancial* Allegation: Repossessed 164 service member vehicles secured by pre-service loan without first obtaining a court order, thereby violating the SCRA. Consent decree September 18, 2017 directed defendant to pay \$907K into victim compensation fund, and to take actions to correct damages to affected service member credit reports.

(viii) *J.P. Morgan Chase, Wells Fargo, Citi Residential Lending, Citibank, Citi Mortgage, GMAC Mortgage, Ally Financial, Countrywide Home Loans* Allegations: Defendants pursued non-judicial foreclosure actions against hundreds of service members whose mortgages predated military service, thereby violating the SCRA. March 2015 settlements directed the defendants to pay \$123 million.

(ix) *Lincoln Military Housing*. Allegations. Lincoln, which runs housing on several military installations, requested default judgements in eviction cases without first filing service affiliation affidavit as required by SCRA. In other cases, filed false service affiliation affidavits. August 10, 2016 settlement directs defendant to vacate default judgements, repair credit of affected service members, pay \$60K civil penalty, to pay each wrongfully evicted service member \$35K, and to forgive any deficiency balance.

8. *North Carolina Department of Justice*. The NC DoJ has long been a champion of the rights of service members and their families, providing instruction to legal assistance attorneys both in person and on line. Additionally, the NC DoJ has designated David Fox ([dfox@ncdoj.gov](mailto:dfox@ncdoj.gov), 919-716-6000) as military liaison for service members and their families. Furthermore, the NC DoJ takes complaints on line concerning a wide variety of consumer issues and demands a response from alleged offenders. Finally, the NC DoJ takes enforcement action where warranted. Historically, the NC DoJ has been a bulwark against payday and other short term, high interest lenders. A sampling of some of the NC DoJ actions is provided below:

a. *GIBill.Com*. Allegations: Web site falsely pretends to be government site and funnels readers into high cost, for-profit schools, who paid for this service. Falsely gives the impression that these schools are the only ones for which the GI Bill will fund tuition. Settlement with NC and 19 other state attorneys general on June 27, 2012 directed the defendant to pay \$2.5 million (\$225K to NC), to shut down associated social media accounts, and to relinquish control of the site to the Department of Veteran's Affairs.

b. *Western Sky / Cash Call*. Allegations: Short term, high interest, on-line lender uses pretended affiliation with Native American tribe to evade state licensing, usury, and other lending related laws. Consent judgement on June 15, 2016 directed defendant to stop lending without a license, to pay \$250K attorney fees of the state, and to pay \$9,025,000 into a victim compensation fund.

c. *Freedom Stores*. Joint action by CFPB, NC, Virginia alleging that the defendant, which heavily markets to service members and is generally co-located with military installations, illegally filed thousands of debt collection lawsuits in Virginia against people who neither lived nor did business in that state, unlawfully garnished the wages of NC residents, illegally contacted military superiors of debtors, and debited the bank accounts of the customers (and their family and friends) without their permission. Stipulated judgement and final order dated December 18, 2014 directs defendant to cease these illegal practices, to pay a \$100K civil penalty, and to pay \$2.5 million restitution.

9. *NC Real Estate Commission*. The NCREC oversees real estate brokers and, more to the point for legal assistance attorneys, property managers (but not individual homeowner landlords). The NCREC takes on-line complaints, can conduct investigations, and has the authority to impose sanctions (license suspension or revocation, reprimand).

10. *Housing Inspector*. Sometimes the client's chief complaint is that there are defects in their rental premises that the landlord is not repairing. Contact with the local housing inspector can sometimes help resolve these problems. The Inspector is charged with enforcing state and local laws concerning construction and maintenance of buildings in a safe and sanitary condition (NCGS 160A-412), and for enforcing minimum housing standards.

Onslow County

Contact: (910) 989-3071/ 3086.

Complaint procedures and minimum housing standards:

<http://www.onslowcountync.gov/443/Minimum-Housing>

Cumberland County

(910) 678-7600/6657

Minimum housing code (type Cumberland County Minimum Housing into search box for PDF)

12. *Installation Housing Referral Office*. Upon arrival at a new installation, service members will often visit the installation housing referral office. Once there, they can ask for information about rental residences in the area. The Office will be able to search by location / distance from the installation, number of bedrooms, and price. Additionally, at some installations, housing referral personnel serve as a liaison to local property managers; attending inspections, and taking complaints. Removal from the referral list can be a significant deterrent to improper property manager conduct. Legal assistance attorneys should also consider this office not only as a place to direct complainants, but also as a source for information / complaints concerning local property managers.

13. *Department of Motor Vehicles, License and Theft Bureau.* The DMV License and Theft Bureau enforces rules concerning vehicle theft, title fraud, motor vehicle dealers, towing and storage, and vehicle repair businesses. It employs about 150 inspectors and has offices throughout the state. It takes snail mail or on line complaints. The DMV website features an office locator service. <https://www.ncdot.gov/dmv/programs/fraud-theft/Pages/default.aspx> The agency has proved effective in unwinding car deals procured through fraud and providing resolution in cases of “yo-yo financing;” i.e. car dealer calls buyer back after the sale and claims that the financing fell through but refuses to return down payment or trade in, insisting that the buyer must purchase another car.

14. *NC Secretary of State.* The NC SecState performs myriad, disparate functions, including, but not limited to: maintaining a searchable corporation database; testing, educating, and commissioning North Carolina notaries; maintaining an on-line registry for advance medical directives; trademark enforcement, and licensing charitable organizations. Consumer information, as well as information concerning the office of the NC Secretary of State can be found on its web site. The Secretary of State and members of her staff provided instruction and detailed written information in connection with the 2016 military CLE. NCBA members can access these materials at the NCBA CLE site. Others may access this information at the web site of the NC State Bar Committee on Legal Assistance for Military Personnel (NCLAMP.gov), which has posted the CLE materials through 2016. Click on the “For Lawyers” tab, then annual CLE materials, and click on the desired year (2016). Scroll down to Secretary of State materials. Of particular import to legal assistance attorneys, the NC SecState performs the following functions:

a. *Maintains Corporations Database.* The NC Secretary of State provides a searchable, on-line corporations database including business address and phone, registered agent, agent address and phone, officer listing, articles of incorporation, annual reports, and current status with the NC SecState. The database can be particularly useful in providing official correspondence to a business, and determining whether a newly created business is owned or operated by the owner/ operator of a business previously designated as of limits to military personnel.

b. *Investigates fake charities;*

c. *Investigates investment fraud, especially elder fraud;*

d. *Regulates business opportunity sales;* i.e., the sale or lease of any products, equipment, supplies or services for the purpose of enabling the purchaser to start a business, and in which the seller” makes certain representations. G.S. § 66-94;

e. *Registers loan brokers* as defined at NCGS G.S. § 66-106(a);

f. *The Securities Division provides education and enforcement concerning investment and investment fraud.* This Division takes on line complaints.

15. *NC Adult Protective Services.* Sometimes, legal assistance clients or their relatives present with compelling stories about how a disabled and /or elderly family member was ripped off, sometimes by another family member. Such heartbreaking cases may involve charlatans or other thieves taking advantage of the victim, persuading him to disburse funds, sign over the deed to a house, provide access to bank or investment accounts, and to otherwise squander a lifetime of savings. Legal assistance attorneys should refer such cases to the North Carolina Department of Social Services, Adult Protective Services. Additional information at <https://www.ncdhhs.gov/assistance/adult-services/adult-protective-services>. County agencies evaluate reports to determine the need for services, mobilize services available, help families and caregivers prevent abuse, and initiate court action as necessary to protect the disabled adult. Disabled adults reported to be abused, neglected or exploited and in need of protective services are eligible to receive this service regardless of income. DSS office locator at: <https://www.ncdhhs.gov/divisions/dss/local-county-social-services-offices>

DSS Contact:

Craven County	(252) 636-4900
Cumberland County	(910) 323-1540
Onslow County	(910) 455-4145
Wayne County	(919)580-4034

16. *Enforcement by Specific Industry, Profession, Licensing Boards.* Often, specific industries or professions have a state regulating / licensing board. These Boards generally have authority to suspend or revoke a license or impose other sanction. Some are listed below.

a. *NC Licensing Board for General Contractors.* This Board licenses and regulates general contractors, defined as anyone (with some exceptions not likely to arise in a legal assistance context) who performs a construction contract in excess of \$30K. The Board also addresses unlicensed contractors performing contracts in excess of \$30K. Further, the Board may also cover unlicensed contractors attempting to evade regulations by writing two or more contracts for one job, which would otherwise exceed \$30K. Typical cases involve home remodeling and construction of an in ground pool. The most basic regulation is that general contractors must be licensed. The Board may refuse to issue or may revoke, suspend, or restrict a license or issue a reprimand action if a general contractor is found guilty of any fraud or deceit in obtaining a license, or gross negligence, incompetency, or misconduct in the practice of his or her profession, or willful violation of any applicable provision (NCGS 87-11). Any person may prefer charges against any general contractor, but the must be in writing, sworn to by the complainant, and submitted to the Board. The Board website accepts on-line complaints, provides general consumer information, and posts laws and regulations applicable to general contractors. <https://nclbgc.org/>

b. *Specialty Contractor Boards.*

(i) *Plumbing and Heating.* <http://www.nclicensing.org/complaint.asp>

(ii) *NC Board of Examiners of Electrical Contractors.* <https://www.ncbeec.org/>

c. *NC Medical Licensing Board* (physicians). <https://www.ncmedboard.org/>

d. *NC Veterinary Medical Board*. <http://www.ncvmb.org/>

e. *NC Department of Insurance*. Legal assistance clients sometimes present with complaints concerning an insurance company's failure to provide adequate or timely compensation, or with complaints about deception in the sale of insurance. In particular, the history of life insurance sales to service members is long and sordid. A report issued May 15, 2000 to the Deputy Undersecretary of Defense summed it up in the first words of its executive summary: "Thirty years of deceptive practices." A GAO report issued nine years later (GAO-09-452 May 2009) is entitled: "Additional Actions Needed to Prevent Improper Life Insurance Sales and Pay Allotment Transactions." Several states, including North Carolina, have enacted statutes specifically designed to address life insurance sales to service members. See NCGS 58-58-320 et seq entitled "Dishonest and Predatory Sales to Military Personnel." The NCDOI posts consumer information and takes questions and complaints on line and via telephone and may investigate and sanction North Carolina insurers.

17. *The Press*. The press can be an effective tool in combating fraud, deception and abusive practices perpetrated on service members and their families. Since no business wants to be publically associated with abusing troops, resort to publicity can sometimes achieve positive results, not only for your client, but for others as well. Sometimes the publicity motivates the business to take remedial action. Other times, the publicity motivates regulators or legislators to step in. Your military clients have free speech rights to complain to the press about a business, just as any other citizen, but make sure you have the right case and the right client before undertaking any press campaign. If you are personally going to speak to the press, make sure you have any necessary consent from your client, and that you have also consulted your public affairs office. Through many press interviews, I have found that the PAO will want to be notified of any press contacts, they may want to attend, and they can provide some very helpful hints. However, I have never had any PAO attempt to prohibit such contacts. Make clear to your press contact that you are not speaking on behalf of the armed forces (unless authorized to do so).

18. *Referral and Referral Aids*. Sometimes, for a variety of circumstances, what the client really needs is a private attorney to provide advice and in-court representation. Providing referral can be difficult, especially given service restrictions on referral and transience of military counsel. Junior counsel should consult their military superiors, especially those attorneys with lengthy time on station. In some cases, referral is further complicated by the need to obtain a specialist, or an attorney is a geographically distant location. Additional information and assistance about shopping for and hiring an attorney can be found at the web page of the NC State Bar committee on Legal Assistance for Military Personnel (NC LAMP.gov). Click on I am Military and Family / For the Military, and then on the "Find a Lawyer" tab. The following referral aids can help.



a. *ABA National Bar Referral Directory*. Contact information for all state bar referral services. <https://www.americanbar.org/directories/lawyer-referral-directory.html>

b. *NC Law Specialists*. A listing of law specialists certified by the NC State Bar by area of practice and location. <https://www.nclawspecialists.gov/>

c. *American Academy of Matrimonial Lawyers*. National listing of especially highly qualified specialists in the field of family law. <http://aaml.org/>

d. *Special Needs Alliance*. National listing of especially highly qualified specialists in the field of special needs law, to include special needs trusts. <https://www.specialneedsalliance.org/>

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