

**IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PINELLAS COUNTY, FLORIDA**

**STATE OF FLORIDA,  
OFFICE OF THE ATTORNEY GENERAL,  
DEPARTMENT OF LEGAL AFFAIRS,**

**Case No.**

**Plaintiff,**

**vs.**

**NEW LEAF ASSOCIATES, LLC, JAMES M. PATTERSON,  
QUANTUM BUSINESS CONSULTANTS, LLC, THOMAS  
SPILLER, AMERIBIZ CONSULTING, INC., LUKE ANASTASAKIS,  
MANHATTAN FINANCIAL GROUP, LLC, PHILLIP G. PLASTIC, KEN  
KEPLINGER, CHRIS HOLLAND, PAUL GREAVES, LEGAL  
CLUB FINANCIAL CORPORATION, BRETT MERL,  
RWS CONSULTING, INC., RICHARD SPILLER, KRIS SCHNELL,  
CECIL TAYLOR, LILLIAN VARGA, B & B ENTERPRISES  
INTERNATIONAL, INC., GEORGE W. GUTE,  
RAYMOND SCHLANG, CHAD F. POLLEY, QUANTUM BUSINESS  
CONSULTANTS OF CALIFORNIA, INC., CHRISTOPHER S. BREWER,  
and WJC & ASSOCIATES, LLC,**

**Defendants.**

\_\_\_\_\_ /

**COMPLAINT**

Plaintiff, **STATE OF FLORIDA, OFFICE OF THE ATTORNEY**

**GENERAL, DEPARTMENT OF LEGAL AFFAIRS** (“Office of the Attorney General”),

brings this civil action for monetary and injunctive relief under the Florida Deceptive and Unfair

Trade Practices Act (“FDUPTA”), Chapter 501, Part II, Florida Statutes, and says:

## **JURISDICTION**

1. This Court has jurisdiction because Office of the Attorney General seeks relief in an amount greater than \$15,000, exclusive of interest, costs, and attorneys fees.
2. Venue is proper in this court as several of the defendants reside in Pinellas County, Florida; several of the defendants reside in or have their principal place of business in Pinellas County; and numerous misrepresentations were made to consumers in Pinellas County.
3. The violations alleged herein affect more than one judicial circuit in the State of Florida.
4. Office of the Attorney General has conducted an investigation, and Attorney General, Charles J. Crist, Jr., has determined that an enforcement action serves the public interest.
5. Defendants, at all times material hereto, have engaged in "trade or commerce" as that term is defined in § 501.203(8), Florida Statutes (2004).

## **PARTIES**

6. Plaintiff, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS, STATE OF FLORIDA, is authorized to bring this action by § 501.207, Florida Statutes.
7. Defendant New Leaf Associates, LLC ("New Leaf" or "NLA") is a Florida limited liability corporation with its principal place of business in Pasco County, Florida.
8. Defendant James M. Patterson ("Patterson") is a resident of Pasco County, Florida; sole Manager of New Leaf, and its principal.

9. Defendant Quantum Business Consultants, LLC (“Quantum”), is a Florida limited liability corporation with its principal place of business in Hillsborough County, Florida.

10. Defendant Thomas Spiller is a resident of Hillsborough County, Florida; is sole Manager of Quantum; and is Quantum’s Secretary and Treasurer.

11. Quantum and Thomas Spiller have at material times used the unregistered name “Quantum Business Consultancy” while conducting business material to the allegations in this Complaint.

12. Defendant Ameribiz Consulting, Inc. (“Ameribiz”) is a Florida corporation with its principal place of business in Pinellas County, Florida.

13. Defendant Luke Anastasakis (“Anastasakis”) is a resident of Pinellas County, Florida, and President of Ameribiz.

14. Defendant Manhattan Financial Group, LLC (“Manhattan Financial”) is a Florida limited liability corporation with its principal place of business in Pinellas County, Florida.

15. Defendant Phillip G. Plastic (“Plastic”) is sole Manager and Member of Manhattan Financial and is a resident of Hillsborough County, Florida.

16. Defendant Ken Keplinger (“Keplinger”) is a resident of the State of Florida.

17. Defendant Chris Holland (“Holland”) is a resident of Pinellas County, Florida.

18. Defendant Paul Greaves (“Greaves”) is a resident of the State of Florida.

19. Defendant Legal Club Financial Corp. (“LCFC”) is a Florida corporation with its principal place of business in Broward County, Florida.

20. Defendant Brett Merl (“Merl”) is a resident of Broward County, Florida, and Chief Executive Officer and sole Director of LCFC.

21. Defendant RWS Consulting, Inc. (“RWS”) is a Louisiana Corporation with its principal place of business in Baton Rouge, Louisiana. Defendant Richard Spiller is one of two Directors of RWS.

22. RWS and Richard Spiller are engaged in substantial and not isolated activity within the State of Florida, including as one of Quantum’s Coordinators and as a result of visits by Richard Spiller to the State of Florida in which he met with, among others, Patterson.

23. Defendant Christopher S. Brewer is a former resident of Hernando County, Florida, and while a resident of the State of Florida, served as an agent marketing purported services offered by New Leaf to consumers in the State of Florida.

24. Defendant Kris Schnell (“Schnell”) is a resident of Sarasota County, Florida.

25. Defendant Cecil Taylor (“Taylor”) is a resident of Polk County, Florida.

26. Defendant Lillian Varga is a resident of Escambia County, Florida, and served as an agent marketing services she claimed would be provided by New Leaf.

27. Defendant B & B Enterprises International, Inc. (“B&B”) is a Florida corporation with its principal place of business in Leon County, Florida.

28. Defendant George W. (“Bill”) Gute (“Gute”) is a resident of Leon County, Florida, and Vice President and Secretary of B & B.

29. Defendant Raymond Schlang is a resident of Pinellas County, Florida, and served as an agent marketing services he claimed would be provided by New Leaf.

30. Defendant Chad F. Polley (“Polley”) is a former resident of the State of Florida who is engaged in substantial and not isolated activity within the State of Florida, including a) through his services as a Coordinator and agent marketing services he claimed would be

provided by New Leaf , and b) as a Florida licensed chiropractor. At material times, Polley engaged in such business through a corporation of which he is a principal, Defendant Quantum Business Consultants of California, Inc.

31. Defendant WJC & Associates LLC (“WJC”) is a Florida limited liability corporation with its principal place of business in Pasco County, Florida.

**ACTS COMMON TO ALL COUNTS**  
**PRELIMINARY STATEMENTS**

32. Since at least October 2003, New Leaf purports to provide “debt elimination,” which it alternatively refers to as “debt termination” services and as the “Credit Card/School Loan Termination Program,” to consumers throughout the United States and Canada, for up-front fees of \$3,795.95 (to “eliminate” loans of up to \$50,000), \$5,295.95 (to “eliminate” loans of \$50,000 up to \$100,000), or more to “eliminate” loans in excess of \$100,000.

33. New Leaf purports to completely “terminate” or “eliminate” tens of thousands of dollars worth of student loan and credit card debt via the “Credit Card/School Loan Termination Program,” which it and other defendants describe as a legal “administrative process” or “system.”

34. New Leaf allows couples to enroll together as a single “client.” Defined as such, approximately 2200 “clients” throughout the United States and Canada have enrolled in the New Leaf debt elimination program since October of 2003.

35. New Leaf’s website touts:

New Leaf implements a unique technical administrative methodology offering an attractive alternative to the credit issuing banks with regard to debt termination. This creative solution, supported by established and commonly practiced banking law, accounting and contract practices law, will, in about 4-6 months, completely relieve credit

card and or school tuition based loans. New Leaf also actively manages a multiply (sic) outsourced professional effort that will reestablish and enhance our clients credit upon completion of the debt termination services. Therefore, clients of New Leaf Associates emerge from the process with enhanced credit scores, completely forgiven credit card or tuition based debt and a second chance at a sound financial future.

36. The principal business of New Leaf is its purported debt elimination program.

Indeed, New Leaf's website states, "[t]he company Mission Statement, purpose and focus have but one goal, the termination and complete relief of our clients' credit card or tuition debt."

37. In fact, throughout the conduct of its business, New Leaf has had no functioning process for termination or elimination of debt, and the process described by New Leaf was fictional at the outset.

38. New Leaf, despite its stated purpose, has never eliminated a single debt through its so-called "administrative process," and upon information and belief, has never actually attempted to eliminate debt through such a process.

39. Since at least March 2005, and earlier, based on information and belief, Quantum has served as the "Marketing Division of New Leaf Associates" in marketing the "debt elimination" program to the general public.

40. In Quantum's role as the "Marketing Division," Quantum introduces other persons to New Leaf's "debt elimination" program who serve as "Coordinators."

41. The Coordinators are independent agents, some of which are business organizations, who personally sell and market New Leaf's program, and recruit other agents to sell the purported program.

42. The Coordinators of the New Leaf program include Defendants Ameribiz, Greaves, B & B, Holland, Keplinger, LCFC, Manhattan Financial, RWS, Schnell, Polley, and

Taylor.

43. In the course of marketing the New Leaf program, all of the Defendants with the exception of WJC, have represented, and in some instances, continue to represent, that New Leaf would eliminate credit card debt and student loans via a legal process, and facilitate credit repair services.

44. The Defendants have been, and in some instances continue to be, in a confidential relationship with the New Leaf consumers, for the reasons that 1) the services they purported would be provided are legal and financial services, 2) in some instances New Leaf did practice law on behalf of certain consumers, 3) the purported process involves acquiring confidential financial information of the consumers, and 4) the purported process involves the handling of the consumers' financial affairs and providing advice concerning financial matters. Indeed, New Leaf as a matter of practice instructs consumers not to refer to New Leaf when conversing with any bank or lending institutions, and not to volunteer any information about the New Leaf program.

45. Quantum, Thomas Spiller, and others have utilized the flyer attached as Exhibit "A," which touts "'WIPE OUT' CREDIT CARD DEBT" and represents "[t]housands of successful cases." In fact, to date, New Leaf has not succeeded in "eliminating," "terminating," or otherwise liquidating a single debt through use of its purported process.

46. New Leaf, directly and through its agents, including the Coordinators, has represented that it was bonded for \$2 million to insure its services.

47. In fact, New Leaf has never been bonded. The insurance policy which New Leaf represented insured its services does not cover professional liability or provide any other

coverage respecting the quality of the performance by New Leaf of its services.

48. In the course of marketing the program, all of the Defendants, except perhaps WJC, have made substantial misrepresentations in addition to those specified above. The website of Manhattan Financial, which was a Coordinator for the New Leaf program but which later began marketing a “system” which purported to provide the same service, is illustrative of the types of representations made by all of the Defendants, copies of excerpts of which are attached as Exhibit “B.” On its homepage, Manhattan Financial boasted: “If You Owe \$10,000 to \$150,000 Or More In Credit Card Debt, You Can Now **Terminate That Entire Debt!**” (emphasis original), and continued:

At Manhattan Financial Group, we **legally terminate your unsecured credit card debt:** Visa, MasterCard, Discover, American Express, Diners Club and even student loans. Our debt termination system is thoroughly tested, legal, and based on ethical principles. You don’t surrender personal property. There are no IRS consequences. Most importantly, you don’t just reduce your monthly payments — you eliminate them... totally, completely, and immediately!

49. In fact, Manhattan Financial Group does not now and did not ever have a system to legally terminate credit card debts, and no such system was tested or legal. Moreover, there can be IRS consequences to consumers when debts are written off and such consequences are not disclosed to consumers. The Manhattan Financial website continued:

To reach zero usually takes 90 days. Beyond a prearranged fee, there are **no hidden or additional charges**. Plus, Manhattan Financial Group does all the work for you. No meetings with debtors. No court appearances. And no embarrassment. And when it’s all over, Manhattan Financial Group helps you remove any derogatory entries from your credit reports so that you can start over.

...



In 90 Days... Legally... Without Bankruptcy! (emphasis original).

50. Manhattan Financial's homepage was rife with false statements, inasmuch as there never was an actual legal debt termination program, let alone a program that is "tested."

51. Manhattan Financial's website also contained a Q & A which typified the false and deceptive representations used by New Leaf, Patterson, Quantum, Spiller, and the agents and Coordinators of the purported program. Indeed, nearly every statement on the website is false.

Purporting to be an interview with Plastic, website excerpts include:

**So, is it completely legal?**

Completely legal. Absolutely. It's a legal process. What happens — in a nutshell — is that we ask the credit card company to forward us appropriate documents so that we can pay off Mr. Smith's debt. Because the process the banks use to procure the debt is not legal, the credit card company is not able to procure — not able to provide that information to us.

This is called malice of validation and verification of the debt. Because they cannot produce validation and verification, the debt becomes null and void.

...

**What about all that paperwork we fill out when we open an account with a credit card?**

Basic mumbo jumbo! There's really nothing there that becomes legality. It's stated in case after case of precedents and proceedings that a national bank cannot lend you credit. They can lend you money, but they cannot lend credit.

So all that stuff that you read — if you took time to read it — has nothing whatsoever to do with a legal validation or verification of the debt.

...

**Do you guarantee that you can eliminate credit card debt?**

Yes. Basically the Manhattan Financial Group guarantee says that if we do not eliminate the credit card debt that we've agreed to eliminate — however many cards you may have

— we will *refund your money in full*.

At Manhattan Financial Group, we work very closely with the Federal Trade Commission (FTC) to make sure we are in total conformity with their wishes. We talk to them, and we deal with them quite often. Keep in mind that we work in an industry that has some suspicious solutions to credit problems. So we guard our relationship with the FTC.

One thing that the FTC asked us to do was to *prorate* our guarantee. So we did. They wanted to be sure that if we told a client we were going to eliminate \$50,000 worth of debt and we could only eliminate \$10,000, we would refund 80% of the fee the client paid to us.

This is exactly what we do and we put it in writing. If we do not eliminate all the debt, your money is refunded at a prorated amount based on the amount of debt we are unable to eliminate.

....

### **Does the Zero Now!<sup>SM</sup> debt termination system ever not work?**

The possibility for it not working is extremely remote.

In fact, I've only heard of one instance. In this case, the consumer became involved in a very nasty campaign of calling the banks and telling them that our company was "going to get them."

What we do is non-adversarial. All we do is offer the payment — to pay off the amount of debt. We follow the normal procedure of asking the bank or credit card company to send the validation and verification to the county or circuit court, and we say we'll send them a check for the balance. They can't do it.

As the legal procedure says: If they validate and verify, it's a real debt. If they don't or can't validate and verify, it doesn't exist. If the validation and verification never comes, there's only one thing from a legal standpoint that could happen and that is to relieve the debt and deem it null and void.

Other than that one instance, the number of satisfactorily completed transactions is in the thousands.

### **How many people have used this system?**

In the last 25 years, I would say if not tens of thousands, hundreds of thousands.

There are a few companies on the Internet that offer this information to consumers so they can do it themselves.

The information is very accessible. But it is very difficult for consumers to do it

themselves. It takes a specific timeframe. Notification and certification must be handled in a specific way.

From what we can tell, the time to get it done “on your own” is between one and three years.

I believe that Manhattan Financial Group is one of the only companies — but not the only company — that does this on a face-to-face basis.

We don't do anything over the Internet.

We don't do anything where we do not first sit with the client, talk with the client, and guide the client. We also provide a written guarantee.

Here again we're out to please the FTC. We collect the money, we receipt the money, we give clients receipts, and we give them a guarantee.

The FTC also wanted set pricing. So our prices are set. They don't fluctuate or change. We don't work for one consumer for X number of dollars and another for Y number of dollars. We let the consumer know what it costs.

...

**When the debt goes away and is erased, what happens to the consumer's credit rating?**

The credit rating usually goes up.

A Beacon score is a number that credit bureaus tie to your credit worthiness. The biggest percentage and base of how that figures is your debt to income ratio. A debt to income ratio is an equation that relates your income compared to your outlay of money. The better your debt to income ratio, the more expendable money you have to pay. This gives you a better chance for a better interest rate, a better loan, a better car, a better whatever.

You can pay your bills on time every month, but your debt to income ratio can be very high. Say, for example, you are earning \$50,000 and you are spending \$30,000. That's a high ratio. It means you don't have expendable money to pay for more debt and your Beacon score goes down.

So what happens is the credit end of your Beacon score does not change — because we don't change your credit. The thing that does change is the fact that you had \$30,000 in credit card debt and now it appears that you owe zero in credit card debt. Your debt to income ratio is better. Your credit card Beacon score goes sky high. Creditors see that you now have the ability to pay, and your credit worthiness goes up.

**So if I was looking at my credit report, I would see that in January I had debt, and in February I had debt, and in March I had zero.**

Correct.

Your balances on those credit cards would go from, let's say, three cards at \$10,000 apiece to zero balances 90 days later. They show zero balance: paid in full.

It's not shown as a charge off or a write off or anything that's a negative. It shows as if you wrote a check for \$10,000 on each of those three accounts and paid them off.

Once the information gets to the credit bureaus that they are paid off (which takes about a month), then the credit bureau Beacon score goes up the following month.

You can actually track it yourself. We've seen some Beacon scores increase as much as 80 points because of the debt to income ratio going down.

52. All these representations from Manhattan Financial's website are false, deceptive, and fraudulent. Contrary to those representations:

A. Manhattan Financial has not worked with the FTC at all, let alone "closely;"

B. No debts have been terminated by Manhattan Financial, New Leaf, or anyone else affiliated with them, and there was no program or system in place to accomplish debt termination;

C. Even if such consumer debts were not "validated" by the creditors, they are still valid; and

D. No one has ever used the system to successfully "eliminate," "terminate," or otherwise liquidate a debt.

53. In fact, Manhattan Financial does not itself perform services such as debt "elimination" or "termination," but rather merely serves as an agent selling New Leaf's purported program, passing clients along to New Leaf through Quantum.

54. Contrary to the claims of Manhattan Financial and Plastic that at least tens of thousands of people in the past quarter century have used the system, New Leaf's website proclaims that its system is:

**Unique:** The New Leaf administrative process is singularly the most effective lawful method utilized to date in the debt termination industry. Simply, the card issuing bank is allowed to respond, resolve, and exit the process without complication and continued expense. It is a highly proprietary, innovative accounting methodology, serving to offer New Leaf clientele a completely unique debt resolution opportunity.

55. Manhattan Financial and Plastic's marketing of the New Leaf program typifies representations made in the marketing of the New Leaf program by the various defendants.

56. New Leaf agents, including Ameribiz and Anastasakis, also have falsely claimed that the New Leaf program is approved by the Better Business Bureau.

57. New Leaf's refund program is attached as Exhibit "C." Numerous consumers have requested refunds; yet the Defendants have failed to issue refunds, except in sporadic instances primarily, if not exclusively, where such Defendants feared regulatory or other legal difficulties.

58. The handful of debts actually satisfied by New Leaf were merely paid in the form of a check to creditors and collection agents of persons who New Leaf feared would cause regulatory or legal difficulties, and to certain agents and employees of New Leaf and were not resolved through the alleged "debt termination" process purportedly provided by New Leaf.

59. Various Defendants, including B & B, Gute, Quantum, and Thomas Spiller, have concealed the nonexistence of the debt elimination program through false and deceptive statements concerning the failure of the debt elimination program, including statements that performance of the program has been hindered by a freezing of funds by the federal government under the Patriot Act for homeland security issues. In fact, no funds material to performance by New Leaf have ever been frozen by the federal government.

60. A typical example of the false concealment by Quantum and Thomas Spiller is as per attached Exhibit “D,” which was circulated to Coordinators, including the defendant Coordinators. In Exhibit “D,” Quantum and Thomas Spiller claimed that the very banks whose debts the New Leaf program was “eliminating” were tutoring and mentoring New Leaf in how to facilitate elimination of the debts owed to them. Indeed, numerous representations made in Exhibit “D” are false, including the core representations that the banks were working in cooperation with New Leaf and that New Leaf was utilizing software integrated with the banks. The falsity of such statements contrast with New Leaf’s “Client Instructions” that boast that “Credit Card Banks” would like to see this industry out of business.” See attached Exhibit “E.”

61. New Leaf has also fraudulently concealed the nonexistence of the program by claiming to have had “a relationship with one of the world’s largest financial institutions” that was “to administrate the final process of eliminating the debt for our clients with the other creditors,” and that “it was not until ... (December [2004]) that the institution informed NLA that they would not be able to act on behalf of NLA’s clients.”

62. The Defendants have accepted new clients despite the fact that there was no operational program or system for New Leaf to eliminate either credit card or student loan debts.

63. The Defendants (with the exception of WJC) have also marketed the New Leaf program as including “No Cost Client Privileges and Benefits,” including “wholesale pricing” available on new automobiles “of all makes and models,” and that the “[a]verage savings have been approximately \$10,000 per vehicle.” See attached Exhibit “F.” In fact, there is not now and never has been such an automobile program.

64. Defendants have advertised, promoted, offered for sale, and sold credit repair services to consumers throughout the United States as part of the program for which the up-front fees described herein in paragraph 32 were paid.

65. Typical and illustrative of Defendants' claims about their credit repair services are the following:

- a. “New Leaf also actively manages a multiply (sic) outsourced professional effort that will reestablish and enhance our clients credit upon completion of the debt termination services.”
- b. “And when it’s all over, Manhattan Financial Group helps you remove any derogatory entries from your credit reports so that you can start over.”

66. As part of the program, Defendants claim that they can improve consumers' credit histories, credit records, or credit ratings, when in fact following their instructions not to pay debts, consumers’ credit ratings could only properly be, and were in fact, damaged.

**COUNT I**  
**VIOLATIONS OF FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT,**  
**CHAPTER 501, PART II, FLORIDA STATUTES**

**(ALL DEFENDANTS EXCEPT WJC)**

Office of the Attorney General sues New Leaf Associates, LLC, James M. Patterson, Quantum Business Consultants, LLC, Thomas Spiller, Ameribiz Consulting, Inc., Luke Anastasakis, Manhattan Financial Group, LLC, Phillip G. Plastic, Ken Keplinger, Chris Holland, Paul Greaves,

Legal Club Financial Corporation, Brett Merl, RWS Consulting, Inc., Richard Spiller, Kris Schnell, Cecil Taylor, Lillian Varga, B & B Enterprises International, Inc., George W. Gute, Raymond Schlang, Chad F. Polley, Quantum Business Consultants of California, Inc., and Christopher S. Brewer, and alleges:

67. Paragraphs 3-30 and 32-66 are hereby realleged and incorporated herein by reference, as if fully set forth below.

68. Section 501.204(1), Florida Statutes (2004), states, “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.”

69. As set forth in paragraphs 32-66 above, Defendants (other than WJC) have committed acts or practices in trade or commerce which shock the conscience, have engaged in representations, acts, practices or omissions which are material, and which are likely to mislead consumers acting reasonably under the circumstances; and have committed acts or practices in trade or commerce which offend established public policy and are unethical, oppressive, unscrupulous or substantially injurious to consumers. Thus, said Defendants have engaged in unfair or deceptive acts or practices in the conduct of any trade or commerce in violation of § 501.204(1), Florida Statutes(2004).

70. All said Defendants obtained money by false pretenses and false representations while involved in sales and marketing of the New Leaf program.

71. These above-described acts and practices of said Defendants have injured and will likely continue to injure and prejudice the public.



72. Said Defendants have willfully engaged in the acts and practices when they knew or should have known that such acts and practices were unfair or deceptive or otherwise prohibited by law.

73. Unless said Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of, the continued activities of said Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

**COUNT II**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES, THROUGH**  
**FALSE ADVERTISING**

**(NEW LEAF, QUANTUM, AND MANHATTAN FINANCIAL)**

Office of the Attorney General sues New Leaf, Quantum, and Manhattan Financial, and alleges:

74. Paragraphs 3-7, 9, 14, and 32-66, are hereby realleged and incorporated herein by reference, as if fully set forth below.

75. As set forth in paragraphs 32-66 above, Defendants New Leaf, Quantum, and Manhattan Financial have, with intent to offer or sell purported “debt elimination” services and the wholesale automobile program, including the “debt elimination” program, to the public, with intent to increase the use thereof, and with intent to induce the public to enter into obligations relating thereto, knowingly or intentionally made, published, disseminated, circulated and placed before the public, and caused to be made, published, disseminated or circulated or placed before the public in this state in a newspaper or other publication or in the form of a book, notice, handbill, poster, bill,

circular, pamphlet or letter or in any other way, advertisements regarding the purported “debt elimination” and wholesale automobile programs which advertisements contained assertions, representations and statements which were untrue, deceptive, and misleading, and thereby violative of § 817.06(1), Florida Statutes.

76. Section 817.06(1), Florida Statutes, which prohibits misleading advertising, proscribes unfair, deceptive, and unconscionable acts and practices. Section 817.06(1) provides:

No person ... shall, with intent to offer or sell or in anywise dispose of merchandise, ... service or anything offered by such person ... directly or indirectly, to the public, for sale or distribution or issuance, or with intent to increase the consumption or use thereof, or with intent to induce the public in any manner to enter into any obligation relating thereto, ... knowingly or intentionally make, publish, disseminate, circulate or place before the public, or cause, directly or indirectly, to be made, published, disseminated or circulated or placed before the public in this state in a newspaper or other publication or in the form of a book, notice, handbill, poster, bill, circular, pamphlet or letter or in any other way, an advertisement of any sort regarding such ... service or anything so offered to the public, which advertisement contains any assertion, representation or statement which is untrue, deceptive, or misleading.

77. Section 501.203(3)(c), Florida Statutes, states that a violation of chapter 501, Part II, may be based on a violation of “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

78. As set forth in paragraphs 32-66, said Defendants willfully engaged in the acts and practices alleged herein and knew or should have known at the time they advertised that their advertising and marketing materials contained assertions, representations, and statements which

were untrue, deceptive, or misleading.

79. As set forth in paragraphs 32-66, said Defendants, by disseminating false and misleading advertisements, violated § 817.06(1), Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes.

80. All said Defendants obtained money by false pretenses and false representations while involved in sales and marketing of the New Leaf program.

81. These above-described acts and practices of said Defendants have injured and will likely continue to injure and prejudice the public.

82. Unless said Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of, the continued activities of said Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

**COUNT III**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES THROUGH**  
**MISLEADING ADVERTISING**

**(ALL DEFENDANTS EXCEPT WJC)**

Office of the Attorney General sues New Leaf Associates, LLC, James M. Patterson, Quantum Business Consultants, LLC, Thomas Spiller, Ameribiz Consulting, Inc., Luke Anastasakis, Manhattan Financial Group, LLC, Phillip G. Plastic, Ken Keplinger, Chris Holland, Paul Greaves, Legal Club Financial Corporation, Brett Merl, RWS Consulting, Inc., Richard Spiller, Kris Schnell, Cecil Taylor, Lillian Varga, B & B Enterprises International, Inc., George W. Gute, Raymond Schlang, Chad F. Polley, Quantum Business Consultants of California, Inc., and Christopher S. Brewer, and alleges:

83. Paragraphs 3-30 and 32-66, are hereby realleged and incorporated herein by reference, as if fully set forth below.

84. As set forth in paragraphs 3-66 above, Defendants (other than WJC) have, with intent to offer or sell “debt elimination” services and the wholesale automobile program, made and disseminated “misleading advertising” as defined by § 817.40(5), Florida Statutes, which were statements to and before the public, which were known, or through the exercise of reasonable care or investigation could or might have been ascertained, to be untrue or misleading, and which were so made or disseminated with the intent or purpose of selling services and to induce the public to enter into obligations relating to such services.

85. Section 817.41(1) Florida Statutes, provides:

It shall be unlawful for any person to make or disseminate or cause to be made or disseminated before the general public of the state, or any portion thereof, any misleading advertisement. Such making or dissemination of misleading advertising shall constitute and is hereby declared to be fraudulent and unlawful, designed and intended for obtaining money or property under false pretenses.

86. Section 501.203(3)(c), Florida Statutes, states that a violation of chapter 501, Part II, may be based on a violation of “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

87. As set forth in paragraphs 32-66, said Defendants, by disseminating false and misleading advertisements, violated § 817.41(1), Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida

Statutes.

88. As set forth in paragraphs 32-66, said Defendants willfully engaged in the acts and practices alleged herein and knew or should have known at the time they advertised that their advertising and marketing materials contained false and misleading representations.

89. All said Defendants obtained money by false pretenses and false representations while involved in sales and marketing of the New Leaf program.

90. These above-described acts and practices of said Defendants have injured and will likely continue to injure and prejudice the public.

91. Unless said Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of, the continued activities of said Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

**COUNT IV**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES, THROUGH**  
**FAILURE TO PROVIDE REQUIRED DISCLOSURE AND CANCELLATION NOTICES**

**(ALL DEFENDANTS)**

Office of the Attorney General sues New Leaf Associates, LLC, James M. Patterson, Quantum Business Consultants, LLC, Thomas Spiller, Ameribiz Consulting, Inc., Luke Anastasakis, Manhattan Financial Group, LLC, Phillip G. Plastic, Ken Keplinger, Chris Holland, Paul Greaves, Legal Club Financial Corporation, Brett Merl, RWS Consulting, Inc., Richard Spiller, Kris Schnell, Cecil Taylor, Lillian Varga, B & B Enterprises International, Inc., George W. Gute, Raymond Schlang, Chad F. Polley, Quantum Business Consultants of California, Inc.,

Christopher S. Brewer, and WJC & Associates, LLC, and alleges:

92. Paragraphs 3-66 are hereby realleged and incorporated herein by reference, as if fully set forth below.

93. Defendants have failed to comply with Rule 2-18.002 of the Florida Administrative Code, with respect to contracts for future consumer services, including by failing to provide the cancellation notice and to provide the address of the seller, as required by Rule 2-18.002(2), and notice required by Rule 2-18.002(3).

94. Pursuant to Rule 2-18.002(2), it is an unfair or deceptive practice to fail to provide the notices and address of the seller required by Rule 2-18.002.

95. Section 501.203(3)(c), Florida Statutes, states that a violation of chapter 501, Part II, may be based on a violation of “any violation of ... the rules adopted under this act”.

96. Rule 2-18.002 was adopted under FDUPTA.

97. As set forth in paragraphs 93-96, Defendants, by failing to provide the notices and address of the seller, violated Rule 2-18.002 and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes.

98. Defendants willfully engaged in the acts and practices alleged herein.

99. These above-described acts and practices of said Defendants have injured and will likely continue to injure and prejudice the public.

100. Unless said Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of, the continued activities of said Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

**COUNT V**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES, THROUGH**  
**VIOLATIONS OF CREDIT REPAIR ORGANIZATIONS ACT**

**(ALL DEFENDANTS)**

Office of the Attorney General sues New Leaf Associates, LLC, James M. Patterson, Quantum Business Consultants, LLC, Thomas Spiller, Ameribiz Consulting, Inc., Luke Anastasakis, Manhattan Financial Group, LLC, Phillip G. Plastic, Ken Keplinger, Chris Holland, Paul Greaves, Legal Club Financial Corporation, Brett Merl, RWS Consulting, Inc., Richard Spiller, Kris Schnell, Cecil Taylor, Lillian Varga, B & B Enterprises International, Inc., George W. Gute, Raymond Schlang, Chad F. Polley, Quantum Business Consultants of California, Inc., Christopher S. Brewer, and WJC & Associates, LLC, and alleges:

101. Paragraphs 3-66 are hereby realleged and incorporated herein by reference, as if fully set forth below.

102. Defendants offered services to remove derogatory information from, or improve, consumers' credit histories, credit records, and credit ratings. Consumers have been told by defendants and their representatives that they will, or a third-party will be retained to, effectuate removal of negative information from consumers' credit reports, even where in fact such information is accurate and not obsolete. Before providing any of the promised services, Defendants' representatives request and obtain payment for these services.

103. Defendants act as "credit repair organizations" as that term is defined in the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3).

104. The purposes of the Credit Repair Organizations Act, according to Congress, are:

(1) to ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services; and (2) to protect the public from unfair or deceptive advertising and business practices by credit repair organizations. 15 U.S.C. § 1679(b).

105. The Credit Repair Organizations Act prohibits credit repair organizations from charging or receiving any money or other valuable consideration for services which the credit repair organization has agreed to perform before such service is fully performed. 15 U.S.C. § 1679b(b)(2).

106. The Credit Repair Organizations Act further requires credit repair organizations to provide consumers with a written statement containing prescribed language concerning consumer credit file rights under state and federal law before any contract or agreement between the consumer and the credit repair organization is executed. 15 U.S.C. § 1679c(a).

107. The Credit Repair Organizations Act prohibits all persons from making or using any untrue or misleading representation of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(3).

108. The Credit Repair Organizations Act prohibits all persons from engaging, directly or indirectly, in any act, practice, or course of business that constitutes (or results in the commission of, or an attempt to commit) a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(4).

109. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), Defendants have charged or received money or other



valuable consideration for the performance of services that the credit repair organization has agreed to perform before such service was fully performed. Defendants have thereby violated § 404(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679b(b).

110. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), Defendants have failed to provide the written statement required by § 405(a) of the Credit Repair Organizations Act, 15 U.S.C. § 1679c(a), in the form and manner required by that Act, to each consumer before any contract or agreement between the consumer and the defendant was executed. Defendants have thereby violated § 405(a) of the Credit Repair Organizations Act, 15 U.S.C. § 1679c(a).

111. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), Defendants have failed to use written contracts as required by § 406 of the Credit Repair Organizations Act, 15 U.S.C. § 1679d, containing the terms and conditions required by that Act. Defendants have thereby violated § 406 of the Credit Repair Organizations Act, 15 U.S.C. § 1679d(a).

112. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), defendants have failed to provide the cancellation notice required by § 407 of the Credit Repair Organizations Act, 15 U.S.C. § 1679c(a), in the form and manner required by that Act. Defendants have thereby violated § 407 of the Credit Repair Organizations Act, 15 U.S.C. § 1679c(a).

113. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), Defendants have made untrue or misleading statements to induce consumers to purchase their services, including, but not limited to, the representation that Defendants can improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.

114. In truth and fact, Defendants cannot improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.

115. Defendants have thereby violated § 404(a)(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679b(a)(3).

116. In numerous instances, in connection with the performance of services for consumers by a credit repair organization, as that term is defined in § 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), Defendants have engaged, directly or indirectly, in acts, practices, or courses of business that constitute, or result in the commission of or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of such services, including, but not limited to, the representation that Defendants can improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.

117. In truth and fact, Defendants cannot improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.

118. Defendants have thereby violated § 404(a)(4) of the Credit Repair Organizations Act, 15 U.S.C. § 1679b(a)(4).

119. Pursuant to 15 U.S.C. § 1679h(b)(1), violations of the Credit Repair Organizations Act constitute unfair or deceptive acts or practices.

120. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of chapter 501, Part II, may be based upon “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

121. Defendants willfully engaged in the acts and practices alleged herein.

122. As set forth in paragraphs 102-121, Defendants violated the Credit Repair Organizations Act and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes.

123. These above-described acts and practices of said Defendants have injured and will likely continue to injure and prejudice the public.

124. Unless said Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of, the continued activities of said Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

### **PRAYER FOR RELIEF**

WHEREFORE, Office of the Attorney General asks for judgment:

- a. Temporarily and permanently enjoining said Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the injunction, from engaging in the acts and practices in violation of provisions of Chapter 501, Part II, Florida Statutes (2004), as specifically alleged above, and any similar acts and practices;
- b. Assessing civil penalties, jointly and severally, in the amount of Ten Thousand Dollars (\$10,000) for each violation of Chapter 501, Part II, Florida Statutes (2004); and Fifteen Thousand Dollars (\$15,000) for each such violation that victimizes, or attempts to victimize, a senior citizen or handicapped person, in accordance with § 501.2077, Florida Statutes (2004).
- c. Awarding reasonable attorney's fees and costs pursuant to § 501.2105, Florida Statutes (2004);
- d. Awarding actual damages caused to consumers by Defendant's acts and practices, pursuant to § 501.207(1)(c), Florida Statutes (2004);
- e. Imposing reasonable restrictions upon the future activities of said Defendants including, but not limited to, prohibiting the Defendants from engaging in the sale or marketing of financial services;
- f. Ordering the suspension or revocation of all licenses, permits, or prior approval granted to Defendants by any State department or agency;
- g. Awarding restitution for consumers injured by Defendants;
- h. Requiring that Defendants disgorge all revenue, and all interest or proceeds

derived therefrom, generated as a result of the unconscionable, unfair and deceptive practices set forth in this count;

i. Imposing a constructive trust on the fees consumers paid to enroll in the New Leaf program;

j. Enjoining each Defendant from transferring an interest in or title to non-homestead real estate located in Florida, unless the Defendant provides 60 days notice to the Court and the parties of intent to transfer such an interest or title;

k. Declaring the practices described in this count unlawful; and

l. Granting such other relief as this court deems just and proper.

Respectfully submitted,

CHARLES J. CRIST, JR.  
ATTORNEY GENERAL

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