

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

STATE OF OHIO ex rel.)
OHIO ATTORNEY GENERAL)
MICHAEL DEWINE)
30 E. Broad Street, 14th Floor)
Columbus, Ohio 43215)

Plaintiff,)

v.)

NELSON GAMBLE & ASSOCIATES)
18101 Von Karman Avenue, 3rd Floor)
Irvine, California 92612)

and)

JACKSON HUNTER)
MORRIS & KNIGHT, LLP)
620 Newport Center Drive, 11th Floor)
Newport Beach, California 92660)

and)

JEREMY NELSON, individually)
and d/b/a NELSON GAMBLE)
& ASSOCIATES)
and d/b/a JACKSON HUNTER)
MORRIS & KNIGHT, LLP)
8 Brumby)
Trabuco Canyon, California 92679)

Defendants.)

CASE NO.

JUDGE

**COMPLAINT AND REQUEST
FOR DECLARATORY JUDGMENT,
INJUNCTIVE RELIEF,
CONSUMER DAMAGES, AND
AND CIVIL PENALTIES**

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Michael DeWine, having reasonable cause to believe that violations of Ohio’s consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. 1345.07 and R.C. 4710.04.

2. The actions of Defendant, hereinafter described, have occurred in the State of Ohio, in Franklin County and other counties in Ohio and, as set forth below, are in violation of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq. and its Substantive Rules, Ohio Administrative Code 109:4-3-01 et seq., as well as the Debt Adjuster Act, R.C. 4710.01 et seq. (“DAA”).
3. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), in that Franklin County, Ohio is where Defendants conducted some of the transactions complained of herein.

DEFENDANTS

5. Nelson Gamble & Associates, LLC (“Nelson Gamble”) was a Colorado corporation, registered with the Colorado Secretary of State. Upon information and belief, Nelson Gamble dissolved on January 4, 2012.
6. At all times relevant to this action, Nelson Gamble represented that its principal place of business was located at 18101 Von Karman Avenue, 3rd Floor, Irvine, California 92612.
7. Defendant Jackson Hunter Morris & Knight (“Jackson Hunter”) is a Nevada corporation, registered with the Nevada Secretary of State.
8. At all times relevant to this action, Jackson Hunter represented that its principal place of business was located at 620 Newport Center Drive, 11th Floor, Newport Beach, California 92660.
9. At all times relevant to this action, neither Defendant Jackson Hunter nor Defendant Nelson Gamble was registered with the California Secretary of State to do business in that state.

10. At all times relevant to this action, neither Defendant Jackson Hunter nor Defendant Nelson Gamble was registered with the Ohio Secretary of State to do business in that state.
11. Defendant Jeremy Nelson is a natural person who resides at 8 Brumby, Trabuco Canyon, California, 92679.
12. Defendant Jeremy Nelson is or was the President of Nelson Gamble and has dominated, controlled, and directed the business activities and sales conduct of Defendant Nelson Gamble, causing, personally participating in, or ratifying the acts and practices of Nelson Gamble, as described in the Complaint.
13. Defendant Jeremy Nelson is the President of Jackson Hunter and has dominated, controlled, and directed the business activities and sales conduct of Defendant Jackson Hunter causing, personally participating in, or ratifying the acts and practices of Jackson Hunter, as described in the Complaint.
14. At all times relevant to this action, Defendants were engaged in the business of soliciting, offering for sale, and selling debt settlement services to consumers.
15. Defendants are “suppliers” as that term is defined in R.C. 1345.01(C) as Defendants were, at all times relevant herein, engaged in the business of effecting consumer transactions either directly or indirectly by soliciting and selling goods or services to consumers in Franklin County and other counties in the State of Ohio for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).
16. Defendants engage in “debt adjusting” as defined in R.C. 4710.01(B) in that Defendants hold themselves out as providing services to debtors in the management of debts by effecting the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.

17. Defendants engage in “debt adjusting” as defined in R.C. 4710.01(B) in that Defendants hold themselves out as providing services to debtors in the management of their debts by receiving money from the debtor and disbursing the money to the debtor’s creditors.

STATEMENT OF FACTS

18. Defendant Jackson Hunter advertised its debt settlement services to consumers through its Internet web site located at www.jhmklaw.com/.

19. Defendant Nelson Gamble advertised its debt settlement services to consumers through its Internet web site located at www.nelsongamble.com.

20. Defendants advertised their debt settlement services via telephone conversations wherein Defendants solicited consumers with debt issues to purchase debt settlement services.

21. When Defendants and their employees spoke to consumers by telephone, they represented that Defendants would engage in negotiations with consumers’ unsecured creditors that would result in the opportunity for consumers to settle their debts with their unsecured creditors by ultimately paying only a portion of their total debts.

22. When consumers spoke with Defendants and their employees on the telephone, Defendants and their employees made misleading and/or false statements concerning material terms of the transactions to consumers including, but not limited to: the ability of Defendants to assist in obtaining settlements of consumers’ debts with consumers’ creditors that were more favorable than the consumers could obtain on their own and the promise that Defendants’ services would result in consumers paying only fifty percent (50%) of their total outstanding debts.

23. During the telephone conversations that Defendants and their employees had with consumers, they requested and received consumers' approval to enter into agreements for Defendants to provide debt settlement services.
24. Defendants entered into agreements with consumers that consumers authorized over the telephone.
25. Consumers did not receive or sign written contracts from Defendants.
26. Upon information and belief, Defendants advised their customers that they should not tell their creditors that they were enrolled in a debt settlement program.
27. Defendants made false and misleading statements to consumers.
28. Defendants held themselves out to consumers as being a law firm that would provide services to consumers.
29. Defendants represented themselves as law firms, although Defendants' customers never had any correspondence, communications, or other dealings with any lawyers associated with Defendants.
30. Defendants, by misrepresenting that they were a law firm, induced consumers to trust them by creating the impression that consumers were getting professional services associated with legal counsel.
31. Defendants represented that they had an affiliation with lawyers that they did not have.
32. Defendants accepted money from consumers for the purpose of providing debt settlement services.
33. Defendants charged Ohio consumers a one hundred ninety-nine dollar (\$199.00) initial fee prior to the initiation of their debt settlement services.

34. Defendants instructed their customers to refrain from contacting their own creditors during the time that they were a customer of Defendants.
35. After the initial set-up fee, Defendants charged Ohio consumers additional fees in excess of one hundred dollars (\$100.00) per calendar year for their debt settlement services.
36. Defendants represented that they would contact the consumers' creditors for the purpose of negotiating settlements of consumers' unsecured debts.
37. Upon information and belief, after consumers enrolled in Defendants' programs, Defendants used the consumers' enrollment in the program as justification to place an electronic signature, unbeknownst to the consumer, on a limited power of attorney form, which allowed the Defendant to serve as the consumers' power of attorney to assist in communicating with the consumers' creditors to negotiate the settlements.
38. Defendants set up accounts with a third party payment processor, wherein the consumers' funds were placed every month. The Defendants granted themselves the authority to make withdrawals on the consumers' accounts.
39. Defendants took their own fees from consumers' accounts before any of the money was ever used to settle consumers' debts.
40. In the meantime, while the consumers were not paying their creditors, the consumers' accounts became delinquent
41. Upon information and belief, Defendants participated in minimal, if any, meaningful discussions with consumers' creditors in an attempt to negotiate settlements of consumers' debts.
42. During the transactions described herein, Defendants required consumers to enter into transactions where the consumers were not going to receive any substantial benefit.

43. Defendant failed to provide the services that were promised to consumers.
44. Consumers who did not receive the service of having their debts settled requested refunds of the monies they had paid to Defendant.
45. Defendant failed to make full refunds of monies paid for undelivered services, despite requests from consumers to either deliver the services or make full refunds.
46. Defendants do business in debt adjusting and debt management and hold themselves out as providing services to debtors in the management of their debts by effecting the adjustment, compromise, or discharge of any account, note, or other indebtedness of the debtor.
47. Defendants charged Ohio consumers fees in excess of those permitted by the DAA.

PLAINTIFF'S FIRST CAUSE OF ACTION:
VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT

COUNT ONE
FAILURE TO DELIVER

48. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-seven (1 – 47) of this Complaint.
49. Defendants committed unfair or deceptive acts or practices in violation of R.C. 1345.02(A) and Ohio Adm. Code 109:4-3-09 by accepting money from consumers for goods or services, failing to make full delivery of the promised services, and failing to provide a refund.
50. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT TWO
UNFAIR OR DECEPTIVE ACTS PRACTICES:
FALSE AND MISLEADING STATEMENTS

51. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-seven (1 – 47) of this Complaint.
52. Defendants committed unfair and deceptive acts or practices in violation of R.C. 1345.02(A) by making false or misleading statements to consumers.
53. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT THREE
UNFAIR OR DECEPTIVE ACTS OR PRACTICES:
MISREPRESENTATION OF AFFILIATION OF SUPPLIER

58. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Forty-seven (1 – 47) of this Complaint.
59. Defendants committed unfair and deceptive acts or practices in violation of R.C. 1345.02(A) and 1345.02(B)(9) of the CSPA by representing that Defendants had an affiliation that they did not have.

COUNT FOUR
UNCONSCIONABLE ACTS OR PRACTICES

60. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Forty-seven (1 – 47) of this Complaint.
61. Defendants committed unconscionable acts or practices in violation of R.C. 1345.03(A), as set forth by R.C. 1345.03(B)(3) of the CSPA by knowing, at the time the consumer

transaction was entered into, of the inability of the consumer to receive a substantial benefit from the subject of the consumer transaction.

62. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT FOUR

FAILURE TO REGISTER WITH THE SECRETARY OF STATE

63. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-seven (1 – 47) of this Complaint.

64. Defendants failed to register Nelson Gamble and Jackson Hunter as foreign corporations with the Ohio Secretary of State as required by R.C. 1703.01 et seq., which is an unfair and deceptive act or practice in violation of the CSPA, R.C. 1345.02.

65. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT FIVE

VIOLATIONS OF THE DEBT ADJUSTER ACT

66. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-seven (1 – 47) of this Complaint.

67. Defendants committed unfair or deceptive acts or practices in violation of R.C. 1345.02(A) by operation of R.C. 4710.04 by engaging in debt adjusting activities, including holding out that they could effect the adjustment, compromise, or discharge of any account, note, or other

indebtedness of consumers who signed up for their services, while charging fees in excess of those permitted by R.C. 4710.02(B) of the DAA.

68. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- A. DECLARE that each act or practice complained of herein violates the CSPA, R.C. 1345.01 et seq. and its Substantive Rules, Ohio Adm. Code 109:4-3-01 et seq. and the DAA, R.C. 4710.01 et seq., in the manner set forth in the Complaint.
- B. ISSUE A PERMANENT INJUNCTION enjoining Defendants Nelson Gamble & Associates, Jackson Hunter Morris & Knight, LLP, and Jeremy Nelson from doing business under those names or any other names, their agents, partners, servants, representatives, salespersons, employees, successors and assigns, and all persons acting in concert and participation with them, directly or indirectly, through any consumer transaction from committing any unfair, deceptive, or unconscionable act or practice which violates the CSPA, R.C. 1345.01 et seq. and its Substantive Rules, Ohio Adm. Code 109:4-3-01 et seq., or the DAA, R.C. 4710.01 et seq., including, but not limited to, violations of the specific statutes and rules alleged to have been violated herein.
- C. ORDER Defendants, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, to maintain in their possession and control for a period of five (5) years all business records relating to Defendants' debt

settlement services in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice, to inspect and/or copy any and all records.

- D. ORDER Defendants to pay all actual damages, including non-economic damages, to all consumers injured by the conduct of the Defendants as set forth in this Complaint.
- E. ASSESS, FINE, and IMPOSE upon Defendants a civil penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each separate and appropriate violation described herein pursuant to R.C. 1345.07(D).
- F. GRANT Plaintiff his costs in bringing this action.
- G. ORDER Defendants to pay all court costs.
- H. ISSUE AN INJUNCTION prohibiting all Defendants from engaging in business as a supplier in any consumer transaction in the State of Ohio until such time as they have satisfied all monetary obligations due hereunder.
- I. Grant such other relief as the Court deems to be just, equitable, and appropriate.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General

/s/ Tracy M. Morrison
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