

MAUREEN MCOWEN
JONATHAN REISCHL
TRACY L. HILMER
ALICIA FERRARA
LORRAINE VAN KIRK
(202) 435-9553
maureen.mcowen@cfpb.gov
jonathan.reischl@cfpb.gov
tracy.hilmer@cfpb.gov
alicia.ferrara@cfpb.gov
lorraine.vankirk@cfpb.gov
1700 G Street, NW
Washington, DC 20552

*Attorneys for Plaintiff Bureau of
Consumer Financial Protection*

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH

BUREAU OF CONSUMER FINANCIAL
PROTECTION,

Plaintiff,

v.

PROGREXION MARKETING, INC., *et al.*,

Defendants.

Case No. 2:19-cv-00298-BSJ

**PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON
COUNT I AGAINST ALL DEFENDANTS AND MEMORANDUM IN
SUPPORT**

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INTRODUCTION AND RELIEF SOUGHT

Plaintiff Bureau of Consumer Financial Protection (“Bureau”) seeks summary judgment on Count I of its Complaint (ECF 2) against all Defendants. The undisputed material facts establish that from March 8, 2016 to the present, Defendants, through the brands Lexington Law and CreditRepair.com, have unlawfully telemarketed and sold credit repair services to millions of consumers in violation of the Telemarketing Sales Rule’s credit repair provision, [16 C.F.R. § 310.4\(a\)\(2\)](#) (“the Provision” or “Section 310.4(a)(2)”). Specifically, in contravention of the Provision, Defendants have requested and received payments for services represented to remove derogatory items from, or improve, consumers’ credit history, record, or rating without (i) providing consumers a time frame in which all of the services will be provided; and (ii) waiting more than six months after achieving the promised results of their services, as demonstrated by a consumer report provided to the consumer. Because this conduct is undisputed and clearly violates the law, the Bureau is entitled to judgment in its favor against all Defendants on Count I.

The Bureau further seeks summary judgment dismissing Heath’s Second, Third, Fifth, Sixth, Ninth, Eleventh, Fifteenth, and Seventeenth, and Progrexion’s

Second, Third, Fifth, Sixth, Tenth, Twelfth, and Thirteenth Affirmative Defenses.

These defenses are unsupported and fail as a matter of law.

At this time, the Bureau seeks summary judgment on Count I regarding all Defendants' liability for violating Section 310.4(a)(2) during the period March 8, 2016 to the present, reserving the question of monetary relief, injunctive relief, and civil money penalties for later determination.

REGULATORY BACKGROUND

The Telemarketing and Consumer Fraud and Abuse Preventions Act, [15 U.S.C. §§ 6101 et seq.](#) (“Telemarketing Act”) was enacted to “offer consumers necessary protection from telemarketing deception and abuse,” given Congress’s finding that consumers “are victimized by... telemarketing deception and abuse” and “lose \$40 billion a year” due to it. At Congress’s direction,¹ and following notice and comment, the Federal Trade Commission (“FTC” or “Commission”) promulgated the Telemarketing Sales Rule (“TSR”).² The FTC issued Section 310.4(a)(2) to combat “the deceptive marketing and sale of bogus credit repair services.” [60 Fed. Reg. 43,842](#), 43,854 (Aug. 23, 1995).

¹ [15 U.S.C. § 6102\(b\) \(1994\)](#).

² The text of the Rule and its rulemaking history are available on the FTC’s website at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/telemarketing-sales-rule>.

Section 310.4(a)(2) states, in pertinent part:

(a) *Abusive conduct generally.* It is an abusive telemarketing act or practice and a violation of this Rule for any seller or telemarketer to engage in the following conduct:

...

(2) Requesting or receiving payment of any fee or consideration for goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating until:

(i) The time frame in which the seller has represented all of the goods or services will be provided to that person has expired; and

(ii) The seller has provided the person with documentation in the form of a consumer report from a consumer reporting agency demonstrating that the promised results have been achieved, such report having been issued more than six months after the results were achieved. Nothing in this Rule should be construed to affect the requirement in the Fair Credit Reporting Act, 15 U.S.C. 1681, that a consumer report may only be obtained for a specified permissible purpose[.]

The Provision consists of two parts: a coverage clause and two preconditions (subsections (a)(2)(i) and (a)(2)(ii)) that must be satisfied before charging the customer.

The Provision's meaning is clear: covered companies are those that sell or telemarket "goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating." And covered companies must satisfy both of the Provision's preconditions before requesting or

receiving payment. First, the time frame for providing *all* of the services must have expired. 16 C.F.R. § 310.4(a)(2)(i). Second, the company must demonstrate through a consumer report that the promised results have been achieved *and maintained for six months*. 16 C.F.R. § 310.4(a)(2)(ii).

The Provision operates much like a contingency fee arrangement. The seller must specify the time frame for services and the outcome—the “promised result”—and achieve that outcome before any payment obligation arises. Because derogatory items may be reinserted shortly after their removal, the seller cannot request payment until six months *after* achieving the successful result for the customer. Thus, the Provision prohibits “requesting or receiving payment for credit repair services prior to *delivery and proof* that such services have been rendered.” [67 Fed. Reg. 4492](#), 4511 (Jan. 30, 2002) (emphasis added).

The Provision’s preconditions for payment reflect the FTC’s abiding concern that for credit repair services, “there are no disclosures that could effectively remedy the problems,” and instead, “the harm to consumers could be averted only by specifying that the seller’s performance of [these services] must precede payment by the consumer.” [67 Fed. Reg. 4492](#), 4504 n.106 (Jan. 30, 2002). The preconditions directly prevent consumer abuse. As the FTC explained in a state lawsuit under the Provision against Lexington Law:

Credit repair services that promise, in return for an advance fee, to help improve a consumer's credit rating, without regard to the reasons why the customer's credit rating is unfavorable, necessarily abuse the vast majority of their customers, because the vast majority of those customers cannot be helped.... By prohibiting the collection of a fee for credit repair services until actual credit improvement has been shown, the Rule prevents this telemarketing abuse.³

Without the protections afforded by the preconditions, in the FTC's view, "so-called 'credit repair' services" are a type of "purported services that the Commission determined to be 'fundamentally bogus.'" [67 Fed. Reg. 4492](#), 4512 n.181 (Jan. 30, 2002); [74 Fed. Reg. 41,988](#), 41,990 (Aug. 19, 2009). The FTC called credit repair services that do not satisfy the Provision "illusory," "outright theft," "bogus," and "fundamentally bogus" again and again. *See, e.g.*, [67 Fed. Reg. 4492](#), 4504 n.106, 4511 (Jan. 30, 2002) ("illusory"); [74 Fed. Reg. 41,988](#), 42,006 (Aug. 19, 2009) (same); [67 Fed. Reg. 4492](#), 4511 (Jan. 30, 2002) ("outright theft"); [68 Fed. Reg. 4580](#), 4614 (Jan. 29, 2003) ("outright theft" and "fundamentally bogus"); [60 Fed. Reg. 43,842](#), 43,854 (Aug. 23, 1995) ("bogus"); [74 Fed. Reg. 41,988](#), 41,990 (Aug. 19, 2009) (same); [67 Fed. Reg. 4492](#), 4511 (Jan. 30, 2002) ("fundamentally bogus").

³ Ex. 19, Intervenor FTC's Mot. For Partial Summary Judgment at 6-7, *Tennessee v. Lexington Law Firms*, No. 96-0344 (M.D. Tenn.) (filed Dec. 16, 1996) (internal citation omitted). [REDACTED]

Indeed, the very structure of the TSR—and its exemptions—evinced the FTC’s concern that credit repair customers need heightened regulatory protection. For example, the TSR exempts from its purview telephone calls initiated by consumers in response to general media advertisements and in response to direct mail advertisements that truthfully disclose all material information. [16 C.F.R. § 310.6\(b\)\(5\), \(6\)](#). But credit repair services are *excluded* from these exemptions. [Id. § 310.6\(b\)\(5\)\(i\), \(6\)\(i\)](#). The FTC created this exclusion because, in its experience, even truthful initial “solicitations often provide the opening for subsequent deception and abuse” by credit repair companies, [60 Fed. Reg. 43,842, 43,860](#) (Aug. 23, 1995), and “significant numbers” of deceptive credit repair telemarketers use “general advertising to entice their victims to place an inbound telemarketing call.” [74 Fed. Reg. 41,988, 42,010](#) (Aug. 19, 2009).

Other aspects of the TSR’s regulatory history reflect the FTC’s longstanding concerns about deceptive credit repair marketing and services. The initially proposed TSR specifically prohibited misrepresenting that “services can or are likely to improve a person’s credit history, credit record, or credit rating,” and it prohibited misrepresenting “that, a person, regardless of that person’s credit history, will obtain a loan or other credit-related service.” [60 Fed. Reg. 8313, 8330](#) (Feb. 14, 1995) (proposed 16 C.F.R. § 310.3(a)(2)(xxi)-(xxii)). Although the final

TSR “drop[ped] the lengthy enumeration of specific prohibited misrepresentations,” including both of these prohibitions, it specified that these misrepresentations still “violate the FTC Act as well as the [TSR].” [60 Fed. Reg. 30,406](#), 30,412-13 (June 8, 1995). Thus, misrepresentations that a person’s credit rating or credit access will improve remain unlawful, even under the final TSR’s “more concise regulatory approach.” *Id.* at 30,413.

Commenters have consistently endorsed the FTC’s regulatory approach in the Provision. Before the Provision was finalized, the public was invited to comment on whether the Provision was “appropriate” and whether there were “any legitimate services that could not be provided, or would be more costly to provide,” due to the Provision. [60 Fed. Reg. 8313](#), 8324-25 (Feb. 14, 1995). Diverse “commenters strongly supported” the Provision. [60 Fed. Reg. 30,406](#), 30,415 (June 8, 1995). Five years after its adoption, the public was again asked to comment on the Provision. [65 Fed. Reg. 10,428](#), 10,432 (Feb. 28, 2000). No “comments recommended that changes be made to the” Provision; nor did the FTC find anything “that would warrant amendment.” [67 Fed. Reg. 4492](#), 4512 (Jan. 30, 2002). Indeed, the only changes ever made to the Provision strengthened it—expanding the final Provision to encompass the removal of derogatory information

and to require more reliable proof of the outcome of the services through a consumer report. See [60 Fed. Reg. 30,406](#), 30,415-16 (June 8, 1995).

STATEMENT OF UNDISPUTED MATERIAL FACTS (SUMF)

Defendants' Identities and Roles

1. Defendants Progrexion Marketing, Inc. ("Progrexion Marketing"), PGX Holdings, Inc. ("PGX Holdings"), Progrexion Teleservices, Inc. ("Progrexion Teleservices"), eFolks, LLC ("eFolks"), and CreditRepair.com, Inc. ("CreditRepair.com") (collectively, "Progrexion") [REDACTED]
[REDACTED]
[REDACTED].
2. Progrexion Marketing, Progrexion Teleservices, eFolks, and CreditRepair.com are wholly-owned subsidiaries of PGX Holdings. Compl. ¶ 9 (ECF 2); Progrexion Answer ¶ 9 (ECF 65).
3. Defendant John C. Heath, P.C., Attorney at Law, d/b/a Lexington Law ("Heath") licenses the Lexington Law trademark from Progrexion. Ex. 14, LEX00000028; Ex. 1, Heath Dep. 37:18-23. Heath has licensed the trademark "Lexington Law" since at least 2004. Compl. ¶ 14 (ECF 2); Heath Answer ¶ 14 (ECF 66).
4. Progrexion Marketing provides advertising and marketing services to Heath

- under contract. Compl. ¶ 10 (ECF 2); Heath Answer ¶ 10 (ECF 66); Ex. 1, Heath Dep. 106:4-7, 145:6-10; Ex. 15, LEX00000001.
5. Progexion Marketing provides advertising and marketing services to CreditRepair.com under contract. Compl. ¶ 10 (ECF 2); Progexion Answer ¶ 10 (ECF 65); Ex. 16, PGX.CFPB.00000113.
 6. Progexion Teleservices provides telemarketing services to Heath under contract. Ex. 1, Heath Dep. 19:9-12; Ex. 3, Progexion Teleservices Dep. 41:24-42:22, 52:5-13; Ex. 37, LEX00000066.
 7. Progexion Teleservices has, at times, provided telemarketing services to CreditRepair.com. Ex. 18, CreditRepair.com Dep. 30:12-24; Ex. 3 Progexion Teleservices Dep. 41:24-42:22, 52:15-53:9.
 8. In connection with the sale of Lexington Law and CreditRepair.com credit repair services, eFolks provides telemarketing services to Progexion. Ex. 36, eFolks Dep. 23:1-13, 128:9-15, 183:7-18.

Defendants Are Telemarketers and Sellers

9. Progexion and Heath market and sell Lexington Law credit repair services over the telephone, through inbound and outbound interstate telephone calls. Ex. 1, Heath Dep. 19:9-12, 129:20-24; Ex. 3, Progexion Teleservices Dep. 41:24-42:22, 52:5-13; Ex. 20, PGX0048433.

10. Progrexion markets and sells CreditRepair.com credit repair services over the telephone, through inbound and outbound interstate telephone calls. Ex. 18, CreditRepair.com Dep. 29:9-30:11, 33:3-8, 117:8-16, 157:18-158:4; Ex. 21, CreditRepair.com State Coverage Map; Ex. 22, PGX0048184.

Defendants Offer and Provide Consumer Financial Products or Services

11. Heath, doing business as Lexington Law, offers or provides financial advisory services and services relating to consumer report information that are for use by consumers primarily for personal, family, or household purposes, or that are delivered, offered, or provided in connection with such a consumer financial product or service. Compl. ¶ 15 (ECF 2); Heath Answer ¶ 15 (ECF 66).
12. Progrexion markets, telemarkets, and sells Lexington Law's products and services to consumers in most states nationwide. Compl. ¶ 14 (ECF 2); Progrexion Answer ¶ 14 (ECF 65); Ex. 1, Heath Dep. 55:12-15.
13. CreditRepair.com offers and provides financial advisory services and services relating to consumer report information and engages in telemarketing and telesales. Compl. ¶ 13 (ECF 2); Progrexion Answer ¶ 13 (ECF 65).
14. Progrexion markets, telemarkets, and sells CreditRepair.com's products and

services to consumers in most states nationwide. Compl. ¶ 13 (ECF 2); Progrexion Answer ¶ 13 (ECF 65); Ex. 21, CreditRepair.com State Coverage Map.




Lexington Law Credit Repair Services

15. Heath offers credit repair services for a fee. Ex. 1, Heath Dep. 40:3-13; Ex. 2, Lexington Law Service Feature Matrix.
16. Heath's credit repair services are marketed as services to remove negative items from consumer reports or to improve a person's credit history, credit record, or credit rating. Compl. ¶ 111 (ECF 2); Heath Answer ¶ 111 (ECF 66); *see also id.* ¶¶ 112-116.
17. According to Lexington Law's website, "Credit repair is the process of improving a poor score by addressing or removing negative items that could be listed on your reports inaccurately." Ex. 4, DelPonti0000371; *see also* Ex. 5, PGX0028285 (Lexington Law website: "Credit Repair is the process of addressing and removing the questionable negative items that are impacting your credit profile."); Ex. 6, PGX0028357.
18. Progrexion markets Lexington Law as "the industry leaders in credit repair." Ex. 33, PGX0040901 at PGX0040961; *see also* Ex. 23, PGX0028231 (Lexington Law website: "If you need assistance repairing your credit, rest

assured that Lexington Law is a trusted leader in credit repair and credit solutions.”).

19. On its website, Lexington Law claims that “[s]tatistically, 89% of Past Lexington Law clients who saw a credit score increase had an average increase of 40 points in six months.” Ex. 24, DelPonti0000357. Another page of Lexington Law’s website states “Our results speak for themselves. Past clients have seen an average credit score increase of 40 points in just four months of service.” Ex. 30, Decl. Jacob Lichtblau Regarding Lexington Law Ads and Webpages ¶ 10.
20. Consumers must agree to pay a fee of about \$13 to \$15 to Progrexion to obtain their TransUnion credit report as a prerequisite to enrolling in Heath’s credit repair services. Ex. 7, PGX0002572 (Pricing, Lexington Law); Ex. 8, PGX0028796 at PGX0028802, PGX0028805-06; Ex. 9, PGX0028741 at PGX0028746, PGX0028750; Ex. 10, Progrexion Marketing Dep. 75:4-76:19.
21. After signup, Heath charges customers an initial work fee, also dubbed a Service Interval Fee. The initial work fee is typically between \$79.95 and \$119.95. Ex. 2, Lexington Law Service Feature Matrix. It is typically charged 5 to 15 days after the customer signs up. Ex. 11, LEX0000421 at

LEX0000426 (customer agreement); Ex. 7, PGX0002572.

22. Heath charges customers a monthly service fee. The amount of the monthly fee varies depending on the service level, and is typically \$79.95 to \$119.95 for the company's "Tier 1" credit repair services and \$19.95 to \$59.95 for the company's lower-tier credit repair services. Ex. 2, Lexington Law Service Feature Matrix. The monthly fee is typically charged every month until after the customer cancels or, in some states that impose a time limitation, after the term of the customer's contract expires. Ex. 1, Heath Dep. 43:25-46:7.
23. Heath does not set a time frame in which all of the services will be provided to a customer. Ex. 1, Heath Dep. 43:25-45:8, 169:14-170:3; Ex. 12, Heath Resp. to Interrog. No. 3 (Apr. 7, 2021); Ex. 11, LEX0000421 at LEX0000428 (customer agreement).
24. Heath charges consumers without waiting at least six months. Ex. 1, Heath Dep. 122:18-124:10; Ex. 25, Heath Supp. Resp. to RFA No. 4 (July 6, 2021)


.
25. Heath charges consumers before Heath has provided a consumer report

demonstrating that any results have been achieved, such report having been issued more than six months after the results were achieved. Ex. 1, Heath Dep. 122:18-124:10; Ex. 25, Heath Supp. Resp. to RFA No. 4 (July 6, 2021).

CreditRepair.com Credit Repair Services

26. CreditRepair.com offers credit repair services for a fee. Ex. 10, Progrexion Marketing Dep. 80:1-18; Ex. 26, CreditRepair.com Service Feature Matrix; Ex. 27, PGX0000555 (Product Knowledge Training).
27. CreditRepair.com's credit repair services are marketed as services to remove negative items from consumer reports or to improve a person's credit history, credit record, or credit rating. Compl. ¶ 111 (ECF 2); Progrexion Answer ¶ 111 (ECF 65); *see also id.* ¶¶ 118.
28. According to CreditRepair.com's website, "Credit repair is used by those who want to improve their credit score by removing and correcting negative or inaccurate items on their credit report.... [A] credit repair professional, like CreditRepair.com, is trained to use all the tools allowable by law to get the bureaus to remove and correct negative or inaccurate items on your credit report quickly (for a monthly fee)." Ex. 28, PGX0027706.
29. CreditRepair.com's credit repair services are marketed as having increased

past members' credit scores "40 points in 4 months." *See e.g.*, Ex. 29, PGX0040984 at PGX0041063. CreditRepair.com advertises that "Our Members Average 11.6 Removals in Just 4 Months. Call and Learn More!" Ex. 30, Decl. Jacob Lichtblau Regarding Lexington Law Ads and Webpages, Attach. A (LEX0029013) pp. 17, 107, 558; *see also* Ex. 18, CreditRepair.com Dep. 80:4-14, 90:11-17.

30. Consumers must agree to pay a fee of about \$13 to \$15 to Progrexion to obtain their TransUnion credit report as a prerequisite to enrolling in CreditRepair.com's credit repair services. Ex. 26, CreditRepair.com Service Feature Matrix; Ex. 27, PGX0000555 (Product Knowledge Training); Ex. 31, PGX0028638 at PGX0028644, PGX0028647-48; Ex. 10, Progrexion Marketing Dep. 75:4-76:19.
31. After signup, CreditRepair.com charges customers an initial work fee, also dubbed a Service Interval fee. The initial work fee is typically between \$59.95 and \$119.95. Ex. 26, CreditRepair.com Service Feature Matrix. It is typically charged 5 to 15 days after the customer signs up. Ex. 32, PGX0047444 at PGX0047456 (customer agreement).
32. CreditRepair.com charges customers a monthly service fee. The amount of the monthly fee varies depending on the service level. It is typically \$99.95

to \$119.95 for the company's "Tier 1" credit repair services and \$24.95 to \$59.95 for the company's lower-tier credit repair services. Ex. 26, CreditRepair.com Service Feature Matrix. The monthly fee is typically charged every month until after the customer cancels or, in some states that impose a time limitation, after the term of the customer's contract expires. *See id.*; Ex. 32, PGX0047444 at PGX0047458-59 (customer agreement); Ex. 18, CreditRepair.com Dep. 119:4-23.

33. CreditRepair.com does not set a time frame in which all of the services will be provided to a customer. Ex. 34, CreditRepair.com Resp. to Interrog. No. 2 (Apr. 7, 2021); Ex. 32, PGX0047444 at PGX0047458-59.

34. CreditRepair.com charges consumers without waiting at least six months. Ex. 35, CreditRepair.com Supp. Resp. to RFA 1 (July 6, 2021)

[REDACTED]

[REDACTED]

[REDACTED].

35. CreditRepair.com charges consumers before Heath has provided a consumer report demonstrating that any results have been achieved, such report having been issued more than six months after the results were achieved. Ex. 26, CreditRepair.com Service Feature Matrix; Ex. 32, PGX0047444 at

PGX0047456 (customer agreement); Ex. 35, CreditRepair.com Supp. Resp. to RFA 1.

ARGUMENT

I. Legal Standard

A. Summary Judgment

Summary judgment shall be granted where “the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). A fact is “material” if, under governing law, it could affect the lawsuit’s outcome; “[f]actual disputes that are irrelevant or unnecessary will not be counted.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). The existence of some “metaphysical doubt” as to alleged factual disputes will not defeat a properly supported summary judgment motion; rather, the non-movant must provide specific facts showing that there is a genuine issue for trial. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986). “Where the record taken as a whole could not lead a rational trier of fact to find for the non-moving party, there is no genuine issue for trial.” *Id.* at 587 (quotation omitted).

B. Regulatory Interpretation

The Tenth Circuit instructs courts interpreting a regulation to

apply the same rules we use to interpret statutes.... We examine the plain language of the regulation and give each word its ordinary and customary meaning. Thus, in determining the plain meaning of a regulation, we do not consider the regulatory history or anything outside the text. If the language of the regulation is clear, we enforce the regulation in accordance with its plain meaning[.]

Canyon Fuel Co. v. Sec’y of Lab., 894 F.3d 1279, 1287 (10th Cir. 2018) (citations omitted). And “where the regulation is ambiguous, we defer to the [agency]’s reasonable interpretations, even those advanced in [its] legal brief, unless plainly erroneous or inconsistent with the regulations, or there is any other reason to suspect that the interpretation does not reflect the agency’s fair and considered judgment on the matter in question.... In making this determination, we may look beyond the plain language, examining regulatory intent and overall statutory construction.” *Id.* at 1287-88 (citations and quotations omitted).

II. Statutory Authority

Under [15 U.S.C. § 6105\(d\)](#), the Bureau has authority to enforce the TSR with respect to the offering or provision of a consumer financial product or service.

Lexington Law’s and CreditRepair.com’s credit repair services are “consumer financial product[s] or service[s]” under the CFPA because they are

financial advisory services and services related to consumer report information, [12 U.S.C. § 5481](#)(15)(A)(viii), (ix), offered or provided to consumers “primarily for personal, family, or household uses,” *id.* [§ 5481](#)(5)(A). SUMF ¶¶ 11-12 (Lexington Law); SUMF ¶¶ 13-14 (CreditRepair.com).

III. Defendants Are Liable for Charging Illegal Fees for Telemarketed Credit Repair Services

The material facts relevant to Count I are indisputable. The question here is a legal one: do Defendants’ credit repair billing practices violate Section 310.4(a)(2)? The plain language of the regulation establishes that answer is “yes”: all Defendants are liable for violating Section 310.4(a)(2) as a matter of law.

A. Defendants are telemarketers and sellers under the TSR.

The TSR defines a “seller” as “any person who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration.” [16 C.F.R. § 310.2\(dd\)](#). A “telemarketer” is “any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor.” [Id. § 310.2\(ff\)](#). Heath and Progrexion vigorously telemarket their credit repair services under the Lexington Law and CreditRepair.com brand names. SUMF ¶¶ 9-10. They are sellers and telemarketers under the Rule.

B. Defendants are covered by Section 310.4(a)(2).

Section 310.4(a)(2) covers companies that sell or telemarket “goods or services represented to remove derogatory information from, or improve, a person’s credit history, credit record, or credit rating.” Heath and Progrexion promote Lexington Law, and Progrexion promotes CreditRepair.com, as “goods or services represented to remove derogatory information from, or improve, a person’s credit history, credit record, or credit rating.” SUMF ¶¶ 15-19 (Lexington Law); SUMF ¶¶ 26-29 (CreditRepair.com). Consequently, the undisputed material facts establish that Defendants are all covered by Section 310.4(a)(2).

C. Defendants violated Section 310.4(a)(2).

As discussed above, the Provision establishes two preconditions—both of which must be met—before a telemarketer or seller may charge a consumer for credit repair services. The two preconditions—delivery of all the services and proof of the results over six months later—work in tandem. Both are critical to protecting consumers because “there are no disclosures that could effectively remedy the problems” from telemarketed credit repair services; *“the harm to consumers could be averted only by specifying that the seller’s performance of [these services] must precede payment by the consumer.”* [67 Fed. Reg. 4492](#), 4504 n.106 (Jan. 30, 2002) (emphasis added). Credit repair companies must comply with

the two preconditions, which are stated in subsections (i) and (ii) of the Provision, and which the FTC’s published TSR guidance further describes:

- One, the time frame during which the seller has promised services will be provided must have expired. Sellers can represent the time frame for the delivery of the services either orally or in writing, including in the contract for the services. If there’s a discrepancy between the various representations by the credit repair seller, the longest time frame represented determines when payment may be requested or received.
- Two, the seller must provide the consumer with evidence that the improvement promised in the consumer’s credit record has been achieved. The evidence must be a consumer report from a consumer reporting agency, issued more than six months after the results were achieved.⁴

The guidance is consistent with the FTC’s rulemaking statements. *See* [67 Fed. Reg. 4492](#), 4511 (Jan. 30, 2002) (the Provision prohibits “requesting or receiving payment for credit repair services prior to delivery and proof that such services have been rendered”); *id.* at 4493 (“the Rule bans telemarketers who offer to ... provide credit repair services ... from seeking payment before rendering the promised services”).

⁴ FTC, *Complying With the Telemarketing Sales Rule* (June 2016, last updated Jan. 2021), <https://www.ftc.gov/tips-advice/business-center/guidance/complying-telemarketing-sales-rule#creditrepair>.

As discussed below, the undisputed record establishes that Defendants here have violated (and continue to violate) both preconditions.⁵ Thus, the Bureau is entitled to judgment on Count I against all Defendants as a matter of law.

1. Defendants failed to set a time frame for all of their services.

The plain language of subsection (a)(2)(i) requires a seller to specify the time frame in which *all* of the goods or services will be provided and refrain from requesting or receiving payment until expiration of that time frame. Heath and Progrexion admit that neither Lexington Law nor CreditRepair.com met this requirement. SUMF ¶¶ 23, 33. On this basis alone, Defendants are liable for violating the Provision.

The time frame requirement ensures that sellers cannot string along consumers for months and months—all the while charging them—without providing all of the goods or completing the agreed services. But Defendants fail to

⁵ In *Consumer Fin. Prot. Bureau v. Prime Mktg. Holdings, LLC*, No. 16-cv-07111, 2016 WL 10516097, *4 (C.D. Cal. Nov. 15, 2016), the district court described Section 310.4(a)(2) as “mak[ing] it unlawful for a telemarketer advertising that it can improve a person’s credit history to receive payment until it has provided documentation of the effect of its services at least six months after the results have been achieved.” Applying this plain language reading, the court held the Bureau’s Section 310.4(a)(2) claim sufficient based on conduct virtually identical to Defendants’ here: charging the consumer initial report fees, a set-up fee, and monthly fees before providing the consumer with a consumer report showing the results of the credit repair services. *Id.* *6-7.

provide this necessary protection to consumers. They avoid telling consumers how long it will take for their credit repair “solutions” to work, even when consumers ask expressly. Defendants’ failure to give consumers a definitive time frame means that the “time frame in which all of the goods or services will be provided” never expires, and Defendants are therefore prohibited from requesting or receiving payment. The undisputed record therefore establishes that Defendants violated subsection (a)(2)(i) as a matter of law.

2. Defendants failed to wait six months before requesting or receiving payment.

Subsection (a)(2)(ii) requires a company to wait six months after achieving documented credit repair results for the consumer before requesting or receiving payment. Defendants admit that they have a routine practice of charging consumers for credit repair services within the month after a consumer first enrolls, and on a monthly basis thereafter. SUMF ¶¶ 21-22, 31-32. Manifestly, then, Defendants do not wait six months before requesting or receiving payment for their services. This undisputed fact compels the conclusion that Defendants violated the Provision.

Because, in this case, there is no dispute that Defendants do not wait six months before charging any consumer, regardless of when or if they achieve *any*

results, the Court need not reach the question of what results were promised.⁶

Defendants claim exemption from subsection (a)(2)(ii) on the specious grounds that they do not guarantee results (e.g., ECF 171, 249). For the reasons explained in the Bureau's Opposition to Heath P.C.'s Partial Motion for Summary Judgment on Count I (which the Bureau incorporates here) (ECF 230), this contention contradicts the plain language, context, and regulatory history of the Provision, and the Court should reject it. Subsection (a)(2)(ii) is a precondition to payment; a company that fails to comply with it is not *exempt* from the Provision, as Defendants claim, but rather in violation of it.

Therefore, the undisputed record establishes that Defendants violated subsection (a)(2)(ii) as a matter of law.

⁶ The phrase "promised result" in subsection (a)(2)(ii) is not superfluous. The question of what result was promised may be relevant to a claim under the Provision if a credit repair telemarketer or seller waits to request payment until it has both complied with the time frame requirement in subsection (a)(2)(i) and demonstrated a result through a consumer report issued more than six months after that result was achieved. Those facts are not present here.

IV. Defendants' Affirmative Defenses Are Unsupported and Meritless

A. Defendants' Second Defense should be dismissed because the TSR remains valid.

Defendants contend that the Credit Repair Organizations Act, [15 U.S.C. §§ 1679 et seq.](#) (“CROA”), “preempted and overrode” Section 310.4(a)(2). That defense is meritless because there is no evidence that Congress intended to repeal the TSR, and because CROA and the TSR do not conflict. Three courts have addressed this issue, and all agreed: CROA does not supersede Section 310.4(a)(2). *Consumer Fin. Prot. Bureau v. Commonwealth Equity Grp., LLC*, No. 20-cv-10991, 2021 WL 3516690, at *2 (D. Mass. Aug. 10, 2021); *Consumer Fin. Prot. Bureau v. Prime Mktg. Holdings, LLC*, No. CV 16-07111-BRO (JEMx), 2016 WL 10516097, at *9 (C.D. Cal. Nov. 15, 2016); *Tennessee v. Lexington Law Firms*, No. 96-0344, 1997 WL 367409, at * 6 (M.D. Tenn. May 14, 1997).

“It is a basic principle of statutory construction that a statute dealing with a narrow, precise, and specific subject is not submerged by a later enacted statute covering a more generalized spectrum.” *Radzanower v. Touche Ross & Co.*, 426 U.S. 148, 153 (1976). To find a law repealed, “the intention of the legislature to repeal must be clear and manifest.” *Id.* at 154. Otherwise, “[w]hen there are two acts upon the same subject, the rule is to give effect to both if possible.” *Morton v. Mancari*, 417 U.S. 535, 551 (1974).

There is not a scintilla of evidence that Congress intended to repeal the Telemarketing Act or TSR when it enacted CROA, much less “clear and manifest” evidence of such intent. CROA was enacted shortly after Section 310.4(a)(2) was promulgated, and nothing in its text or legislative history indicates that it preempts the TSR, exempts credit repair companies from rules related to telemarketing, or limits the FTC’s rulemaking authority. A statute, like CROA, that contains no statement of exclusivity does not impede the coverage of another law. *See J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Intern., Inc.*, 534 U.S. 124, 140-41 (2001). As one district court stated, “although the Credit Repair Organizations Act undoubtedly governs Defendant’s business, there is no language in that statute indicating that Defendant’s telemarketing activities may not simultaneously be regulated by the Telemarketing Act.” *Tennessee v. Lexington Law Firms*, 1997 WL 367409, at *6.

Absent clear and manifest evidence that Congress intended to repeal the Telemarketing Act or TSR, Defendants must show that there was an irreconcilable conflict between the two laws. *Morton*, 417 U.S. at 550. They cannot make that showing, because “the CROA and the TSR do not conflict.” *Prime Mktg. Holdings*, 2016 WL 10516097, at *9. “The CROA prohibits all credit repair agencies from charging advance fees, *see* [15 U.S.C. § 1679b\(b\)](#), while the TSR

prohibits all telemarketers who participate in credit repair services from charging advance fees until six months after the promised results have been achieved, *see* 16 C.F.R. § 310.4(a)(2).” *Id.* As a result, “when a business is both a credit repair agency and a telemarketer, it is required to comply with both the CROA and the TSR.” *Id.* To so comply, a credit repair agency that is also a telemarketer “may not collect services until its services are completed *and* it has provided documentation to the consumer at least six months after the services are completed evidencing the agency’s efficacy.” *Id.* In short, “the two provisions may be complied with concurrently; they do not conflict,” *id.*, and the Bureau is entitled to summary judgment on Defendants’ second defense.

B. Defendants’ Third Defense should be dismissed because Defendants had no reasonable basis in fact or law to violate the TSR.

Defendants claim that they “reasonably interpreted applicable law” and acted “in good faith,” insinuating that a mistake of law excuses their conduct. But the Supreme Court has “long recognized the common maxim, familiar to all minds, that ignorance of the law will not excuse any person, either civilly or criminally.” *Jerman v. Carlisle, McNellie, Rini, Kramer & Ulrich LPA*, 559 U.S. 573, 581 (2010) (internal quotations omitted); *see also United States v. Molina*, 484 F. App’x 276, 285 (10th Cir. 2012). Neither the Telemarketing Act, the TSR, nor the CFPA contains a general mistake-of-law defense. [15 U.S.C. §§ 6101–6108](#); [16](#)

[C.F.R. pt. 310](#); [12 U.S.C. §§ 5481–5603](#). This Court should therefore decline Defendants’ “invitation to re-write” the law to include such a defense. *Consumer Fin. Prot. Bureau v. CashCall, Inc.*, No. CV157522-JFW (RAOx), 2016 WL 4820635, at *11 (C.D. Cal. Aug. 31, 2016).

Nor can Defendants use a mistake-of-law defense to escape certain penalties under the CFPA. Defendants were keenly aware of both the TSR and the fact that their billing practices systematically contravened it. Lexington Law’s predecessor⁷ was sued by the State of Tennessee *for violations of the Provision* in 1996, and the Middle District of Tennessee expressly rejected numerous legal defenses raised by Lexington Law—including some very similar to those Defendants assert in this litigation—and held that the TSR applied. *Tennessee v. Lexington Law Firms*, 1997 WL 367409, at *4-8. Defendants cannot demonstrate that by March 8, 2016, when liability for Count I in this case begins, they were unaware of the Provision or its application to their conduct. The Bureau is entitled to summary judgment on Defendants’ third defense.

⁷ Ex. 17, Heath Factual Stipulation (Apr. 8, 2021) (LEX0008532); Ex. 1, Dep. Heath 36:7-13, 199:12-200:6.

C. Defendants' Fifth and Sixth Defenses should be dismissed because Defendants' equitable defenses are legally invalid and lack evidentiary support.

The Bureau previously moved to strike Defendants' Fifth ("equitable doctrines, including laches") and Sixth ("equitable doctrines, including but not limited to laches, unclean hands, estoppel, availability of legal remedies, and inequitable windfall") Defenses. Pl.'s Mot. to Strike (ECF 74). The Court struck the laches defense, but allowed the others to remain. Order (ECF 91). Defendants failed to develop any evidence during discovery to support these legally questionable defenses, and the Court should now grant judgment in the Bureau's favor on each of them.

As detailed in the Bureau's Motion to Strike (which is incorporated here) (ECF 74), the Tenth Circuit expressed grave doubt "that the Supreme Court would ever allow an estoppel defense against the government under any set of circumstances"; if available, such a defense would require a showing of "affirmative misconduct," which "is a high hurdle for the asserting party to overcome." *F.D.I.C. v. Hulsey*, 22 F.3d 1472, 1489-90 (10th Cir. 1994). It requires "an affirmative act of misrepresentation or concealment of a material fact. Mere negligence, delay, inaction, or failure to follow agency guidelines does not

constitute affirmative misconduct.” *Bd. of Cnty. Comm’rs v. Isaac*, 18 F.3d 1492, 1499 (10th Cir. 1994) (citations omitted).

The bar for an unclean hands defense is even higher and generally “may not be invoked against a government agency which is attempting to enforce a congressional mandate in the public interest.” *SEC. v. KPMG LLP*, No. 03-Civ-671(DLC), 2003 WL 21976733, *3 (S.D.N.Y. Aug. 20, 2003); *Estate of Golz*, No. 17-cv-01152-RBJ-MEH, 2018 WL 4090866, *9 (D. Colo. Aug. 28, 2018) (“Simply put, unclean hands is not a valid defense” to an agency lawsuit promoting “an important public purpose”). Those courts that have not entirely foreclosed the defense require the defendant to show egregious and prejudicial misconduct that occurred before the initiation of the suit, bears a nexus to the defendant’s ability to defend against the suit, and constitutes constitutional injury. *E.g.*, *SEC v. Cuban*, 798 F. Supp. 2d 783, 792-95 (N.D. Tex. 2011) (collecting and analyzing cases); *SEC v Elecs. Warehouse, Inc.*, 689 F. Supp. 53, 73 (D. Conn. 1988), *aff’d*, 891 F.2d 457 (2d Cir. 1989). Defendants have adduced no evidence of “affirmative misconduct,” much less “egregious and prejudicial misconduct” before the suit’s

initiation, and they could not meet their burden of proof on these legally questionable theories in any event.⁸

The “availability of legal remedies” and “inequitable windfall” defenses also are legally invalid. The CFPA authorizes the Court to grant multiple, non-exclusive forms of relief, including the legal and equitable remedies and civil penalties that the Bureau seeks. [12 U.S.C. § 5565\(a\)\(2\)](#); Compl. ¶ 169 (ECF 2). Thus, the availability of legal remedies (such as legal restitution and damages) does not negate the availability of equitable relief (such as rescission of contracts and injunctions). Rather, Congress has expressly permitted the Bureau to obtain any combination of legal and equitable remedies that the Court deems appropriate. Defendants’ assertion that the Bureau may only obtain legal remedies contradicts the statute’s plain language. [12 U.S.C. § 5565\(a\)\(2\)](#); *see also* 15 U.S.C. §§ [6102\(c\)\(2\)](#), [6105\(d\)](#) (authorizing the Bureau to enforce the TSR under its CFPA enforcement authority and to treat violations of the TSR as violations of the CFPA).

⁸ When asked to identify the principal facts that support Defendants’ Sixth Defense, Defendants identified no misconduct whatsoever. Ex. 38, PGX Holdings Resp. to Pl.’s Second Set of Interrogatories, No. 15; Ex. 39, Heath’s Resp. to Pl.’s Second Set of Interrogatories, No. 13. These responses merely repeat Defendants’ conclusory claims and fall far short of Defendants’ high evidentiary burden, even assuming their defenses are not foreclosed as a matter of law.

The “inequitable windfall” defense likewise ignores the CFPA, which expressly authorizes these remedies. It remains unclear who would receive an “inequitable windfall” if the Bureau’s action succeeds. The CFPA permits the Court to grant appropriate monetary redress to harmed consumers, allows the Bureau to recover its litigation costs, and sets the amount of civil money penalties Defendants would owe, based upon their knowledge and any applicable mitigating factors. [12 U.S.C. § 5565](#). Since Congress expressly authorized these remedies, Defendants have no legal basis to claim that an “inequitable windfall” will result to anyone if the Bureau prevails.

The Bureau is entitled to judgment as a matter of law on Heath’s and Progrexion’s legally invalid, factually unsupported Fifth and Sixth Defenses.⁹

D. Heath’s Ninth Defense and Progrexion’s Tenth Defense should be dismissed because Defendants had fair notice of the TSR.

Defendants contend that they never received fair notice that their billing practices violate the TSR, and it would therefore violate the federal Due Process Clause to find them liable. This contention is meritless. The TSR was duly enacted through notice and comment rulemaking in 1995. This case concerns Defendants’

⁹ The Fifth and Sixths Defenses invoke, but do not identify, other “equitable doctrines.” The complete absence of any legal or factual support for these “other” unnamed defenses requires their elimination from the case. *See Matsushita*, 475 U.S. at 586-87.

violations since March 2016, two decades after the TSR was enacted. There is no due process violation.

As discussed above, the TSR—including the Provision—was promulgated after a notice-and-comment rulemaking process in 1995. See [supra Regulatory Background, pp. 2-7](#); [60 Fed. Reg. 8313](#) (Feb. 14, 1995); [60 Fed. Reg. 43,842](#) (Aug. 23, 1995). In addition, as required by statute, the TSR was subjected to a mandatory rule review in 2000 that involved a second opportunity for public comment, as well as public forums. [Supra p. 7](#); [65 Fed. Reg. 10,428](#) (Feb. 28, 2000). And in 2014, it was subjected to still another rule review involving another notice and comment process. [79 Fed. Reg. 46,732](#) (Aug. 11, 2014). Since the final rule was promulgated in 1995, the FTC has—through notice-and-comment rulemakings—amended the TSR several times, but it has never altered the Provision in any respect. Heath concedes that “[o]ver the last two decades, the FTC’s views regarding the purpose of the TSR Advance Fee Provision have not changed.” Heath’s Mot. Summ. J. (ECF 168) p. 23.

Lexington Law has offered credit repair services since before the TSR’s promulgation in 1995, and it had actual notice of the Provision since at least 1996, when it was sued by the State of Tennessee for violating it, and when the FTC filed a brief as intervenor in that lawsuit explaining the meaning of the Provision. Ex.

19. Nonetheless, no Defendant submitted any comment in response to either of the notices of proposed rulemaking in 1995, or the 2000 or 2014 rule reviews. The Bureau’s claims under the Provision concern conduct since March 2016—two decades after the TSR was published and promulgated.

Due process requires that “laws give the person of ordinary intelligence a reasonable opportunity to know what is prohibited.” *United States v. Magnesium Corp. of Am.*, 616 F.3d 1129, 1144 (10th Cir. 2010). The TSR easily meets that standard. Indeed, every Court that has considered a due process or fair notice challenge to the TSR has rejected it. *See United States v. Dish Network LLC*, 954 F.3d 970, 979 (7th Cir. 2020) (rejecting due process challenge to the TSR and noting: “[the defendant’s] argument supposes that government must provide some notice on top of the statutes and rules themselves, but why? There’s nothing ambiguous about them. If there is a problem, it isn’t lack of notice.”), *cert. denied*, 141 S. Ct. 729 (2021); *Commonwealth Equity Grp.*, 2021 WL 3516690, at *2-3 (rejecting due process challenge by a credit repair company sued under the Provision); *Consumer Fin. Prot. Bureau v. IrvineWebWorks, Inc.*, No. 14-1967 JVS (ANx), 2016 WL 1056662, at *12 (C.D. Cal. Feb. 5, 2016) (rejecting fair notice challenge to another TSR provision, noting “[t]he regulation was properly published and promulgated prior to the conduct that the Bureau contends violated

the Telemarketing Sales Rule”); *see also Nat’l Fed’n of the Blind v. FTC*, 420 F.3d 331, 337 (4th Cir. 2005) (discussing the TSR’s regulatory history and upholding the TSR).

Defendants argue that there has been some unwritten, interpretive change to the Provision (*e.g.*, Heath’s Mot. Summ. J. (ECF 168) pp. 1-4), but that argument is both irrelevant, because the Provision’s plain language governs this case, and also false. *See* Pl.’s Opp’n to Partial Mot. Summ. J. (ECF 230) 41-51.

There is neither a factual nor legal basis for Defendants’ contention that they lacked fair notice of the TSR or the Provision. The Court should grant summary judgment to the Bureau as to Heath’s Ninth and Progrexion’s Tenth affirmative defense.

E. Heath’s Eleventh Defense and Progrexion’s Twelfth Defense should be dismissed because the TSR is enforceable.

Defendants contend that the Provision fails facial and as applied challenges under Administrative Procedure Act standards. Defendants’ contentions, which were not raised during the rulemaking process, misconstrue and misread the law in multiple ways.

Defendants first assert that the FTC “entirely failed to consider important aspects of the credit repair industry and consumer needs for credit repair, including how the rule might impact law firms or other providers that are not ‘bogus credit

repair’ entities, which were the sole stated target of the rule.” But neither Defendants nor others raised Defendants’ current complaints during the rulemaking process. The FTC repeatedly invited the public to comment on the costs and effects of the Provision, and no “comments recommended that changes be made to the” Provision. [67 Fed. Reg. 4492](#), 4512 (Jan. 30, 2002); *see also* [60 Fed. Reg. 30,406](#), 30,415 (June 8, 1995) (“commenters strongly supported” the Provision). Defendants have no basis to assert that the FTC should have considered contentions that were not made during the public rulemaking process. *See N.M. Health Connections v. U.S. Dep’t of Health & Hum. Servs.*, 946 F.3d 1138, 1165 n.25 (10th Cir. 2019) (“an issue must have been raised before an agency for a party to seek judicial review of agency action on that issue”).

Defendants next assert that promulgation of the Provision “imposed a requirement that results be substantiated through a credit report when legitimate and needed credit repair services, and successful results (such as credit score changes), are often not reflected in a credit report.” Defendants misread and misquote the text of the Provision, which refers to a “consumer report,” not a “credit report.” 16 C.F.R. § 310.4(a)(2)(ii). The term “consumer report” includes

both credit scores and credit reports,¹⁰ which are fully capable of reflecting what Defendants describe as “successful results,” including credit score changes.

Defendants asserted in their Answers that the FTC “exceeded its Congressional authority under which [Section 310.4(a)(2)] was purportedly adopted.” Both courts that have considered this argument have rejected it and upheld the Provision’s validity. *Commonwealth Equity Grp.*, 2021 WL 3516690, at *3; *Tennessee v. Lexington Law Firms*, 1997 WL 367409, at *5. And other courts have rejected this argument as to other TSR provisions. *E.g.*, *Nat’l Fed’n of the Blind*, 420 F.3d at 337 (TSR did not exceed scope of FTC’s authority under Telemarketing Act). Finally, Heath dropped the argument that FTC lacked authority to promulgate the Provision. ECF 249 p.23 (“Heath is not arguing that FTC lacked authority to promulgate the AFP,” Section 310.4(a)(2)).

The TSR and the Provision are routinely and appropriately applied and enforced. *See, e.g.*, *FTC v. E.M.A. Nationwide, Inc.*, 767 F.3d 611, 634 (6th Cir. 2014) (affirming summary judgment for the FTC under Sections 310.3(a)(2) and 310.4(a)(5)); *FTC v. Lalonde*, 545 F. App’x 825, 840 (11th Cir. 2013) (affirming liability for defendants who “induc[ed] the purchase of credit repair services” in

¹⁰ [15 U.S.C. § 1681a\(d\)\(1\)](#); *Safeco Ins. Co. of Am. v. Burr*, 551 U.S. 47, 55 n.6 (2007).

violation of Section 310.4(a)(4)); *Prime Mktg. Holdings*, 2016 WL 10516097, at *6-7; *In re Nat'l Credit Mgmt. Grp., LLC*, 21 F. Supp. 2d 424, 454-57 (D.N.J. 1998). Summary judgment should be granted as to Heath's Eleventh and Progrexion's Twelfth affirmative defense.

F. Heath's Fifteenth Defense and Progrexion's Thirteenth Defense should be dismissed because the First Amendment does not shield Defendants from liability for charging illegal fees.

Defendants claim that the Provision violates their rights to free speech under the First Amendment. This argument is unavailing because the Provision regulates a course of conduct—the timing of payment for credit repair services—not speech. Even if the court were to find that the Provision regulates speech, it would nonetheless survive First Amendment scrutiny.

1. The Provision regulates conduct, not speech.

The Provision does not dictate what Defendants may or may not say. Rather, it requires that Defendants wait at least six months and demonstrate results before requesting or receiving payment for credit repair services. 16 C.F.R. § 310.4(a)(2). “[I]t has never been deemed an abridgment of freedom of speech or press to make a course of conduct illegal merely because the conduct was in part initiated, evidenced, or carried out by means of language, either spoken, written, or printed.” *Rumsfeld v. Forum for Acad. & Institutional Rights, Inc.*, 547 U.S. 47, 62 (2006);

see also Ohralik v. Ohio State Bar Ass’n, 436 U.S. 447, 456 (1978) (“[T]he State does not lose its power to regulate commercial activity deemed harmful to the public whenever speech is a component of that activity.”).

A district court recently held that Section 310.4(a)(2) does not implicate the First Amendment because “the restriction is on conduct—the timing of payment—not on speech.” *Commonwealth Equity Grp.*, 2021 WL 3516690, at *3. Similarly, another district court concluded that CROA “merely regulates when payment may be collected,” and thus does not implicate the First Amendment, when it prohibits credit repair companies from charging or receiving a fee for a service before “such service is fully performed.” *In re Nat’l Credit Mgmt. Grp.*, 21 F. Supp. 2d at 460.

2. Even if the Provision regulates speech, it survives First Amendment scrutiny.

Even if the Court finds that the Provision regulates speech, it survives First Amendment scrutiny. The Provision—which addresses “the telemarketing of deceptive credit repair services”—regulates deceptive and misleading commercial speech. [60 Fed. Reg. at 43,853](#); *see Bd. of Trs. of State Univ. of N.Y. v. Fox*, 492 U.S. 469, 473-74 (1989) (the “test for identifying commercial speech” is whether it proposes a commercial transaction).

Commercial speech subject to lesser protection than non-commercial speech, and misleading commercial speech receives even lesser protection still. *See*

Milavetz, Gallop & Milavetz, P.A. v. United States, 559 U.S. 229, 249-50 (2010) (citing *Zauderer v. Off. of Disciplinary Couns. of Sup. Ct. of Ohio*, 471 U.S. 626, 651 (1985)). Regulations targeted at misleading commercial speech, like the Provision, must be upheld so long as they are “reasonably related to the [government’s] interest in preventing deception of consumers.” *Id.* at 250.

The Provision relates to preventing consumer deception. Requiring credit repair companies to wait six months and demonstrate results before requesting or receiving payment protects consumers from having to pay up front for services that may ultimately prove illusory. Indeed, the FTC found that “there are no disclosures that could effectively remedy the problems” inherent in credit repair services, and instead, “the harm to consumers could be averted only by specifying that the seller’s performance of [these services] must precede payment by the consumer.” [67 Fed. Reg. 4492-01](#), 4504 n.106 (Jan. 30, 2002).

Even if the Court were to apply the standard for non-misleading commercial speech, the Provision survives. A regulation on non-misleading commercial speech must be upheld so long as the restriction is narrowly drawn and directly and materially advances a substantial government interest. *Fla. Bar v. Went for It, Inc.*, 515 U.S. 618, 624 (1995). The Provision’s purpose—preventing economic harm to consumers who pay in advance for credit repair services that fail to repair their

credit—is substantial, and the Provision directly and materially advances that purpose by postponing consumers’ payment for such services until they have been assured that their credit was, in fact, repaired. And the Provision is narrowly tailored because prohibiting credit repair services from requesting or receiving payment prior to demonstrating results fits the problem of credit repair companies taking payment in advance but failing to deliver results.

G. Heath’s Seventeenth Defense should be dismissed because Heath’s credit repair services are not exempt from Section 310.4(a)(2)’s requirements.

Heath’s Seventeenth Defense¹¹ asserts that the Bureau’s claims “are barred or limited,” because they would “disrupt, substantially change, and undo existing lawyer-client relationships” and “existing contracts,” thereby purportedly injuring consumers. But, as Heath itself admitted in open court, its provision “of credit counseling services does not constitute the practice of law.” *Lexington Law Firm v. S.C. Dep’t of Consumer Affairs*, 677 S.E.2d 591, 595 (S.C. 2009). And conduct that violates the TSR is, by definition, unlawful—whether or not it is carried out pursuant to a contract. The Seventeenth Defense asserts no cognizable defense: it merely posits that the relief Congress authorized for a proven TSR violation injures

¹¹ Progexion has not expressly asserted this defense, but their Seventeenth Defense purports to incorporate all of Heath’s defenses.

consumers. Even if this were true, which it is not, it would be insufficient to defeat the Bureau's claims. *See Estate of Golz*, 2018 WL 4090866, at *3 ("An 'affirmative defense' is '[a] defendant's assertion of facts and arguments that, if true, will defeat the plaintiff's or prosecution's claim'" (quoting Black's Law Dictionary (10th ed. 2014)) (alteration in original)).

Thus, the Bureau is entitled to judgment as a matter of law on this legally invalid, factually unsupported defense.

CONCLUSION

The undisputed record evidence, taken as a whole, precludes any rational trier of fact from finding in Defendants' favor on Count I. Rather, the evidentiary record and governing law entitle the Bureau to summary judgment on that Count.

Likewise, no genuinely triable issue exists regarding Heath's Second, Third, Fifth, Sixth, Ninth, Eleventh, Fifteenth, and Seventeenth, and Progrexion's Second, Third, Fifth, Sixth, Tenth, Twelfth, and Thirteenth Affirmative Defenses. The Bureau is entitled to summary judgment on those defenses as a matter of law.

The Court should grant summary judgment on Count I against all Defendants for violating Section 310.4(a)(2) during the period March 8, 2016 to the present.

Dated: December 10, 2021

Respectfully submitted,

/s/ Maureen McOwen

MAUREEN MCOWEN

JONATHAN REISCHL

TRACY L. HILMER

ALICIA FERRARA

LORRAINE VAN KIRK

Enforcement Attorneys

Bureau of Consumer Financial Protection

1700 G Street, NW

Washington, DC 20552

Telephone: (202) 435-9553

maureen.mcowen@cfpb.gov

jonathan.reischl@cfpb.gov

tracy.hilmer@cfpb.gov

alicia.ferrara@cfpb.gov

lorraine.vankirk@cfpb.gov

*Attorneys for Plaintiff Bureau of
Consumer Financial Protection*

CERTIFICATE OF COMPLIANCE WITH THE WORD-COUNT LIMIT

I certify that the above motion and memorandum in support complies with the word-count limit of 12,400 words set by DUCivR 7-1(a)(4)(B), according to the word count function of Microsoft Word, excluding the face sheet, table of contents, table of authorities, signature block, and exhibits.

Dated: December 10, 2021

/s/ Maureen McOwen
MAUREEN MCOWEN
Enforcement Attorney
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552
Telephone: (202) 435-9553
maureen.mcowen@cfpb.gov

Plaintiff's Appendix of Evidence

Ex. 1, Heath Dep. Excerpts

Ex. 2, Lexington Law Service Feature Matrix (Beal Ex. 349)

Ex. 3, Progexion Teleservices Dep. Excerpts

Ex. 4, DelPonti0000371

Ex. 5, PGX0028285

Ex. 6, PGX0028357

Ex. 7, PGX0002572

Ex. 8, PGX0028796

Ex. 9, PGX0028741

Ex. 10, Progexion Marketing Dep. Excerpts

Ex. 11, LEX0000421

Ex. 12, Heath Resp. to Interrog. No. 3 (Apr. 7, 2021)

Ex. 13, Stipulation (July 8, 2021)

Ex. 14, LEX00000028

Ex. 15, LEX00000001

Ex. 16, PGX.CFPB.00000113

Ex. 17, Def. John C. Heath, Attorney at Law, PC's Factual Stipulation
(Apr. 8, 2021)

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Ex. 19, Intervenor FTC's Motion for Partial Summary Judgment,
Tennessee v. Lexington Law Firms, No. 3-96-0344 (M.D. Tenn.
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Ex. 21, State Coverage Map (Hamilton Ex. 364)

Ex. 22, PGX0048184

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Ex. 28, PGX0027706

Ex. 29, PGX0040984 Excerpts

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Webpages (Nov. 14, 2021) and Attachments

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Ex. 32, PGX0047444

Ex. 33, PGX0040901 Excerpt

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MAUREEN MCOWEN
JONATHAN REISCHL
TRACY L. HILMER
ALICIA FERRARA
LORRAINE VAN KIRK
(202) 435-9553
maureen.mcowen@cfpb.gov
jonathan.reischl@cfpb.gov
tracy.hilmer@cfpb.gov
alicia.ferrara@cfpb.gov
lorraine.vankirk@cfpb.gov
1700 G Street, NW
Washington, DC 20552

*Attorneys for Plaintiff Bureau of
Consumer Financial Protection*

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH

BUREAU OF CONSUMER FINANCIAL
PROTECTION,

Plaintiff,

v.

PROGREXION MARKETING, INC., *et al.*,

Defendants.

Case No. 2:19-cv-00298-BSJ

**DECLARATION OF ALICIA FERRARA IN SUPPORT OF PLAINTIFF'S
MOTION FOR PARTIAL SUMMARY JUDGMENT ON COUNT I
AGAINST ALL DEFENDANTS**

I, Alicia Ferrara, declare and state as follows:

1. I am employed by the Bureau of Consumer Financial Protection (“Bureau”) as an Honors Attorney in the Office of Enforcement. I represent the Bureau in the above-captioned litigation.
2. I submit this declaration in support of the Bureau’s Motion for Partial Summary Judgment on Count I Against All Defendants (“Motion”).
3. The following are submitted as exhibits to the Bureau’s Motion and comprise the Bureau’s Appendix of Evidence.
4. Exhibit 1 is a true and correct copy of excerpts from the deposition of John C. Heath in this litigation on April 20, 2021.
5. Exhibit 2 is a true and correct copy of the document with the file name “Service Feature Matrix LLF7,” which was produced by Defendants in this litigation and marked as Exhibit 349 to the deposition of Progrexion Marketing in this litigation on May 5, 2021, through corporate designee Jesse Beal.
6. Exhibit 3 is a true and correct copy of excerpts from the deposition of Progrexion Teleservices in this litigation on May 11, 2021, through corporate designee Terry Kealamakia.
7. Exhibit 4 is a true and correct copy of DelPonti0000371, a screenshot of

Lexington Law’s website that was produced by Defendants’ expert John DelPonti in this litigation.

8. Exhibit 5 is a true and correct copy of PGX0028285, a screenshot of Lexington Law’s website that was produced by Defendants in this litigation.
9. Exhibit 6 is a true and correct copy of PGX0028357, a screenshot of Lexington Law’s website that was produced by Defendants in this litigation.
10. Exhibit 7 is a true and correct copy of PGX0002572, a presentation titled “Pricing Lexington Law,” which was produced by Defendants in this litigation.
11. Exhibit 8 is a true and correct copy PGX0028796, a Lexington Law telemarketing script that was produced by Defendants in this litigation.
12. Exhibit 9 is a true and correct copy of PGX0028741, a Lexington Law telemarketing script that was produced by Defendants in this litigation.
13. Exhibit 10 is a true and correct copy of excerpts of the deposition of Progrexion Marketing in this litigation on May 5, 2021, through corporate designee Jesse Beal.
14. Exhibit 11 is a true and correct copy of LEX0000421, a Lexington Law customer agreement that was produced by Defendants in this litigation.
15. Exhibit 12 is a true and correct copy of Defendant John C. Heath, P.C.,

Attorney at Law, d/b/a Lexington Law's ("Heath") response to the Bureau's Interrogatory No. 3, dated April 7, 2021.

16. Exhibit 13 is a true and correct copy of a stipulation dated July 8, 2021 between the Bureau and Defendants Progexion Marketing, Progexion Teleservices, PGX Holdings, eFolks, and CreditRepair.com.
17. Exhibit 14 is a true and correct copy LEX00000028, the Amended and Restated Intellectual Property Licensing and Custom Software Hosting Services Agreement between Progexion IP and Heath, which was produced by Defendants in this litigation.
18. Exhibit 15 is a true and correct copy LEX00000001, the Amended and Restated Advertising and Marketing Agreement between Progexion Marketing and Heath, which was produced by Defendants in this litigation.
19. Exhibit 16 is a true and correct copy of PGX.CFPB.00000113, the Advertising, Marketing and Software Licensing Agreement between Progexion Marketing and CreditRepair.com, which was produced by Defendants during the Bureau's pre-suit investigation of this matter.
20. Exhibit 17 is a true and correct copy of a factual stipulation by Heath, dated April 8, 2021.
21. Exhibit 18 is a true and correct copy of excerpts of the deposition of

CreditRepair.com in this litigation on May 6, 2021, through corporate designee Jacob Hamilton.

22. Exhibit 19 is a true and correct copy of pages 1-14 of Intervenor FTC's Motion for Partial Summary Judgment in *Tennessee v. Lexington Law Firms*, No. 3-96-0344 (M.D. Tenn. Dec. 16, 1996).
23. Exhibit 20 is a true and correct copy of PGX0048433, Progrexion Teleservices's 2018 Delaware Telemarketing Registration Statement, which was produced by Defendants in this litigation.
24. Exhibit 21 is a true and correct copy the document titled "Creditrepair.com State Coverage," which was produced by Defendants in this litigation and marked as Exhibit 364 to the deposition of CreditRepair.com in this litigation on May 6, 2021 through corporate designee Jacob Hamilton.
25. Exhibit 22 is a true and correct copy of PGX0048184, CreditRepair.com's 2018 Utah Telemarketing Application, which was produced by Defendants in this litigation.
26. Exhibit 23 is a true and correct copy of PGX0028231, a screenshot from Lexington Law's website that was produced by Defendants in this litigation.
27. Exhibit 24 is a true and correct copy of DelPonti0000357, a screenshot from Lexington Law's website that was produced by Defendants' expert, John

DelPonti in this litigation.

28. Exhibit 25 is a true and correct copy of Heath's Supplemental Response to the Bureau's Request for Admission No. 4, dated July 6, 2021.
29. Exhibit 26 is a true and correct copy of the document with the file name "Service Feature Matrix CR," which was produced by Defendants in this litigation and marked as Exhibit 351 to the deposition of Progrexion Marketing in this litigation on May 5, 2021 through corporate designee Jesse Beal.
30. Exhibit 27 is a true and correct copy of PGX0000555, a presentation titled "Product Knowledge Product Training" that was produced by Defendants in this litigation.
31. Exhibit 28 is a true and correct copy of PGX0027706, a screenshot of CreditRepair.com's website that was produced by Defendants in this litigation.
32. Exhibit 29 is a true and correct copy of an excerpt from PGX0040984, the 2018 California Creative Audit for CreditRepair.com, which was produced by Defendants in this litigation.
33. Exhibit 30 is a true and correct copy of the Declaration of Jacob Lichtblau Regarding Lexington Law Ads and Webpages (Nov. 14, 2021) and

Attachments.

34. Exhibit 31 is a true and correct copy of PGX0028638, a CreditRepair.com telemarketing script that was produced by Defendants in this litigation.
35. Exhibit 32 is a true and correct copy of PGX0047444, a CreditRepair.com customer agreement produced by Defendants in this litigation.
36. Exhibit 33 is a true and correct copy of an excerpt from PGX0040901, the 2019 California Creative Report for Lexington Law, which was produced by Defendants in this litigation.
37. Exhibit 34 is a true and correct copy of CreditRepair.com's response to the Bureau's Interrogatory No. 2, dated April 7, 2021.
38. Exhibit 35 is a true and correct copy of CreditRepair.com's Supplemental Response to the Bureau's Request for Admission No. 1, dated July 6, 2021.
39. Exhibit 36 is a true and correct copy of excerpts from the deposition of eFolks in this litigation on May 10, 2021, through corporate designee Khang Nguyen.
40. Exhibit 37 is a true and correct copy of LEX00000066, the Amended and Restated Teleservices Outsourcing Agreement between Progrexion Teleservices and Heath, which was produced by Defendants in this litigation.

41. Exhibit 38 is a true and correct copy of PGX Holdings's Response to the Bureau's Interrogatory No. 15, dated May 14, 2021.
42. Exhibit 39 is a true and correct copy of Heath's response to the Bureau's Interrogatory No. 13, dated May 14, 2021.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 10, 2021.

/s/ Alicia Ferrara
ALICIA FERRARA
Enforcement Attorney
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552
Telephone: (202) 435-9778
alicia.ferrara@cfpb.gov

*Attorney for Plaintiff Bureau of
Consumer Financial Protection*

Ex. 1

Heath Depo Excerpts
Public Version Redacted

Ex. 2

Service Feature Matrix LLF7
(Beal Ex. 349)

Public Version Redacted

Ex. 3

Progrexion Teleservices Dep Excerpts
Public Version Redacted

Ex. 4

DelPonti0000371

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Credit Repair

Lexington Law is here to help you meet your credit score goals. Our credit repair services can help you work to remove the inaccurate or unfair negative items listed on your credit report.

Call us to get started

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Find out why over 500,000 clients chose Lexington Law

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[Or Sign Up Online »](#)

What is Credit Repair?

Credit repair is the process of improving a poor credit score by addressing or removing negative items that could be listed on your reports inaccurately. Although the Fair Credit Reporting Act outlined the right for Americans to have accurate credit reports, credit reporting agencies require you to navigate complicated online systems and send a series of formal dispute letters in order to fix your credit.

To make credit repair easier, Lexington Law can identify and challenge questionable items on your behalf. Using our patented credit repair process, Lexington Law's clients have seen over 221 million challenges and disputes since our founding in 2004.

Call for a free credit consultation

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[Or Sign Up Online »](#)

How We Help Fix Your Credit



1. CREDIT REPORT ANALYSIS

7. CREDIT DISPUTING

Our team will send the appropriate correspondence to dispute and challenge the inaccurate negative items on your report.



We obtain your credit reports and create a plan targeting the questionable negative items affecting your credit score.

Credit Repair Service Levels

Lexington Law offers a variety of service levels to support every budget and need. Our credit repair services levels range from \$89.85 to \$129.95 and each option offers you a unique coverage to fix errors on your credit report.

<i>HIGHEST PREMIUM</i>	<p>PremierPlus Advanced</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions ✓ InquiryAssist ✓ Score analysis ✓ ReportWatch ✓ TransUnion® alerts ✓ Cease & desist letters ✓ FICO® score tracker ✓ Identity protection ✓ Personal finance tools 	<p>Concord Premier Moderate</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions ✓ InquiryAssist ✓ Score analysis ✓ ReportWatch ✓ TransUnion® alerts Cease & desist letters FICO® score tracker Identity protection Personal finance tools 	<p>Concord Standard Basic</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions InquiryAssist Score analysis ReportWatch TransUnion® alerts Cease & desist letters FICO® score tracker Identity protection Personal finance tools
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Client Results

Over the past two decades Lexington Law has pioneered new credit reporting strategies that increased the effectiveness of case outcomes and improved individual results. In 2020 alone our clients saw over 7 million removals on their credit reports.

But don't take our word for it. [Explore some of our reviews](#) and see what our customers have to say about our results.

- TED

Is credit repair right for you?

Depending on the status of your credit report, credit repair might not be the best next step to raising your credit score. Our credit repair services are designed to help those who are most in need of negative item removals from their report.

Answer the following questions to find out if credit repair is right for you.

- Yes No Have you ever made a payment late?
- Yes No Have you ever been denied a loan or credit card?
- Yes No Have you recently had your credit checked?

[FIND OUT NOW](#)[Or Sign Up Online »](#)

How long does credit repair take?

Unfortunately, there's no way to predict in advance how long it will take to repair your credit, as every credit report is unique. That being said, we help hundreds of thousands of people each year work to repair their credit, and typically they've stayed with us for six months. With our team of professionals, credit monitoring software and mobile app dashboard, our removal process is streamlined to get you results.

Our average client uses our service for

6 months

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Your Credit Rights

The Fair Credit Reporting Act (FCRA) plays a major role in the credit repair process as its laws protect consumers by governing credit bureaus and the furnishers of credit information like creditors and financial institutions.

Some of the key laws and rights granted in the FCRA include:

- Credit bureaus are required to provide one free credit report every 12 months.
- Credit bureaus are required to verify the accuracy of information listed on the report.
- Creditors and financial institutions are required to only report complete and accurate consumer information.
- Consumers can challenge incorrect and incomplete items listed on a credit report.
- Consumers can seek damages from credit bureaus and furnishers violating the FCRA.
- Consumers can limit who can access your credit reports.
- Consumers can request if your credit report is being used against you financially.

The team at Lexington Law will help you understand your credit profile and rights as a consumer during our free credit consultation.

Do It Yourself Credit Repair

If the number of errors on your credit report are below average, fixing credit yourself could end up being a free alternative. To get started, our tips on DIY credit repair will cover how to request a free credit report, and review it for error. For information on removing negative items, our guide to credit disputes will get you started with the basic process of disputing through removal letters. For direct information on removing negative items, our free credit dispute letter templates will help in removing some of the common errors found on a credit report.

[609 Dispute Letters](#) | [Pay For Delete Letters](#) | [Goodwill Letters](#) | [Hard Inquiry Dispute Letters](#)

Maintaining Good Credit

If your credit report is already free of errors and negative items, credit repair will not help you raise your credit score. After your report is clean, raising your score comes down to practicing good credit habits and being mindful of how a credit score is calculated. For more detailed insight on improving your credit, here are the **five main factors that affect your score**:

- Payment History & Late Payments: 35%
- Credit Utilization: 30%
- Number of Credit Inquiries: 15%

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Cody Johnson, Managing Attorney, John C. Heath, Attorney at Law, PC, d/b/a Lexington Law Firm, 20620 North 19th Avenue, Phoenix, Arizona 85027

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Ex. 5

PGX0028285

Credit Repair

Lexington Law is here to help you meet your credit score goals. Our credit repair services can help you work to remove the inaccurate or unfair negative items listed on your credit report.

Call us to get started

CALL 1-866-944-4395

Or sign up online »

Find out why over 500,000 clients chose Lexington Law

CALL 1-866-944-4395

Or sign up online »

What is Credit Repair?

Credit repair is the process of addressing and removing the questionable negative items that are impacting your credit profile. In fact, millions of Americans are victims of inaccurate or unfair negative items wrongfully lowering your score. Most don't even know.

To remove a negative item, credit reporting agencies require you to work through their complicated online systems and send a series of formal dispute letters. To make the disputing process easier, Lexington Law can identify and challenge questionable negative items on your behalf using our patented credit repair process.

Call for a free credit consultation

CALL 1-866-944-4395

Or sign up online »

How We Help Fix Your Credit



1. CREDIT REPORT ANALYSIS

We obtain your credit reports and create a plan targeting the questionable negative items affecting your credit score.



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<p>PremierPlus Advanced</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions ✓ InquiryAssist ✓ Score analysis ✓ ReportWatch ✓ TransUnion® alerts 	<p>Concord Premier Moderate</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions ✓ InquiryAssist ✓ Score analysis ✓ ReportWatch ✓ TransUnion® alerts 	<p>Concord Standard Basic</p> <ul style="list-style-type: none"> ✓ Bureau challenges ✓ Creditor interventions InquiryAssist Score analysis ReportWatch TransUnion® alerts
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Client Results

Lexington Law is here to represent the millions of Americans that are subjected to inaccurate, unfair or unverified negative items on their credit reports. In 2017 alone, our clients saw 10 million negative items removed from their credit reports.

But don't take our word for it. Explore some of our customer success stories to see if Lexington Law is right for you.

"You are on top of credit repair and you have folks who care about you and are willing to help"

- TED

Is credit repair right for you?

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- Yes No Have you recently had your credit checked?

FIND OUT NOW

Or sign up online »

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Our average client uses our service for

6 months

While every credit situation is different, we do everything we can to make the process faster and more efficient.

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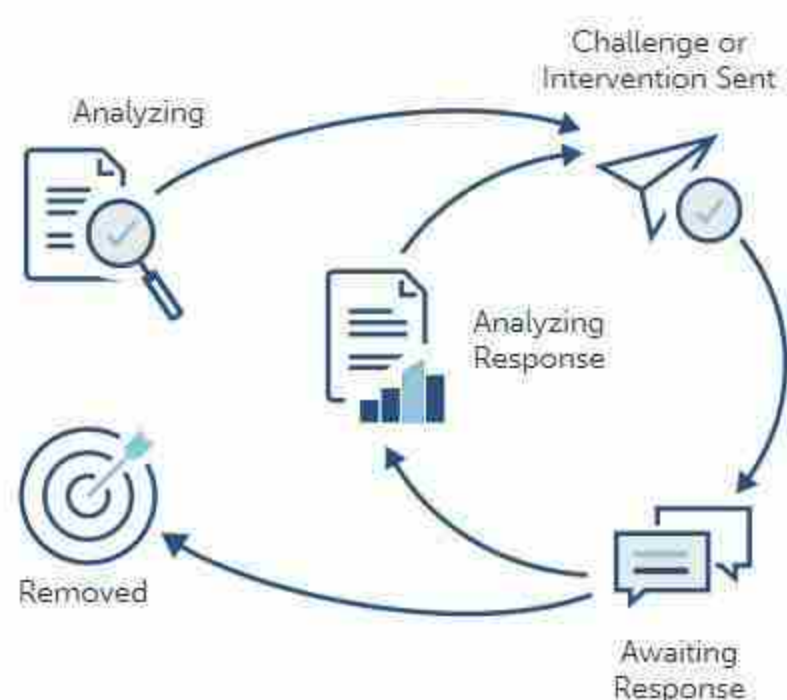


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Your free 10 minute credit consultation includes a:



1. TRANSUNION CREDIT REPORT SUMMARY



2. SCORE EVALUATION AND RECOMMENDED SOLUTIONS



3. ONE-ON-ONE CONVERSATION WITH A TRAINED CREDIT REPAIR PROFESSIONAL

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Meet our attorneys

John Heath
Directing Attorney
Licensed in Utah

John Heath was born and raised in Salt Lake City, Utah. He received his BA from the University of Utah and his Juris Doctor from Ohio Northern University. While

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Cynthia Thaxton
Utah Assistant Managing Attorney
Licensed in Utah

Cynthia is the Assistant Managing Attorney in the firm's Utah office. She attended The College of William and Mary in Williamsburg, Virginia and earned a

[Read Bio](#)

Dale King
Senior Attorney - Now Retired
Licensed in Utah

Dale King was born in Salt Lake City, Utah and continues to reside there. Mr. King earned his Juris Doctorate from the University of Utah and was admitted to

[Read Bio](#)

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Ex. 9

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Ex. 10

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Ex. 11

LEX0000421

E-SIGN DISCLOSURE

Your electronic signature signifies your agreement to transact business electronically, which includes receiving all documents in HTML or PDF format and communicating over the Internet.

You also certify that you are at least 18 years of age and have access to the Internet to receive Lexington's services and to view, print and retain all documentation. You may receive paper copies by calling your paralegal at 800-341-8441 at no charge.

Though you may withdraw your consent to electronically transact business with Lexington by calling your paralegal, by doing so Lexington will no longer be able to provide you services.

I acknowledge that I have received and agree to these terms.

/s/ _____
Name

Date

ENGAGEMENT AGREEMENT AND LIMITED DESIGNATION OF AGENCY

Thank you for hiring John C. Heath, Attorney at Law, PLLC d/b/a Lexington Law Firm, 360 North Cutler Drive, North Salt Lake, Utah 84054 (“Lexington”) to represent you. This Engagement Agreement and Limited Designation of Agency (“Contract”) is made in the state of Utah and constitutes the complete understanding between you and Lexington (the “Representation”).

I. DEFINITIONS

A. Bureaus. The term “Bureaus” shall mean, collectively or individually, the major credit bureaus (TransUnion, Equifax, and Experian).

B. Credit Repair Communications. The term “Credit Repair Communications” shall mean written or electronic communications to Bureaus and/or Furnishers. Credit Repair Communications will be sent in accordance with your instructions and information as well as with Lexington’s analysis of your credit reports.

C. Content. The term “Content” shall mean Lexington’s works of authorships, including but not limited to its registered marks, copyrighted material, any revisions, modifications and enhancements thereto, and any trade dress.

D. Furnishers. The term “Furnishers” shall mean one or more credit report information furnishers (for example, creditors, debt collectors, and banks).

E. Service Interval. The term “Service Interval” shall mean 5-15 days after the date of this Contract, and monthly thereafter or the date Representation ends, if earlier.

F. Service Interval Trimester. The term “Service Interval Trimester” shall mean four consecutive Service Intervals.

G. Websites. The term “Websites” shall mean the websites located at www.lexingtonlaw.com and clients.lexingtonlaw.com, and such other sites as Lexington may choose to operate in connection with the Representation.

II. SERVICES AND REPRESENTATION

You are engaging the Concord Premier service level (described below) as of the date of this Contract. You may change your service level at any time simply by contacting Lexington. In the event you change your service level, all terms and conditions of this Contract will apply to your chosen service level.

You agree that, by signing this Contract, you are providing Lexington with “written instructions” in accordance with the Fair Credit Reporting Act to periodically obtain your credit reports from any consumer reporting agency, affiliate or third party and to use your credit reports to provide you with the services agreed to as part of this Contract.

Lexington performs one or more of the following services before you pay: enters your personal data and one or more credit reports into its secure database; provides you with a login to access your case online and to access certain informative content Lexington offers its clients; collects information and instructions from you regarding your particular circumstances and how you wish to proceed; analyzes your case; and prepares and sends one or more Credit Repair Communications on your behalf.

Subsequently, Lexington typically performs one or more of the following ongoing and periodic services as appropriate in its judgment and discretion: receives and reviews Bureau and Furnisher correspondence sent to us directly or by you; collects and reviews updated information and instructions from you regarding your circumstances, goals, and case; monitors and analyzes your case; provides you with status updates regarding your case; and prepares and sends one or more additional Credit Repair Communications on your behalf.

Lexington cannot guarantee and you are not paying for a particular credit report outcome or result; you are paying only for Lexington's efforts on your behalf. The Bureaus or Furnishers may not respond to initial or subsequent Credit Repair Communications and ultimately may decide not to remove items from your consumer credit files despite Lexington's efforts.

Lexington's Representation is designed to assist you in your efforts to ensure that your credit reports fairly and accurately reflect your credit history, and to provide you with valuable guidance as you continue to manage your credit. In order to meet your precise needs, Lexington offers the following service levels that may assist you in your efforts to stay on track. Regardless of the service level, Lexington uses its judgment and discretion to determine the content, number and frequency of the Credit Repair Communications. Credit Repair Communications may be sent to Bureaus and/or Furnishers up to two (2) weeks after you choose to end Representation (due to variations in transit time and the period required to process a request to cancel Representation). This Contract is only for the services listed below related to your chosen service level and does not include pre-litigation or litigation services.

A. CREDIT REPAIR SERVICE LEVELS

Concord Standard.

- The Concord Standard service level will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting.
- Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send Credit Repair Communications to Bureaus and up to three Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Concord Premier.

- The Concord Premier service level will, in addition to all services provided under the Concord Standard service level, provide personalized analyses of factors impacting credit scoring. Lexington will provide at least one credit score improvement analysis during a Service Interval.

Clients who engage the Concord Standard service level or Concord Premier service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 4 to 6 Credit Repair Communications; (b) 2 Service Intervals – 8 to 12 Credit Repair Communications; (c) 4 Service Intervals – 16 to 24 Credit Repair Communications; (d) 6 Service Intervals – 24 to 36 Credit Repair Communications; (e) 8 Service Intervals – 32 to 48 Credit Repair Communications; (f) 10 Service Intervals – 40 to 60 Credit Repair Communications; (g) 12 Service Intervals – 48 to 72 Credit Repair Communications.

Concord Premier Plus.

The Concord Premier Plus service level will, in addition to all services provided under the Concord Premier service level, provide:

- additional Credit Repair Communications,
- periodic credit score tracking,
- management tools for identity protection and personal finance, and
- other communications as requested and as applicable that leverage additional consumer protections.

Clients who engage the Concord Premier Plus service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 7 to 10 Credit Repair Communications; (b) 2 Service Intervals – 14 to 20 Credit Repair Communications; (c) 4 Service Intervals – 28 to 40 Credit Repair Communications; (d) 6 Service Intervals – 42 to 60 Credit Repair Communications; (e) 8 Service Intervals – 56 to 80 Credit Repair Communications; (f) 10 Service Intervals – 70 to 100 Credit Repair Communications; (g) 12 Service Intervals – 84 to 120 Credit Repair Communications.

Lex Essentials Reduced Rate Structure.

- Lex Essentials is a reduced rate subset of your service level. Lex Essentials will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.
- Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send Credit Repair Communications to Bureaus and up to two Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Clients who engage Lex Essentials for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 2 to 4 Credit Repair Communications; (b) 2 Service Intervals – 4 to 8 Credit Repair Communications; (c) 4 Service Intervals – 8 to 16 Credit Repair Communications; (d) 6 Service Intervals – 12 to 24 Credit Repair Communications; (e) 8 Service Intervals – 16 to 32 Credit Repair Communications; (f) 10 Service Intervals – 20 to 40 Credit Repair Communications; (g) 12 Service Intervals – 24 to 48 Credit Repair Communications.

Lex OnTrack.

- The Lex OnTrack service level is designed to assist you in managing your credit profile, identity, and personal finances.
- Lexington will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts.
- Once each Service Interval Trimester, Lexington will provide a credit score improvement analysis of factors impacting your credit score.
- When applicable, the Lex OnTrack service level also assists you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting, but at a reduced pace.
- Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send, as applicable, up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester.

Clients with credit report items requiring Credit Repair Communications, who engage the Lex OnTrack service level for the following example number(s) of specified Service Intervals, have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 1 to 2 Credit Repair Communications; (b) 2 Service Intervals – 2 to 4 Credit Repair Communications; (c) 4 Service Intervals – 4 to 8 Credit Repair Communications; (d) 6 Service Intervals – 6 to 12 Credit Repair Communications; (e) 8 Service Intervals – 8 to 16 Credit Repair Communications; (f) 10 Service Intervals – 10 to 20 Credit Repair Communications; (g) 12 Service Intervals – 12 to 24 Credit Repair Communications.

B. AFTERCARE SERVICE LEVELS

Maintenance Pro.

- The Maintenance Pro service level is designed for clients with few remaining credit report items requiring Lexington's attention.
- This service level will provide the same services as Concord Premier; however, the Credit Repair Communications sent on your behalf and in your name will be performed less frequently:

- Lexington will send up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester. Lexington will also provide one to three credit score improvement analyses during a Service Interval Trimester.

Clients who engage the Maintenance Pro service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 1 to 2 Credit Repair Communications; (b) 2 Service Intervals – 2 to 4 Credit Repair Communications; (c) 4 Service Intervals – 4 to 8 Credit Repair Communications; (d) 6 Service Intervals – 6 to 12 Credit Repair Communications; (e) 8 Service Intervals – 8 to 16 Credit Repair Communications; (f) 10 Service Intervals – 10 to 20 Credit Repair Communications; (g) 12 Service Intervals – 12 to 24 Credit Repair Communications.

ReportWatch.

- The ReportWatch service level is designed for clients who have achieved their primary credit repair goals but would continue to benefit from longer-term credit report and score monitoring and analysis.
- This service level will provide regular notifications as well as personalized coaching regarding factors underlying credit scoring.
- Language within this Contract related to Credit Repair Communications, Bureaus and Furnishers will not apply to the ReportWatch service level.

III. PAYMENT AND FEES

Lexington never charges before any services are fully performed. Fees are collected on a periodic basis, but only for services previously provided. Because fees are charged after rendering services, you should expect to pay a final fee when you choose to end Representation and fees are generally not refundable. Any service credit provided by Lexington will be applied to services rendered and will expire upon cancellation of Lexington's Representation.

A Service Interval fee is charged five to fifteen days from the date of this Contract as follows: \$99.95 for Concord Standard and Concord Premier service levels; \$119.95 for Concord Premier Plus; \$24.95 for Lex OnTrack; \$19.95 for Maintenance Pro; or \$12.95 for ReportWatch. This fee will be charged after related services have been fully rendered.

When you elect to continue additional Service Interval(s) at a selected service level, you will be charged the following at the end of each Service Interval, for work previously and fully rendered: \$79.95 for Concord Standard; \$99.95 for Concord Premier; \$119.95 for Concord Premier Plus; \$59.95 for Lex Essentials; \$24.95 for Lex OnTrack; \$19.95 for Maintenance Pro; or \$12.95 for ReportWatch. Charges will be processed on or about the same day of each month for each Service Interval(s) until you elect to suspend or cancel service. For example, if a fee for services was charged on the seventh of the month and you choose to continue for another Service

Interval, the fee for that Service Interval will be charged on or about the seventh of the next month for work previously and fully rendered. (The specific day of the month may vary slightly due to weekends and holidays.) A final fee will be charged on the day you end Representation. Depending on which payment method you have selected, fees will either be charged to your credit or debit card or drafted from your bank account.

You agree to pay the following late charge when payment for Lexington's Representation is not honored upon first presentment by Lexington to your credit or debit card company or bank: \$19.95 for Concord Standard, Concord Premier, and Concord Premier Plus; \$9.95 for Lex Essentials; or \$4.95 for Lex OnTrack and Maintenance Pro. You authorize Lexington to substitute additional payment methods provided by you in the event any fee or charge authorized by this Contract is not honored upon first presentment by Lexington. You grant Lexington permission to withdraw any fee or charge authorized by this Contract from your credit or debit card or bank account and to verify your account information.

While the amount of work performed may vary from Service Interval to Service Interval, your monthly fee for additionally elected Service Intervals will remain the same and will be collected only for services previously and completely rendered.

Clients who engage the Concord Standard service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$99.95; (b) 2 Service Intervals – \$179.90; (c) 4 Service Intervals – \$339.80; (d) 6 Service Intervals – \$499.70; (e) 8 Service Intervals – \$659.60; (f) 10 Service Intervals – \$819.50; (g) 12 Service Intervals – \$979.40.

Clients who engage the Concord Premier service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$99.95; (b) 2 Service Intervals – \$199.90; (c) 4 Service Intervals – \$399.80; (d) 6 Service Intervals – \$599.70; (e) 8 Service Intervals – \$799.60; (f) 10 Service Intervals – \$999.50; (g) 12 Service Intervals – \$1199.40.

Clients who engage the Concord Premier Plus service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$119.95; (b) 2 Service Intervals – \$239.90; (c) 4 Service Intervals – \$479.80; (d) 6 Service Intervals – \$719.70; (e) 8 Service Intervals – \$959.60; (f) 10 Service Intervals – \$1199.50; (g) 12 Service Intervals – \$1439.40.

Clients who engage the Lex Essentials reduced rate structure for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$59.95; (b) 2 Service Intervals – \$119.90; (c) 4 Service Intervals – \$239.80; (d) 6 Service Intervals – \$359.70; (e) 8 Service Intervals – \$479.60; (f) 10 Service Intervals – \$599.50; (g) 12 Service Intervals – \$719.40.

Clients who engage the Lex OnTrack service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$24.95; (b) 2 Service Intervals – \$49.90; (c) 4 Service Intervals – \$99.80; (d) 6 Service Intervals

– \$149.70; (e) 8 Service Intervals – \$199.60; (f) 10 Service Intervals – \$249.50; (g) 12 Service Intervals – \$299.40.

Clients who engage the Maintenance Pro service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$19.95; (b) 2 Service Intervals – \$39.90; (c) 4 Service Intervals – \$79.80; (d) 6 Service Intervals – \$119.70; (e) 8 Service Intervals – \$159.60; (f) 10 Service Intervals – \$199.50; (g) 12 Service Intervals – \$239.40.

Clients who engage the ReportWatch service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$12.95; (b) 2 Service Intervals – \$25.90; (c) 4 Service Intervals – \$51.80; (d) 6 Service Intervals – \$77.70; (e) 8 Service Intervals – \$103.60; (f) 10 Service Intervals – \$129.50; (g) 12 Service Intervals – \$155.40.

IV. TERM AND CANCELLATION

You may suspend or cancel this Contract at any time and in a number of ways, including: (a) telephoning Lexington, (b) signing and mailing Lexington one of the Notices of Cancellation, or (c) sending Lexington a written request. Lexington honors all cancellation requests without condition or charge that are sent to Lexington within the first five days of the date of this Contract. It may take up to three business days from the day Lexington receives your request to process it. Cancellation requests sent after the first five days may result in a charge.

The length of time you may wish to engage Lexington will likely depend on a variety of factors, such as: your individual credit goals, your timely participation, the complexity of your case (e.g. the type and number of unfairly or inaccurately reported credit information subject to substantiation), initial and subsequent positions taken by a particular Furnisher or Bureau regarding an affected credit report item, new information added to your credit profile during your Representation, changes to your initial credit goals, and other related factors. This contract continues from month to month. You are advised to review your case at least each month and determine whether you wish to continue Lexington's Representation or suspend or cancel it.

Lexington reserves the right to withdraw from representing you if you breach this Contract or for any reason permitted under applicable professional rules of conduct. In the event Lexington withdraws, you agree to pay Lexington for the services rendered by Lexington previous to the date of withdrawal.

Lexington may have discussions with you regarding your case and in doing so may provide its opinion, in its judgment, regarding your options and possible outcomes, given the information you provide to Lexington. Any expressions of opinion may not reflect an actual outcome.

V. CLIENT RESPONSIBILITIES AND COMMUNICATIONS

You agree to assist Lexington in answering certain security questions regarding your identity and credit history as may be necessary to obtain your credit reports.

You agree to specify which credit report items Lexington should challenge with Bureaus, as applicable, and the basis for such actions.

You will provide Lexington with legible copies (not originals) of updated credit reports at least every ninety days, and promptly forward to Lexington copies of all correspondence you receive from the Bureaus, Furnishers, or others as the result of Lexington's efforts on your behalf. You understand and acknowledge that failure to promptly forward correspondence and updated credit reports may delay or negatively impact your case.

You agree to send only copies of documents, not originals, for Lexington to scan, store electronically, and shred.

You agree to promptly inform Lexington if your contact or payment information changes by calling your paralegal.

You agree to review your case each month and determine whether you wish to suspend or cancel the Representation.

Once Representation is canceled, you authorize Lexington to destroy your file in accordance with Lexington's retention policy, excluding only those documents which are required to be retained. You may request copies of your file for up to six months.

You agree to use the Content for your own personal benefit, and not for commercial purposes.

You agree and acknowledge that Lexington may communicate private and confidential information with you via unencrypted email at the address you provide. You agree to promptly inform Lexington if your email address changes by calling your paralegal.

You agree that all information you provide Lexington is true to the best of your knowledge.

You understand and acknowledge that you are not paying for, and that Lexington does not make, any representation, warranty, promise or guarantee as to any particular outcome or result. You are paying only for Lexington's Representation on your behalf. The Bureaus or Furnishers may decide not to remove items from your consumer credit files despite Lexington's actions.

You acknowledge that you intentionally hired Lexington, which is based in the state of Utah, to represent you as described in this Contract.

You acknowledge that Credit Repair Communications prepared by Lexington may include your account number(s) and Social Security Number in order to reference your account.

You understand Credit Repair Communications sent by Lexington to Furnishers and Bureaus on your behalf will be sent in your name, and will not be identified as being sent by Lexington. Copies of written Credit Repair Communications will be provided to you upon request.

You agree to all other terms and conditions within this Contract.

VI. LEXINGTON WILL NOT DO ANY OF THE FOLLOWING:

Lexington will not file your case in court or perform pre-litigation services on your behalf, except under a separate written agreement signed by both you and Lexington. Lexington assists you in contacting Bureaus and Furnishers to address items on your credit reports, but Lexington does not promise or provide any specific outcome with regard to your credit history or credit report. Multiple attempts to assist you in this effort may be necessary, and should you deem Lexington's actions to be unsuccessful, you may need to seek additional legal representation regarding a particular Furnisher or Bureau.

Lexington will not dispute accurate information within your credit report.

VII. STAFFING

Lexington may assign various attorneys and paralegals, clerical staff, or others to perform work on your case. You agree services in connection with your Representation may be performed by any attorney, or law firm that is associated with Lexington, and any such attorney's or law firm's paralegals, clerical staff or other assistants. There is no additional charge to you for work performed by these individuals.

VIII. GENERAL

A. **ARBITRATION.** You agree to arbitrate all disputes and claims between you and Lexington on an individual basis only and not as a part of any class. You agree that, by entering into this Contract, you are waiving all rights to: (a) a trial by jury; (b) participate in a class action law suit or class action arbitration; and (c) bring an action against Lexington in a court of law. You may individually arbitrate any claim against Lexington in any jurisdiction in the United States. Lexington will reimburse you up to \$300 of your arbitration filing fee. The rules of the American Arbitration Association shall govern the arbitration and can be viewed online at www.adr.org or by calling 1-800-778-7879.

B. **SEVERABILITY.** In the event that any provision or covenant of this Contract shall be held invalid, illegal or unenforceable by a court or arbitrator of competent jurisdiction for any reason, then such provision will be severed and replaced with a new provision that most closely reflects the original intention of the parties, and this Contract and all of its remaining provisions shall remain in full force and effect for the greatest time period and for the broadest scope permitted by applicable law. You understand and agree that your obligations under Sections III, V, and VIII, and any other provision which by its nature should survive termination, shall survive and remain enforceable after termination of this Contract for any reason without restriction or limit.

C. **CONFLICTS IN TERMS.** In the event of a conflict between any notice, policy, disclaimer or other term contained in the Websites or otherwise, the terms and conditions of this Contract shall

control.

D. FORCE MAJEURE. Lexington shall not be liable by reason of any failure or delay in the performance of its obligations hereunder due to any reason beyond its reasonable control.

E. COPYRIGHTS AND TRADEMARKS. You acknowledge and agree that the Content are the property of Lexington or its licensors and suppliers and are protected by federal, state, and international copyrights laws, including the common law. Any other Content not owned by Lexington that appears on the Websites is the property of its respective owner(s). All software used on the Websites is the property of Lexington or its software suppliers and is also protected by federal, state, and international copyright law, including the common law. Reproduction of such Content, in whole or in part, is prohibited without prior consent.

F. PRIVACY NOTICE. Your telephone calls may be recorded and monitored for quality assurance. Lexington may use your personal information to the extent necessary for your Representation and as allowed by Lexington's privacy policy located online at <https://www.lexingtonlaw.com/info/privacy-policy.html> and its terms of use located online at <https://www.lexingtonlaw.com/info/terms.html>. You may also request a copy of Lexington's privacy policy and terms of use by calling Lexington. By executing this Contract, you acknowledge you have reviewed and agree to Lexington's privacy policy and terms of use. To the extent Lexington's privacy policy or terms of use conflict with this Contract, this Contract shall control. Lexington will not sell your information to third parties.

G. ENTIRE AGREEMENT. This Contract is the entire agreement between you and Lexington and supersedes all other agreements, whether made orally or in writing.

IX. LIMITED DESIGNATION OF AGENCY

You agree that Lexington may act as your non-exclusive agent and attorney in fact, on your behalf, for the limited purposes of:

- (a) requesting and receiving your consumer credit disclosures and credit reports;
- (b) disputing, challenging, or investigating with Bureaus as applicable, at your direction and within our professional judgment, inaccurate, unfairly reported, incomplete, or unsubstantiated information on such disclosures and reports;
- (c) receiving results from such inquiries and communicating them to you;
- (d) investigating and/or verifying information provided by Furnishers to Bureaus; and
- (e) signing letters on your behalf and in your name.

You authorize the Bureaus and Furnishers to provide such disclosures and reinvestigation results to Lexington on your behalf, via electronic means. You further agree that you will not knowingly dispute accurate information on your credit report or disclosures.

X. SIGNATURE

I have received and had the opportunity to review the Lexington Engagement Agreement and

Limited Designation of Agency, which I understand is a binding contract, and agree to all its terms and conditions.

By providing your electronic signature, you engage Lexington to work on your behalf and you agree to the following:

You acknowledge that you have received and agree to the terms of Lexington's E-SIGN Agreement, and that you have received and have had an opportunity to review a copy of the Lexington federal and state disclosure statements and notices of cancellation.

You acknowledge that you have received and had the opportunity to review the Lexington Engagement Agreement and Limited Designation of Agency, which you understand is a binding contract, and agree to all its terms and conditions.

Required Notice Under Federal Law: You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.

Lexington provides you five days from the date of this Contract to cancel without penalty or obligation.

For Utah Clients: Required Notice Under State Law: You, the buyer, may cancel this contract at any time prior to midnight of the fifth day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.

/s/ _____

Name

Date

DISCLOSURE STATEMENT

Consumer Credit File Rights Under State and Federal Law

You have a right to dispute inaccurate information in your credit report by contacting the credit bureau directly. However, neither you nor any "credit repair" company or credit repair organization has the right to have accurate, current, and verifiable information removed from your credit report. The credit bureau must remove accurate, negative information from your report only if it is over 7 years old. Bankruptcy information can be reported for 10 years.

You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. You are entitled to receive a free copy of your credit report if you are unemployed and intend to apply for employment in the next 60 days, if you are a recipient of public welfare assistance, or if you have reason to believe that there is inaccurate information in your credit report due to fraud.

You have a right to sue a credit repair organization that violates the Credit Repair Organization Act. This law prohibits deceptive practices by credit repair organizations.

You have the right to cancel your contract with any credit repair organization for any reason within 3 business days from the date you signed it

Credit bureaus are required to follow reasonable procedures to ensure that the information they report is accurate. However, mistakes may occur.

You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau must then reinvestigate and modify or remove inaccurate or incomplete information. The credit bureau may not charge any fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the credit bureau.

If the credit bureau's reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau, to be kept in your file, explaining why you think the record is inaccurate. The credit bureau must include a summary of your statement about disputed information with any report it issues about you.

The Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact:

**The Public Reference Branch
Federal Trade Commission
Washington, D.C. 20580**

I acknowledge that I have received and have had an opportunity to review a copy of the above written statement.

/s/ _____
Name

Date

INFORMATION STATEMENT REQUIRED BY STATE LAW

Right to Review File: You have the right to review any file on you that is maintained by any credit reporting agency, as provided under 15 U.S.C. Sec. 1681 et seq., as amended, the Fair Credit Reporting Act.

Right to Obtain a Free Copy of Your File: A review of the file on you will be conducted free of charge by the credit reporting agency that issued a report upon which a credit denial was based, if requested within 30 days of you receiving a notice of a denial of credit.

Approximate Price of Your File: If you are not otherwise entitled to a free credit report, the three credit bureaus, Transunion, Experian, and Equifax offer varying prices for your consumer report. They can range from \$9.95 to \$21.95. Sometimes other agencies will also offer free credit reports in addition to the one free credit report available at www.annualcreditreport.com.

Right to Dispute Inaccurate or Incomplete Information: You have the right to dispute the completeness or accuracy of any item contained in any file on you that is maintained by any credit reporting agency.

Description of Services:

I. Definitions

A. Bureaus. The term “Bureaus” shall mean, collectively or individually, the major credit bureaus (TransUnion, Equifax, and Experian).

B. Credit Repair Communications. The term “Credit Repair Communications” shall mean written or electronic communications to Bureaus and/or Furnishers. Credit Repair Communications will be sent in accordance with your instructions and information as well as with Lexington’s analysis of your credit reports.

C. Furnishers. The term “Furnishers” shall mean one or more credit report information furnishers (for example, creditors, debt collectors, and banks).

D. Representation. The term “Representation” shall mean the complete understanding between you and Lexington pursuant to your contract with Lexington.

E. Service Interval. The term “Service Interval” shall mean 5-15 days after the date of your contract with Lexington, and monthly thereafter or the date Representation ends, if earlier.

F. Service Interval Trimester. The term “Service Interval Trimester” shall mean four consecutive Service Intervals.

II. Services

Lexington performs one or more of the following services before you pay: enters your personal data and one or more credit reports into its secure database; provides you with a login to access your case online and to access certain informative content Lexington offers its clients; collects information and instructions from you regarding your particular circumstances and how you wish to proceed; analyzes your case; and prepares and sends one or more Credit Repair Communications on your behalf.

Subsequently, Lexington typically performs one or more of the following ongoing and periodic services as appropriate in its judgment and discretion: receives and reviews Bureau and Furnisher correspondence sent to us directly or by you; collects and reviews updated information and instructions from you regarding your circumstances, goals, and case; monitors and analyzes your case; provides you with status updates regarding your case; and prepares and sends one or more additional Credit Repair Communications on your behalf.

Lexington cannot guarantee and you are not paying for a particular credit report outcome or result; you are paying only for Lexington's efforts on your behalf. The Bureaus or Furnishers may not respond to initial or subsequent Credit Repair Communications and ultimately may decide not to remove items from your consumer credit files despite Lexington's efforts.

Lexington's Representation is designed to assist you in your efforts to ensure that your credit reports fairly and accurately reflect your credit history, and to provide you with valuable guidance as you continue to manage your credit. In order to meet your precise needs, Lexington offers the following service levels that may assist you in your efforts to stay on track. Regardless of the service level, Lexington uses its judgment and discretion to determine the content, number and frequency of the Credit Repair Communications. Credit Repair Communications may be sent to Bureaus and/or Furnishers up to two (2) weeks after you choose to end Representation (due to variations in transit time and the period required to process a request to cancel Representation). Your contract with Lexington is only for the services listed below related to your chosen service level and does not include pre-litigation or litigation services.

A. Credit Repair Service Levels

Concord Standard.

- The Concord Standard service level will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting.**
- Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send Credit Repair Communications to Bureaus and up to three Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.**

Concord Premier.

- **The Concord Premier service level will, in addition to all services provided under the Concord Standard service level, provide personalized analyses of factors impacting credit scoring. Lexington will provide at least one credit score improvement analysis during a Service Interval.**

Clients who engage the Concord Standard service level or Concord Premier service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 4 to 6 Credit Repair Communications; (b) 2 Service Intervals – 8 to 12 Credit Repair Communications; (c) 4 Service Intervals – 16 to 24 Credit Repair Communications; (d) 6 Service Intervals – 24 to 36 Credit Repair Communications; (e) 8 Service Intervals – 32 to 48 Credit Repair Communications; (f) 10 Service Intervals – 40 to 60 Credit Repair Communications; (g) 12 Service Intervals – 48 to 72 Credit Repair Communications.

Concord Premier Plus.

The Concord Premier Plus service level will, in addition to all services provided under the Concord Premier service level, provide:

- **additional Credit Repair Communications,**
- **periodic credit score tracking,**
- **management tools for identity protection and personal finance, and**
- **other communications as requested and as applicable that leverage additional consumer protections.**

Clients who engage the Concord Premier Plus service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 7 to 10 Credit Repair Communications; (b) 2 Service Intervals – 14 to 20 Credit Repair Communications; (c) 4 Service Intervals – 28 to 40 Credit Repair Communications; (d) 6 Service Intervals – 42 to 60 Credit Repair Communications; (e) 8 Service Intervals – 56 to 80 Credit Repair Communications; (f) 10 Service Intervals – 70 to 100 Credit Repair Communications; (g) 12 Service Intervals – 84 to 120 Credit Repair Communications.

Lex Essentials Reduced Rate Structure.

- **Lex Essentials is a reduced rate subset of your service level. Lex Essentials will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.**
- **Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send Credit Repair Communications to**

Bureaus and up to two Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Clients who engage Lex Essentials for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 2 to 4 Credit Repair Communications; (b) 2 Service Intervals – 4 to 8 Credit Repair Communications; (c) 4 Service Intervals – 8 to 16 Credit Repair Communications; (d) 6 Service Intervals – 12 to 24 Credit Repair Communications; (e) 8 Service Intervals – 16 to 32 Credit Repair Communications; (f) 10 Service Intervals – 20 to 40 Credit Repair Communications; (g) 12 Service Intervals – 24 to 48 Credit Repair Communications.

Lex OnTrack.

- **The Lex OnTrack service level is designed to assist you in managing your credit profile, identity, and personal finances.**
- **Lexington will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts.**
- **Once each Service Interval Trimester, Lexington will provide a credit score improvement analysis of factors impacting your credit score.**
- **When applicable, the Lex OnTrack service level also assists you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting, but at a reduced pace.**
- **Based upon its analysis of your credit reports and the information and instructions you provide, Lexington will prepare and send, as applicable, up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester.**

Clients with credit report items requiring Credit Repair Communications, who engage the Lex OnTrack service level for the following example number(s) of specified Service Intervals, have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 1 to 2 Credit Repair Communications; (b) 2 Service Intervals – 2 to 4 Credit Repair Communications; (c) 4 Service Intervals – 4 to 8 Credit Repair Communications; (d) 6 Service Intervals – 6 to 12 Credit Repair Communications; (e) 8 Service Intervals – 8 to 16 Credit Repair Communications; (f) 10 Service Intervals – 10 to 20 Credit Repair Communications; (g) 12 Service Intervals – 12 to 24 Credit Repair Communications.

B. Aftercare Service Levels

Maintenance Pro.

- The Maintenance Pro service level is designed for clients with few remaining credit report items requiring Lexington's attention.
- This service level will provide the same services as Concord Premier; however, the Credit Repair Communications sent on your behalf and in your name will be performed less frequently:
- Lexington will send up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester. Lexington will also provide one to three credit score improvement analyses during a Service Interval Trimester.

Clients who engage the Maintenance Pro service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval – 1 to 2 Credit Repair Communications; (b) 2 Service Intervals – 2 to 4 Credit Repair Communications; (c) 4 Service Intervals – 4 to 8 Credit Repair Communications; (d) 6 Service Intervals – 6 to 12 Credit Repair Communications; (e) 8 Service Intervals – 8 to 16 Credit Repair Communications; (f) 10 Service Intervals – 10 to 20 Credit Repair Communications; (g) 12 Service Intervals – 12 to 24 Credit Repair Communications.

ReportWatch.

- The ReportWatch service level is designed for clients who have achieved their primary credit repair goals but would continue to benefit from longer-term credit report and score monitoring and analysis.
- This service level will provide regular notifications as well as personalized coaching regarding factors underlying credit scoring.
- Language related to Credit Repair Communications, Bureaus and Furnishers will not apply to the ReportWatch service level.

Total Cost: Clients who engage the Concord Standard service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$99.95; (b) 2 Service Intervals – \$179.90; (c) 4 Service Intervals – \$339.80; (d) 6 Service Intervals – \$499.70; (e) 8 Service Intervals – \$659.60; (f) 10 Service Intervals – \$819.50; (g) 12 Service Intervals – \$979.40.

Clients who engage the Concord Premier service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$99.95; (b) 2 Service Intervals – \$199.90; (c) 4 Service Intervals – \$399.80; (d) 6 Service Intervals – \$599.70; (e) 8 Service Intervals – \$799.60; (f) 10 Service Intervals – \$999.50; (g) 12 Service Intervals – \$1199.40.

Clients who engage the Concord Premier Plus service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$119.95; (b) 2 Service Intervals – \$239.90; (c) 4 Service Intervals –

\$479.80; (d) 6 Service Intervals – \$719.70; (e) 8 Service Intervals – \$959.60; (f) 10 Service Intervals – \$1199.50; (g) 12 Service Intervals – \$1439.40.

Clients who engage the Lex Essentials reduced rate structure for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$59.95; (b) 2 Service Intervals – \$119.90; (c) 4 Service Intervals – \$239.80; (d) 6 Service Intervals – \$359.70; (e) 8 Service Intervals – \$479.60; (f) 10 Service Intervals – \$599.50; (g) 12 Service Intervals – \$719.40.

Clients who engage the Lex OnTrack service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$24.95; (b) 2 Service Intervals – \$49.90; (c) 4 Service Intervals – \$99.80; (d) 6 Service Intervals – \$149.70; (e) 8 Service Intervals – \$199.60; (f) 10 Service Intervals – \$249.50; (g) 12 Service Intervals – \$299.40.

Clients who engage the Maintenance Pro service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$19.95; (b) 2 Service Intervals – \$39.90; (c) 4 Service Intervals – \$79.80; (d) 6 Service Intervals – \$119.70; (e) 8 Service Intervals – \$159.60; (f) 10 Service Intervals – \$199.50; (g) 12 Service Intervals – \$239.40.

Clients who engage the ReportWatch service level for the following example number(s) of specified Service Intervals pay Lexington the following total amounts: (a) 1 Service Interval – \$12.95; (b) 2 Service Intervals – \$25.90; (c) 4 Service Intervals – \$51.80; (d) 6 Service Intervals – \$77.70; (e) 8 Service Intervals – \$103.60; (f) 10 Service Intervals – \$129.50; (g) 12 Service Intervals – \$155.40.

Bond: In accordance with Utah Code § 13-21-3, Lexington Law Firm has posted a surety bond with the Division of Consumer Protection of the Department of Commerce of the state of Utah in the amount of \$100,000. The bond is No. 04BSBDP7101 and is held by Hartford Insurance Company at One Hartford Plaza, Hartford, Connecticut 06155. If you have reason to believe that Lexington has violated Title 13, Chapter 21 of the Utah Code, you have a right to proceed against the bond.

I acknowledge that I have received and have had an opportunity to review a copy of the above written statement.

/s/ _____
Name

Date

Federal Notice of Cancellation

NOTICE OF CANCELLATION

You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day which begins after the date the contract is signed by you.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to John C. Heath, Attorney at Law, PLLC, d/b/a Lexington Law Firm, at PO Box 510290, Salt Lake City, Utah 84151, before midnight on 05/10/2017

I hereby cancel this transaction,

(date)

(purchaser's signature)

NOTICE OF CANCELLATION (duplicate)

You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day which begins after the date the contract is signed by you.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to John C. Heath, Attorney at Law, PLLC, d/b/a Lexington Law Firm, at PO Box 510290, Salt Lake City, Utah 84151, before midnight on 05/10/2017

I hereby cancel this transaction,

(date)

(purchaser's signature)

Notice of Cancellation

You may cancel this contract, without any penalty or obligation, within five days from the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed dated copy of this cancellation notice, or any other written notice, to John C. Heath, Attorney at Law PLLC d/b/a Lexington Law Firm at 360 Cutler Drive, North Salt Lake, Utah 84054 (business address) PO Box 510290, Salt Lake City, Utah 84151 (mailing address) not later than midnight 05/10/2017.

I hereby cancel this transaction.

_____ (date)

_____ (purchaser's signature)

Notice of Cancellation (duplicate)

You may cancel this contract, without any penalty or obligation, within five days from the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed dated copy of this cancellation notice, or any other written notice, to John C. Heath, Attorney at Law PLLC d/b/a Lexington Law Firm at 360 Cutler Drive, North Salt Lake, Utah 84054 (business address) PO Box 510290, Salt Lake City, Utah 84151 (mailing address) not later than midnight 05/10/2017.

I hereby cancel this transaction.

_____ (date)

_____ (purchaser's signature)

By providing your electronic signature, you engage Lexington to work on your behalf and you agree to the following:

You acknowledge that you have received and agree to the terms of Lexington's E-SIGN Agreement, and that you have received and have had an opportunity to review a copy of the Lexington federal and state disclosure statements and notices of cancellation.

You acknowledge that you have received and had the opportunity to review the Lexington Engagement Agreement and Limited Designation of Agency, which you understand is a binding contract, and agree to all its terms and conditions.

Required Notice Under Federal Law: You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.

Lexington provides you five days from the date of this Contract to cancel without penalty or obligation.

For Utah Clients: Required Notice Under State Law: You, the buyer, may cancel this contract at any time prior to midnight of the fifth day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.

/s/ _____
Name

Date

Ex. 12

Heath Resp. to Interrog. No. 3

(Apr. 7, 2021)

Public Version Redacted

Ex. 13

Stipulation

(July 8, 2021)

Public Version Redacted

Ex. 14

LEX00000028

Public Version Redacted

Ex. 15

LEX00000001

Public Version Redacted

Ex. 16

PGX.CFPB.00000113

Public Version Redacted

Ex. 17

Def. John C. Heath, Attorney at Law,

PC's Factual Stipulation

(Apr. 8, 2021)

Public Version Redacted

Ex. 18

CreditRepair.com Dep.

Excerpts

Public Version Redacted

Ex. 19

Intervenor FTC's Motion for Partial
Summary Judgment,

Tennessee v. Lexington Law Firms,

No. 3-96-0344

(M.D. Tenn. Dec. 16, 1996)

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE

FILED
U.S. DISTRICT COURT
MIDDLE DISTRICT OF TENN.

STATE OF TENNESSEE,)
Plaintiff,)
)
and)
)
FEDERAL TRADE COMMISSION,)
Intervenor,)
)
v.)
)
LEXINGTON LAW FIRMS,)
Defendant.)

Civ. No. 3-96-0344
Judge Echols
Magistrate Judge Griffin

DEC 18 1996
d. Meb
DEPUTY CLERK

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
INTERVENOR FEDERAL TRADE COMMISSION'S
MOTION FOR PARTIAL SUMMARY JUDGMENT**

Intervenor Federal Trade Commission ("FTC" or "Commission") hereby requests that this Court grant its motion for partial summary judgment and dismiss the third, fourth, and fifth defenses raised by defendant Lexington Law Firms ("Lexington") at Paragraphs 20-22 of its answer. These defenses challenge the Commission's statutory authority to promulgate, and the constitutionality of, those portions of the FTC's Telemarketing Sales Rule ("Telemarketing Rule" or "Rule"), 16 C.F.R. Part 310 (1996), that govern the telemarketing of so-called "credit repair services." (Operators of credit repair services claim to be able, for a price, to remove derogatory information from consumers' credit reports.) As to these defenses, there are no material facts at issue, and the Commission is entitled to have

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them dismissed as a matter of law. This is required because the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act" or "Act"), P.L. 103-297, codified at 15 U.S.C. § 6101 et seq. (1994), gives the Commission ample authority to regulate the telemarketing of credit repair services, and because nothing in the Act or the Constitution precludes the regulation of the conduct of attorneys.

STATEMENT

A. The Telemarketing Act

The Telemarketing Act passed both the House and Senate with unanimous consent and was signed into law on August 16, 1994. In passing the Act, Congress found that "[i]nterstate telemarketing fraud has become a problem of such magnitude that the resources of the Federal Trade Commission are not sufficient to ensure adequate consumer protection from such fraud," that "[c]onsumers and others are estimated to lose \$40 billion a year in telemarketing fraud," and that "[c]onsumers are victimized by other forms of telemarketing deception and abuse," 15 U.S.C. §§ 6101(1)-(3). To deal with the problem, Congress directed the Commission to promulgate, within one year, a rule "prohibiting deceptive telemarketing acts or practices and other abusive telemarketing acts or practices." 15 U.S.C. §§ 6102(a)(1),

6102(b).¹ Congress provided that such rule could be enforced by either the Commission or the states, and further provided a private right of action for injured consumers. 15 U.S.C. §§ 6103-05.

B. The Commission's Rulemaking

On February 14, 1995, the Commission published its Notice of Proposed Rulemaking in the Federal Register, thereby initiating the rulemaking mandated by the Telemarketing Act. 60 Fed. Reg.

¹ Section 3(a) of the Act, 15 U.S.C. § 6102(a), provides as follows:

- 1) The Commission shall prescribe rules prohibiting deceptive telemarketing acts or practices and other abusive telemarketing acts or practices.
- 2) The Commission shall include in such rules respecting deceptive telemarketing acts or practices a definition of deceptive telemarketing acts or practices which may include acts or practices of entities or individuals that assist or facilitate deceptive telemarketing, including credit card laundering.
- 3) The Commission shall include in such rules respecting other abusive telemarketing acts or practices --

A) a requirement that telemarketers may not undertake a pattern of unsolicited telephone calls which the reasonable consumer would consider coercive or abusive of such consumer's right to privacy,

B) restrictions on the hours of the day and night when unsolicited telephone calls can be made to consumers, and

C) a requirement that any person engaged in telemarketing for the sale of goods or services shall promptly and clearly disclose to the person receiving the call that the purpose of the call is to sell goods or services and make such other disclosures as the Commission deems appropriate, including the nature and price of the goods and services.

In prescribing the rules described in this paragraph, the Commission shall also consider recordkeeping requirements.

8313.² The notice gave interested persons 45 days within which to comment. The Commission received more than 350 comments from industry, law enforcement, consumer representatives, individual consumers, and businesses. 60 Fed. Reg. 43842, 43842 (August 23, 1995).³ Neither Lexington nor any other telemarketer of credit repair services submitted a comment.

After the initial comment period had been completed, the Commission staff conducted a three-day public workshop conference in Chicago to discuss issues raised by the proposed rule and by the comments the Commission had received. 60 Fed. Reg. at 43842. Twenty associations or individual businesses, selected based on their interest in the Rule and on their ability to represent others with similar interests, participated in a roundtable discussion at the conference. Id. The conference was open to the public and more than 150 observers attended. Id. In addition, on each day of the conference, time was reserved for oral comments from the public, and 37 persons took advantage of this opportunity. Id.

² Pursuant to section 3(b) of the Telemarketing Act, 15 U.S.C. § 6102(b), the Commission promulgated the Rule according to the notice and comment procedures of the Administrative Procedure Act, 5 U.S.C. § 553.

³ References to 60 Fed. Reg. 43842-43877 are to the Commission's Statement of Basis and Purpose that was published accompanying the final version of the Rule.

Based on the information obtained from the comment period and the conference, the Commission published a Revised Notice of Proposed Rulemaking. 60 Fed. Reg. 30406 (June 8, 1995). Publication initiated a second comment period, and once again, the Commission received more than 350 comments from interested parties. 60 Fed. Reg. at 43842. As before, neither Lexington nor any other credit repair service commented on the proposal.

The Commission published its final Rule, along with a Statement of Basis and Purpose, on August 23, 1995. 60 Fed. Reg. 43842. The Rule took effect on December 31, 1995.

C. The Telemarketing Rule

As required by the Telemarketing Act, the Telemarketing Rule identified and restricted a variety of deceptive and abusive telemarketing practices. The advance-fee sale of credit repair services is among the practices restricted by the Rule.⁴ In

⁴ Credit repair services were among the abusive telemarketing practices that were called to congressional attention in hearings preceding enactment the Telemarketing Act. See H.R. Rep. 421, 102d Cong., 1st Sess. 16 (1991) (credit repair referred to as "bogus"); Innovative Telemarketing and Consumer Fraud in Oregon and the Northwest: Hearing before the Subcommittee on Regulation, Business Opportunities, and Energy of the House Committee on Small Business, 102d Cong., 2d Sess., 239, 243 (1992) (appendix to statement of Jack E. Swagerty, Chief Inspector, Western Region, U.S. Postal Service) ("Recent years have seen a rise in ads offering -- for a fee -- credit repair services to consumers with bad debt histories. These deceptive ads are characterized by promises to obtain credit cards regardless of credit rating or erase a bad credit history.").

particular, the Rule prohibits a telemarketer from requesting or receiving payment for a credit repair service until six months after the promised "credit repair" has been achieved.³

Credit repair services that promise, in return for an advance fee, to help improve a consumer's credit rating, without regard to the reasons why the customer's credit rating is unfavorable, necessarily abuse the vast majority of their customers, because the vast majority of those customers cannot be helped. Consumers have no right to expunge accurate, albeit unfavorable, information from their credit records until the seven to ten year period specified in the Fair Credit Reporting

³ Section 4(a) of the Rule, 16 C.F.R. § 310.4(a), provides as follows:

(a) Abusive conduct generally. It is an abusive telemarketing act or practice and a violation of this Rule for any seller (in connection with a telemarketing transaction) or telemarketer to engage in the following conduct: * * *

(2) Requesting or receiving payment or any fee or consideration for goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating until:

(i) The time frame in which the seller has represented all of the goods or services will be provided to that person has expired; and

(ii) The seller has provided the person with documentation in the form of a consumer report from a consumer reporting agency demonstrating that the promised results have been achieved, such report having been issued more than six months after the results were achieved. Nothing in this Rule should be construed to affect the requirement in the Fair Credit Reporting Act, 15 U.S.C. § 1681, that a consumer report may only be obtained for a specified permissible purpose.

Act ("FCRA"), 15 U.S.C. §§ 1681 et seq., has elapsed. By prohibiting the collection of a fee for credit repair services until actual credit improvement has been shown, the Rule prevents this telemarketing abuse.⁶

Numerous organizations commented in support of the credit repair provisions of the Telemarketing Rule.⁷ No commenter

⁶ The six-month payment delay required by the Telemarketing Rule is necessary because of the dispute resolution procedures of Section 611 of the FCRA. 15 U.S.C. § 1681i. That section provides that if an item in a credit report is disputed, the consumer reporting agency must reinvestigate the item. If the investigation is not completed within 30 days, industry practice has been to delete the item until the investigation is completed. (This practice has been made mandatory by Section 2409 of the Consumer Credit Reform Act of 1996, P.L. 104-208, 110 Stat. 3009-1286.) A credit repair service may take advantage of this situation by disputing every unfavorable item in a consumer's report. All such disputes, regardless of their merit, are unlikely to be resolved within 30 days. As a result, the disputed items will be removed temporarily from the consumer's report. By this means, a credit repair service may be able to produce a report that appears to have been "repaired." Such "repairs" will be short-lived because unfavorable items will be restored to the consumer's credit report once investigations have been completed. The six-month delay prevents credit repair services from using such interim reports as evidence of having improved a consumer's credit.

⁷ See et al., Comment of Associated Credit Bureaus, FTC Summary Judgment Exhibit 1, Declaration of Donald S. Clark ("SJ Ex. 1") at Attachment A; Comment of the United States Postal Service, SJ Ex. 1 at Attachment B; Comment of the National Consumers League, SJ Ex. 1 at Attachment C; Comment of the Telemarketing Task Force of the National Association of Attorneys General, joined by the attorneys general of 37 states, SJ Ex. 1 at Attachment D.

opposed this provision.⁸

D. The Case Before this Court

Section 4 of the Telemarketing Act, 15 U.S.C. § 6103, provides that:

Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has engaged or is engaging in a pattern or practice of telemarketing which violates [the Telemarketing Rule] * * *, the State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enjoin such telemarketing, to enforce compliance with such rule of the Commission, to obtain damages, restitution, or other compensation on behalf of residents of such State, or to obtain such further and other relief as the court may deem appropriate.

Acting pursuant to this section, on April 10, 1996, the State of Tennessee filed its complaint alleging that defendant Lexington had violated the Telemarketing Rule. In particular, the

⁸ On September 30, 1996, Congress enacted the Credit Repair Organizations Act. P.L. 104-208, 110 Stat. 3009-1325. This act restricts the marketing of credit repair services, and applies to all credit repair organizations, regardless of whether the service is sold through telemarketing. In particular, the act requires credit repair organizations to make a specified disclosure to prospective customers, requires that all contracts to perform credit repair services be in writing, and gives consumers three days within which to cancel such contracts. In addition, the act prohibits credit repair organizations from receiving any payment for service until that service has been fully performed.

The Credit Repair Organizations Act, which does not take effect until March 31, 1997, has no effect on the application of the Telemarketing Rule to credit repair organizations that employ telemarketing. Beginning on March 31, such organizations will be subject to both the Act and the Rule.

complaint alleged that Lexington telemarketed credit repair services to consumers throughout the United States, including Tennessee, charging consumers several hundred to a thousand dollars each. Complaint at ¶¶ 6-9. In the course of telemarketing its services, Lexington represented or implied that it could "fix bad credit" and "delete negative credit items," including bankruptcies, tax liens, judgments, delinquent accounts, etc. Complaint at ¶ 8. The complaint also alleged that Lexington requires prepayment for its services. Complaint at ¶ 9. The State of Tennessee contended that this conduct violated the Telemarketing Rule, and sought injunctive and other relief.

Lexington's answer denied many of the factual and legal allegations of the complaint. In addition, Lexington raised three affirmative defenses, contending particularly:

that Congress did not intend that the Federal Trade Commission proscribe the practice of Law and the representation of consumers by the promulgation of the FTC Telemarketing Rule. (Third defense, Answer at ¶ 20.)

that the FTC Telemarketing Rule is an unconstitutional interference in the attorney client relationship in the legitimate practice of Law by Defendant. (Fourth defense, Answer at ¶ 21.)

that the Federal Trade Commission has exceeded its grant of authority from Congress by enforcing the FTC Telemarketing Rule and the rule in question is of no effect on Defendant and its enforcement should be prohibited as against Defendant. (Fifth defense,

Answer at ¶ 22.)

In her Initial Case Management Order, Magistrate Judge Griffin directed the State of Tennessee to determine whether the Commission wanted to intervene in the litigation. On July 29, 1996, the Commission moved to intervene for the limited purpose of responding to Lexington's three affirmative defenses. This motion was granted by Magistrate Judge Griffin on August 21.⁹

ARGUMENT

There is no merit to any of the three defenses raised by Lexington. Its fifth defense, Answer at ¶ 22, which appears to challenge the Commission's authority to promulgate restrictions on credit repair services, is meritless because the Telemarketing Act gave the Commission broad flexibility to prevent deceptive and abusive telemarketing practices in the Rule, and the Rule's restrictions on credit repair further the purposes of, and are fully consistent with, the Act.¹⁰ (Point I.) The third and

⁹ The Telemarketing Act grants the Commission the absolute right to intervene in any civil action brought by a state to enforce the Telemarketing Rule. 15 U.S.C. § 6103(b).

¹⁰ Lexington's fifth defense actually alleges that the Commission "has exceeded its grant of authority from Congress by enforcing the FTC Telemarketing Rule * * *." Plainly, the Commission does have the authority to enforce the Telemarketing Rule, see 15 U.S.C. § 6102(c), although, in this case, the enforcement action has actually been brought by the State of Tennessee, not by the Commission. Even if we interpret this defense as a challenge to the Commission's authority to include restrictions on the telemarketing of credit repair in the

fourth defenses, which challenge the Commission's statutory and constitutional authority to apply the rule to lawyers, are equally meritless because nothing in the Telemarketing Act or in the Constitution shields lawyers from regulation designed to prevent the abuse of consumers.¹¹ (Point II.)

I. THE TELEMARKETING ACT PROVIDES THE COMMISSION WITH AMPLE AUTHORITY TO PROMULGATE A RULE THAT RESTRICTS THE TELEMARKETING OF PREPAID CREDIT REPAIR SERVICES

In enacting the Telemarketing Act, Congress recognized that deceptive and abusive telemarketing had become a problem of such magnitude that the Commission's resources were no longer sufficient to assure adequate consumer protection. H.R. Rep. 20, 103d Cong., 1st Sess. 1-3 (1993), reprinted at 1994 U.S. Code Cong. and Admin. News 1626 ("H.R. Rep."). Indeed, testimony provided evidence that "more than 92 percent of adult Americans have received some form of fraudulent solicitation during the past two years. At least 30 percent of these have responded." H.R. Rep. at 3, quoting the prepared statement of the National

Telemarketing Rule, as we explain above, it is without merit.

¹¹ Lexington's second defense (Answer at ¶¶ 1-19) denies many of the factual allegations of the Complaint in this matter and disputes that Lexington is engaged in telemarketing or in providing credit repair services. We understand its third, fourth, and fifth defenses to be distinct from the second and to contend that, even if it is engaged in telemarketing credit repair services, the Commission lacks the statutory and constitutional authority to promulgate a rule restricting its conduct.

Consumer League. Congress was also aware of the wide variety of abusive and deceptive telemarketing practices to which consumers are subject. H.R. Rep. at 3.

To address these concerns, Congress directed the Commission to draw upon its experience and promulgate a rule that would prohibit or restrict abusive and deceptive telemarketing practices without imposing undue burden on legitimate telemarketers. Id. at 4-5, 7-9. Congress intentionally gave the Commission great flexibility to frame the terms of the rule that the Commission was directed to promulgate. Accordingly, the Telemarketing Act did "not mandate the content of the rules, but provides the FTC with the discretion to tailor the rules as necessary in accordance with its experience regarding telemarketing activities." S. Rep. 80, 103d Cong., 1st Sess. 8, (1993) ("S. Rep.").

As set forth below, the Commission's rulemaking decision to restrict the telemarketing of prepaid credit repair services was well within its statutory authority and in furtherance of the congressional purpose. Therefore, the Commission made no error of law in promulgating those portions of the Rule that apply to the State of Tennessee's case against Lexington.

It is settled that "the construction of a statute by those charged with its execution should be followed unless there are

compelling indications that it is wrong" Smith v. Babcock, 19 F.3d 257, 261 (6th Cir. 1994), quoting Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 381, 89 S. Ct. 1794, 1802, 23 L. Ed.2d 371, 384 (1969). "We must defer to the [agency's] interpretation of the [statute] as long as it is permissible, regardless of any inclination we may harbor to construe the [statute] in a contrary fashion." Smith v. Babcock, 19 F.3d at 261; see Chevron USA, Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 843-44, 104 S. Ct. 2778, 2782, 81 L. Ed.2d 694, 703 (1984). "If the agency regulation is not in conflict with the plain language of the statute, a reviewing court must give deference to the agency's interpretation of the statute." K Mart Corp. v. Cartier, Inc., 486 U.S. 281, 292, 108 S. Ct. 1811, 1818, 100 L. Ed.2d 313, 324 (1988).

The Commission is the agency charged with implementing the Telemarketing Act. It is responsible for promulgating a rule to proscribe abusive and deceptive telemarketing practices. 15 U.S.C. § 6102. It has primary responsibility for enforcing the Telemarketing Rule, 15 U.S.C. § 6105(a), and it must be notified when either a state or a private party brings an action under the Rule, 15 U.S.C. §§ 6103(b), 6104(b). Finally, five years after the promulgation of the Telemarketing Rule, the Commission must review the implementation of the Rule and report the results to

Congress. 15 U.S.C. § 6108.

Because the Commission implements the Telemarketing Act, its interpretation of that Act, as reflected in the Telemarketing Rule, is entitled to deference. Thus, its interpretation may not be disturbed if it reflects a reasonable construction of the Act and does not otherwise conflict with expressed congressional intent. Lansing Dairy, Inc. v. Espy, 39 F.3d 1339, 1350 (6th Cir. 1994), cert. denied, 116 S. Ct. 50, 133 L. Ed.2d 15 (1995). This Court "need not conclude that the agency construction was the only one it permissibly could have adopted . . . or even the reading the court would have reached if the question initially had arisen in a judicial proceeding." Lansing Dairy v. Espy, 39 F.2d at 1350, quoting Chevron USA, Inc. v. Natural Resources Defense Council, Inc., 467 U.S. at 843 n.11, 104 S. Ct. 2782 n.11, 81 L. Ed.2d at 703 n.11. In addition, "[i]f there are gaps left by silence or ambiguity of the statutes in question, agencies may fill the gaps with necessary rules, providing they are reasonable, and courts should not interfere with this process." Peoples Federal Savings and Loan Association of Sidney v. Commissioner of Internal Revenue, 948 F.2d 289, 300 (6th Cir. 1991). "The power of an agency to administer a congressionally created * * * program necessarily requires the formulation of policy and the making of rules to fill any gap left, implicitly

Ex. 20

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Public Version Redacted

Ex. 21

State Coverage Map

(Hamilton Ex. 364)

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Ex. 22

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Public Version Redacted

Ex. 23
PGX0028231

TABLE OF CONTENTS

- Range of Credit Scores
- What Causes a Bad Credit Score?
- What to Expect With Bad Credit
- How Much Does Bad Credit Cost?
- Tips to Improve Your Credit



What Is a Bad Credit Score? How to Improve Your Credit

JULY 26, 2019



Generally, a bad credit score is anything below 600. Because it represents your creditworthiness, your score can affect your financial flexibility, and in turn, your lifestyle.

A low credit score can stand between you and your goals. You can get rejected outright — or get approved, but at a much higher interest rate than if your credit score were better. Luckily, your credit score is only a picture of your credit report at that moment and it can change. Let's explore what causes [bad credit](#) and ways to improve it.

Not sure where your credit stands? Give us a call today for a FREE credit report consultation

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The FICO® guidelines for a credit score range:



Range of Credit Scores

Credit scores typically range from 300 to 850 based on the [FICO® score](#). The higher your credit score is, the better. Each lender determines what it considers a good or bad credit score. Although variations exist, there are general guidelines to give you an idea.

The FICO® guidelines for a credit score range:

- Excellent credit: 800+
- Very good: 740 to 799
- Good: 670 to 739
- Fair: 580 to 669
- Poor: 300 to 579

According to FICO®, the average American's score is 704. However, [20 percent](#) of Americans score under 600.

Although there is a difference between a fair credit score and a bad credit score, it's important to note that many lenders will consider consumers with a score under 600 as [credit risks](#).

What Causes a Bad Credit Score?

Reasons for a negative credit score come in many forms, including:

- Overdue bill payments
- Maxed out credit cards
- Charge offs and collection accounts
- Foreclosures
- Identity theft
- Excessive third-party inquiries

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Reasons for a negative credit score come in many forms, including:

- Overdue bill payments
- Charge offs and collection accounts
- Identity theft
- Maxed out credit cards
- Foreclosures
- Excessive third-party inquiries

Each item has its own level of severity and the power to damage your credit score. Combined, their strength can cripple it.

There is a chance the cause of your low credit score is simply human error. A credit report consists of information that's passed from consumer to lender to credit bureau. Over 25 percent of credit reports have errors in them. Be sure to check your credit report regularly.

What to Expect With Bad Credit

If you have a credit score of 600 or lower, lenders consider you more of a financial risk and some may even reject you outright.

Lenders will make a decision about the risk they are willing to take in extending credit. Some companies only work with excellent credit, so even someone with a score of 700 could be turned down. If a lender does extend you credit, you'll pay more in interest than someone with a higher credit score.

With a low credit score, you won't qualify for zero percent interest credit cards or personal loans at single-digit interest rates. You'll face higher auto and mortgage finance rates as well, and you may get stuck paying a utility deposit that someone with a higher score doesn't have.

How Much Does Bad Credit Cost You?

Having a bad credit score can lead to many consequences. It communicates to lenders that you have a history of poor borrowing habits and are a risky investment.

In turn, a bad credit score can cost you money. Since you're considered less creditworthy, lenders will adjust the terms of a contract by applying higher interest rates and other unfavorable terms.

Over time, this can create quite a dent in your wallet. For example, a typical home can cost between \$50,000 and \$130,000 more in interest if you are buying with bad credit.

Banks are not the only ones looking at your credit score. Many institutions make assumptions about you based on your credit history. Landlords, car dealerships, insurance companies and potential employers can check your credit.

Bad credit could be the reason for being denied an apartment, not being able to afford a car, increased insurance premiums, or even getting denied a new job. This three-digit number is more than just a score — it's also your financial reputation.

Bad credit can be the reason you are denied a loan or apartment rental.

Tips to Improve Your Credit Score

If you're having trouble getting approved for a credit card or loan, you have options to work towards [building your credit score](#).

Consider the following tips:

- Become an authorized user on someone else's account.
- Get a cosigner who has great credit. The lender will consider your cosigner jointly responsible for any debt.
- Open a secured account. You can put cash in an account and the issuer will allow you to borrow up to a certain percentage of the money.
- Work to pay off your debt and keep balances low.
- Keep unused credit cards open.

Because credit impacts so much of our lives, a low credit score can be extremely

harmful to your financial goals and lifestyle. Fortunately, [improving your score](#) is possible. This includes [disputing an error](#), making payments on time and paying down credit card balances.

If you need assistance repairing your credit, rest assured that Lexington Law is a trusted leader in credit repair and [credit solutions](#).

We have helped remove millions of unfair, inaccurate and unverified items from credit reports for our clients. Call our credit specialists today for a free and personalized credit consultation.

We have the tools to help you fix your credit. Give us a call for a FREE credit report consultation

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Ex. 24

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Judgements

Foreclosure

Bankruptcy

Collections

Charge offs

Hard inquiries

Late or missed payments

Credit repair companies: how do they help?

JULY 1, 2021



Applying for something like a mortgage or an auto loan is difficult if you have bad credit. It's especially frustrating if you've worked on improving your credit, but feel like your score doesn't reflect all of your hard work.

This is where credit repair companies come in. Credit repair companies help clients review their credit reports and correct or remove inaccurate items to help improve scores.

You may have a lot of questions about credit repair companies and how they work. Our guide below breaks down common questions so you can understand what a credit repair company does and how they can help you improve your

credit.

1. What is a credit repair company?
2. How do credit repair companies work?
3. How much does it cost to repair credit?
4. How can I verify a credit repair company?
5. How long does credit repair take?
6. Can I repair my own credit?
7. Can a credit repair company really help?

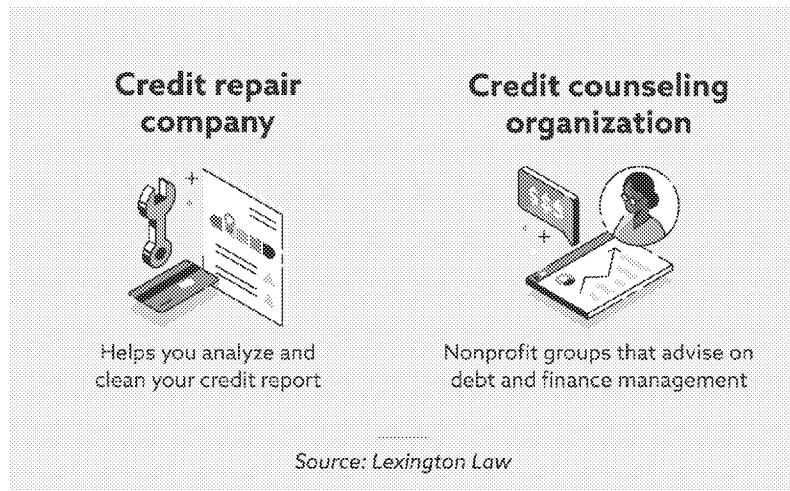
What is a credit repair company?

A credit repair company is an organization that can help you understand and repair your credit by analyzing your credit report and disputing inaccuracies with credit bureaus and creditors. Credit repair companies have the experience and knowledge to tackle credit issues that could be difficult to resolve on your own.

This expertise makes the credit repair process easier for customers. Companies know what to look for, understand the process needed to fix inaccuracies, and are informed on what clients are legally entitled to request from both credit bureaus and creditors.

Credit repair companies are different from credit counseling agencies. Credit counseling organizations are normally nonprofit. They advise about debt and finance management, help you get a copy of your credit report, and other services depending on the organization

other services depending on the organization.



How do credit repair companies work?

Credit repair companies typically request and review your credit report from the major credit bureaus (TransUnion, Experian and Equifax), create and execute a plan to fix any discrepancies, and recommend other ways to improve your score.

Each company's methods and steps vary, but we'll break down what to generally expect from most companies.

Review your credit reports

When reviewing your credit report, credit repair companies typically look for credit report errors like:

- Accounts that don't belong to you
- Duplicate accounts
- Incorrect inquiries
- Inaccurate accounts

These inaccuracies can unfairly take a toll on your credit score. Periodically reviewing your credit report helps you catch these inaccuracies before they affect your score.

Credit repair companies know what to look for and can save you the time and effort needed to review each report line by line.

Dispute discrepancies

Next, credit repair companies initiate credit challenges for all of the errors found on your credit reports. By submitting a dispute, you're requesting the credit bureau review the accuracy of the information on your credit report. The bureaus are required to either correct or remove it if they're unable to verify it.



Credit repair companies can save you time and ensure you're doing things right by helping you identify and gather the evidence needed. They also help you manage and craft correspondence with the credit bureaus and creditors, and

with the credit bureaus and creditors, and recommend other ways to improve your credit.

This step especially varies between companies. For example, some companies may monitor your credit and identify opportunities to improve your score.

Others may not offer credit monitoring, but instead offer credit counseling to help you create a plan to manage your credit in the future.

Lexington Law's credit repair process includes the following steps:

- Case intake
- Legal action
- Credit score analysis
- Follow-up and escalation

How much does it cost to repair credit?

The cost to repair credit varies between companies and the level of service you choose.

Payment for credit repair can range from a one-time flat rate, to charges for each inaccuracy found or to monthly payments. However, the Credit Repair Organizations Act states that credit repair companies are not allowed to request or receive payment until the promised services are delivered.

Despite how much you pay for credit repair, you may end up saving in the long run after your credit score is improved. A poor credit score results in higher interest rates and fewer available options when shopping around for things like auto or personal loans.

Spending time and money to repair your credit with a credit repair company can potentially save you thousands in the long run, depending on your situation.



At Lexington Law, credit repair services start at \$89.95. Learn more about the cost of our credit repair services and what kind of help you can receive with our different service levels.

How can I verify a credit repair company?

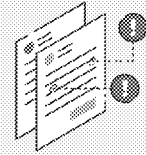
You can verify a credit repair company by asking the right questions, looking up reviews and understanding what they legally can and cannot do. Doing your research

beforehand can save you time, money and unnecessary stress.

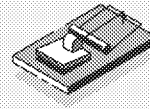
Here are some red flags to look out for:

- **Demand payment up-front:** As we've mentioned, this is illegal and you should not pay up-front.
- **Sounds too good to be true:** Promising to get rid of negative items, even if they're accurate, is a red flag that the company is illegitimate. Another red flag is the claim they can increase your score an exact amount, especially if it's within a short time frame. All guarantees of performance must be in writing. A guarantee that isn't in writing is in violation of the Credit Repair Organizations Act.
- **Can't answer questions:** If the company dodges specific questions about the services or the price, it may be a sign that the company is illegitimate.
- **Hold back or provide misinformation:** The company should inform you about the rights you have as a customer, like your right to cancel your contract with them within three business days.
- **Ask you to misrepresent information:** A legitimate credit repair company will not ask you to misreport or otherwise misrepresent yourself or your information.

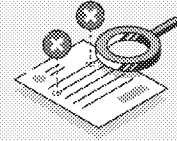
Signals of a bad credit repair company



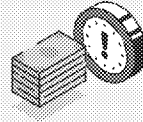
Hold back or provide misinformation



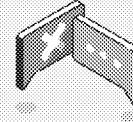
Sounds too good to be true



Ask you to misrepresent information



Demand payment up-front



Can't answer questions

Source: Lexington Law

Although credit repair is a legitimate service, there are scam credit repair companies that you should watch out for. The best way to protect yourself is by knowing the characteristics of a legitimate credit repair company.

How long does credit repair take?

The time it takes to see the results from credit repair varies based on your current score, financial situation and many other factors.

For example, a person with a few simple inaccuracies on their credit report may see their results sooner than someone who has multiple complex inaccuracies that require lots of correspondence. However, results vary greatly.

The credit bureaus are required to correct or

remove any inaccuracies reported to them usually within 30 days under the Fair Credit Reporting Act. However, it still may take longer depending on your situation.

Statistically, 89% of Past Lexington Law clients who saw a credit score increase had an average increase of 40 points in six months.

Can I repair my own credit?

Yes, you can repair your own credit, but you must make sure you've done your research to do it correctly. Legitimate credit repair companies should also inform you of that when you contact them. You can do anything that a credit repair company does. For example, you can contact the credit bureaus directly instead of using a credit repair company's help.

However, repairing your credit without the help of a credit repair company or financial expert can hurt you in the long run if you haven't done your homework. There are a lot of things you can easily miss if you don't have the experience or knowledge that they provide.

Advantages of using a credit repair company



Learn how to
manage credit

Get help from
experienced
professionals

Save time
and effort

Source: *Lexington Law*

If, for example, you do put in a dispute with the credit bureaus, you may get denied for not providing enough information to prove your case. This can happen even if you're in the right.

Can a credit repair company really help?

Yes, a legitimate credit repair company could help you remove inaccurate, negative items that are damaging your credit score. If you want to determine a credit repair company's expertise, you can read [company testimonials](#) and look at reviews to see their success with past clients. This information gives a snapshot of what it's like to work with them and what type of results they've delivered in the past.

Credit repair can vary for everyone. One of the best ways to see if it's the right solution for you is to start with a consultation. That way, you can ask all of the questions you need and get an idea of what services and pricing fits best with your situation.

If you're interested in getting started with a credit repair company, you can sign up today for a [free credit report consultation](#) to see where you stand and learn how Lexington Law can help you work

towards cleaning up your credit report.



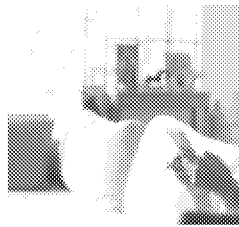
Reviewed by Brad Blanchard,
Supervising Attorney at Lexington
Law Firm. **Written** by Lexington
Law.

Brad is an attorney at Lexington Law firm whose practice is primarily focused on corporate compliance. His focus is primarily in the areas of marketing and advertising of financial services. He regularly deals with issues related to FTC Regulation 5, UDAAP, FCRA, FDCPA, CROA, TCPA, and TSR. He also has experience in LLC formation, contract review and negotiation, and trial and litigation experience in the areas of consumer protection and family law. Prior to joining Lexington Brad worked on Department of Labor administrative law cases and federal class action lawsuits. He also externed for a Utah State Court trial judge where he worked on both civil and criminal cases. Brad is licensed to practice law in Utah and Ohio. He is located in the North Salt Lake office.

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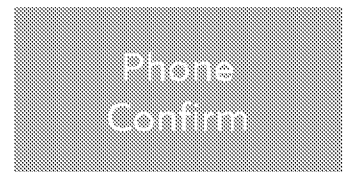
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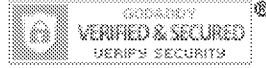
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Ex. 25

Heath PC's Second Supplemental RFA No 4
(July 6, 2021)

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Ex. 26

CreditRepair.com

Service Feature Matrix

(Beal Ex. 351)

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Ex. 27

PGX0000555

Public Version Redacted

Ex. 28
PGX0027706

What is the Difference Between Credit Monitoring and Credit Repair?

October 9, 2015 | by Naomi Mannino



There are a lot of terms thrown around these days which may leave you scratching your head as to what they all mean and what the difference is.

Today, I tackle the difference between credit monitoring and credit repair, which both have to do with your financial health but are two different actions.

What is credit monitoring?

Credit monitoring is a service that acts like a watchdog over your credit file and notifies you of any major changes to it so you are quickly alerted to any fraud on your accounts. Because the activities of fraudsters opening accounts in your name will show up first on your credit report within 30 days, especially when they fail to make payments on fraudulent accounts in your name, credit monitoring is helpful in detecting fraud on your accounts. The problem with credit monitoring is that it only catches the thievery once your accounts have already been hacked or used fraudulently and so it cannot protect your accounts from fraud or hacking.

Keeping tabs on your credit accounts can also show you your progress when trying to repair or build your credit, so credit monitoring is also helpful in knowing where your credit stands if you are going to be applying for a loan or a credit card within 6 months.

Since you can't check your credit reports for free with the credit bureaus every month (you are allowed one free from each bureau per year through annualcreditreport.com), signing up for free credit monitoring is a useful tool in your arsenal against identity theft and in building better credit.

The difference between paid and free credit monitoring

There are several free and paid credit monitoring services. The main difference between free and for-fee credit monitoring is that the free services usually monitor activity at one credit bureau instead of all three like the paid versions do. Most of the paid versions also offer \$1,000,000 Identity Theft Insurance and dedicated customer service in the event of an identity theft to help you personally with restoring your identity which can be a lengthy and complicated process. The paid versions also offer something called lost wallet protection in which they will personally help you cancel and reissue all your cards and identity documents. Many paid services offer different additional bells and whistles that may or may not be important to you so you need to evaluate each on their website before making a choice.

Check our chart to learn more about the free credit monitoring services and what they offer:

Free Service	Credit bureau monitored	Price	Other services
CreditSesame.com	TransUnion	Free, no credit card required	<ul style="list-style-type: none"> • Monthly credit monitoring and Experian score • \$50,000 Identity theft insurance • Guidance for DIY Identity Restoration • Also offers paid versions

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Mybankrate.com	Equifax, Vantage Score	Free, no credit card required	<ul style="list-style-type: none"> Monthly Vantage Score DIY Comparison tool to track any changes and monitor your own credit Offers paid versions for more services

What is credit repair?

Credit repair is used by those who want to improve their credit score by removing and correcting negative or inaccurate items on their credit report. To dispute an error on your credit report, you can [try to repair your credit yourself](#) for free through the online dispute resolution form available with each credit bureau. But, if you have many items to dispute or repair, a credit repair professional, like CreditRepair.com, is trained to use all the tools allowable by law to get the bureaus to remove and correct negative or inaccurate items on your credit report quickly (for a monthly fee).

Credit monitoring and credit repair are related when monitoring your credit to watch your credit score improve monthly, which CreditRepair.com also offers free with its monthly credit repair program.

Learn how you can start repairing your credit [here](#), and carry on the conversation on our social media platforms. Like and follow us on [Facebook](#) and leave us a tweet on [Twitter](#).

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Questions about credit repair?

Chat with an expert: [1-877-594-9159](tel:1-877-594-9159)



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Ex. 29

PGX0040984

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Ex. 30

Decl. Jacob Lichtblau

Regarding Lexington Law Ads
and Webpages (Nov. 14, 2021)

and Attachment

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Ex. 31

PGX0028638

Public Version Redacted

Ex. 32

PGX0047444

E-SIGN DISCLOSURE

Your electronic signature signifies your agreement to transact business electronically, which includes receiving all documents in HTML or PDF format and communicating over the Internet.

You also certify that you are at least 18 years of age and have access to the Internet to receive Creditrepair.com's services and to view, print and retain all documentation. You may receive paper copies by calling Creditrepair.com at 800-232-6499 at no charge.

Though you may withdraw your consent to electronically transact business by calling Creditrepair.com, by doing so Creditrepair.com will no longer be able to provide you services.

I acknowledge that I have received and agree to these terms.

Name

Date

Consumer Credit File Rights Under State and Federal Law

You have a right to dispute inaccurate information in your credit report by contacting the credit bureau directly. However, neither you nor any "credit repair" company or credit repair organization has the right to have accurate, current, and verifiable information removed from your credit report. The credit bureau must remove accurate, negative information from your report only if it is over 7 years old. Bankruptcy information can be reported for 10 years.

You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. You are entitled to receive a free copy of your credit report if you are unemployed and intend to apply for employment in the next 60 days, if you are a recipient of public welfare assistance, or if you have reason to believe that there is inaccurate information in your credit report due to fraud.

You have a right to sue a credit repair organization that violates the Credit Repair Organization Act. This law prohibits deceptive practices by credit repair organizations.

You have the right to cancel your contract with any credit repair organization for any reason within 3 business days from the date you signed it.

Credit bureaus are required to follow reasonable procedures to ensure that the information they report is accurate. However, mistakes may occur.

You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau must then reinvestigate and modify or remove inaccurate or incomplete information. The credit bureau may not charge any fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the credit bureau.

If the credit bureau's reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau, to be kept in your file, explaining why you think the record is inaccurate. The credit bureau must include a summary of your statement about disputed information with any report it issues about you.

The Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact:

The Public Reference Branch
Federal Trade Commission
Washington, D.C. 20580

I acknowledge that I have received and have had an opportunity to review a copy of the above written statement.

Name

Date

INFORMATION STATEMENT REQUIRED BY STATE LAW

Right to Review File: You have the right to review any file on you maintained by any consumer reporting agency, as provided under the federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681-1681t.

Right to Obtain a Copy of Your File: You may review your consumer reporting agency file at no charge if a request is made to the consumer reporting agency within thirty (30) days after receiving notice that credit has been denied.

Approximate Price of Your File: If you are not otherwise entitled to a free credit report, the three credit bureaus, Transunion, Experian, and Equifax offer varying prices for your consumer report. They can range from \$9.95 to \$21.95. Sometimes other agencies will also offer free credit reports in addition to the one free credit report available at www.annualcreditreport.com.

Right to Dispute Inaccurate or Incomplete Information: You have the right to dispute the completeness or accuracy of any item contained in any file on you maintained by any

consumer reporting agency.

Description of Services:

I. Definitions

A. Bureaus. The term “Bureaus” shall mean, collectively or individually, the major credit bureaus (TransUnion, Equifax, and Experian).

B. Credit Repair Communications. The term “Credit Repair Communications” shall mean written or electronic communications to Bureaus and/or Furnishers. Credit Repair Communications will be sent in accordance with your instructions and information as well as with Creditrepair.com’s analysis of your credit reports.

C. Furnishers. The term “Furnishers” shall mean one or more credit report information furnishers (for example, creditors, debt collectors, and banks).

D. Service Interval. The term “Service Interval” shall mean 5-15 days (for service levels other than ThinkCredit before January 17th, 2018 and FitCredit) or 30 days (for the ThinkCredit service level before January 17th, 2018 and the FitCredit service level) after the date of this Contract, and monthly thereafter or the date services end, if earlier.

E. Service Interval Trimester. The term “Service Interval Trimester” shall mean four consecutive Service Intervals.

II. Services

Creditrepair.com performs one or more of the following services before you pay: enters your personal data and one or more credit reports into its secure database; provides you with a login to access your status online and to access certain informative content Creditrepair.com offers its customers; collects information and instructions from you regarding your particular circumstances and how you wish to proceed; analyzes your situation; and prepares and sends one or more Credit Repair Communications on your behalf.

Subsequently, Creditrepair.com typically performs one or more of the following ongoing and periodic services as appropriate in its judgment and discretion: receives and reviews Bureau and Furnisher correspondence sent to us directly or by you; collects and reviews updated information and instructions from you regarding your circumstances and goals; monitors and analyzes your status; provides you with updates regarding your status; and prepares and sends one or more additional Credit Repair Communications on your behalf.

Creditrepair.com cannot guarantee and you are not paying for a particular credit report outcome or result; you are paying only for Creditrepair.com’s efforts on your behalf. The Bureaus or Furnishers may not respond to initial or subsequent Credit Repair Communications and ultimately may decide not to remove items from your consumer

credit files despite Creditrepair.com's efforts.

Creditrepair.com's services are designed to assist you in your efforts to ensure that your credit reports fairly and accurately reflect your credit history, and to provide you with valuable guidance as you continue to manage your credit. In order to meet your precise needs, Creditrepair.com offers the following credit repair service levels that may assist you in your efforts to stay on track. Regardless of the service level, Creditrepair.com uses its judgment and discretion to determine the content, number and frequency of the Credit Repair Communications. Credit Repair Communications may be sent to Bureaus and/or Furnishers up to two (2) weeks after you choose to end services (due to variations in transit time and the period required to process a request to cancel services). Your contract with Creditrepair.com is only for the services listed below related to your chosen service level.

A. Credit Repair Service Level

Credit Repair Direct.

- The Credit Repair Direct service level will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.
- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send Credit Repair Communications to Bureaus and up to three Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Credit Repair.

- The Credit Repair service level will, in addition to all services provided under the Credit Repair Direct service level, provide personalized analyses of factors impacting credit scoring. Creditrepair.com will provide at least one credit score improvement analysis during a Service Interval.

Customers who engage the Credit Repair Direct service level or Credit Repair service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 4 to 6 Credit Repair Communications; (b) 2 Service Intervals - 8 to 12 Credit Repair Communications; (c) 4 Service Intervals - 16 to 24 Credit Repair Communications; (d) 6 Service Intervals - 24 to 36 Credit Repair Communications; (e) 8 Service Intervals - 32 to 48 Credit Repair Communications; (f) 10 Service Intervals - 40 to 60 Credit Repair Communications; (g) 12 Service Intervals - 48 to 72 Credit Repair Communications.

Credit Repair Advanced.

The Credit Repair Advanced service level will, in addition to all services provided under the Credit Repair service level, provide:

- additional Credit Repair Communications,
- periodic credit score tracking,
- management tools for identity protection and personal finance, and
- other communications as requested and as applicable that leverage additional consumer protections.

Customers who engage the Credit Repair Advanced service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 7 to 10 Credit Repair Communications; (b) 2 Service Intervals - 14 to 20 Credit Repair Communications; (c) 4 Service Intervals - 28 to 40 Credit Repair Communications; (d) 6 Service Intervals - 42 to 60 Credit Repair Communications; (e) 8 Service Intervals - 56 to 80 Credit Repair Communications; (f) 10 Service Intervals - 70 to 100 Credit Repair Communications; (g) 12 Service Intervals - 84 to 120 Credit Repair Communications.

Credit Repair Value Reduced Rate Structure.

- Credit Repair Value is a reduced rate subset of the Credit Repair Direct, Credit Repair, and Credit Repair Advanced service levels. Credit Repair Value will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.
- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send Credit Repair Communications to Bureaus and up to two Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Customers who engage Credit Repair Value for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 2 to 4 Credit Repair Communications; (b) 2 Service Intervals - 4 to 8 Credit Repair Communications; (c) 4 Service Intervals - 8 to 16 Credit Repair Communications; (d) 6 Service Intervals - 12 to 24 Credit Repair Communications; (e) 8 Service Intervals - 16 to 32 Credit Repair Communications; (f) 10 Service Intervals - 20 to 40 Credit Repair Communications; (g) 12 Service Intervals - 24 to 48 Credit Repair Communications.

ThinkCredit.

The ThinkCredit service level for customers who engage ThinkCredit before January 17th, 2018 is designed to assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score. The

ThinkCredit service level for customers who engage ThinkCredit on or after January 17th, 2018 will, in addition to all services provided under the ThinkCredit service level before January 17th, 2018, include the following:

- Once each Service Interval Trimester, Creditrepair.com will provide a credit score improvement analysis of factors impacting your credit score.
- When applicable, the ThinkCredit service level also assists you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting, but at a reduced pace.
- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send, as applicable, up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester.

Customers with credit report items requiring Credit Repair Communications, who engage the ThinkCredit service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals, have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 1 to 2 Credit Repair Communications; (b) 2 Service Intervals - 2 to 4 Credit Repair Communications; (c) 4 Service Intervals - 4 to 8 Credit Repair Communications; (d) 6 Service Intervals - 6 to 12 Credit Repair Communications; (e) 8 Service Intervals - 8 to 16 Credit Repair Communications; (f) 10 Service Intervals - 10 to 20 Credit Repair Communications; (g) 12 Service Intervals - 12 to 24 Credit Repair Communications.

B. AFTERCARE SERVICE LEVEL

Monitor and Maintain. The Monitor and Maintain service level for customers who engage Monitor and Maintain before January 17th, 2018 is designed for customers with few remaining credit report items requiring Creditrepair.com's attention. This service level will provide the same services as the Credit Repair service level; however, the Credit Repair Communications sent on your behalf and in your name will be performed less frequently: Creditrepair.com will send up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester. Creditrepair.com will also provide one to three credit score improvement analyses during a Service Interval Trimester. The Monitor and Maintain service level for customers who engage Monitor and Maintain on or after January 17th, 2018 will, in addition to all services provided under the Monitor and Maintain service level before January 17th, 2018, assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score

Customers who engage the Monitor and Maintain service level for the following example

number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 1 to 2 Credit Repair Communications; (b) 2 Service Intervals - 2 to 4 Credit Repair Communications; (c) 4 Service Intervals - 4 to 8 Credit Repair Communications; (d) 6 Service Intervals - 6 to 12 Credit Repair Communications; (e) 8 Service Intervals - 8 to 16 Credit Repair Communications; (f) 10 Service Intervals - 10 to 20 Credit Repair Communications; (g) 12 Service Intervals - 12 to 24 Credit Repair Communications.

FitCredit.

The FitCredit service level is designed to assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score.

Total Cost: Customers who sign up for the Credit Repair Direct service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval – \$69.95; (b) 2 Service Intervals – \$139.90; (c) 4 Service Intervals – \$279.80; (d) 6 Service Intervals – \$419.70; (e) 8 Service Intervals – \$559.60; (f) 10 Service Intervals – \$699.50; (g) 12 Service Intervals – \$839.40.

Customers who sign up for the Credit Repair service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$99.95; (b) 2 Service Intervals - \$199.90; (c) 4 Service Intervals - \$399.80; (d) 6 Service Intervals - \$599.70; (e) 8 Service Intervals - \$799.60; (f) 10 Service Intervals - \$999.50; (g) 12 Service Intervals - \$1,199.40.

Customers who sign up for the Credit Repair Advanced service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$119.95; (b) 2 Service Intervals - \$239.90; (c) 4 Service Intervals - \$479.80; (d) 6 Service Intervals - \$719.70; (e) 8 Service Intervals - \$959.60; (f) 10 Service Intervals - \$1,199.50; (g) 12 Service Intervals - \$1,439.40.

Customers who sign up for the Credit Repair Value reduced rate structure for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$49.95; (b) 2 Service Intervals - \$99.90; (c) 4 Service Intervals - \$199.80; (d) 6 Service Intervals - \$299.70; (e) 8 Service Intervals - \$399.60; (f) 10 Service Intervals - \$499.50; (g) 12 Service Intervals - \$599.40.

Customers who sign up for the ThinkCredit service level before January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the ThinkCredit service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the Monitor and Maintain service level before January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$19.95; (b) 2 Service Intervals - \$39.90; (c) 4 Service Intervals - \$79.80; (d) 6 Service Intervals - \$119.70; (e) 8 Service Intervals - \$159.60; (f) 10 Service Intervals - \$199.50; (g) 12 Service Intervals - \$239.40.

Customers who sign up for the Monitor and Maintain service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the FitCredit service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$14.95; (b) 2 Service Intervals - \$29.90; (c) 4 Service Intervals - \$59.80; (d) 6 Service Intervals - \$89.70; (e) 8 Service Intervals - \$119.60; (f) 10 Service Intervals - \$149.50; (g) 12 Service Intervals - \$179.40.

Bond: Arkansas law requires a credit services organization to obtain a surety bond and establish a trust account if the credit services organization charges or receives any money or other valuable consideration prior to full and complete performance of the services the credit services organization has agreed to perform for the buyer. Ark. Stat §§ 4-91-106. Creditrepair.com does not charge or receive any money or consideration from consumers before completing the services it has agreed to perform. However, Creditrepair.com has obtained a surety bond in the amount of \$10,000 as a good faith demonstration of its commitment to consumers. You have a right to proceed against the bond. The bond is Bond No. ILIFSU0585016 and the surety is International Fidelity Insurance Company, One Newark Center, 20th Floor, Newark, NJ 07102.

I acknowledge that I have received and have had an opportunity to review a copy of the above written statement.

Name

Date

AGREEMENT AND LIMITED DESIGNATION OF AGENCY

Thank you for engaging the services of Creditrepair.com, Inc., 2875 S. Decker Lake Drive, Suite 200, West Valley City, UT 84119 (“Creditrepair.com”). This Agreement and Limited Designation of Agency (“Contract”) constitutes the complete understanding between you and Creditrepair.com.

I. DEFINITIONS

A. Bureaus. The term “Bureaus” shall mean, collectively or individually, the major credit bureaus (TransUnion, Equifax, and Experian).

B. Credit Repair Communications. The term “Credit Repair Communications” shall mean written or electronic communications to Bureaus and/or Furnishers. Credit Repair Communications will be sent in accordance with your instructions and information as well as with Creditrepair.com’s analysis of your credit reports.

C. Content. The term “Content” shall mean Creditrepair.com’s works of authorships, including but not limited to its registered marks, copyrighted material, any revisions, modifications and enhancements thereto, and any trade dress.

D. Furnishers. The term “Furnishers” shall mean one or more credit report information furnishers (for example, creditors, debt collectors, and banks).

E. Service Interval. The term “Service Interval” shall mean 5-15 days (for service levels other than ThinkCredit before January 17th, 2018 and FitCredit) or 30 days (for the ThinkCredit service level before January 17th, 2018 and the FitCredit service level) after the date of this Contract, and monthly thereafter or the date services end, if earlier.

F. Service Interval Trimester. The term “Service Interval Trimester” shall mean four consecutive Service Intervals.

G. Websites. The term “Websites” shall mean the websites located at www.creditrepair.com, and such other sites as Creditrepair.com may choose to operate in connection with the services it provides.

II. SERVICES

You are engaging the Credit Repair Advanced service level (described below) as of the date of this Contract. You may change your service level at any time simply by contacting Creditrepair.com. In the event you change your service level, all terms and conditions of this Contract will apply to your chosen service level.

You agree that, by signing this Contract, you are providing Creditrepair.com with “written instructions” in accordance with the Fair Credit Reporting Act to periodically obtain your credit

reports from any consumer reporting agency, affiliate or third party and to use your credit reports to provide you with the services agreed to as part of this Contract.

Creditrepair.com performs one or more of the following services before you pay: enters your personal data and one or more credit reports into its secure database; provides you with a login to access your status online and to access certain informative content Creditrepair.com offers its customers; collects information and instructions from you regarding your particular circumstances and how you wish to proceed; analyzes your situation; and prepares and sends one or more Credit Repair Communications on your behalf.

Subsequently, Creditrepair.com typically performs one or more of the following ongoing and periodic services as appropriate in its judgment and discretion: receives and reviews Bureau and Furnisher correspondence sent to us directly or by you; collects and reviews updated information and instructions from you regarding your circumstances and goals; monitors and analyzes your status; provides you with updates regarding your status; and prepares and sends one or more additional Credit Repair Communications on your behalf.

Creditrepair.com cannot guarantee and you are not paying for a particular credit report outcome or result; you are paying only for Creditrepair.com's efforts on your behalf. The Bureaus or Furnishers may not respond to initial or subsequent Credit Repair Communications and ultimately may decide not to remove items from your consumer credit files despite Creditrepair.com's efforts.

Creditrepair.com's services are designed to assist you in your efforts to ensure that your credit reports fairly and accurately reflect your credit history, and to provide you with valuable guidance as you continue to manage your credit. In order to meet your precise needs, Creditrepair.com offers the following credit repair service levels that may assist you in your efforts to stay on track. Regardless of the service level, Creditrepair.com uses its judgment and discretion to determine the content, number and frequency of the Credit Repair Communications. Credit Repair Communications may be sent to Bureaus and/or Furnishers up to two (2) weeks after you choose to end services (due to variations in transit time and the period required to process a request to cancel services). This Contract is only for the services listed below related to your chosen service level.

A. CREDIT REPAIR SERVICE LEVEL

Credit Repair Direct.

- The Credit Repair Direct service level will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.
- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send Credit Repair Communications to Bureaus and up to three Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Credit Repair.

- The Credit Repair service level will, in addition to all services provided under the Credit Repair Direct service level, provide personalized analyses of factors impacting credit scoring. Creditrepair.com will provide at least one credit score improvement analysis during a Service Interval.

Customers who engage the Credit Repair Direct service level or Credit Repair service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 4 to 6 Credit Repair Communications; (b) 2 Service Intervals - 8 to 12 Credit Repair Communications; (c) 4 Service Intervals - 16 to 24 Credit Repair Communications; (d) 6 Service Intervals - 24 to 36 Credit Repair Communications; (e) 8 Service Intervals - 32 to 48 Credit Repair Communications; (f) 10 Service Intervals - 40 to 60 Credit Repair Communications; (g) 12 Service Intervals - 48 to 72 Credit Repair Communications.

Credit Repair Advanced.

The Credit Repair Advanced service level will, in addition to all services provided under the Credit Repair service level, provide:

- additional Credit Repair Communications,
- periodic credit score tracking,
- management tools for identity protection and personal finance, and
- other communications as requested and as applicable that leverage additional consumer protections.

Customers who engage the Credit Repair Advanced service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 7 to 10 Credit Repair Communications; (b) 2 Service Intervals - 14 to 20 Credit Repair Communications; (c) 4 Service Intervals - 28 to 40 Credit Repair Communications; (d) 6 Service Intervals - 42 to 60 Credit Repair Communications; (e) 8 Service Intervals - 56 to 80 Credit Repair Communications; (f) 10 Service Intervals - 70 to 100 Credit Repair Communications; (g) 12 Service Intervals - 84 to 120 Credit Repair Communications.

Credit Repair Value Reduced Rate Structure.

- Credit Repair Value is a reduced rate subset of the Credit Repair Direct, Credit Repair, and Credit Repair Advanced service levels. Credit Repair Value will assist you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate and substantiated consumer credit reporting.

- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send Credit Repair Communications to Bureaus and up to two Credit Repair Communications to Furnishers during a Service Interval on your behalf and in your name to verify and/or challenge the accuracy of your credit reports.

Customers who engage Credit Repair Value for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 2 to 4 Credit Repair Communications; (b) 2 Service Intervals - 4 to 8 Credit Repair Communications; (c) 4 Service Intervals - 8 to 16 Credit Repair Communications; (d) 6 Service Intervals - 12 to 24 Credit Repair Communications; (e) 8 Service Intervals - 16 to 32 Credit Repair Communications; (f) 10 Service Intervals - 20 to 40 Credit Repair Communications; (g) 12 Service Intervals - 24 to 48 Credit Repair Communications.

ThinkCredit.

The ThinkCredit service level for customers who engage ThinkCredit before January 17th, 2018 is designed to assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score. The ThinkCredit service level for customers who engage ThinkCredit on or after January 17th, 2018 will, in addition to all services provided under the ThinkCredit service level before January 17th, 2018, include the following:

- Once each Service Interval Trimester, Creditrepair.com will provide a credit score improvement analysis of factors impacting your credit score.
- When applicable, the ThinkCredit service level also assists you in requesting that Bureaus and Furnishers demonstrate their compliance with various laws governing fair, accurate, and substantiated consumer credit reporting, but at a reduced pace.
- Based upon its analysis of your credit reports and the information and instructions you provide, Creditrepair.com will prepare and send, as applicable, up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester.

Customers with credit report items requiring Credit Repair Communications, who engage the ThinkCredit service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals, have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 1 to 2 Credit Repair Communications; (b) 2 Service Intervals - 2 to 4 Credit Repair Communications; (c) 4 Service Intervals - 4 to 8 Credit Repair Communications; (d) 6 Service Intervals - 6 to 12 Credit Repair Communications; (e) 8 Service Intervals - 8 to 16 Credit Repair Communications; (f) 10 Service Intervals - 10 to 20 Credit Repair Communications; (g) 12 Service Intervals - 12 to 24 Credit Repair Communications.

B. AFTERCARE SERVICE LEVEL

Monitor and Maintain. The Monitor and Maintain service level for customers who engage Monitor and Maintain before January 17th, 2018 is designed for customers with few remaining credit report items requiring Creditrepair.com's attention. This service level will provide the same services as the Credit Repair service level; however, the Credit Repair Communications sent on your behalf and in your name will be performed less frequently: Creditrepair.com will send up to one Credit Repair Communication to Furnishers during a Service Interval, and up to three Credit Repair Communications to Bureaus during a Service Interval Trimester. Creditrepair.com will also provide one to three credit score improvement analyses during a Service Interval Trimester. The Monitor and Maintain service level for customers who engage Monitor and Maintain on or after January 17th, 2018 will, in addition to all services provided under the Monitor and Maintain service level before January 17th, 2018, assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score

Customers who engage the Monitor and Maintain service level for the following example number(s) of specified Service Intervals have the following average number of Credit Repair Communications sent to Bureaus and Furnishers: (a) 1 Service Interval - 1 to 2 Credit Repair Communications; (b) 2 Service Intervals - 2 to 4 Credit Repair Communications; (c) 4 Service Intervals - 4 to 8 Credit Repair Communications; (d) 6 Service Intervals - 6 to 12 Credit Repair Communications; (e) 8 Service Intervals - 8 to 16 Credit Repair Communications; (f) 10 Service Intervals - 10 to 20 Credit Repair Communications; (g) 12 Service Intervals - 12 to 24 Credit Repair Communications.

FitCredit.

The FitCredit service level is designed to assist you in managing your credit profile, identity, and personal finances. Creditrepair.com will provide you with periodic credit score tracking, fraud alerts and other tools for identity protection, daily credit monitoring, and tools for managing your personal financial accounts. Once each Service Interval, Creditrepair.com will provide a FICO® Score and a correlate analysis of factors impacting that score.

III. PAYMENT AND FEES

Creditrepair.com never charges before any services are fully performed. Fees are collected on a periodic basis, but only for services previously provided. Because fees are charged after rendering services, you should expect to pay a final fee when you choose to end services and fees are generally not refundable. Any service credit provided by Creditrepair.com will be applied to services rendered and will expire upon cancellation of services.

A Service Interval fee is charged as follows: \$69.95 for Credit Repair Direct, \$99.95 for Credit Repair, \$119.95 for Credit Repair Advanced, \$49.95 for Credit Repair Value, \$19.95 for Monitor and Maintain before January 17th, 2018, or \$24.95 for Monitor and Maintain on or after January 17th, 2018 (each charged five to fifteen days from the date of this Contract); or \$24.95 for

ThinkCredit before January 17th, 2018, \$24.95 for ThinkCredit on or after January 17th, 2018, or \$14.95 for FitCredit (each charged thirty days from the date of this Contract). This fee will be charged after related services have been fully rendered.

When you elect to continue additional Service Interval(s) at a selected service level, you will be charged the following at the end of each Service Interval, for work previously and fully rendered: \$69.95 for Credit Repair Direct, \$99.95 for Credit Repair, \$119.95 for Credit Repair Advanced, \$49.95 for Credit Repair Value, \$24.95 for ThinkCredit before January 17th, 2018, \$24.95 for ThinkCredit on or after January 17th, 2018, \$19.95 for Monitor and Maintain before January 17th, 2018, \$24.95 for Monitor and Maintain on or after January 17th, 2018, or \$14.95 for FitCredit. Charges will be processed on or about the same day of each month for each Service Interval(s) until you elect to cancel service. For example, if a fee for services was charged on the seventh of the month and you choose to continue for another Service Interval, the fee for that Service Interval will be charged on or about the seventh of the next month for work previously and fully rendered. (The specific day of the month may vary slightly due to weekends and holidays.) A final fee will be charged on the day you end services. Depending on which payment method you have selected, fees will either be charged to your credit or debit card or drafted from your bank account.

You agree to pay the following late charge when payment for Creditrepair.com's services is not honored upon first presentment by Creditrepair.com to your credit or debit card company or bank: \$19.95 for Credit Repair Direct, Credit Repair and Credit Repair Advanced; \$9.95 for Credit Repair Value; or \$4.95 for ThinkCredit before January 17th, 2018, ThinkCredit on or after January 17th, 2018, Monitor and Maintain before January 17th, 2018, Monitor and Maintain on or after January 17th, 2018, and FitCredit. You authorize Creditrepair.com to substitute additional payment methods provided by you in the event any fee or charge authorized by this Contract is not honored upon first presentment by Creditrepair.com. You grant Creditrepair.com permission to withdraw any fee or charge authorized by this Contract from your credit or debit card or bank account and to verify your account information.

While the amount of work performed may vary from Service Interval to Service Interval, your monthly fee for additionally elected Service Intervals will remain the same and will be collected only for services previously and completely rendered.

Customers who sign up for the Credit Repair Direct service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval – \$69.95; (b) 2 Service Intervals – \$139.90; (c) 4 Service Intervals – \$279.80; (d) 6 Service Intervals – \$419.70; (e) 8 Service Intervals – \$559.60; (f) 10 Service Intervals – \$699.50; (g) 12 Service Intervals – \$839.40.

Customers who sign up for the Credit Repair service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$99.95; (b) 2 Service Intervals - \$199.90; (c) 4 Service Intervals - \$399.80; (d) 6 Service Intervals - \$599.70; (e) 8 Service Intervals - \$799.60; (f) 10 Service Intervals - \$999.50; (g) 12 Service Intervals - \$1,199.40.

Customers who sign up for the Credit Repair Advanced service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$119.95; (b) 2 Service Intervals - \$239.90; (c) 4 Service Intervals - \$479.80; (d) 6 Service Intervals - \$719.70; (e) 8 Service Intervals - \$959.60; (f) 10 Service Intervals - \$1,199.50; (g) 12 Service Intervals - \$1,439.40.

Customers who sign up for the Credit Repair Value reduced rate structure for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$49.95; (b) 2 Service Intervals - \$99.90; (c) 4 Service Intervals - \$199.80; (d) 6 Service Intervals - \$299.70; (e) 8 Service Intervals - \$399.60; (f) 10 Service Intervals - \$499.50; (g) 12 Service Intervals - \$599.40.

Customers who sign up for the ThinkCredit service level before January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the ThinkCredit service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the Monitor and Maintain service level before January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$19.95; (b) 2 Service Intervals - \$39.90; (c) 4 Service Intervals - \$79.80; (d) 6 Service Intervals - \$119.70; (e) 8 Service Intervals - \$159.60; (f) 10 Service Intervals - \$199.50; (g) 12 Service Intervals - \$239.40.

Customers who sign up for the Monitor and Maintain service level on or after January 17th, 2018 for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$24.95; (b) 2 Service Intervals - \$49.90; (c) 4 Service Intervals - \$99.80; (d) 6 Service Intervals - \$149.70; (e) 8 Service Intervals - \$199.60; (f) 10 Service Intervals - \$249.50; (g) 12 Service Intervals - \$299.40.

Customers who sign up for the FitCredit service level for the following example number(s) of specified Service Intervals pay Creditrepair.com the following total amounts: (a) 1 Service Interval - \$14.95; (b) 2 Service Intervals - \$29.90; (c) 4 Service Intervals - \$59.80; (d) 6 Service Intervals - \$89.70; (e) 8 Service Intervals - \$119.60; (f) 10 Service Intervals - \$149.50; (g) 12 Service Intervals - \$179.40.

IV. TERM AND CANCELLATION

You may cancel this Contract at any time and in a number of ways, including: (a) telephoning Creditrepair.com, (b) signing and mailing Creditrepair.com one of the Notices of Cancellation, or

(c) sending Creditrepair.com a written request. Creditrepair.com honors all cancellation requests without condition or charge that are sent to Creditrepair.com within the first five days of the date of this Contract. It may take up to three business days from the day Creditrepair.com receives your request to process it. Cancellation requests sent after the first five days may result in a charge.

The length of time you may wish to engage Creditrepair.com will likely depend on a variety of factors, such as: your individual credit goals, your timely participation, the complexity of your situation (e.g. the type and number of unfairly or inaccurately reported credit information subject to substantiation), initial and subsequent positions taken by a particular Furnisher or Bureau regarding an affected credit report item, new information added to your credit profile during the period of time for which you are signed up with Creditrepair.com, changes to your initial credit goals, and other related factors. This Contract continues from month to month. You are advised to review your situation at least each month and determine whether you wish to continue Creditrepair.com's services or cancel.

Creditrepair.com reserves the right to discontinue providing you services if you breach this Contract. In such event, you agree to pay Creditrepair.com for the services rendered by Creditrepair.com previous to the date of discontinuation.

Creditrepair.com may have discussions with you regarding your situation and in doing so may provide its opinion, in its judgment, regarding your options and possible outcomes, given the information you provide to Creditrepair.com. Any expressions of opinion may not reflect an actual outcome.

V. CUSTOMER RESPONSIBILITIES AND COMMUNICATIONS

You agree to assist Creditrepair.com in answering certain security questions regarding your identity and credit history as may be necessary to obtain your credit reports.

You agree that Creditrepair.com, in its judgment and at its discretion, may send Credit Repair Communications to Bureaus and/or Furnishers, as applicable, to verify the accuracy of items on your credit report. You also agree to specify which credit report items Creditrepair.com should challenge with Bureaus and/or Furnishers, as applicable, the basis for such actions, and whether there are any items on your report the accuracy of which need not be verified.

You will provide Creditrepair.com with legible copies (not originals) of updated credit reports at least every ninety days, and promptly forward to Creditrepair.com copies of all correspondence you receive from the Bureaus, Furnishers, or others as the result of Creditrepair.com's efforts on your behalf. You understand and acknowledge that failure to promptly forward correspondence and updated credit reports may delay or negatively impact your situation.

You agree to send only copies of documents, not originals, for Creditrepair.com to scan, store electronically, and shred.

You agree to promptly inform Creditrepair.com if your contact or payment information changes

by calling your advisor.

You agree to review your situation each month and determine whether you wish to cancel Creditrepair.com's services.

Once Creditrepair.com's services are canceled, you authorize Creditrepair.com to destroy your file in accordance with applicable law and Creditrepair.com's retention policy. You may request copies of your file for up to six months, or longer as required by law.

You agree to use the Content for your own personal benefit, and not for commercial purposes.

You agree and acknowledge that Creditrepair.com may communicate private and confidential information with you via unencrypted email at the address you provide. You agree to promptly inform Creditrepair.com if your email address changes by calling your advisor.

You agree that all information you provide Creditrepair.com is true to the best of your knowledge.

You understand and acknowledge that you are not paying for, and that Creditrepair.com does not make, any representation, warranty, promise or guarantee as to any particular outcome or result. You are paying only for Creditrepair.com's services on your behalf. The Bureaus or Furnishers may decide not to remove items from your consumer credit files despite Creditrepair.com's actions.

You acknowledge that you intentionally hired Creditrepair.com, which is based in the state of Utah.

You acknowledge that Credit Repair Communications prepared by Creditrepair.com may include your account number(s) and Social Security Number in order to reference your account.

You understand Credit Repair Communications sent by Creditrepair.com to Furnishers and Bureaus on your behalf will be sent in your name, and will not be identified as being sent by Creditrepair.com. Copies of written Credit Repair Communications will be provided to you upon request.

You agree to all other terms and conditions within this Contract.

VI. CREDITREPAIR.COM WILL NOT DO ANY OF THE FOLLOWING:

Creditrepair.com assists you in contacting Bureaus and Furnishers to address items on your credit reports, but Creditrepair.com does not promise or provide any specific outcome with regard to your credit history or credit report. Multiple attempts to assist you in this effort may be necessary, and should you deem Creditrepair.com's actions to be unsuccessful, you may need to seek legal representation regarding a particular Furnisher or Bureau.

Creditrepair.com will not dispute accurate information within your credit report.

VII. STAFFING

Creditrepair.com may ask various staff or others to assist in handling the services it provides. Creditrepair.com may also need to employ professionals, investigators, advisors, consultants, or others to perform work for you. There is no additional charge to you for work performed by these individuals.

VIII. GENERAL

A. **ARBITRATION.** You agree to arbitrate all disputes and claims between you and Creditrepair.com on an individual basis only and not as a part of any class. You agree that, by entering into this Contract, you are waiving all rights to: (a) a trial by jury; (b) participate in a class action law suit or class action arbitration; and (c) bring an action against Creditrepair.com in a court of law. You may individually arbitrate any claim against Creditrepair.com in any jurisdiction in the United States. Creditrepair.com will reimburse you up to \$300 of your arbitration filing fee. The rules of the American Arbitration Association (“AAA”) shall govern the arbitration and can be viewed online at www.adr.org or by calling 1-800-778-7879.

B. **SEVERABILITY.** In the event that any provision or covenant of this Contract shall be held invalid, illegal or unenforceable by a court or arbitrator of competent jurisdiction for any reason, then such provision will be severed and replaced with a new provision that most closely reflects the original intention of the parties, and this Contract and all of its remaining provisions shall remain in full force and effect for the greatest time period and for the broadest scope permitted by applicable law. You understand and agree that your obligations under Sections III, V, and VIII, and any other provision which by its nature should survive termination, shall survive and remain enforceable after termination of this Contract for any reason without restriction or limit.

C. **CONFLICTS IN TERMS.** In the event of a conflict between any notice, policy, disclaimer or other term contained in the Websites or otherwise, the terms and conditions of this Contract shall control.

D. **FORCE MAJEURE.** Creditrepair.com shall not be liable by reason of any failure or delay in the performance of its obligations hereunder due to any reason beyond its reasonable control.

E. **COPYRIGHTS AND TRADEMARKS.** You acknowledge and agree that the Content are the property of Creditrepair.com or its licensors and suppliers and are protected by federal, state, and international copyrights laws, including the common law. Any other Content not owned by Creditrepair.com that appears on the Websites is the property of its respective owner(s). All software used on the Websites is the property of Creditrepair.com or its software suppliers and is also protected by federal, state, and international copyright law, including the common law. Reproduction of such Content, in whole or in part, is prohibited without prior consent.

F. **PRIVACY NOTICE.** Your telephone calls may be recorded and monitored for quality assurance. Creditrepair.com may use your personal information to the extent necessary for Creditrepair.com’s services and as allowed by Creditrepair.com’s privacy policy and terms of use located online at www.creditrepair.com. You may also request a copy of Creditrepair.com’s

privacy policy and terms of use by calling Creditrepair.com. By executing this Contract, you acknowledge you have reviewed and agree to Creditrepair.com's privacy policy and terms of use. To the extent Creditrepair.com's privacy policy or terms of use conflict with this Contract, this Contract shall control. Creditrepair.com will not sell your information to third parties.

G. ENTIRE AGREEMENT. This Contract is the entire agreement between you and Creditrepair.com and supersedes all other agreements, whether made orally or in writing.

H. SERVICE OF PROCESS. Creditrepair.com's agent for service of process in Arkansas is The Corporation Company, 124 West Capitol Avenue, Suite 1900, Little Rock, AR 72201-3736.

IX. LIMITED DESIGNATION OF AGENCY

You agree that Creditrepair.com may act as your non-exclusive agent and attorney in fact, on your behalf, for the limited purposes of:

- (a) requesting and receiving your consumer credit disclosures and credit reports;
- (b) disputing, challenging, or investigating with Bureaus as applicable, at your direction and within our professional judgment, inaccurate, unfairly reported, incomplete, or unsubstantiated information on such disclosures and reports;
- (c) receiving results from such inquiries and communicating them to you;
- (d) investigating and/or verifying information provided by Furnishers to Bureaus; and
- (e) signing letters on your behalf and in your name.

You authorize the Bureaus and Furnishers to provide such disclosures and reinvestigation results to Creditrepair.com on your behalf, via electronic means. You further agree that you will not knowingly dispute accurate information on your credit report or disclosures.

X. SIGNATURE

I have received and had the opportunity to review the Creditrepair.com Agreement and Limited Designation of Agency, which I understand is a binding contract, and agree to all its terms and conditions.

By providing your electronic signature, you engage Creditrepair.com to work on your behalf and you agree to the following:

You acknowledge that you have received and agree to the terms of Creditrepair.com's E-SIGN Agreement, and that you have received and have had an opportunity to review a copy of the Creditrepair.com federal and state disclosure statements and notices of cancellation.

You acknowledge that you have received and had the opportunity to review the Creditrepair.com Agreement and Limited Designation of Agency, which you understand is a binding contract, and agree to all its terms and conditions.

Required Notice Under Federal Law: You may cancel this contract without penalty or

obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.

Creditrepair.com provides you five days from the date of this Contract to cancel without penalty or obligation.

For Arkansas Customers: Required Notice Under State Law: You, the buyer, may cancel this contract at any time prior to midnight of the fifth day after the date of the transaction. See the attached Notice of Cancellation form for an explanation of this right.

Name

Date

Notice of Cancellation

You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day which begins after the date the contract is signed by you.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to Creditrepair.com, Inc. at 2875 S. Decker Lake Drive, Suite 200, West Valley City, UT 84119 before midnight on 08/04/2019

I hereby cancel this transaction,

(date)

(purchaser's signature).

Notice of Cancellation (duplicate)

You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day which begins after the date the contract is signed by you.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to Creditrepair.com, Inc. at 2875 S. Decker Lake Drive, Suite 200, West Valley City, UT 84119 before midnight on 08/04/2019

I hereby cancel this transaction,

(date)

(purchaser's signature).

Notice of Cancellation

You may cancel this contract without any penalty or obligation within five (5) days from the date the contract is signed.

If you cancel this contract, any payment made by you under this contract will be returned within ten (10) days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed dated copy of this cancellation notice, or any other written notice to

Creditrepair.com, Inc. at 2875 S. Decker Lake Drive, Suite 200, West Valley City, UT 84119 not later than midnight 08/04/2019

I hereby cancel this transaction,

(date)

(purchaser's signature)

Notice of Cancellation (duplicate)

You may cancel this contract without any penalty or obligation within five (5) days from the date the contract is signed.

If you cancel this contract, any payment made by you under this contract will be returned within ten (10) days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed dated copy of this cancellation notice, or any other written notice to

Creditrepair.com, Inc. at 2875 S. Decker Lake Drive, Suite 200, West Valley City, UT 84119 not later than midnight 08/04/2019

I hereby cancel this transaction,

(date)

(purchaser's signature)

Ex. 33

PGX0040961

Public Version Redacted

Ex. 34

CreditRepair.com Resp. to Interrog. No. 2

(Apr. 7, 2021)

Public Version Redacted

Ex. 35

CreditRepair.com Supp. Resp. to RFA 1

(July 6, 2021)

Public Version Redacted

Ex. 36

eFolks

Dep. Excerpts

Public Version Redacted

Ex. 37

LEX00000066

Public Version Redacted

Ex. 38

PGX Holdings Resp. to
Interrog. No. 15
(May 14, 2021)

Public Version Redacted