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**IN THE SUPERIOR COURT
FOR THE COUNTY OF PLACER**

JACORY WILLIAMS; SABRINA
WILLIAMS,

PLAINTIFFS,

vs.

LENDMARK FINANCIAL SERVICES,
LLC; DOES 1 through 25, inclusive,

DEFENDANTS.

Case No.: S-CV-0058109

**COMPLAINT FOR DAMAGES AND
DEMAND FOR JURY TRIAL FOR
VIOALTIONS OF:**

1. C.M.V.C. §§ 800-813;
2. CALIF. CIV. CODE §§ 1788-1788.32;
3. CALIF. CIV. CODE §§ 1785.25(a)-1788.31

**TO THE CLERK OF THE COURT, ALL PARTIES, AND THE HONORABLE
DISTRICT COURT JUDGE:**

PLAINTIFFS, JACORY WILLIAMS and SABRINA WILLIAMS (hereinafter,
“PLAINTIFFS”), each an individual, by and through their attorneys of record, hereby complain
and allege in this Complaint as follows:

INTRODUCTION

1. This action arises out of DEFENDANT LENDMARK FINANCIAL SERVICES, LLC’S (hereinafter, “DEFENDANTS”) violations of Calif. Military and Veteran’s Code §§ 800-813; the State of California Consumer Credit Reporting Agencies Act (Calif. Civ. Code §§

1 1785.25-1785.31); and, the State of California Rosenthal Act (hereinafter “Rosenthal Act”) (Calif.
2 Civil Code §§1788-1788.32).

3 2. PLAINTIFFS make the allegations below on information and belief, with the
4 exception of those allegations that pertain to PLAINTIFFS personally, or to PLAINTIFFS’
5 counsel, which PLAINTIFFS alleges on personal knowledge.

6 3. California’s enactment of legislation conferring certain benefits with regard to
7 civil obligations, liabilities, and litigation on military personnel called to active service or duty
8 evidences the Legislature’s intent to protect such members of our Armed Forces.

9 4. For example, the Comments to California Bill Analysis, A.B. 306 Assem.,
10 4/26/2005 states in part:

11 A recent Pentagon survey found that 31% of families of reservists and National Guard
12 members see a decrease in income when a spouse is called to duty. Too much debt
13 and financial worries are a burden to service members and can have serious
14 consequences. Federal and state governments have long recognized the need to
15 provide certain legal protections for individuals entering or called to active duty in
16 the military service. During times of past national crisis, Congress and state
17 legislatures have passed various laws to protect service members while deployed on
18 active duty. **The goal of these laws was to allow service members to focus on their
19 military duties without worrying about civil obligations back home and to
20 ensure that service members and their families would not face undue economic
21 hardships as a result of their military service** (emphasis added).

22 The author of this bill argues that **no Californian should be subjected to financial
23 hardship as a result of their choice to serve and that because California's service
24 members are currently being activated at near record levels, now is the time for
California to stand up and protect the financial security of these brave soldiers
and their families** (emphasis added).

25 5. Furthermore, California Bill Analysis, A.B. 3212 Assem., 4/10/2018 states in part:
26 “The need to provide active duty members of the military, as well as National Guard and Reserve
27 service members who are called to active duty, with a certain measure of protection in civil
28 liability cases is long-recognized, first during the Civil War and later, in the form of the Soldiers
29 and Sailors Relief Act of 1940.”

1 6. Additionally, California Bill Analysis, A.B. 3212 Assem., 5/2/2018 shows that the
2 Purpose of the Bill to amend Military and Veterans’ Code § 800, et seq. was as follows:

3 Purpose. This bill seeks to ease the legal and financial burdens placed on military
4 personnel and their families by expanding and strengthening several consumer
5 protections provided to active-duty California service members. This bill is
6 sponsored by the state attorney general. According to the author:

7 California leads the nation in protecting the rights of military members under state
8 law. But current state military consumer protections apply only to members of the
9 National Guard and reservists who are called to active duty. These protections do
10 not cover the more than 100,000 full time members of the active components of the
11 armed forces who live in California.

12 Currently, most of the protections expire quickly after a service member leaves
13 active duty. This is problematic because service members need time after
14 deployment to reintegrate and may face financial distress during this period of
15 transition.

16 7. DEFENDANTS’ actions taken with respect to PLAINTIFFS’ residential home
17 mortgage loan obligations do not comply nor comport with the legislative intent to protect the
18 financial security of our service members risking their own lives for the safety of our Country.

19 8. While many violations are described below with specificity, this Complaint alleges
20 violations of the statutes cited in their entirety.

21 9. DEFENDANT is a business entity that regularly does business within the State of
22 California, County of Placer, and maintains an agent for service of process within the State of
23 California at C T CORPORATION SYSTEM, 330 N Brand Blvd Suite 700, Glendale, CA 91203.
24 Therefore, personal jurisdiction is established.

PARTIES & DEFINITIONS

1 10. PLAINTIFFS are each a natural person.

2 11. PLAINTIFFS, as natural persons allegedly obligated to pay a consumer debt to
3 DEFENDANTS for a home mortgage loan, alleged to have been due and owing, are therefore a
4 “debtor” as that term is defined by California Civil Code § 1788.2(h) of the Rosenthal Act.

1 12. DEFENDANTS alleged that PLAINTIFFS owed money that they were allegedly
2 collecting for a loan, and PLAINTIFFS is therefore informed and believes that the money alleged
3 to have been owed originated from monetary credit that was extended to PLAINTIFFS primarily
4 for personal, family, or household purposes, and is therefore a “debt” as that term is defined by
5 Calif. Civil Code § 1788.2(d) of the Rosenthal Act.

6 13. Upon information and belief, DEFENDANTS were attempting to collect on a debt
7 that originated from monetary credit that was extended primarily for personal, family, or
8 household purposes, and was therefore a “consumer credit transaction” within the meaning of
9 Calif. Civil Code § 1788.2(e) of the Rosenthal Act.

10 14. Because PLAINTIFFS, a natural person allegedly obligated to pay money arising
11 from a consumer credit transaction, the money allegedly owed was a “consumer debt” within the
12 meaning of California Civil Code § 1788.2(f) of the Rosenthal Act.

13 15. PLAINTIFFS are informed and believe that DEFENDANTS regularly collect or
14 attempt to collect debts on behalf of others that are owed or due or asserted to be owed or due,
15 and is each therefore a “debt collector” within the meaning of Calif. Civil Code § 1788.2(c) of
16 the Rosenthal Act, and thereby engage in “debt collection” within the meaning of California Civil
17 Code § 1788.2(b) of the Rosenthal Act, are also therefore each a “person” within the meaning of
18 California Civil Code § 1788.2(g) of the Rosenthal Act, and each is also a “creditor” under
19 California Civil Code § 1788.2(i).

20 16. PLAINTIFFS are a natural person whose permanent residence is in the County of
21 Placer, and each is therefore a “consumer” as that term is defined by Calif. Civ. Code § 1785.3(b)
22 of the CCCRAA.

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24 ///

1 23. Violations of these protections as codified by the Calif. Military and Veterans' Code are
2 enforceable by Section 812 as follows:

3 a) A person violating any provision of this chapter shall be liable for actual
4 damages, reasonable attorney's fees, and costs incurred by the service member
5 or other person entitled to the benefits and protections of this chapter.

6 b) A service member or other person seeking to enforce rights pursuant to this
7 chapter shall not be required to pay a filing fee or court costs.

8 24. Pursuant to Section 813(a)-(b) of the Calif. Military and Veterans' Code, any
9 potential deficiency, legal insufficiency, or lack of entitlement to a request for deferment
10 submitted by a reservist is waived if the lender/servicer fails to provide a written explanation
11 within 30 days as to why it believes any such deficiency, legal insufficiency, or lack of entitlement
12 may exist, and in such a case the reservist is therefore entitled to the deferment benefits provided
13 herein despite the existence of any potential deficiency, legal insufficiency, or lack of entitlement.

14 25. It must also be noted that, pursuant to CMVC § 401(a)(3) and (a)(5), it is unlawful
15 for a creditor to furnish to the credit reporting agencies any adverse credit reporting and/or that a
16 borrower is a member of either an active or reserve component of the Armed Forces. Such a
17 violation is punishable criminally as follows, pursuant to CMVC § 401(e): "Any person violating
18 any provision of this section is guilty of a misdemeanor and shall be punishable by imprisonment
19 not to exceed one year or by a fine not to exceed one thousand dollars (\$1,000), or both.

20 **FACTUAL ALLEGATIONS**

21 26. PLAINTIFF JACORY is presently a Senior Master Sergeant with the United
22 States Air Force

23 27. PLAINTIFF SABRINA is the wife of PLAINTIFF JACORY, and pursuant to
24 C.M.V.C. § 811 she is entitled to the same benefits under the C.M.V.C. as PLAINTIFF JACORY.

1 28. PLAINTIFF JACORY is presently 41 years old and PLAINTIFF SABRINA is
2 presently 46 years old.

3 29. PLAINTIFFS' family is a dedicated military family.

4 30. PLAINTIFF JACORY has Top Secret Clearance.

5 31. On or about June 17, 2021, PLAINTIFFS entered into a joint credit agreement
6 with DEFENDANTS.

7 32. On February 15, 2026, which is after PLAINTIFFS incurred credit account,
8 PLAINTIFF JACORY received orders ordering him to report for full time active duty from
9 February 2026 to May 2026.

10 33. These orders have since been extended until at least August 1, 2026.

11 34. On March 25, 2026, PLAINTIFF JACORY submitted to DEFENDANTS a
12 written request for deferment pursuant to the Calif. Military & Veterans' Code Section 800, et
13 seq., seeking to defer payments on the account.

14 35. PLAINTIFF JACORY enclosed a copy of the deployment orders with the
15 deferment request.

16 36. PLAINTIFF sent the written request with a copy of his orders to the email address
17 that DEFENDANTS specifically instructed PLAINTIFF to send them to.

18 37. Pursuant to Sections 800 and 811 of the California Military and Veterans' Code,
19 PLAINTIFFS therefore were both entitled to a 180-day deferment of the account, and
20 DEFENDANTS were obligated to not only abide by the mandatory deferment but to also extend
21 the maturity date of the term of the obligation equal to the number of months of the deferment.

22 38. DEFENDANTS have never provided any written response to PLAINTIFFS
23 March 25, 2026 written request for deferment pursuant to the Calif. Military & Veterans' Code
24 Section 800, et seq., seeking to defer payments on the account.

1 39. C.M.V.C. § 813(a)-(b) specifically states:

2 (a) Any person who receives a good faith request from a service member for
3 relief pursuant to this chapter and who believes the request is incomplete or
4 otherwise not legally sufficient, or that the service member is not entitled to
5 the relief requested, shall, within 30 days of the request, provide the service
6 member with a written response acknowledging the request, setting forth the
7 person's basis for believing or asserting that the request is incomplete or not
8 legally sufficient, or that the service member is not entitled to the relief
9 requested. The response shall clearly identify the specific information or
10 materials that are missing from the request and that would be required to grant
11 the relief requested, and provide contact information, including a mailing
12 address and telephone number, which the service member can use to contact
13 the person.

14 (b) If the person fails to make such a response in the timeframe set forth in this
15 section, the person waives any objection to the request, and the service
16 member shall be entitled to the relief requested.

17 40. Therefore, pursuant to C.M.V.C. § 813(b), DEFENDANTS have waived any
18 entitlement to assert as a defense in this litigation that PLAINTIFFS' request was "incomplete or
19 otherwise not legally sufficient, or that the service member is not entitled to the relief requested".

20 41. Additionally, based on C.M.V.C. § 813(b), it is not required that there exist an
21 express statement by the mortgage company that the deferment has been granted, as a failure to
22 make such a response in the timeframe set forth in this section results in a waiver of any objection
23 to the request, and in turns means automatically the servicemember "shall be entitled to the relief
24 requested" by operation of law.

42. Assuming, but without conceding, that DEFENDANTS might assert there exists
a potential deficiency, legal insufficiency, or lack of entitlement to PLAINTIFFS' requests for
deferment, DEFENDANTS' failure to provide any written explanation of any basis for a
rejection/denial of the request within 30 days, as mandated by Section 813, therefore results in
any potential deficiency, legal insufficiency, or lack of entitlement having been waived, which

1 results in PLAINTIFFS therefore being automatically entitled to the benefits requested despite
2 any such potential deficiency, legal insufficiency, or lack of entitlement (if there even is any).

3 43. Therefore, pursuant to Sections 800 and 811 of the Calif. Military and Veterans'
4 Code, PLAINTIFFS were automatically entitled to up to 180-days' worth of deferment of the
5 principal and interest, and DEFENDANTS are and were obligated to not only abide by the
6 mandatory deferment but to also extend the maturity date of the term of the obligation equal to
7 the number of months of the deferment.

8 44. PLAINTIFFS trusted that DEFENDANTS would honor and comply with their
9 deferment protections pursuant to the Calif. Military & Veterans' Code Section 800, et seq., so
10 PLAINTIFFS began to withhold payments.

11 45. Unfortunately, however, DEFENDANTS began to falsely claim PLAINTIFFS
12 owed the full regular monthly payments during the time period that the account should have been
13 under mandatory deferment and have also falsely claimed that PLAINTIFFS are in default during
14 the time period that the account should have been under mandatory deferment.

15 46. To be clear: PLAINTIFFS absolutely did not owe the full regular monthly
16 payments starting April 1, 2026 for 180 days, and PLAINTIFFS were not in default during those
17 times, as PLAINTIFFS were automatically entitled to mandatory deferment protections pursuant
18 to C.M.V.C. section 813.

19 47. In turn, this means that each communication wherein DEFENDANTS insisted that
20 PLAINTIFFS owed the full regular monthly payment for months that should have been deferred
21 was a false statement, and also each communication wherein DEFENDANTS insisted that
22 PLAINTIFFS were in default for not making the full regular monthly payments for those months
23 amounts to a misrepresentation as to the character and status of the account.

1 48. Moreover, DEFENDANTS have failed to “extend the term of the obligation by
2 the number of months the obligation was deferred”, as required by § 800(e).

3 49. The misrepresentations as to the legal status of the account and misrepresentations
4 as to the amounts owed and unlawful threats are on-going violations, with such misrepresentations
5 and unlawful threats being delivered to PLAINTIFFS in written correspondence every month and
6 are ongoing.

7 50. Moreover, PLAINTIFFS have discovered that DEFENDANTS furnished
8 information to the consumer credit reporting agencies that PLAINTIFFS’ account is in default.

9 51. This negative credit reporting that falsely claimed PLAINTIFFS’ monthly
10 payment was past due and in default during the time period that the account should have been
11 under mandatory deferment was a violation of C.M.V.C §§ 800-813 amounts to a false
12 representation as to the status of the account and the amounts due and amounts to
13 inaccurate/incomplete/misleading negative credit reporting information.

14 52. DEFENDANTS’ actions of credit reporting that PLAINTIFFS owed full regular
15 monthly payments and are in default has caused PLAINTIFFS to suffer harm, because the credit
16 reporting shows monthly financial obligations that PLAINTIFFS otherwise did not owe, which
17 in turn causes PLAINTIFFS to suffer a worse debt to income ratio than it otherwise should have
18 been.

19 53. Furthermore, DEFENDANTS’ actions of credit reporting that PLAINTIFFS are
20 in default and delinquency on the account has caused PLAINTIFFS’ credit scores to drop and
21 also paints a false and inaccurate picture of PLAINTIFFS as being not creditworthy consumers
22 who default on their accounts due to financial irresponsibility.

23 54. DEFENDANTS’ actions of credit reporting has also caused PLAINTIFFS to be
24 concerned and worried over the possibility of discipline within the military, possibility of

1 demotion and/or less than honorable discharge, and possibly being stripped of Security Clearance,
2 as negative credit history risks PLAINTIFF JACORY being deprived of security clearance level
3 because the military considers someone with negative credit history as being at risk for bribery
4 and manipulation by foreign adversaries.¹

5 55. Each action taken by DEFENDANTS has caused PLAINTIFFS to suffer fear and
6 worry over their family's financial affairs, and to also suffer fear and worry over whether the VA
7 might refuse to provide any further VA benefits/protections.

8 56. PLAINTIFFS have suffered emotional distress, such as loss of sleep, worry, fear,
9 shame, embarrassment, headaches, increased heart rate, and shaking.

10 57. Upon information and belief, DEFENDANTS' intentions are to attempt to collect
11 the amounts that DEFENDANTS falsely represent to be "delinquent" as a balloon payment now
12 instead of extending the maturity date equal to the number of months of deferment.

13 58. Upon information and belief, DEFENDANTS have acted with malice and
14 oppression and in deliberate and willful disregard of PLAINTIFFS' rights, because they acted
15 with such a high degree of risk of committing a legal violation that was higher than mere
16 carelessness, because the laws that protect PLAINTIFFS in these circumstances are very clear
17 and unambiguous, and also because DEFENDANTS are fully aware of the obligations and
18 protections mandated by the C.M.V.C., yet DEFENDANTS have utterly failed to properly
19 comply, which means DEFENDANTS deserve exemplary and punitive damages.

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24 ¹ <https://www.consumerfinance.gov/about-us/blog/warno-new-security-clearance-guidelines-make-it-more-important-ever-servicemembers-monitor-their-credit/>.

1 65. By falsely claiming on multiple occasions that PLAINTIFFS owed the full regular
2 monthly payments during a time period when they were actually entitled to deferment protections,
3 DEFENDANTS violated Calif. Military & Vets.’ Code.

4 66. By falsely threatening that PLAINTIFFS were in default when in reality
5 PLAINTIFFS were entitled to deferment protections, DEFENDANTS violated Calif. Military &
6 Vets.’ Code.

7 67. As a direct and proximate result of DEFENDANTS’ actions, PLAINTIFFS have
8 suffered loss of time, loss of quality of life, as well as emotional and financial injuries.

9 68. PLAINTIFFS are also entitled to, and seek, attorneys’ fees and costs.

10 69. PLAINTIFFS are further informed and believes that the aforesaid conduct was
11 malicious and oppressive, as those terms are defined by California Civil Code sections 3294(c)(1)
12 and 3294(c)(2), deserving of punitive and exemplary damages. The obligations of
13 DEFENDANTS in this Cause of Action are not arising from contract, as the obligations arise
14 specifically from statute, which in turn means the limitation of § 3294(a) (“In an action for the
15 breach of an obligation not arising from contract ...”) does not apply.²

16 70. Upon information and belief, DEFENDANTS have (or are likely to have)
17 mortgage servicing engagements with other military families throughout the State of California,
18 which means DEFENDANTS deserve to suffer exemplary damages so that they do not inflict
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21 ² In the statute authorizing punitive damages for “an action for the breach of an obligation not
22 arising from contract,” the word “contract” is used in its ordinary sense to mean an agreement
23 between the parties, not an obligation imposed by law despite the absence of any such
24 agreement. Brewer v. Premier Golf Properties, LP (App. 4 Dist. 2008) 168 Cal.App.4th 1243,
review denied; Ward v. Taggart (1959) 51 Cal.2d 736, 336 P.2d 534. Further, exemplary
damages may be recovered in tort action upon a proper showing of malice, fraud or oppression
even though the tort incidentally involves a breach of contract. Chelini v. Nieri (1948) 32
Cal.2d 480, 196 P.2d 915; Haigler v. Donnelly (1941) 18 Cal.2d 674, 117 P.2d 331.

1 similar violations upon other military families, in addition to deserving punishment for attempting
2 to rip off PLAINTIFFS.

3 71. Under California law, even where a claim formally sounds in negligence, if the
4 PLAINTIFFS can make a showing that defendant's conduct goes beyond gross negligence and
5 demonstrates a knowing and reckless disregard, punitive damages may be available. *In re*
6 *Yahoo! Inc. Customer Data Security Breach Litigation* (N.D. Cal.2018) 313 F.Supp.3d 1113.

7 72. Assuming, but without conceding, that DEFENDANTS might assert there exists
8 a potential deficiency, legal insufficiency, or lack of entitlement to PLAINTIFFS' requests for
9 deferment, DEFENDANTS' failure to provide any written explanation of any basis for a
10 rejection/denial of the request within 30 days, as mandated by Section 813, therefore results in
11 any argument as to a potential deficiency, legal insufficiency, or lack of entitlement having been
12 waived, which results in PLAINTIFFS therefore being entitled to the benefits requested despite
13 any such potential deficiency, legal insufficiency, or lack of entitlement (if there even is any).

14 **SECOND CAUSE OF ACTION**
15 **CALIF. ROSENTHAL ACT**
16 **CALIF. CIV. CODE §§ 1788-1788.32**
17 **(BY AND ON BEHALF OF ALL PLAINTIFFS, AS AGAINST ALL DEFENDANTS)**

18 73. PLAINTIFFS repeat, re-allege, and incorporate by reference all other paragraphs,
19 as if fully set forth herein.

20 74. At all times during the aforementioned actions, there was in full force and effect
21 the following obligation for a debt collector in connection with the collection of any debt,
22 pertaining to pursuant to California Civil Code § 1788.17 of the Rosenthal Act, requiring all debt
23 collectors to be responsible for and liable for all requirements contained with the Federal FDCPA,
24 exceptions of which are not applicable:

1 Notwithstanding any other provision of this title, every debt collector collecting
2 or attempting to collect a consumer debt shall comply with the provisions of
3 Sections 1692b to 1692j, inclusive, of, and shall be subject to the remedies in
4 Section 1692k of, Title 15 of the United States Code. However, subsection (11)
5 of Section 1692e and Section 1692g shall not apply to any person specified in
6 paragraphs (A) and (B) of subsection (6) of Section 1692a of Title 15 of the
7 United States Code or that person's principal. The references to federal codes
8 in this section refer to those codes as they read January 1, 2001.

9 75. At all times relevant, DEFENDANTS were each obligated to comply with all such
10 requirements of the Federal FDCPA incorporated into the Rosenthal Act pursuant to Calif. Civ.
11 Code § 1788.17.

12 76. By falsely claiming on multiple occasions that PLAINTIFFS owed the full regular
13 monthly payments and are in default on their full regular monthly payments during a time when
14 in reality PLAINTIFFS were entitled to deferment protections, DEFENDANTS engaged in
15 multiple violations of the FDCPA as follows, all of which are necessarily violations of the
16 Rosenthal FDCPA via Calif. Civ. Code 1788.17, including but not limited to:

- 17 a. 15 U.S.C. §1692d by engaging in conduct the natural consequence of which is to
18 oppress PLAINTIFFS in connection with the collection of a debt,
- 19 b. 15 U.S.C. §1692e by using false, deceptive, and misleading representations in
20 connection with the collection of a debt,
- 21 c. 15 U.S.C. §1692e(2)(A) by falsely representing the character, amount, and legal
22 status of the debt,
- 23 d. 15 U.S.C. §1692e(10) by using false representations and deceptive means to
24 attempt to collect a debt,
- e. 15 U.S.C. §1692f by using unfair and unconscionable means to attempt to collect a
debt,
- f. 15 U.S.C. §1692f(1) by collecting an amount not authorized by agreement or by

1 law.

2 77. By failing to provide PLAINTIFFS the ability to secure deferment during months
3 that PLAINTIFFS were otherwise entitled to deferment protections, DEFENDANTS engaged in
4 multiple violations of the FDCPA as follows, all of which are necessarily violations of the
5 Rosenthal FDCPA via Calif. Civ. Code 1788.17, including but not limited to:

- 6 a. 15 U.S.C. §1692d by engaging in conduct the natural consequence of which is to
7 oppress PLAINTIFFS in connection with the collection of a debt,
- 8 b. 15 U.S.C. §1692e by using false, deceptive, and misleading representations in
9 connection with the collection of a debt,
- 10 c. 15 U.S.C. §1692e(2)(A) by falsely representing the character, amount, and legal
11 status of the debt,
- 12 d. 15 U.S.C. §1692e(10) by using false representations and deceptive means to
13 attempt to collect a debt,
- 14 e. 15 U.S.C. §1692f by using unfair and unconscionable means to attempt to collect a
15 debt,
- 16 f. 15 U.S.C. §1692f(1) by collecting an amount not authorized by agreement or by
17 law.

18 78. By furnishing false, inaccurate, and misleading information to the consumer credit
19 reporting agencies that PLAINTIFF 1) owed the full regular monthly payments at a time when he
20 was statutorily entitled to deferment, which amounts to a false claim that PLAINTIFF owed
21 several thousands of dollars more than he otherwise did in fact owe, and 2) was delinquent during
22 months when he was statutorily entitled to deferment, DEFENDANTS engaged in multiple
23 violations of the Federal FDCA as follows, all of which are necessarily violations of the Rosenthal
24 FDCPA via Calif. Civ. Code 1788.17:

- a. 15 U.S.C. §1692d by engaging in conduct the natural consequence of which is to oppress PLAINTIFF in connection with the collection of a debt,
- b. 15 U.S.C. §1692e by using false, deceptive, and misleading representations in connection with the collection of a debt,
- c. 15 U.S.C. §1692e(2)(A) by falsely representing the character, amount, and legal status of the debt,
- d. 15 U.S.C. §1692e(8), by furnishing credit reporting information to the consumer credit reporting agencies that DEFENDANTS knew or should know is false,
- e. 15 U.S.C. §1692e(10) by using false representations and deceptive means to attempt to collect a debt,
- f. 15 U.S.C. §1692f by using unfair and unconscionable means to attempt to collect a debt,
- g. 15 U.S.C. §1692f(1) by collecting an amount not authorized by agreement or by law.

79. The actions taken by DEFENDANTS that form the basis of PLAINTIFFS' Rosenthal FDCPA violations in this matter were always done in an attempt to collect money from PLAINTIFFS and were never done to simply enforce the security interest.

80. DEFENDANTS' violations of the Rosenthal FDCPA were willful, because DEFENDANTS at all times knew that the actions giving rise to such violations were wrongful and in violation of the law, and were also in direct contradiction to DEFENDANTS' own knowledge about the requirements of the C.M.V.C. considering that DEFENDANTS had already quoted portions of the C.M.V.C. to PLAINTIFFS, which shows that DEFENDANTS are fully aware of the obligations under the C.M.V.C. yet failed to comply with their own obligations after waiving any purported defense to the C.M.V.C. under Section 813.

1 81. As a proximate result of DEFENDANTS' actions, PLAINTIFFS have suffered
2 loss of time, loss of quality of life, as well as emotional and financial injuries.

3 82. PLAINTIFFS are also entitled to, and seek, up to \$1,000.00 in statutory damages
4 plus attorneys' fees and costs.

5 **THIRD CAUSE OF ACTION**
6 **CALIFORNIA CONSUMER CREDIT REPORTING AGENCIES ACT**
7 **CALIF. CIV. CODE § 1785.25(a)**
8 **(BY AND ON BEHALF OF ALL PLAINTIFFS, AS AGAINST ALL DEFENDANTS)**

9 83. PLAINTIFFS repeat, re-allege, and incorporate by reference each of the above
10 paragraphs as though set forth fully herein.

11 84. As the furnisher of information to credit reporting agencies, DEFENDANTS at all
12 times remained obligated to not furnish information on a transaction or experience to any
13 consumer credit reporting agency if they knew or should have known the information was
14 incomplete or inaccurate, as required by Calif. Civ. Code § 1785.25(a) of the California CCRAA.

15 85. Even if the derogatory reporting is technically accurate, it is still a violation of this
16 law if the derogatory reporting is misleading in such a way and to such an extent that it can be
17 expected to adversely affect credit decisions. *Cisneros v. U.D. Registry, Inc.* (1995) 39 Cal. App.
18 4th 548.

19 86. A credit reporting violation is "willful" if it involves the commission not only of
20 acts known to violate the statute, but also "reckless disregard of statutory duty." *Safeco Ins. Co.*
21 *of Am. v. Burr*, 551 U.S. 47, 56-57 (2007).

22 87. The Ninth Circuit in *Syed v. M-I, LLC* (2017) 853 F.3d 492, FN 7 recently stated,
23 with respect to credit reporting violations, "[W]here a party's action violates an unambiguous
24 statutory requirement, that fact alone may be sufficient to conclude that violation is reckless, and
therefore willful. ... [R]ecklessness may be determined by objective evidence alone."

1 88. DEFENDANTS have furnished false credit reporting against PLAINTIFFS that
2 claim they owed full regular monthly payments during months that they were otherwise statutorily
3 entitled to deferment.

4 89. This reporting has in turn caused PLAINTIFFS to suffer adverse credit reporting
5 because it shows monthly financial obligations that PLAINTIFFS otherwise did not owe, which
6 in turn causes PLAINTIFFS to suffer a worse debt to income ratio than it otherwise should be.

7 90. And moreover, DEFENDANTS have furnished false credit reporting against
8 PLAINTIFFS that they were in default during months that they were otherwise statutorily entitled
9 to deferment.

10 91. This negative credit reporting that PLAINTIFFS were in default on the account
11 has caused PLAINTIFFS' credit scores to drop and also paints a false and inaccurate picture of
12 PLAINTIFFS as being not creditworthy consumers who default on their accounts due to financial
13 irresponsibility.

14 92. The negative credit reporting that PLAINTIFFS were in default on the account
15 has also caused PLAINTIFFS to be concerned and worried over the possibility of discipline
16 within the military, possibility of demotion and/or less than honorable discharge, and possibly
17 being stripped of Security Clearance, as negative credit history risks PLAINTIFF JACORY being
18 deprived of security clearance level because the military considers someone with negative credit
19 history as being at risk for bribery and manipulation by foreign adversaries.

20 93. DEFENDANTS knew, or should have known, that this information furnished to
21 the consumer credit reporting agencies was inaccurate or incomplete.

22 94. DEFENDANTS' violations were negligent at a minimum, because a reasonable
23 person would not have reported the account in such a manner.

24

1 5. Plus statutory damages of \$1,000.00 from each DEFENDANT individually
2 pursuant to Calif. Civ. Code §1788.30(b);

3 6. Prejudgment interest at the maximum legal rate;

4 7. Reasonable attorneys' fees;

5 8. Costs;

6 9. Injunctive relief to order DEFENDANTS to remove any and all inaccurate credit
7 reporting and to furnish accurate and truthful information to each and every consumer credit
8 reporting agency;

9 10. Injunctive relief to order DEFENDANTS to comply with all statutory obligations
10 referenced herein;

11 11. Injunctive relief to order DEFENDANTS to cease and desist any and all efforts to
12 falsely allege that PLAINTIFF is in default and past due;

13 12. Injunctive relief to order DEFENDANTS to cease and desist any and all efforts to
14 implement foreclosure proceedings; and,

15 13. Such other relief as the Court may deem just and proper.

16 **TRIAL BY JURY**

17 Pursuant to the Seventh Amendment to the Constitution of the United States of America,
18 PLAINTIFFS are entitled to, and so demand, a trial by jury.

19 DATED: 6-12-26

SEMNR & HARTMAN, LLP

20 /s/ Jared M. Hartman,
21 JARED M. HARTMAN
22 Attorneys for PLAINTIFFS
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