

In hand
07.20.17
BG
(MD)

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
CIVIL ACTION NO. 15-3852 BLS

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| COMMONWEALTH OF MASSACHUSETTS, |) |
| |) |
| Plaintiff, |) |
| |) |
| v. |) |
| |) |
| LUSTIG, GLASER & WILSON, P.C., |) |
| RONALD E. LUSTIG, individually, and |) |
| KENNETH C. WILSON, individually, |) |
| |) |
| Defendants. |) |

JOINT MOTION FOR ENTRY OF FINAL JUDGMENT BY CONSENT

The Commonwealth of Massachusetts and Lustig, Glaser & Wilson, P.C. ("LGW"), Ronald E. Lustig ("Lustig"), and Kenneth C. Wilson ("Wilson") (collectively, the "Responding Parties," and collectively with Plaintiff, the "Parties"), respectfully move this Court to enter this Final Judgment by Consent (attached as Exhibit A), pursuant to Rule 58 of the Massachusetts Rules of Civil Procedure. In support of this motion, the parties assert that there is no just cause for delay and that, without any admission or finding of wrongdoing or liability, the Responding Parties consent to the entry of the Final Judgment by Consent (attached as Exhibit B).

COMMONWEALTH OF MASSACHUSETTS
ATTORNEY GENERAL MAURA HEALEY

Peter Downing

Peter Downing, BBO #675969
Benjamin Golden, BBO #686119
Assistant Attorneys General
Max Weinstein, BBO #600982
Chief, Consumer Protection Division
One Ashburton Place
Boston, MA 02108
(617) 727-2200

LUSTIG, GLASER & WILSON, P.C.,
RONALD E. LUSTIG, individually, and
KENNETH C. WILSON, individually

Mark Smith

Marc C. Laredo, BBO#543973
Mark D. Smith, BBO# 542676
Laredo & Smith, LLP
101 Federal Street, Suite 650
Boston, MA 02110
(617) 443-1100

Dated: ~~5/31/~~ 2017
7/19/2017

Motion for Entry of Final Judgment is approved and ordered.

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
CIVIL ACTION NO. 15-3852 BLS

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| RONALD E. LUSTIG, individually, and |) |
| KENNETH C. WILSON, individually, |) |
| |) |
| Defendants. |) |
| _____ |) |

FINAL JUDGMENT BY CONSENT

Plaintiff, the Commonwealth of Massachusetts (“Commonwealth” or “Plaintiff”), by and through its Attorney General, Maura Healey, and Defendants Lustig, Glaser & Wilson, P.C. (“LGW”), Ronald E. Lustig (“Lustig”), individually, and Kenneth C. Wilson (“Wilson”), individually, (collectively, the “Responding Parties,” and collectively with Plaintiff, the “Parties”), submit for entry this Final Judgment by Consent (“Final Judgment”) without trial or adjudication.

WHEREAS, the Commonwealth alleges in its Complaint that the Responding Parties engaged in unfair or deceptive conduct related to the collection of consumer debts in violation of the Massachusetts Consumer Protection Act, G.L. c. 93A § 2;

WHEREAS, the Responding Parties deny the Commonwealth’s allegations in the Complaint and any allegations of liability or wrongdoing;

JUDGMENT ENTERED ON DOCKET 1/14/2017
 PURSUANT TO THE PROVISIONS OF MASS. R. CIV. P. 68(a)
 AND NOTICE SENT TO PARTIES PURSUANT TO THE PRO-
 VISIONS OF MASS. R. CIV. P. 77(d) AS FOLLOWS

BKG
 PND
 WIK
 nmi

Notice sent
7-2017

WHEREAS, the Final Judgment shall not be construed as an admission, waiver of defenses, or finding of liability or wrongdoing by the Responding Parties and shall not ever be offered by the Commonwealth as such in any proceeding;

WHEREAS, the Parties wish to resolve this action through the entry of this Final Judgment;

NOW THEREFORE, based upon the Parties' joint motion and with the consent of the Responding Parties;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4 and over the Defendants pursuant to G. L. c. 223A, § 3.

II. VENUE

2. Venue is appropriate in Suffolk County pursuant to G.L. c. 223, § 5 and G.L. c. 93A, § 4.

III. PARTIES

3. Plaintiff is the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the Commonwealth of Massachusetts.

4. The Responding Parties are LGW, Lustig, individually, and Wilson, individually. Wilson is the President and a Director of LGW. Lustig is the Treasurer, Secretary, Registered Agent, and a Director of LGW.

IV. DEFINITIONS

5. "Charge-off" means the treatment of a receivable balance by a creditor as a loss or expense because payment is unlikely.

6. “Charge-off Balance” means the amount alleged due on an account receivable at the time of charge-off.

7. “Clear and conspicuous disclosure” means in a type size no smaller than the type size in the body of a notice or letter containing the disclosure.

8. “Collection Suit” means any civil action commenced in any court or tribunal against a consumer to attempt to collect a debt, but does not include post-judgment collection efforts or domestication of a judgment.

9. “Collection” or “collect” refers to any attempt or other means used to obtain payment from a consumer including, without limitation, sending letters or placing telephone calls, initiating or litigating collection suits, or attempting to collect on a judgment, including the filing of supplementary actions in the District Court and/or the Boston Municipal Court.

10. “Consumer” means a natural person, or his or her guardian, administrator or executor, present or residing in Massachusetts who is allegedly obligated to pay a debt incurred for personal, family or household purposes.

11. “Communication” or “communicating” means “communication” as defined in 940 C.M.R. 7.03: “conveying information directly or indirectly to any person through any medium excluding non-identifying communications.”

12. “Creditor” means “creditor” as defined in 940 C.M.R. 7.03: “any person and his or her agents, servants, employees, or attorneys engaged in collecting a debt owed or alleged to be owed to him or her by a debtor and shall also include a buyer of delinquent debt who hires a third party or an attorney to collect such debt.”

13. “Debt” means “debt” as defined in 940 C.M.R. 7.03: “money or its equivalent which is, or is alleged to be, more than 30 days past due and owing, unless a different period is

agreed to by the debtor, under a single account as a result of a purchase, lease, or loan of goods, services, or real or personal property, for personal, family or household purposes or as a result of a loan of money which is obtained for personal, family or household purposes whether or not the obligation has been reduced to judgment.”

14. “Debt Buyer” means any entity or person that purchases a portfolio of delinquent and/or charged off debts.

15. “Debtor” has the same meaning as “Consumer.”

16. “Effective Date” means the date of entry of this Final Judgment by the Court.

17. “Exempt Income” means all income exempt under Massachusetts law or federal law from any court-ordered payment, garnishment, seizure, or attachment by trustee process.

18. “LGW Financial Form” means the financial form attached as Exhibit 1.

19. “LGW Consent Form” means the consent form attached as Exhibit 2.

20. “LGW” means Lustig, Glaser & Wilson, P.C.

21. “Original Account-Level Documentation” means all of the following:

a. All documentation that a creditor or that creditor’s agent (such as a servicer) provided to a consumer about a debt;

b. Any record of payment by the consumer, including, without limitation, copies of checks or automatic bank account withdrawal receipts;

c. A complete transactional history of a debt, created by a creditor or that creditor’s agent (such as a servicer); or

d. A copy of a final judgment, execution, or a court docket entry evidencing the entry of a final judgment concerning the debt awarded to a creditor or debt buyer.

V. FINANCIAL TERMS

22. In consideration for the release of claims by the Commonwealth in Section IX (“Release”), Responding Parties have made a payment of one million dollars (\$1,000,000) to the Commonwealth of Massachusetts, which payment the Parties agree and acknowledge has been fully paid and accepted. No portion of this payment shall be characterized as or considered to be a penalty, fine or forfeiture. At her sole discretion, the Attorney General may distribute this payment, in any amount, allocation or apportionment and for any purpose permitted by law, including but not limited to: (a) payments to or for consumers; and/or (b) use by the Attorney General in the facilitation of this Final Judgment; and/or (c) payments to the General Fund of the Commonwealth of Massachusetts; and/or (d) payments to the Local Consumer Aid Fund established pursuant to M.G.L. c. 12, § 11G; and/or (e) for programs or initiatives designed to address the negative effects of unfair or deceptive practices related to debt collection.

VI. INJUNCTIVE TERMS

A. Administrative Requirements.

23. For a period of three (3) years following the Effective Date, the Responding Parties shall notify the Attorney General in writing of any development that they reasonably believe may materially affect compliance with this Final Judgment.

24. Within twenty-one (21) days of the Effective Date, the Responding Parties shall appoint a representative (“Representative”) responsible for implementing and supervising LGW’s compliance with this Final Judgment for three (3) years following the Effective Date. If the Representative (or his successor) is unable to serve as the Representative during that three (3) year period, then the Responding Parties shall appoint a successor Representative. The Responding Parties shall designate one telephone number and one email address for the Attorney

General to communicate with the Representative. The Attorney General is authorized to communicate directly with the Representative unless and until the Responding Parties direct the Attorney General to communicate through legal counsel and identify the name and contact information for said counsel. During this three (3) year period, the Representative or his designee shall respond to all inquiries from the Attorney General about consumer complaints the Attorney General receives about the Responding Parties.

25. Within ninety (90) days following the Effective Date, the Representative shall implement procedures to ensure LGW's compliance with this Final Judgment, and provide copies of those procedures to the Attorney General. In the event that the proposed procedures are determined by the Attorney General to be insufficient and the Parties are unable to agree upon appropriate modification, the Attorney General may, pursuant to the procedures set forth in this Agreement, ask the Court to reject and/or revise the terms of any procedure she alleges is inconsistent with the Final Judgment and, in any such instance, the Court shall be the arbiter of whether or not the procedure is consistent with the Final Judgment.

B. Prohibiting Debt Collection without Adequate Documentation and Review.

26. LGW is restrained and enjoined from collecting any debt from a consumer placed with LGW for collection on or after the Effective Date unless, prior to initiating any collection, LGW has obtained and reviewed original account-level documentation of the debt, and reasonably concluded based on LGW's review of original account-level documentation of the debt that the consumer is obligated to pay the debt. Notwithstanding the foregoing, LGW is not required pursuant to Paragraph 26 to (i) refuse to accept any payment submitted by Consumers; or (ii) refuse to communicate with a Consumer who initiates contact with LGW or requests contact from LGW to discuss the Consumer's account.

27. LGW is restrained and enjoined from threatening or initiating a collection suit for any debt that a creditor or debt buyer places with LGW for collection after the Effective Date where LGW does not have in its possession a final judgment or execution against the consumer (or a copy of a court docket entry evidencing the entry of a final judgment) or the following:

a. original account-level documentation reflecting, at a minimum, the consumer's name, the last four digits of the account number associated with the debt at the time of charge-off (if such creditor assigned account number exists), the claimed amount, excluding any post charge-off payments, and/or credits (unless the claimed amount is higher than the charge-off balance, in which case LGW must possess (i) original account-level documentation reflecting the charge-off balance, and (ii) an explanation of how the claimed amount was calculated and why such increase is authorized by the agreement creating the debt or permitted by law), and if LGW is suing under a breach of contract theory, the contractual terms and conditions applicable to the debt; and

b. either one of the following:

i. a document signed (either physically or electronically as a signature is defined in 15 U.S.C. § 7006(5)) by the consumer evidencing the opening of the account forming the basis for the debt; or

ii. original account-level documentation reflecting a purchase, payment, or other actual use of the account by the consumer; and

c. if LGW is initiating a collection suit on behalf of a debt buyer, a chronological listing of the names of all prior owners of the debt and the date of each

transfer of ownership of the debt, beginning with the name of the creditor at the time of charge-off; and

d. if LGW is initiating a collection suit on behalf of a debt buyer, a certified or otherwise properly authenticated copy of each bill of sale or other document evidencing the transfer of ownership of the debt from the time of charge-off to each successive owner, including the debt buyer on whose behalf LGW initiates a collection suit. Each of the documents evidencing the transfer of ownership of the debt must:

- i. include a specific reference to the particular debt being collected upon;
- or
- ii. incorporate by reference another document that includes a specific reference to the particular debt being collected upon provided that the other document is also in the possession of LGW.

28. LGW is restrained and enjoined from initiating a collection suit against any consumer unless:

a. an attorney whose name appears on the complaint in the collection suit has logged into the consumer's account on LGW's computerized account management system or any other software that would create an electronic record that the attorney of record has accessed a consumer's file; and

b. an attorney has reviewed either a final judgment (or a copy of a court docket entry evidencing the entry of a final judgment) or execution against the consumer or original account-level documentation reflecting, at a minimum, the consumer's name, the last four digits of the account number associated with the debt

at the time of charge-off (if such a creditor-assigned account number exists), the claimed amount, excluding any post charge-off payments and/or credits, and if LGW is suing under a breach of contract theory, the contractual terms and conditions applicable to the debt; and

c. an attorney has reviewed a certified or otherwise properly authenticated copy, which authentication may be made by affidavit, of each bill of sale or other account level documentation and has a reasonable basis to conclude that it evidences the transfer of ownership of the debt to each successive owner, including the debt buyer on whose behalf LGW initiates a collection suit or, if the suit is one to enforce a judgment that is not in the name of the current creditor, a certified or otherwise properly authenticated copy of each bill of sale or other document and has a reasonable basis to conclude that it evidences the transfer of ownership of the judgment; and

d. an attorney has reviewed either one of the following:

- i. A document signed (either physically or electronically as a signature is defined in 15 U.S.C. § 7006(5)) by the consumer evidencing the opening of the account forming the basis for the debt; or
- ii. original account-level documentation reflecting a purchase, payment, or other actual use by the consumer or a judgment against the consumer or a copy of a court docket entry evidencing the entry of a final judgment; and

- e. an attorney has a reasonable basis to conclude that the statute of limitations has not expired on the consumer's debt; and
- f. an attorney has a reasonable basis to conclude, based upon methods or means proven to be historically reliable and accurate, that the consumer's debt was not discharged in bankruptcy or subject to a pending bankruptcy proceeding; and
- g. an attorney has a reasonable basis to conclude that LGW has, based upon methods or means proven to be historically reliable and accurate, the consumer's correct identity and current address and, in the case of an action to enforce an interest in real property securing the consumer's obligation, the location of such real property, to determine the appropriate venue for a collection suit; and
- h. an attorney whose name appears on the complaint in the collection suit has certified in writing or in LGW's computerized account management system or any other software that would create an electronic record that the initiation of the collection suit complies with the terms and conditions of Paragraph 28(a)-(h).

C. Prohibiting Certain Collection from Consumers with Exempt Income.

29. Definition. For the purpose of this section (Section VI.C), LGW shall be deemed to have "reason to believe a consumer has only exempt income and exempt assets" when LGW obtains (1) a fully completed and executed LGW Financial Form from a consumer showing the consumer presently has only exempt income and exempt assets, or (2) any document reasonably establishing that the consumer presently has only exempt income and exempt assets.

30. Written Disclosure.

a. LGW is restrained and enjoined from sending a consumer any written communication unless, in its first written communication with a consumer, it has provided the following clear and conspicuous disclosure:

PROTECTED INCOME DISCLOSURE

You may not have to pay us while your only income is any of the following:

- Wages up to \$550 per week
- Social Security benefits
- Pensions
- veterans' benefits
- child support
- unemployment benefits or
- workers' compensation benefits.

Please write or call us if you receive any income from the above sources or any other government benefits, and we will send you a form for you to complete regarding your income. Although you may not be legally required to pay us from any of the above sources, you may voluntarily pay us using money from any of them. Even if you do not have to pay us at this time, we may still seek a judgment in court against you, if a judgment has not already entered, but you cannot be ordered to pay the judgment from the sources of income listed above. We also reserve the

right to make future inquiry about any changes in your financial circumstances.

b. The amount in wages cited in the disclosure above shall be adjusted as necessary to ensure compliance with both federal and/or state wage exemption allowances.

c. In addition to providing the Protected Income Disclosure in its first written communication with a consumer, LGW shall provide such Disclosure in all written communications explicitly demanding or soliciting a payment as well as any written communication with a consumer in which a settlement is proposed or confirmed, a periodic payment arrangement or court order for payment is proposed or confirmed, and on all acknowledgments of payments received by LGW from or on behalf of consumers. Letters in the forms specified in Exhibit 3 shall not be subject to the requirements of Paragraph 30(a)-(c).

d. Written communications sent by LGW to a consumer's attorney shall be exempt from the disclosure requirements in Paragraph 30(a)-(c).

31. Oral Disclosure.

a. LGW is restrained and enjoined from making any oral demand, proposal, or request for payment unless such communication includes the following oral disclosure:

You may not have to pay us at this time if you make less than \$550 a week or receive only social security benefits, disability benefits, pension income, child support, or certain other government benefits. Even if you

do not have to pay us at this time due to the amount of wages you receive or your receipt of certain government benefits you may make voluntary payments to us using funds from these sources. Do you make less than \$550 per week or receive any of these types of benefits or any other government benefits?

b. Oral communications by LGW to a consumer's attorney shall be exempt from the disclosure requirements in Paragraph 31(a).

32. Consumer response procedure. If a consumer communicates to LGW that the consumer has exempt income, makes less than \$550 a week, or is currently unemployed, LGW shall take the following steps, unless the consumer has communicated to LGW a request that LGW cease and desist from further communication with the consumer:

a. mail the consumer the LGW Financial Form with a pre-addressed envelope to return the form to LGW;

b. cease collection, other than those collection communications necessary to, or activities and/or court appearances regarding, an ongoing collection action, for either of the following time periods, whichever is shorter:

i. 30 days after mailing the LGW Financial Form required by Paragraph 32(a) to the consumer; or

ii. the date on which the consumer returns the LGW Financial Form and, upon review of such information, LGW does not have reason to believe a consumer has only exempt income and exempt assets.

c. Notwithstanding Paragraphs 32(a)-(b), LGW may accept any payments from or made on behalf of the consumer.

33. Cease Collections.

a. LGW is restrained and enjoined from engaging in collection of a debt from a consumer if at any point LGW has reason to believe that the consumer:

- i. has only exempt income and exempt assets; and
- ii. is either:

- 1) handicapped, as defined by G.L. c. 224 § 16; or
- 2) 70 years of age or older.

b. If at any point LGW has reason to believe that the consumer has only exempt income and exempt assets but such consumer is not handicapped, as defined by G.L. c. 224 § 16, or 70 years of age or older, LGW is restrained and enjoined from engaging in collection of a debt from such consumer except for the following:

- i. LGW may commence and litigate to judgment a collection suit; and
- ii. In the event judgment enters, LGW may communicate with the consumer seeking an updated LGW Financial Form no more frequently than once every ninety (90) days. If, based on the consumer's response or information obtained from a historically reliable source, LGW determines that the consumer has non-exempt income and/or non-exempt assets, LGW may resume collection of the debt; and
- iii. In the event the consumer does not respond to LGW's request for an updated LGW Financial Form made pursuant to Paragraph 33(b)(ii) , within thirty (30) days of the date of the attempted communication, LGW may resume collection of the debt.

c. Nothing in Paragraph 33(a)-(b)(iii) shall prohibit LGW from accepting any payments from or made on behalf of consumers or providing the consumer with a written acknowledgement of its receipt of such payment or notification of the consumer's next payment due date, amount, and remaining account balance pursuant to a voluntary payment arrangement made by the consumer.

34. Consumer Consent. If LGW is unable, based on 15 U.S.C. § 6802, to inform a creditor or debt buyer that LGW has reason to believe a consumer has only exempt income and exempt assets, LGW shall provide the consumer with the LGW Consent Form in order to seek express consent from the consumer to disclose such information consistent with 15 U.S.C. § 6802.

35. Payment Hearings/Examinations. LGW shall request to cancel any pending payment hearing in a small claims matter or examination in a supplementary process matter when LGW has reason to believe a consumer has only exempt income and exempt assets and the consumer's financial situation is unlikely to improve in the foreseeable future. In the event LGW in good faith determines that the consumer's financial difficulties are temporary in nature LGW may seek a continuance of the pending payment hearing in a small claims matter or examination in a supplementary process matter to a date at least ninety (90) days following the anticipated improvement in the consumer's financial situation. LGW may appear at such hearing on behalf of its client(s) where such cancellation or continuance is not granted by the court(s) upon LGW's request made in advance of the pending hearing.

36. LGW is restrained and enjoined from claiming, implying or otherwise leading a consumer to believe that any source of exempt income shall be subject to a payment order, garnishment, seizure, attachment, or other compulsory judicial or non-judicial process.

D. Prohibiting Unfair and Deceptive Collection through the Judicial Process.

37. No ability to pay determination.

a. If a court has determined that a consumer has no present ability to pay the debt:

i. LGW is restrained and enjoined from collection of the debt unless a court in a subsequent examination of a judgment debtor in a supplementary process matter enters an order requiring the consumer to pay the debt or the consumer fails to appear for and participate in a subsequent examination or LGW receives a new LGW Financial Form or other information reasonably establishing that the consumer presently has non-exempt income or non-exempt assets.

ii. LGW is restrained and enjoined from collection of the debt and shall either not request or shall affirmatively seek to cancel any scheduled payment hearing in a small claims action if it has reason to believe the consumer is unlikely to have a future ability to pay the debt.

b. Nothing in Paragraph 37(a) shall prohibit LGW from attending an examination of a debtor in a supplementary process matter or payment hearing in a small claims matter or communicating with a consumer in accordance with the procedures in Section VI.C, Paragraph 32 to request updated financial information about the consumer.

38. Capias Warrants. LGW is restrained and enjoined from seeking or serving, or advising that they shall seek or serve, a capias or other warrant for the arrest of a consumer while LGW has reason to believe a consumer has only exempt income and exempt assets. LGW shall

not be charged with such knowledge in the event the consumer fails to provide LGW with an updated LGW Financial Form provided pursuant to the procedures outlined in Section VI.C, Paragraph 32(a)-(c) or fails to appear and participate in a supplementary process examination or a small claims post-judgment examination hearing and therefore lacks knowledge regarding the consumer's current financial situation.

39. Suit Dismissal. LGW is restrained and enjoined from collection of a debt if any of the following occurs after the Effective Date:

a. A collection suit is dismissed with prejudice (except that it shall be permissible to pursue a motion for reconsideration, a motion made under Mass. R. Civ. P. 60 or an appeal from any such dismissal);

b. A collection suit is dismissed without prejudice where LGW lacked original account-level documentation to prove the allegations of the collection suit on the scheduled day of trial; or

c. A court dismisses a supplementary process matter pursuant to G.L. c. 224 § 16 on the record or so specifies in the order of dismissal.

E. Prohibiting the Use of False and Misleading Affidavits to Collect Debts.

40. LGW is restrained and enjoined from submitting any affidavit in connection with any collection suit unless:

a. Where the affidavit is signed by a creditor and makes a representation as to the ownership, validity, or amount of the debt, LGW is in possession of and has reviewed original account level documentation of the debt and other relevant information and documentation relating to the account which corroborates such representations; or

b. Where the affidavit is signed by LGW and makes a representation that a consumer owes a debt, the person signing the affidavit has personally reviewed original account-level documentation of the debt and determined that such documentation corroborates the representation in the affidavit.

F. Substantiation of Disputed Debt.

41. If, at any time after the time period set forth at 940 CMR 7.08 for disputing the validity of a debt, the consumer informs LGW that he/she disputes the debt, either orally or in writing, LGW shall cease collection until such time as LGW has:

a. obtained and reviewed original account-level documentation and other information necessary to substantiate the debt; and

b. responded to the consumer's dispute by providing the consumer free of charge with copies of the documentation reviewed by LGW to substantiate the debt.

42. LGW shall not be required to respond to a dispute to which LGW has previously responded.

43. Oral or written notification of disputes relating to the validity of a debt received during the course of litigation shall not be subject to the requirements set forth in Paragraph 41(a)-(b) but shall instead be considered as requests for discovery of all documents described in Paragraph 41(a) and shall be governed by the applicable provision(s) of the Massachusetts Rules of Civil Procedure.

G. Prohibition Against Filing Collection Suits on Time-Barred Debt.

44. LGW is restrained and enjoined from filing a collection suit on the basis of a debt which would be time-barred but for an alleged post-origination payment, unless LGW has

obtained and reviewed documentation reasonably demonstrating the existence and date of that payment contained in the business records of the party that received the payment.

H. Relation to G.L. c. 93A, § 3.

45. The Attorney General considers acts taken by the Responding Parties to comply with the terms of Section VI.B through G of this Consent Judgment to be “exempted transactions” pursuant to G.L. c. 93A, § 3.

VII. RECORD KEEPING

46. For a period of three (3) years following the Effective Date, LGW shall retain the following records:

a. Complaints (defined for purposes of Paragraph 46 as any communication from a consumer or a third party on behalf of a consumer, questioning any actions taken by LGW) received by LGW after the Effective Date, including the name, address, and telephone number of each complainant, the substance of the complaint, and any communications between LGW and the complainant;

b. Materials that were reviewed by LGW after the Effective Date when taking any action in response to complaints from consumers; and

c. Materials that were reviewed by LGW when submitting written reports to the Attorney General pursuant to the section of this Final Judgment titled “Compliance Reporting.”

47. For a period of three (3) years following the Effective Date, upon written request by the Attorney General, the Responding Parties shall produce all records, excluding attorney-client communication protected by Massachusetts Rule of Professional Conduct 1.6, reasonably necessary for the Attorney General to assess the Responding Parties’ compliance with this Final Judgment.

VIII. COMPLIANCE REPORTING

48. The requirements of this Section (Section VIII) to provide compliance reporting to the Attorney General do not apply to attorney-client communication protected by Massachusetts Rule of Professional Conduct 1.6.

49. For a period of three (3) years following the Effective Date, the Responding Parties shall notify the Attorney General of any changes in the corporate structure of LGW or any business entity substantially similar to LGW that any Responding Party directly or indirectly controls, or has an ownership interest in, that may affect compliance with this Final Judgment, including but not limited to: incorporation or other reorganization; a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Final Judgment; or a change in the business name or address, at least thirty (30) days prior to such change. Upon request of the Attorney General or her representatives, the Responding Parties shall produce within a reasonable time all documents or provide all information reasonably related to compliance and/or efforts to comply with the provisions of this Final Judgment.

50. Unless otherwise directed in writing by the Attorney General, the Responding Parties shall send by overnight courier all written reports required by this Final Judgment to:

Peter Downing and Benjamin Golden
Office of the Attorney General
Consumer Protection Division
One Ashburton Place, 18th Floor
Boston, Massachusetts 02108

Provided that, in lieu of overnight courier, the Responding Parties may send such reports by first-class mail, but only if the Responding Parties contemporaneously send an electronic version of such reports to:

peter.downing@state.ma.us and

benjamin.golden@state.ma.us

or as subsequently directed by the Attorney General.

IX. RELEASE

51. For the purpose of this section “Release,” the term “Responding Parties” means Lustig, Glaser & Wilson, P.C., Ronald E. Lustig, individually and in his capacity as a shareholder, director, officer, resident agent and employee of Lustig, Glaser & Wilson, P.C. , and Kenneth C. Wilson, individually and in his capacity as a shareholder, director, officer and employee of Lustig, Glaser & Wilson, P.C. and their past, present and future shareholders, directors, officers, employees, agents, attorneys, representatives, personal representatives, executors, administrators, parents, affiliates, spouses, children and all of their heirs, representatives, personal representatives, executors, administrators, agents, and assigns, but does not include any client, creditor, or debt buyer for whom LGW collected debts.

52. This Final Judgment resolves, releases, and discharges any and all actual and potential civil liability of the Responding Parties to the Commonwealth for all claims specifically alleged or based on facts alleged in the Complaint SUCV2015-03852, filed in Suffolk Superior Court on December 22, 2015, and all potential civil claims the Commonwealth has related to the Responding Parties’ debt collection practices before the entry of the Final Judgment. The term claims shall mean liabilities, causes of action, liens, demands, rights, damages, multiple damages, punitive damages, penalties, judgments, debts, obligations, assessments, rents compensations, costs, attorneys’ fees, interest, deficiencies, and damages of any nature whatsoever.

X. OTHER PROVISIONS

53. Continuing Jurisdiction and Notice with an Opportunity to Cure. The Suffolk Superior Court shall retain jurisdiction for the purpose of enforcing the terms of this Final Judgment or for granting such further relief as the Court deems just and proper. Any Party may seek to enforce the provisions of this Final Judgment. Prior to initiating any such enforcement proceeding, the Party seeking enforcement must provide written notice to the other Parties of its or his intent to initiate such a proceeding and provide the other Parties twenty-one (21) days in which to cure any alleged breach of the Final Judgment. In any such proceeding to enforce a provision of this Final Judgment, the prevailing Party shall be entitled to its or his reasonable attorneys' fees and costs related to such proceeding.

54. Sale, Transfer, or Assignment of LGW. During the three (3) year period from the Effective Date, if the Responding Parties seek to sell, transfer or assign a controlling interest in LGW or merge said controlling interest with any other entity, and the successor, assignee or merged entity intends to engage in collection of debt, the Responding Parties shall as a condition of sale obtain the written assumption of the successor or assignee to any obligations remaining under this Final Judgment.

55. Obligations on Other Entities in Certain Circumstances. In the event that either Lustig or Wilson becomes a shareholder, manager, officer, or director of any entity, other than LGW, which is engaged in the collection of debt during the time period specific in Paragraph 56, the obligations, restraints, and injunctions binding on LGW under this Final Judgment shall also bind such entity.

56. Termination of the Responding Parties' Obligations under this Final Judgment.

The obligations, restraints, and injunctions of the Responding Parties under this Final

Judgment shall cease three (3) years from the Effective Date except that they shall cease earlier as follows:

a. the obligations of Wilson under this Final Judgment shall cease upon the earliest of any of the following events: (a) his death; (b) his ceasing to engage in the active private practice of law for more than thirty (30) days (whether voluntarily or involuntarily) unless he resumes the active private practice of law thereafter; or (c) his ceasing to be a shareholder of LGW (or any successor firm);

b. the obligations of Lustig under this Final Judgment shall cease upon the earliest of any of the following events: (a) his death; (b) his ceasing to engage in the active private practice of law for more than thirty (30) days (whether voluntarily or involuntarily) unless he resumes the active practice of law thereafter; or (c) his ceasing to be a shareholder of LGW (or any successor firm).

c. The obligations of LGW under this Final Judgment shall cease upon the earliest of any of the following events: (a) the dissolution of LGW; (b) the bankruptcy of LGW; (c) the transfer of the stock or the assets of LGW to a person other than Wilson and/or Lustig; or (d) the transfer of the stock or the assets of LGW to an entity in which neither Wilson nor Lustig have an ownership interest.

57. Governing Law. The provisions of this Final Judgment shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

58. Conduct Neither Condoned nor Admitted. Nothing in this Final Judgment constitutes an approval by the Commonwealth of any of the Responding Parties' acts and practices, nor does it constitute any admission or finding by the Attorney General or the Court of any liability or wrongdoing by the Responding Parties. This order is not and shall not be deemed

to be a sanction or punishment of any of the Responding Parties by the Court, as this order merely represents a settlement of contested and disputed claims.

59. Effect of Court's Failure to Approve Final Judgment. If the Court does not approve this Final Judgment, the Final Judgment shall be of no force and effect against any of the Parties.

60. Severability. The provisions of this Final Judgment shall be severable and, should any provision be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Final Judgment shall remain in full force and effect.

61. Waiver of Right to Rehearing or Appeal. The Parties have, by signature of counsel hereto, waived their right to add, alter, amend, appeal, petition for certiorari, or move to reargue or rehear or be heard in connection with any judicial proceeding concerning the entry of this Final Judgment and any challenges in law or equity to the entry of this Final Judgment.

62. Complete Resolution. This Final Judgment completely resolves this civil action. No promises, representations, or warranties relating to the resolution of this civil action other than those set forth in this Final Judgment have been made by any of the Parties. This Final Judgment supersedes all prior communications, discussions, or understandings, if any, of the Parties relating to the resolution of this civil action, whether oral or in writing. Notwithstanding the foregoing, any and all prior agreements regarding the confidentiality of information between the Commonwealth of Massachusetts and the Responding Parties, including but not limited to the Confidentiality Agreement Governing Certain Material and Information to be Produced Pursuant to Civil Investigative Demand 2014-CPD-09 dated April 10, 2014, the Stipulated Protective Order entered on March 25, 2016, and the Confidentiality Agreement dated June 23,

2016, including all obligations to return documents to the producing party shall remain in full force and effect.

63. Modification. No waiver, modification, or amendment of the terms of this Final Judgment shall be valid or binding unless made in writing, agreed to by all Parties, and approved by this Court, and then only to the extent specifically set forth in such written waiver, modification, or amendment.

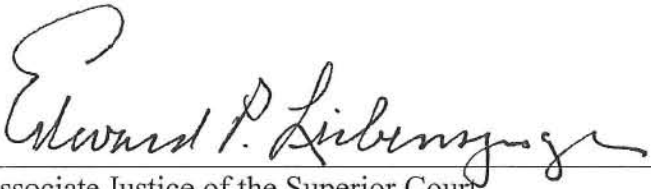
64. Ongoing Obligation to Comply with the Law. Nothing in this Final Judgment shall be construed as relieving the Responding Parties of their duty to comply with all applicable federal and state laws, regulations, and rules nor does this Final Judgment constitute a finding that the Responding Parties have failed to do so. Consent to this Final Judgment does not constitute an approval by the Commonwealth of any of the Responding parties' acts or practices, and the Responding Parties shall not make any representations to the contrary. If complying with any provision of the Final Judgment would cause the Responding Parties to act in a manner prohibited by or in contradiction of federal, state or local law, then the Responding Parties shall be relieved from any obligation to comply with that provision of this Final Judgment.

65. Non-Waiver. The failure of the Commonwealth to insist upon the strict performance of any of the provisions of this Final Judgment shall not be deemed a waiver of any of the provisions of this Final Judgment, and, notwithstanding such failure, the Commonwealth shall have the right thereafter to insist upon the specific performance of any of the provisions of this Final Judgment. This shall be without prejudice in the future to the imposition of any applicable penalties and any other remedies under applicable state or federal law, regulation, or rule.

66. Time is of the Essence. Time shall be of the essence with respect to each provision of this Final Judgment that requires action to be taken by the Responding Parties within a stated time period or upon a specified date.

APPROVED AND ORDERED:

Date: July 20, 2017



Associate Justice of the Superior Court

By the Court:
Edward P. Leibensperger
Associate Justice
Superior Court

Exhibit 1



LUSTIG, GLASER
& WILSON, P.C.

Financial Information Form

Instructions: We are sending you this form because you may not have to pay us at this time depending on the sources and amounts of your income and assets. Please fill out this form, sign it, and return it to us. You **MUST** complete each section, sign the form, and then return it to us for review. A return envelope has been included for your convenience. You are not required to provide documentation to substantiate your income sources or assets owned, but it is appreciated. We may follow-up with you to ask for additional information or clarification about the information you provide below.

Name: _____ LGW File No: _____

Section 1 – Income from Wages & Salary

If you are Unemployed, please check here _____. If you checked this box, you may skip to Section 2.

If you are Employed, please check this box _____. If you checked this box, please provide us with your Average Weekly Income (wages and salary) at all jobs at which you are now employed:
\$_____.

Section 2 – Assets

Please respond to each of the following questions:

1. Do you own your **home**? _____ (Y/N) \$_____ Estimated Value
2. Do you own **other real estate**? _____ (Y/N) \$_____ Estimated Value
3. Do you receive **rental income**? _____ (Y/N) \$_____ Monthly Average Amount
4. Do you own an **automobile**? _____ (Y/N) \$_____ Estimated Value
5. **Checking** Account(s) Balance \$_____ Account Balance(s)
6. **Savings** Account(s) Balance \$_____ Account Balances(s)
7. **Cash** on Hand \$_____ Cash on Hand
8. **Other Assets** \$_____ Estimated Value

Section 3 – Other Sources of Income

Do you receive benefits from any of the following sources? If so, please select **all** that apply.

| | | |
|--------------------------------|----------------------------|---------|
| _____ Social Security Benefits | Amount Received Each Month | \$_____ |
| _____ Pension(s) | Amount Received Each Month | \$_____ |
| _____ Veterans Benefits | Amount Received Each Month | \$_____ |
| _____ Child Support | Amount Received Each Month | \$_____ |
| _____ Unemployment * | Amount Received Each Week | \$_____ |

___ Workers' Compensation* Amount Received Each Week \$ _____
___ Other (please explain) Amount Received Each Month \$ _____

*If you are currently receiving Unemployment Benefits or Workers' Compensation Benefits, please inform us when you believe you will return to work.

_____ (Date)

Certification of Accuracy

I, _____ do hereby certify **under the pains and penalties of perjury** that the information provided above is true, correct, and complete.

Today's Date: _____

(Signature)

Exhibit 2

CONSENT NOTICE – PLEASE READ!

A creditor, [name], has placed a debt with Lustig, Glaser & Wilson, P.C. (hereafter referred to as “LGW”) for collection. However, you previously provided LGW with information showing that you make less than \$550 a week or have income solely from certain government benefits. If your financial situation has not changed, we wish to inform [creditor] that based on your financial situation you may not have the ability to pay this debt at this time.

We will only share the information as permitted by law (the Gramm-Leach Bliley Act, 15 U.S.C. § 6802) and in accordance with LGW’s data privacy and security policies if you provide us with your consent to do so. Before we share the information, **you have the right to tell us that you DO NOT want your information shared.**

Please provide us with your consent by CHECKING ONE OF THE BOXES BELOW and RETURNING THIS FORM TO OUR OFFICE or by calling us at 800-743-8602 with your instructions. Until such time as we hear back from you in this regard we will NOT share your information.

Yes, you have my permission to share my financial information with [Client Name]_____

No, you may not share my financial information with [Client Name]_____

Exhibit 3

Exhibit 3

| Letter Code | Letter Description |
|-------------|--|
| ANSWRDFT | Answer from Debtor Requested |
| ARROWPRNT | Arrow GLB Privacy Rights Notice |
| A4JFOLLOW | Agreement for Judgment Follow-Up |
| CRL | Contact Request Letter |
| DEBTVLCC | Debt Validation Response |
| DIRCHECK | Direct Check Authorization Form |
| DIRCKDEP | Notice of Intent to Deposit |
| DOCCOVER | Document Request Response |
| FINHST | Financial History Response |
| FRAUDQCL | Fraud Questionnaire Cover Letter |
| FRAUDQF1 | Fraud Questionnaire First Follow-up |
| FRAUDQF2 | Fraud Questionnaire Second Follow-Up |
| FRAUD QF3 | Fraud Questionnaire Third Follow-Up |
| GARNRTN | Garnishment Overpayment Returned |
| HRDSPFND | Hardship Finding Closing Letter |
| IDAFF1 | ID Theft Affidavit First Follow-Up |
| IDAFF2 | ID Theft Affidavit Second Follow-Up |
| IDAFF3 | ID Theft Affidavit Third Follow-Up |
| IDTHEFTA | ID Theft Affidavit Cover Letter |
| NOC | No Calls to Place of Employment Notification |
| PAYRTNPD | Payment Returned on Paid Account |
| PAYRTNRN | Payment Returned on Recalled Account |
| PAYRTRNB | Payment Returned - Bankruptcy Filed |
| PDL | Post-Dated Check Notice of Intent to Deposit |
| RECPHF | Payment Receipt - Account PIF |
| RECSIF | Payment Receipt - Account SIF |
| RSGGLBNT | Resurgent GLB Privacy Rights Notice |
| STIPDISD | Stipulation of Dismissal Cover Letter |
| SUBSTLTR | Substantiation Letter |
| TRKODRCL | Tracking Order Service Letter |


EXHIBIT B

**CONSENT OF LUSTIG, GLASER & WILSON, P.C.,
TO FINAL JUDGMENT**

Lustig, Glaser & Wilson, P.C. ("LGW") admits to the continuing jurisdiction of the Suffolk Superior Court as to the personal and subject matter jurisdiction of this action and consents to the entry of this Final Judgment between the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the citizens of the Commonwealth of Massachusetts and the Responding Parties, to which this Consent is attached. In so consenting, LGW states that the undersigned, a duly authorized representative of LGW, has read and understands each numbered paragraph in the Final Judgment, and that s/he is authorized to enter into this Final Judgment.

CONSENTED TO, WAIVING ALL RIGHTS OF APPEAL:

Lustig, Glaser & Wilson, P.C.

 _____, President

Dated: 6/2/2017 _____

**CONSENT OF RONALD E. LUSTIG
TO FINAL JUDGMENT**

Ronald E. Lustig (“Lustig”) admits to the continuing jurisdiction of the Suffolk Superior Court as to the personal and subject matter jurisdiction of this action and consents to the entry of this Final Judgment between the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the citizens of the Commonwealth of Massachusetts and the Responding Parties, to which this Consent is attached. In so consenting, Lustig states that he has read and understands each numbered paragraph in the Final Judgment.

CONSENTED TO, WAIVING ALL RIGHTS OF APPEAL:

Ronald E. Lustig



Dated: _____

06-07-2017

**CONSENT OF KENNETH C. WILSON
TO FINAL JUDGMENT**

Kenneth C. Wilson ("Wilson") admits to the continuing jurisdiction of the Suffolk Superior Court as to the personal and subject matter jurisdiction of this action and consents to the entry of this Final Judgment between the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the citizens of the Commonwealth of Massachusetts and the Responding Parties, to which this Consent is attached. In so consenting, Wilson states that he has read and understands each numbered paragraph in the Final Judgment.

CONSENTED TO, WAIVING ALL RIGHTS OF APPEAL:

Kenneth C. Wilson



Dated: 6/2/2017