

**IN THE CIRCUIT COURT OF THE SEVENTEETH JUDICIAL CIRCUIT  
IN AND FOR BROWARD COUNTY, FLORIDA**

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

**CASE No.:**

**Plaintiff,**

**v.**

**ADVOCACY AND COLLECTIONS  
GROUP, INC., a Florida corporation and  
DENIS CHIRA, an individual, NANCY  
ALLEN, an individual and RODERICK  
DARANG, an individual.**

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**COMPLAINT**

Plaintiff, **OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS, STATE OF FLORIDA** (“Plaintiff” or the “Attorney General”), hereby sues defendants, **ADVOCACY AND COLLECTIONS GROUP, INC., a Florida corporation and NANCY ALLEN, an individual, DENIS CHIRA, an individual and RODERICK DARANG, an individual.** (“hereinafter collectively referred to as “**DEFENDANTS**”), and alleges as follows:

**INTRODUCTION**

1. Defendants cold call victims of financial scams to sell ACG’s purported “fee recovery” services. Defendants lure consumers with false promises

and deceptive guarantees that Defendants' "specialized services" will recover the money victims lost in previous scams.

2. Upon being confronted unexpectedly with the promise of receiving significant amounts of funds back, these victims are vulnerable to the Defendants' aggressive marketing and false representations. These victims rely on Defendants' untrue sales pitch, which lead them to believe that they will be better off with ACG's "specialized services" than without.

3. Despite paying Defendants hundreds to tens of thousands of dollars in advance fees, ACG clients typically recover none of their prior losses. Instead, these victims of prior financial schemes lose even more money to Defendants' scam.

4. The Individual Defendants are no strangers to questionable telemarketing and fee recovery practices. The Individual Defendants are veteran telemarketers who previously worked for Consumer Collection Advocates, Corp. ("CCA"), a purported fee recovery company that is the subject of legal action by both the Federal Trade Commission and this Department.

5. Plaintiff, the Attorney General, petitions this Court to enjoin Defendants' deliberate and systematic scheme to defraud consumers who have previously fallen victim to similar scams in the past and find Defendants liable for consumers' harm.

## JURISDICTION AND VENUE

6. This is an action for injunctive relief, equitable relief, attorneys' fees, penalties and any other statutory relief available, pursuant to Florida's Deceptive and Unfair Trade Practices Act ("FDUTPA"), Chapter 501, Part II, Florida Statutes.

7. Plaintiff is an enforcing authority of FDUTPA pursuant to Florida Statutes Section 501.203(2) and is authorized to pursue this action to enjoin violations of FDUTPA and to obtain legal, equitable or other appropriate relief including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, civil penalties, or other relief as may be appropriate by Sections 501.207, 501.2075 and 501.2077, Fla. Stat.

8. This Court has subject-matter jurisdiction pursuant to the provisions of FDUTPA and Section 26.012, Fla. Stat.

9. The statutory violations alleged herein occurred in or affected more than one judicial circuit in the State of Florida.

10. Venue is proper in the Seventeenth Judicial Circuit as the statutory violations alleged herein occurred in Broward County, Florida.

11. At all material times, the principal place of business for Defendant Advocacy and Collections Group, Inc. ("ACG") is listed with the Florida Secretary of State as 2450 Hollywood Boulevard #201, Hollywood, Florida 33021.

12. Defendant Nancy Allen (“ALLEN”) is an adult female over the age of eighteen and is *sui juris*. Upon information and belief, Defendant ALLEN is not in the military service and resides in Broward County, Florida.

13. Defendant Denis Chira (“CHIRA”) is an adult male over the age of eighteen and is *sui juris*. Upon information and belief, Defendant CHIRA is not in the military service and resides in Broward County, Florida.

14. Defendant Roderick Darang (“DARANG”) is an adult male over the age of eighteen and is *sui juris*. Upon information and belief, Defendant DARANG is not in the military service and resides in Broward County, Florida.

15. Plaintiff has conducted an investigation, and the head of the enforcing authority, Attorney General Pam Bondi, has determined that an enforcement action serves the public interest, as required by Section 501.207(2), Fla. Stat. A copy of said determination is attached and incorporated herein as Plaintiff’s **Exhibit A**.

#### **DEFENDANTS**

16. Defendant ACG is a for-profit corporation organized under the laws of Florida on or about January 21, 2014. At all times material to this complaint, Defendant ACG advertised, solicited, offered and sold services that purportedly recovered for consumers money previously lost by those consumers in various financial scams.

17. Defendants ALLEN, CHIRA and DARANG organized ACG after they quit working for Consumer Collection Advocates, Corp. (“CCA”). CCA operated a purported fee recovery scheme, which engaged in alleged deceptive acts and practices substantially similar to ACG’s acts and practices, described herein. Subsequent to Defendants ALLEN, CHIRA and DARANG’s departure from CCA, the Federal Trade Commission obtained a preliminary injunction and asset freeze, among other extraordinary remedies, against CCA on November 4, 2014. Additionally, on November 5, 2014, the Attorney General filed its Complaint and Motion for Temporary Injunction against CCA for alleged deceptive acts and practices substantially similar to ACG’s acts and practices, described herein

18. Some ACG clients are former CCA clients whose funds were not recovered by CCA. Consequently, these victims of financial scams paid substantial upfront “retainer” fees to both CCA and ACG for essentially the same services.

19. At all material times, Defendant ALLEN has participated in the day-to-day operations of ACG. Defendant ALLEN, along with Defendant CHIRA, has the authority to determine when ACG terminates its services on client files. Furthermore, Defendant ALLEN manages ACG’s finances, letter writing efforts and consistently communicates with ACG’s clients and an outside attorney regarding ACG client files.

20. Defendant Chira used his personal funds to open ACG as a principal of the company. Currently, Defendant CHIRA is ACG's President, Vice President and one hundred percent shareholder. In addition, Defendant CHIRA, at all material times, has controlled and/or has had the authority to control and participated in the day-to-day operations of ACG, including but not limited to, the advertisement, solicitation, and sale of ACG's services. Furthermore, Defendant CHIRA has had control and/or the authority to control ACG's finances, as well as ACG personnel decisions. Defendant CHIRA, along with Defendant ALLEN, has the authority to determine when ACG terminates its services on client files. Additionally, Defendant CHIRA was responsible for establishing ACG's relationship with an outside attorney and for channeling ACG client files to that attorney.

21. Defendant DARANG incorporated ACG, obtained ACG's licenses and used his personal funds to open ACG. Defendant DARANG, during a time period relevant to this Complaint, participated in the day-to-day operations of ACG, including, but not limited to, the advertisement of ACG's services, drafting ACG consumer documents and providing advice to the other Individuals Defendants regarding ACG's operations.

22. In or about April 2014, Defendant Darang's professional relationship with ACG terminated. Around this same time, upon information and belief,

Defendant DARANG withdrew approximately Fifty Thousand Dollars (\$50,000) from an ACG's bank account that contained ACG consumer funds.

23. After Defendant DARANG quit his position as ACG's President, he opened a purported fee recovery business named Florida Capital Recovery, LLC, which is presently operating in Hollywood, Florida. Florida Capital Recovery, LLC's operations are substantially similar to CCA and ACG's operations. At least one of Florida Capital Recovery, LLC's clients is a former CCA and ACG client.

24. At all material times hereto, Defendants ALLEN, CHIRA and DARANG each possessed actual and/or constructive knowledge of the unfair and/or deceptive acts and practices complained of in this Complaint, participated directly or indirectly, through affiliates, agents, owners, employees, or other representatives in the unfair and/or deceptive acts and practices as set forth herein, controlled said acts and practices and/or had the authority to control them.

25. Defendants solicited, advertised, offered, provided and offered for sale services within the definition of Section 501.203(8), Fla. Stat., at all times material hereto.

26. Defendants engaged in trade or commerce within the definition of Section 501.203(8), Fla. Stat., at all times material hereto.

27. Defendants solicited consumers within the definition of Section 501.203(7), Fla. Stat., at all times material hereto.

## DECEPTIVE ACTS AND PRACTICES

### *Defendants' Marketing Methods*

28. Defendants primarily sell their purported "recovery" services by placing unsolicited phone calls to scam victims.

29. Defendants identify scam victims by purchasing lead lists and cold calling through authorized investor lists. Additionally, Defendants advertise ACG's services on the Internet.

30. Among the victims targeted by Defendants are consumers who have fallen victim to previous telemarketing scams, many of whom are seniors.

### *Defendants' False and Deceptive Sales Pitch*

31. Defendants' sales pitch is rife with misrepresentations and false information designed to provide unsuspecting consumers with assurances that their previously lost funds would be recovered.

32. Defendants falsely represent to consumers the nature, efficacy, and central characteristics of their "specialized services." Among the false information disseminated by ACG, described in further detail herein, are misrepresentations that ACG is licensed by the State of Florida to engage in fee recovery services, untrue statements regarding ACG's success rate, and fallacious claims pertaining to the services ACG provides including, but not limited to, representations that ACG works with government agencies and that ACG will provide legal services.



Furthermore, ACG falsely represents that consumers can cancel services and receive a partial refund at any time. In reality, ACG's services primarily consist of activities consumers could perform themselves, such as sending form demand letters, forwarding consumers' information on to government agencies and contacting consumers' own credit card companies.

#### *Defendants' Fee Structure*

33. Once consumers are induced into purchasing ACG's purported services, ACG requires consumers to make an advance payment to ACG which ranges from several hundred dollars to approximately thirty thousand dollars (\$30,000).

34. Defendants require all consumers pay this significant upfront "retainer" fee, regardless of the type of fraud that resulted in the victims' loss, and despite the fact that collecting upfront payments for services that assist telemarketing fraud victims is a practice prohibited by law.

#### *Defendants' Business Operations*

35. Once consumers agree to pay the upfront fee, Defendants typically overnight a package of documents for consumers to complete. In addition to requesting that consumers complete and return ACG's service agreement and its related documents, ACG instructs consumers to attach any documents associated with the initial scam(s) that caused consumers to sustain losses.

36. Notably, Defendants' requirement that consumers send documentation relating to the initial scam requires the sharing of private information such as Social Security and credit card numbers, as well as personal bank account information.

37. Moreover, ACG channels clients' files to and shares victims' personal information with an outside attorney. This attorney then uses the victims' information to secure future business and additional funds from consumers for fee recovery efforts.

38. Some consumers, upon learning the true nature of ACG's services described *supra*, request refunds from ACG. ACG has failed to issue refunds to consumers making such a request.

***Defendants' Misrepresentations Regarding the Nature, Efficacy, and Central Characteristics of ACG and its "Specialized Services"***

39. The Defendants directly or indirectly, expressly or by implication, misrepresent the nature, efficacy, and central characteristics of ACG and its "specialized services."

**Defendants' Misrepresentations Regarding Efficacy of ACG's Services**

40. Defendants' representatives routinely misrepresent to consumers ACG's ability to recover funds for consumers.

41. Defendants' representatives falsely assure consumers that they are likely, if not guaranteed, to recover a substantial portion of their lost funds. Along these lines, Defendants' representatives have told consumers:

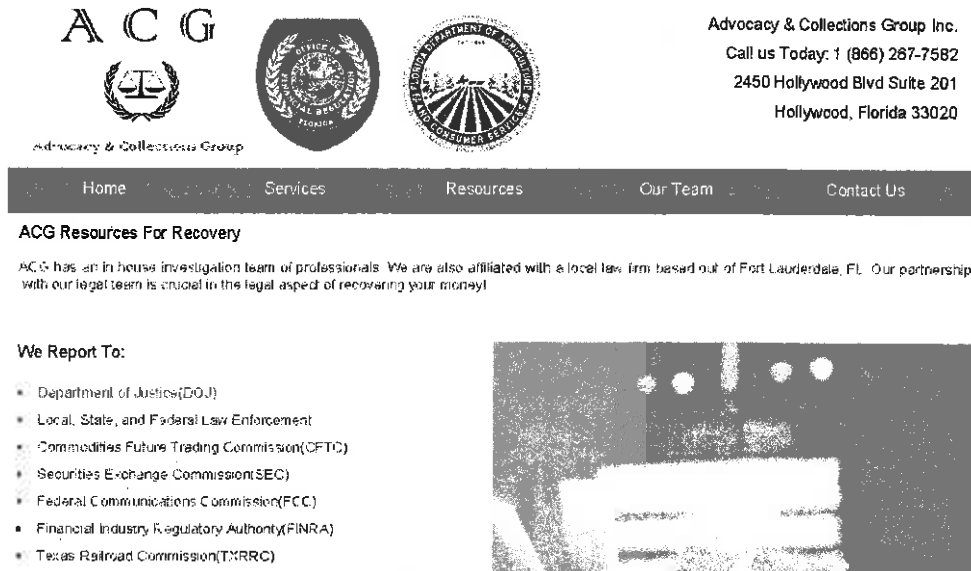
- a. Funds are already available for the consumer and consumers simply needed to hire ACG to claim the funds;
- b. Recovery on behalf of the consumer is guaranteed;
- c. ACG does not accept cases unless they [ACG] determine that the consumers' lost fees are recoverable;
- d. ACG often returns 60-70% of funds as opposed to government agencies whose returns can be as low as 10%;
- e. ACG has successfully recovered from specific companies;
- f. We [ACG] do not loose [sic]; and
- g. ACG successfully recovered funds for victims of the same company from which the consumer is seeking recovery.

42. In reality, ACG has never negotiated a recovery on behalf of a client and is never in a position to know whether funds are available to a consumer before the consumer pays ACG's upfront fee.

#### Defendants' Misrepresentations Regarding Governmental Affiliations

43. ACG also induces consumers into paying upfront fees by falsely claiming that ACG works with or is affiliated with government agencies including the Florida Attorney General's Office, the Florida Office of Financial Regulation, the Federal Bureau of Investigation, the Securities and Exchange Commission and the Financial Crimes Enforcement Network among others. For example, the

DEFENDANTS' website appropriates and prominently displays government agency logos and claims that they "report to" various government agencies:



44. In fact, during the course of Plaintiff's investigation of Defendants, Plaintiff has yet to find any state or federal government agency that coordinates or is affiliated with the Defendants.

45. Nevertheless, Defendants make misrepresentations about governmental affiliations which falsely assure consumers of ACG's legitimacy and persuade ACG's vulnerable consumers that they are not falling victim to yet another scam.

46. Not only are Defendants' false representations in this regard misleading and deceptive to consumers, but they damage the integrity and reputation of the government agencies being used to perpetrate Defendants' false representations.

Defendants' Misrepresentations Regarding Licensing

47. Defendants falsely inform consumers regarding the significance of ACG's registration ACG holds with the Florida Office of Financial Regulation ("FLOFR").

48. With respect to ACG's FLOFR registration, Defendants misrepresent to consumers that ACG is "licensed" to collect funds on behalf of consumers victimized by fraud or telemarketing scams.

49. In fact, the registration ACG holds does not govern or regulate ACG's business of collecting funds on behalf of consumers victimized by fraud or telemarketing scams in any way because this activity is not regulated by FLOFR's enabling statute, the Florida Commercial Collection Practices Act (s. 559.541 *et seq.*, Florida Statutes).

50. These misrepresentations falsely assure consumers of ACG's legitimacy and falsely confer on ACG the imprimatur of state approval, authorization, or sanctioning of ACG's activities related to the collection of funds on behalf of consumers victimized by telemarketing and other financial scams.

Defendants' Misrepresentations Regarding ACG's Provision of Legal Services

51. Moreover, Defendants falsely claim that ACG's services include legal services and assure clients that if ACG is unable to negotiate a recovery for clients, that the clients' claim will be litigated by an attorney associated with ACG.

52. Based on these representations by Defendants and their representatives, Consumers reasonably believe the substantial upfront “retainer” fees they pay to ACG will be used for professional legal services from the attorney associated with ACG.

53. In reality, ACG does not pay a law firm or attorney to assist with consumer claims ACG has failed to secure recovery. Indeed, consumers must pay additional fees to a law firm or attorney for any professional legal services.

54. Furthermore, despite ACG’s sales pitch regarding the services of an ACG-affiliated attorney, ACG clients are not guaranteed that the attorney affiliated with ACG will provide them legal representation. ACG provides clients’ files to the outside attorney, who then makes a determination which clients the attorney would like to represent and contacts those consumers. ACG clients who are not contacted by the outside attorney are contacted by ACG representatives. These representatives share the information pertaining to the outside attorney’s opinion about the merits of the consumer’s case. ACG representative then tell consumers that if they have any questions or would like to proceed with legal action, they should call the outside attorney directly.

### ***Defendants' Refusal to Provide Refunds***

55. It is not until after consumers have paid significant funds to ACG, along with potentially compromising personal information, that consumers discover the truth about ACG's services.

56. Defendants have refused to provide refunds to consumers requesting same from ACG as a result of ACG's failure to provide the represented services, despite the fact that Florida law requires consumers similarly aggrieved to be provided refunds.

57. Despite their numerous violations of federal and Florida law as described above, Defendants continue to commit these unfair, deceptive and unconscionable acts and practices. To date, a significant number of consumers have fallen victim to Defendants' scheme. Absent injunctive and other relief from this Court, numerous additional consumers will suffer harm as a result of Defendants' actions.

### **COUNT I**

#### **PER SE VIOLATIONS OF FDUTPA BASED ON VIOLATIONS OF THE TELEMARKETING SALES RULE 16 C.F.R. PART 310**

1. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 57 as if fully set forth hereinafter.

2. Section 501.203(3)(c), Fla. Stat., establishes that a violation of any law, statute, rule, regulation, or ordinance which proscribes unfair methods of

competition, or unfair, deceptive, or unconscionable acts or practices is a violation of FDUTPA and is subject to the penalties and remedies provided for such violations.

3. The Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, as amended is promulgated by the Federal Trade Commission and implements the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. 6101-6108, as amended. The TSR prohibits deceptive telemarketing acts or practices and other abusive telemarketing acts or practices. Therefore, any violation of the TSR constitutes a *per se* violation of FDUTPA and is subject to the penalties and remedies provided for such violations.

4. Defendants are engaged in “telemarketing,” as defined by the TSR, 16 C.F.R. § 310.2.

5. Defendants are telemarketers that initiated outbound telephone calls to consumers in Florida and throughout the United States to induce the purchase of ACG’s services.

6. Defendants violated the TSR, 16 C.F.R. § 310.4(3) by requesting or receiving upfront payment from consumers for services represented to recover or otherwise assist in the return of money or any other item of value paid for by that consumer in a previous telemarketing transaction.



7. Defendants' violations of the TSR as described above constitute *per se* violations of the provisions of Chapter 501, Part II of the Florida Statutes.

8. As a result of the foregoing, Defendants have engaged in deceptive or unfair acts or practices in violation of FDUTPA.

## COUNT II

### **DECEPTIVE AND UNFAIR TRADE PRACTICES CHAPTER 501, PART II FLORIDA STATUTES**

9. Plaintiff adopts, incorporates herein and re-alleges Paragraphs 1 through 57 as if fully set forth hereinafter.

10. FDUTPA provides that "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

11. Defendants have violated FDUTPA by directly or indirectly, expressly or by implication, misrepresenting Defendants' business status and purported fee recovery services, and making false and misleading statements to induce consumers to pay for goods or services including, but not limited to,

- a. misrepresenting material aspects of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of ACG's sales offer; and/or
- b. misrepresenting ACG's affiliation with, endorsement or sponsorship by governmental entities; and/or
- c. misrepresenting the significance of ACG's Florida Office of Financial Regulation registration; and/or

d. falsely claiming that ACG's services include professional legal services.

12. As a result of the foregoing, Defendants have engaged in deceptive or unfair acts or practices in violation of FDUTPA.

### **COUNT III**

#### **PER SE VIOLATIONS OF FDUTPA BASED ON VIOLATIONS OF THE FLORIDA TELEMARKETING ACT, CHAPTER 501.601, FLA. STAT. ET SEQ.**

13. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 57 as if fully set forth hereinafter.

14. Section 501.203(3)(c), Fla. Stat., establishes that a violation of any law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices is a violation of the provisions of FDUTPA and is subject to the penalties and remedies provided for such violations.

15. The Florida Telemarketing Act, Sections 501.601 through 501.626, Fla. Stat. ("FTA"), was enacted to "promote the general welfare of the public" section 501.602, Fla. Stat. Therefore, any violation of Sections 501.601 through 501.626, is an unfair or deceptive act or practice in violation of FDUTPA, and is subject to the penalties and remedies provided for such violation.

16. Defendants refused to provide refunds to consumers in violation of the FTA, Section 501.615(6)(a), Fla. Stat., which requires that consumers be given a refund, credit or replacement for services which are not as presented or not received as promised.

17. Defendants' violations of the FTA as described above constitute *per se* violations of the provisions of Chapter 501, Part II of the Florida Statutes.

18. As a result of the foregoing, Defendants have engaged in deceptive or unfair acts or practices in violation of FDUTPA.

### **CONSUMER INJURY**

19. The DEFENDANTS' above-described acts and practices have injured and will likely continue to injure and prejudice the public and consumers in the State of Florida.

20. In addition, the DEFENDANTS have been unjustly enriched as a result of their deceptive acts or practices.

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

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, State of Florida, Office of the Attorney General, Department of Legal Affairs, respectfully requests that this Court:

A. ENTER judgment against the Defendants and in favor of Plaintiffs for each Count alleged in this Complaint.

B. GRANT temporary injunctive relief against Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with the Defendants who receive actual notice of this injunction to prevent future FDUTPA violations until a final judgment in this action is entered;

C. GRANT permanent injunctive relief against Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with the Defendants who receive actual notice of this injunction to prevent future FDUTPA violations;

D. AWARD full restitution to all consumers who are shown to have been injured, pursuant to Section 501.207, Fla. Stat., as well as other relief, including but not limited to, rescission or reformation of contracts, and the disgorgement of ill-gotten monies;

E. ASSESS civil penalties in the amount of Ten Thousand Dollars (\$10,000.00) as prescribed by Section 501.2075, Fla. Stat., or Fifteen Thousand Dollars (\$15,000.00) for victimized senior citizens and military service members

as prescribed by Section 501.2077, Fla. Stat., for each act or practice found to be in violation of FDUTPA.

F. AWARD attorneys' fees and costs pursuant to Section 501.2075, Fla. Stat., or as otherwise authorized by law.

G. AWARD such equitable or other relief as is just and appropriate pursuant to Section 501.207, Fla. Stat.

H. GRANT such equitable or other relief as is just and appropriate pursuant to Section 501.207, Fla. Stat.

Dated this 24<sup>th</sup> day of July, 2015.

Respectfully Submitted,

**PAMELA JO BONDI**  
**Attorney General of the State of Florida**

*Kristen Pesicek*

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