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DISTRICT COURT, DENVER COUNTY, COLORADO  
1437 BANNOCK STREET  
DENVER, CO 80202

**PLAINTIFFS:**

ZACHARY WAITE,  
CATHERINE WOODS-SULLIVAN, individually and on  
behalf of all similarly situated persons,

v.

**DEFENDANT:**

CREDIT SERVICE COMPANY, INC.

Δ COURT USE ONLY Δ

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Case Number:

Ctrm/Div:

**CLASS ACTION COMPLAINT**

## INTRODUCTION

1. This case is about aggressive and predatory medical debt collection tactics that afflict tens of thousands of Coloradans every year.
2. Defendant Credit Service Company, Inc. (“CSC”) is a debt collector that specializes in the collection of medical debts.
3. One of CSC’s chief clients is UCHealth, the largest healthcare system in Colorado, with revenues of approximately \$5 billion per year, much of which comes from medical bills sent to uninsured patients or to patients who owe amounts beyond those paid by third-party payers.
4. Plaintiffs Zachary Waite and Catherine Woods-Sullivan were targets of CSC’s debt collection activities for UCHealth.
5. UCHealth, along with other providers, purports to assign much of its unpaid medical debts to CSC or assigns the debt for collection purposes.
6. As the purported assignee of the medical debt, CSC, not UCHealth, confronts UCHealth’s patients and demands payment for unpaid medical bills.
7. CSC, and not UCHealth, forces UCHealth’s patients to divulge the intimate details of their medical history and treatments at UCHealth in inquiring about disputes they may have about the amount of the debt.
8. CSC, and not UCHealth, names itself the plaintiff in lawsuits brought against UCHealth’s patients to collect debts.
9. CSC, and not UCHealth, asks courts to issue judgments entered in favor of CSC and against UCHealth’s patients, and then CSC, and not UCHealth, collects those judgments.

10. UCHealth's patients disputing the debts CSC is attempting to collect are left to negotiate with CSC, not UCHealth, and are forced to reveal intimate medical details in the process.

11. In these ways, UCHealth appears to be assigning medical debt to CSC, despite the fact that Colorado law generally bars assignments of claims like medical debts that are based on a relationship of trust and confidence or personal services.

12. Furthermore, if UCHealth is assigning ownership of medical debts to CSC, as it appears to be doing, then CSC is a medical debt buyer. Colorado law provides protections for consumers pursued by debt buyers like CSC. These protections require CSC to make specific disclosures to consumers when collecting on the debts they buy so that consumers can understand who CSC is and what CSC is attempting to collect. *See* Colo. Rev. Stat. § 5-16-111.

13. CSC ignores those rules and undermines the policy behind the debt buyer statute, leaving consumers confused about who CSC is and why it is attempting to collect a debt.

14. If UCHealth has not assigned the debt to CSC, and instead CSC is serving as an agent or representative of UCHealth in communicating with UCHealth's patients, attempting to collect debts from them, learning intimate information about their medical histories, and then pursuing litigation against them in court, then CSC is *not* a debt buyer and is not violating the debt buyer statute.

15. Instead, if CSC is not a debt buyer, then it is both undertaking the unauthorized practice of law on behalf of UCHealth and deceptively appearing as the real party in interest in lawsuits it files on behalf of UCHealth.

16. In either case, CSC's collection activities on behalf of UCHealth unjustly enrich CSC and violate the Colorado Fair Debt Collection Practices Act.

## **JURISDICTION AND VENUE**

17. Venue in this Court is proper pursuant to Colo. R. Civ. P. 98 because some part of the claims arose in the City and County of Denver.

18. This Court has jurisdiction over the parties and subject matter of this action pursuant to Colo. Rev. Stat. § 13-1-124 and the Colorado Constitution.

## **PARTIES**

19. Plaintiffs Zachary Waite and Catherine Woods-Sullivan are natural persons who reside in Colorado.

20. CSC is a Colorado Corporation with its principal place of business in Colorado.

## **STATEMENT OF FACTS**

### **A. CSC**

21. According to its website, CSC serves the healthcare industry and has a “dedicated healthcare collections team [that] specializes in debt collections for all types of medical facilities, including hospitals, doctors’ offices and clinics, EMT services, chiropractors and dentists.”

22. According to CSC, over 95% of CSC’s clients are medical providers seeking to collect on unpaid medical bills from their patients.

23. CSC operates on a commission model. CSC’s clients pay CSC a percentage of the money it recovers for them from their patients.

24. With little exception, CSC does not receive any remuneration unless and until it has collected money from the debtor.

25. CSC is a “collection agency,” and its employees and agents are “debt collectors,” as defined in Colo. Rev. Stat. § 5-16-103.

26. CSC's principal business purpose is the collection of debts.

27. According to its website, CSC is "a full-service collection agency, CSC works with the medical, governmental, educational, financial, commercial and utilities markets."

28. With respect to healthcare collections, CSC states that it "has been serving the collection needs of the healthcare industry since 1947" and that its "dedicated healthcare collections team specializes in debt collections for all types of medical facilities, including hospitals, doctors' offices and clinics, EMT services, chiropractors and dentists."

**B. CSC's Collection Activities for UCHealth**

29. One of CSC's largest debt collection clients is UCHealth, a medical services provider composed of hospitals, clinics, and health care providers extending throughout Colorado, southern Wyoming, and western Nebraska.

30. UCHealth provides medical services for its patients and charges fees for those services.

31. Some of these fees go unpaid, whether as a result of patients questioning the accuracy or fairness of the bill, objecting to the necessity of the services provided, objecting to the reasonableness of the fees charged, or not having the ability to pay.

32. In some of these cases, UCHealth does not recover payment on these unpaid medical bills itself.

33. Rather than engaging directly with the thousands of patients who dispute or cannot pay their bills, UCHealth transfers responsibility for collecting the bills, answering disputes, responding to pleas for financial assistance, and ultimately suing debtors in court to CSC, a third party with whom the patient has no contractual or fiduciary relationship. UCHealth either sells debts in default to CSC or hires it as an independent contractor to collect the debts.

34. By transferring responsibility for collection of accounts in default to CSC, UCHealth avoids having to place its own name on thousands of debt collection lawsuits.
35. When contacted by patients disputing debts, UCHealth instructs them that they must negotiate or otherwise interact with CSC, and not UCHealth, to pay, dispute, or obtain information about the debt.
36. The disputes that CSC handles on behalf of UCHealth include disputes over the necessity of services patients were charged for or the reasonableness of the charges for services.
37. To dispute their medical bills, patients must reveal the private, sometimes intimate details of their medical histories to CSC even though CSC does not have a relationship of trust and confidence with them or a fiduciary obligation to them.
38. Meanwhile, CSC obfuscates its relationship with UCHealth and the debt CSC seeks to collect.
39. CSC attempts to collect alleged debts on behalf of UCHealth through pre-litigation efforts, like sending debt collection letters, and through Colorado state court actions where CSC is named as the plaintiff.
40. On its website, CSC claims that “if legal action becomes necessary, we remain cognizant of our clients’ needs and concerns and proceed appropriately” and that “[t]he legal process only begins if the client has given the approval to do so.”
41. In pursuing state court actions, including those against Plaintiffs Waite and Woods-Sullivan, CSC does not comply with the debt buyer disclosure requirements of Colo. Rev. Stat. § 5-16-111.

42. The complaints CSC files attempting to collect UCHealth medical debts, including those against Plaintiffs Waite and Woods-Sullivan, do not include

- i. a copy of the contract, account-holder agreement, or other writing from the original creditor or the consumer evidencing the consumer's agreement to the original debt;
- ii. a copy of a redacted itemization of charges incurred; or
- iii. an assignment or other writing establishing that the debt buyer is the owner of the debt.

43. If CSC is not an assignee of the debt, and therefore not a debt buyer, then it is not the real party in interest in these lawsuits.

44. If CSC is not an assignee and debt buyer, it is deceptively naming itself, rather than UCHealth, as plaintiff in lawsuits when it is not a real party in interest.

45. If CSC is not an assignee and debt buyer, it is practicing law in a representative capacity by attempting to protect, enforce, and defend the legal rights and duties of UCHealth and by counseling, advising and assisting UCHealth in connection with these rights and duties.

46. CSC provides legal advice to UCHealth.

47. CSC determines when to file lawsuits for UCHealth.

48. CSC determines where to file lawsuits for UCHealth.

49. CSC advises UCHealth with respect to which claims to file.

50. CSC drafts pleadings for UCHealth.

51. CSC selects an attorney to represent it in protecting UCHealth's interests.

52. CSC files lawsuits for UCHealth.

53. CSC litigates and negotiates on behalf of UCHealth.
54. CSC advises UCHealth on when to settle legal claims.
55. CSC advises UCHealth on when to dismiss a complaint.
56. CSC advises UCHealth on what witnesses are necessary to obtain a judgment.
57. CSC advises UCHealth on what documents are necessary as evidence.
58. CSC prepares settlement agreements for UCHealth.
59. CSC signs pleadings, motions, and other court filings for UCHealth.
60. CSC manages the collection actions from beginning to end for UCHealth.
61. CSC collects judgments through further legal proceedings on behalf of UCHealth.
62. CSC charges a fee for all of the legal services and advice it provides to UCHealth.
63. In short, CSC is illegally pursuing medical debts on behalf of UCHealth—either as a debt buyer avoiding the obligations of Colo. Rev. Stat. § 5-16-111 or a corporate third party deceptively naming itself as a real party in interest in lawsuits and undertaking the unauthorized practice of law.

**C. Plaintiff Waite’s Disputed Debt at UCHealth and CSC’s Attempts to Collect that Debt**

64. In or about September 2018, Mr. Waite needed a new primary care physician because his primary care physician retired.
65. Mr. Waite called UCHealth’s primary care clinic at 311 Steele Street Denver, CO 80206 to find a new primary care physician and made an appointment for October 1, 2018.
66. At the October 1, 2018 appointment, Mr. Waite met with his new doctor.
67. As part of the initial primary care visit, Mr. Waite gave the doctor a health history, which included a preexisting medical condition.

68. After hearing Mr. Waite's health history, Mr. Waite's doctor ordered a medical test. The test results were abnormal for a typical patient, but consistent with Mr. Waite's previously diagnosed medical condition.

69. Despite this, Mr. Waite's doctor insisted on Mr. Waite receiving additional testing. Mr. Waite decided not to decline the testing because he had just become this doctor's patient, did not want to seek another primary care physician, and there was no indication that the testing would not be routine or exceedingly expensive.

70. On October 9, 2018, Mr. Waite received the additional testing at the UCHealth University of Colorado Hospital.

71. Approximately a week later, Mr. Waite received a call back from the UCHealth clinic, informing him that test confirmed what Mr. Waite already knew and had told his doctor: he had a preexisting condition, but was otherwise healthy.

72. On October 31, 2018, UCHealth sent Mr. Waite a bill stating that Mr. Waite's responsibility for his October 9, 2018 test was \$2,876.88.

73. Mr. Waite did not pay because he was shocked at the amount of the bill given that his doctor had described the test as a baseline test associated with a new patient exam.

74. To rectify and dispute the bill, and to understand better the medical justification for ordering an expensive and seemingly unnecessary medical test, Mr. Waite and his wife called UCHealth and asked to talk to Mr. Waite's doctor about the test and the bill associated with the test.

75. Agents of UCHealth who took the calls told Mr. Waite that his doctor would call him back.

76. Over the next eight or nine months, Mr. Waite and his wife called UCHealth four or five more times to speak to his doctor about the bill and to ask why Mr. Waite would be financially responsible for an expensive and seemingly unnecessary medical test ordered at the doctor's direction. Mr. Waite never heard back.

77. In the first half of 2019, Mr. Waite received his first collection letter from CSC attempting to collect the disputed debt on behalf of UCHealth.

78. Mr. Waite called CSC and explained that he had been attempting to speak to his doctor for months about the test and the disputed debt, but the doctor who ordered the expensive and seemingly unnecessary medical test had never returned Mr. Waite's call despite promises from UCHealth that she would.

79. CSC suggested that Mr. Waite provide it a letter addressed to UCHealth explaining the circumstances because, according to CSC, sometimes these letters lead UCHealth to reconsider its alleged debts. Mr. Waite wrote the letter, attached to this complaint as Exhibit 1.

80. Despite his letter, CSC sued Mr. Waite on December 23, 2019 in continued efforts to collect the unpaid medical bill. CSC named itself as the plaintiff in that lawsuit. That complaint is attached to this complaint as Exhibit 2.

81. The complaint is a fill-in-the-blank form used by the CSC in hundreds of lawsuits filed throughout Colorado.

82. The complaint alleged that UCHealth had "duly assigned" the debt to CSC.

83. The complaint is signed by Jasmine Bruce, a member of CSC's "Legal Department" who is not an attorney, and Matthew Berumen, an attorney.

84. Mr. Berumen is an attorney and general counsel for CSC.

85. Mr. Berumen is not an attorney for UCHealth.

86. On February 18, 2020, Mr. Waite called CSC to discuss settling the disputed debt.

87. The agent of CSC who answered the phone told Mr. Waite that UCHealth still owned the debt, that Mr. Waite could reach out to UCHealth to settle the debt directly, that CSC was only authorized by UCHealth to settle the debt for a 10% reduction, and that CSC had to get approval from UCHealth for a percentage reduction more than 10%.

88. Mr. Waite subsequently settled and paid the debt to avoid the future headache of collection activities.

89. Mr. Waite continues to be a patient at UCHealth. He has received medical services from UCHealth at least twice within the last year, including a medical test and a visit to a UCHealth urgent care facility, and is substantially likely to be a patient of UCHealth again.

**D. Plaintiff Woods-Sullivan's Disputed Debt at UCHealth and CSC's Attempts to Collect that Debt**

90. On August 8, 2016, Ms. Woods-Sullivan's husband died, leaving her to care for her two teenage daughters.

91. One of Ms. Woods-Sullivan's daughters then required medical attention and received multiple treatments at the University of Colorado Hospital, which is part of the UCHealth hospital system, from August 2016 to September 2017.

92. Her daughter was covered by Medicaid during at least some of these treatments, but apparently not during all such treatments.

93. In January 2018, in response to family trauma, Ms. Woods-Sullivan also required medical treatment at UCHealth's University of Colorado Hospital.

94. Sometime later, Ms. Woods-Sullivan received a collection letter in the mail from CSC demanding payment for unpaid medical bills to UCHealth arising from the August 2016-September 2017 medical treatments for her daughter and the January 2018 treatments for Ms. Woods-Sullivan.
95. Ms. Woods-Sullivan was horrified by the amount of the bill.
96. In response to the letter, Ms. Woods-Sullivan went to University of Colorado Hospital in-person to discuss the debt and raise various concerns she had with it.
97. Ms. Woods-Sullivan waited for hours to talk to an agent of UCHealth.
98. When a representative of UCHealth finally spoke to Ms. Woods-Sullivan, the agent told her that it was “out of their hands,” that she could not discuss the debt with UCHealth, and that she would have to negotiate directly with CSC.
99. On January 26, 2019, CSC sued Ms. Woods-Sullivan for alleged debts resulting from her daughter and her treatments at the University of Colorado Hospital.
100. CSC named itself as the plaintiff in the lawsuit.
101. The County Court complaint, attached to this complaint as Exhibit 3, is a fill-in-the-blank form complaint used by CSC in hundreds, if not thousands, of lawsuits filed throughout Colorado.
102. The complaint alleges that UCHealth “duly assigned” the debt to CSC.
103. The complaint is signed by Cierra Streacker, a member of the CSC’s “Legal Department” and Matthew Berumen, an attorney.
104. Mr. Berumen is an attorney and general counsel for CSC.
105. Mr. Berumen is not an attorney for UCHealth.

106. Before engaging an attorney to defend her in the lawsuit, Ms. Woods-Sullivan contacted CSC repeatedly asking to settle the debt with a payment plan because she could not afford a lump sum payment.

107. Ms. Woods-Sullivan offered to make \$50 monthly payments to pay down the debt, which is all she could afford as a single mother.

108. CSC refused and stated it would rather get a judgment and garnish her wages.

109. Ms. Woods-Sullivan then engaged Colorado Legal Services to defend her.

110. As part of that defense, Ms. Woods-Sullivan was forced to communicate the intimate details of her medical treatment at University of Colorado Hospital with CSC, including through the hardship letter attached to this Complaint as Exhibit 4.

111. Ms. Woods-Sullivan subsequently settled the debt to avoid the uncertainty of trial, a potential judgment, and subsequent collections.

112. Ms. Woods-Sullivan is substantially likely to be a patient of UCHealth again. The University of Colorado Hospital is the closest hospital to her home, and she intends to use University of Colorado Hospital for family medical emergencies in the future.

### **RULE 23 CLASS ALLEGATIONS**

113. Plaintiffs assert their claims as Colo. R. Civ P. 23 class actions on behalf of themselves and on behalf of the classes they seek to represent.

114. Pending any modifications necessitated by discovery, Plaintiffs preliminarily define the Unjust Enrichment Class as follows:

ALL RESIDENTS OF COLORADO WHO WERE SUED BY  
CREDIT SERVICE COMPANY, INC. IN COLORADO  
COURTS TO COLLECT ALLEGED MEDICAL DEBT ON  
BEHALF OF UCHEALTH AND HAD SUIT PENDING

AGAINST THEM DURING THE SIX YEAR PERIOD  
PRECEDING THE FILING OF THIS LAWSUIT THROUGH  
ANY JUDGMENT ENTERED IN THIS ACTION

115. Pending any modifications necessitated by discovery, Plaintiff Waite preliminarily defines the CFDPA Class as follows:

ALL RESIDENTS OF COLORADO WHO WERE SUED BY  
CREDIT SERVICE COMPANY, INC. IN COLORADO  
COURTS TO COLLECT ALLEGED MEDICAL DEBT ON  
BEHALF OF UCHEALTH AND HAD SUIT PENDING  
AGAINST THEM DURING THE ONE YEAR PERIOD  
PRECEDING THE FILING OF THIS LAWSUIT THROUGH  
ANY JUDGMENT ENTERED IN THIS ACTION

116. Pending any modifications necessitated by discovery, Plaintiffs preliminarily define the Declaratory Judgment Class as follows:

ALL CURRENT AND FORMER PATIENTS OF UCHEALTH  
WHO WERE SUED BY CREDIT SERVICE COMPANY, INC.  
IN COLORADO COURTS TO COLLECT ALLEGED  
MEDICAL DEBT ON BEHALF OF UCHEALTH AND HAD  
SUIT PENDING DURING THE SIX YEARS PERIOD  
PRECEDING THE FILING OF THIS LAWSUIT OR WHO  
HAVE SUCH SUITS FILED AGAINST THEM IN THE  
FUTURE.

117. The classes are so numerous that joinder of all potential class members is impracticable.

118. There are questions of law or fact common to the classes that predominate over any individual issues that might exist. Common questions of law and fact include:

- i. Whether UCHealth in fact assigns unpaid medical debts to CSC.
- ii. Whether CSC is a debt buyer pursuant to Colorado law.
- iii. Whether CSC named itself as a plaintiff in lawsuits on behalf of UCHealth when it was not a real party in interest.
- iv. Whether CSC engages in the unauthorized practice of law in Colorado.

- v. Whether CSC unjustly enriched itself in collection activities on behalf of UCHealth by either (1) not following the requirements for a debt buyer in Colorado or, in the alternative, (2) deceptively naming itself as a plaintiff in lawsuits when it is not a real party in interest and undertaking the unauthorized practice of law on behalf of UCHealth; and
- vi. Whether CSC violated the Colorado Fair Debt Collection Practices Act by either (1) not following the requirements for a debt buyer in Colorado or, in the alternative, (2) deceptively naming itself as a plaintiff in lawsuits when it is not a real party in interest and undertaking the unauthorized practice of law on behalf of UCHealth.

119. The class claims asserted by Plaintiffs are typical of the claims of all potential class members. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because numerous identical lawsuits alleging similar or identical causes of action would not serve the interests of judicial economy.

120. Plaintiffs will fairly and adequately protect and represent the interests of the classes. They were sued by CSC in an attempt to collect UCHealth's alleged medical debt.

121. Plaintiffs have no interests that are adverse to the classes or other class members.

122. Plaintiffs are represented by counsel experienced in litigating class action claims.

123. The prosecution of separate actions by the individual putative class members would create a risk of inconsistent or varying adjudications with respect to individual potential class members that would establish incompatible standards of conduct for Defendant.

124. Each class member's claim is relatively small. Thus, the interest of potential class members in individually controlling the prosecution or defense of separate actions is slight. In addition, public policy supports the broad remedial purposes of class actions in general and that the pertinent state laws are appropriate vehicles to vindicate the rights of those consumers with small claims as part of the larger class.

125. Plaintiffs are unaware of any members of the putative classes who are interested in presenting their claims in a separate action.

126. Plaintiffs are unaware of any pending litigation commenced by putative class members.

127. It is desirable to concentrate this litigation in this state because Defendant is domiciled in this state and the alleged acts or omissions giving rise to the suit took place in this state.

128. This class action will not be difficult to manage due to the uniformity of claims among putative class members and the susceptibility of these claims to both class litigation and the use of representative testimony and representative documentary evidence.

129. Certification of the class under Rule 23(b)(3) of the Colorado Rules of Civil Procedure is appropriate.

130. Certification of the class under Rule 23(b)(2) of the Colorado Rules of Civil Procedure is also appropriate because Defendant acts on grounds generally applicable to the classes thereby making appropriate injunctive relief with respect to the classes as whole.

131. Plaintiffs request certification of classes under Rule 23(b)(3) for monetary damages and Rule 23(b)(2) for equitable relief.

**COUNT I: UNJUST ENRICHMENT**

**Plaintiffs and the Unjust Enrichment Class Against CSC**

132. Plaintiffs bring this claim on behalf of themselves and the Unjust Enrichment Class.

133. By ignoring its legal obligations as a “debt buyer,” CSC received benefits, including contingency payments, at the expense of Plaintiffs and those similarly situated under circumstances that would make it unjust for CSC to retain the benefits.

134. CSC should be required to disgorge the benefits it received as a result of this unlawful scheme.

**COUNT II: UNJUST ENRICHMENT (IN THE ALTERNATIVE TO COUNT I)**

**Plaintiffs and the Unjust Enrichment Class Against CSC if CSC is not a Debt Buyer**

135. Plaintiffs bring this claim on behalf of themselves and the Unjust Enrichment Class.

136. If CSC is not a debt buyer, then by deceptively naming itself as a real party in interest and committing the unauthorized practice of law in its representation of UCHealth, CSC received benefits, including contingency payments, at the expense of Plaintiffs and those similarly situated under circumstances that would make it unjust for CSC to retain the benefits.

137. CSC should be required to disgorge the benefits it received as part of this unlawful scheme.

**COUNT III: COLORADO FAIR DEBT COLLECTIONS PRACTICES ACT**

**(Colo. Rev. Stat. § 5-16-101 *et seq.*)**

**Plaintiff Waite and the CFDCPA Class Against CSC if CSC is a Debt Buyer**

138. Plaintiff Waite brings this claim on behalf of himself and the CFDCPA class.

139. At all times material to this Complaint, Plaintiff Waite and the CFDCPA class were “consumer(s)” as that term is defined by Colo. Rev. Stat. § 5-16-103.

140. At all times material to this Complaint, CSC was attempting to collect “debt(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

141. At all times material to this Complaint, CSC was a “collection agency,” as that term is defined by Colo. Rev. Stat. § 5-16-103.

142. At all times material to this Complaint, CSC was a “debt buyer,” as that term is defined by Colo. Rev. Stat. § 5-16-103.

143. Pursuant to Colo. Rev. Stat. § 5-16-111, a collection agency bringing a legal action on a medical debt owned by a debt buyer must attach certain documents to the complaint served on the consumer, including:

- i. a copy of the contract, account-holder agreement, or other writing from the original creditor or the consumer evidencing the consumer’s agreement to the original debt;
- ii. a copy of a redacted itemization of charges incurred; and
- iii. an assignment or other writing establishing that the debt buyer is the owner of the debt.

144. Colo. Rev. Stat. § 5-16-107 prohibits the use of any “false, deceptive, or misleading representation or means in connection with the collection of any debt.” This includes the “false representation of the character, amount or legal status of any debt”, § 5-16-107(1)(b), “[t]he threat to take any action that cannot legally be taken”, § 5-16-107(1)(e), “[t]he use of any false representation or deceptive means to collect or attempt to collect any debt,” § 5-16-107(1)(k), and “[t]he false representation or implication that accounts have been turned over to innocent purchasers for value,” § 5-16-107(1)(m).

145. Colo. Rev. Stat. § 5-16-108 prohibits the use of “unfair or unconscionable means to collect or attempt to collect any debt.”

146. CSC buys medical debt from UCHHealth.

147. In pursuing actions to collect that medical debt against Plaintiffs and those similarly situated, CSC does not comply with the requirements of Colo. Rev. Stat. § 5-16-111(2).

148. This is a false and deceptive collection practice to the least sophisticated consumer in violation of Colo. Rev. Stat. § 5-16-107.

149. This is an unfair collection practice, in violation of Colo. Rev. Stat. § 5-16-108.

150. As a result of CSC’s violations of the CFDPFA, Plaintiff Waite and the CFDPFA Class are entitled to actual and statutory damages in an amount to be determined at trial by a jury, and reasonable attorney’s fees and costs. Colo. Rev. Stat. § 5-16-113.

**COUNT IV: COLORADO FAIR DEBT COLLECTIONS PRACTICES ACT –  
UNAUTHORIZED PRACTICE OF LAW (IN THE ALTERNATIVE TO COUNT III)**

**(Colo. Rev. Stat. § 5-16-101 *et seq.*)**

**Plaintiff Waite and the CFDCPA Class Against CSC if CSC is not a Debt Buyer**

151. Plaintiff Waite brings this claim on behalf of himself and the CFDPFA class.

152. At all times material to this Complaint, Plaintiff Waite and the CFDPFA class were “consumer(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

153. At all times material to this Complaint, CSC was attempting to collect “debt(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

154. At all times material to this Complaint, CSC was a “collection agency,” as that term is defined by Colo. Rev. Stat. § 5-16-103(3).

155. Colo. Rev. Stat. § 5-16-107 prohibits the use of any “false, deceptive, or misleading representation or means in connection with the collection of any debt.” This includes the “false representation of the character, amount or legal status of any debt”, § 5-16-107(1)(b), “[t]he threat to take any action that cannot legally be taken”, § 5-16-107(1)(e), “[t]he use of any false representation or deceptive means to collect or attempt to collect any debt,” § 5-16-107(1)(k), and “[t]he false representation or implication that accounts have been turned over to innocent purchasers for value,” § 5-16-107(1)(m).

156. Colo. Rev. Stat. § 5-16-108 prohibits the use of “unfair or unconscionable means to collect or attempt to collect any debt.”

157. If UCHealth does not sell and assign ownership of medical debts to CSC before CSC institutes legal proceedings to collect those debts, then CSC does not legally own the debts it attempts to collect on behalf of UCHealth.

158. In collecting debts on behalf of UCHealth, and providing legal services and advice to UCHealth in the process, CSC is undertaking the unauthorized practice of law by attempting to protect, enforce, and defend the legal rights and duties of UCHealth and in counselling, advising and assisting UCHealth in connection with these rights and duties.

159. This is a false and deceptive collection practice to the least sophisticated consumer in violation of Colo. Rev. Stat. § 5-16-107.

160. This is an unfair collection practice, in violation of Colo. Rev. Stat. § 5-16-108.

161. As a result of CSC’s violations of the CFDPA, Plaintiff Waite and the CFDPA Class are entitled to actual and statutory damages in an amount to be determined at trial by a jury, and reasonable attorney’s fees and costs. Colo. Rev. Stat. § 5-16-113.

**COUNT V: COLORADO FAIR DEBT COLLECTIONS PRACTICES ACT – FALSE REPRESENTATION THAT ACCOUNT HAS BEEN TURNED OVER TO INNOCENT PURCHASER (IN THE ALTERNATIVE TO COUNT III)**

**(Colo. Rev. Stat. § 5-16-101 *et seq.*)**

**Plaintiff Waite and the CFDCPA Class Against CSC if CSC is not a Debt Buyer**

162. Plaintiff Waite brings this claim on behalf of himself and the CFDCPA class.

163. At all times material to this Complaint, Plaintiffs and the CFDCPA class were “consumer(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

164. At all times material to this Complaint, CSC was attempting to collect “debt(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

165. At all times material to this Complaint, CSC was a “collection agency,” as that term is defined by Colo. Rev. Stat. § 5-16-103(3).

166. Colo. Rev. Stat. § 5-16-107 prohibits the use of any “false, deceptive, or misleading representation or means in connection with the collection of any debt.” This includes the “false representation of the character, amount or legal status of any debt”, § 5-16-107(1)(b), “[t]he threat to take any action that cannot legally be taken”, § 5-16-107(1)(e), “[t]he use of any false representation or deceptive means to collect or attempt to collect any debt,” § 5-16-107(1)(k), and “[t]he false representation or implication that accounts have been turned over to innocent purchasers for value,” § 5-16-107(1)(m).

167. Colo. Rev. Stat. § 5-16-108 prohibits the use of “unfair or unconscionable means to collect or attempt to collect any debt.”

168. If CSC is not a “debt buyer,” then UCHHealth does not sell and assign ownership of medical debts to CSC before CSC institutes legal proceedings to collect those debts.

169. CSC also cannot legally purchase medical debt because Colorado law prohibits the assignment of claims for matters of personal trust or confidence or for personal services.

170. By naming itself as plaintiff in the state court collections complaints attempting to collect these debts, CSC is falsely representing or implying that accounts have been turned over to CSC as an innocent purchaser for value.

171. CSC engaging in collection activities as if it owns the debts is a false and deceptive collection practice to the least sophisticated consumer in violation of Colo. Rev. Stat. § 5-16-107.

172. It is also an unfair collection practice, in violation of Colo. Rev. Stat. § 5-16-108.

173. As a result of CSC's violations of the CFDPA, Plaintiff Waite and the CFDPA Class are entitled to actual and statutory damages in an amount to be determined at trial by a jury, and reasonable attorney's fees and costs. Colo. Rev. Stat. § 5-16-113.

**COUNT VI: COLORADO FAIR DEBT COLLECTIONS PRACTICES ACT—FALSE REPRESENTATION THAT DEFENDANT IS THE REAL PARTY IN INTEREST (IN THE ALTERNATIVE TO COUNT III)**

**(Colo. Rev. Stat. § 5-16-101 *et seq.*)**

**Plaintiff Waite and the CFDCPA Class Against CSC if CSC is not a Debt Buyer**

174. Plaintiff Waite brings this claim on behalf of himself and the CFDPA class.

175. At all times material to this Complaint, Plaintiffs and the CFDPA class were “consumer(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

176. At all times material to this Complaint, CSC was attempting to collect “debt(s),” as that term is defined by Colo. Rev. Stat. § 5-16-103.

177. At all times material to this Complaint, CSC was a “collection agency,” as that term is defined by Colo. Rev. Stat. § 5-16-103(3).

178. Colo. Rev. Stat. § 5-16-107 prohibits the use of any “false, deceptive, or misleading representation or means in connection with the collection of any debt.” This includes the “false representation of the character, amount or legal status of any debt”, § 5-16-107(1)(b), “[t]he threat to take any action that cannot legally be taken”, § 5-16-107(1)(e), “[t]he use of any false representation or deceptive means to collect or attempt to collect any debt,” § 5-16-107(1)(k), and “[t]he false representation or implication that accounts have been turned over to innocent purchasers for value,” § 5-16-107(1)(m).

179. Colo. Rev. Stat. § 5-16-108 prohibits the use of “unfair or unconscionable means to collect or attempt to collect any debt.”

180. If CSC is not a debt buyer, then UCHHealth does not sell and assign ownership of medical debts to CSC before CSC institutes legal proceedings to collect those debts.

181. In that case UCHHealth retains all rights with respect to the debts, including discretion over if and how the debts CSC collects on its behalf are settled.

182. Even if UCHHealth purports to assign its medical debt to CSC, it cannot legally do so because it is illegal to assign claims for matters of personal trust or confidence, or for personal services in Colorado.

183. By naming itself as plaintiff in the state court collections complaints attempting to collect these debts, CSC is attempting to obtain judgment for itself, and ultimately collect, on a debt to which it has no legal right.

184. This is a false and deceptive collection practice to the least sophisticated consumer in violation of Colo. Rev. Stat. § 5-16-107.

185. This is an unfair collection practice, in violation of Colo. Rev. Stat. § 5-16-108.

186. As a result of CSC’s violations of the CFDPAs, Plaintiff Waite and the CFDPAs Class are entitled to actual and statutory damages in an amount to be determined at trial by a jury, and reasonable attorney’s fees and costs. Colo. Rev. Stat. § 5-16-113.

**COUNT VII: DECLARATORY JUDGMENT**

**(Colo. R. Civ. Proc. 57)**

**Plaintiffs and the Declaratory Judgment Class Against CSC if CSC is a Debt Buyer**

187. Plaintiffs bring this claim on behalf of themselves and the Declaratory Judgment Class.

188. At all times material to this Complaint, CSC was a “debt buyer,” as that term is defined by Colo. Rev. Stat. § 5-16-103.

189. In pursuing cases for medical debt that it has purchased from UHealth, CSC fails to comply with the requirements for debt buyers pursuant to Colo. Rev. Stat. § 5-16-111.

190. Plaintiffs and the Declaratory Judgment Class therefore request a declaration from this Court that CSC is a debt buyer and bound by the requirements of Colo. Rev. Stat. § 5-16-111.

191. Plaintiffs and the Declaratory Judgment Class further request an injunction enjoining CSC from pursuing cases for unpaid medical debt that it has purchased from UHealth without complying with the requirements for debt buyers pursuant to Colo. Rev. Stat. § 5-16-111.

**COUNT VIII: DECLARATORY JUDGMENT (IN THE ALTERNATIVE TO COUNT VII)**

**(Colo. R. Civ. Proc. 57)**

**Plaintiffs and the Declaratory Judgment Class Against CSC if CSC is not a Debt Buyer**

192. Plaintiffs bring this claim on behalf of themselves and the Declaratory Judgment Class.

193. If CSC is not a debt buyer and is instead pursuing cases on behalf of UHealth to collect unpaid medical debt, CSC is undertaking the unauthorized practice of law by attempting to

protect, enforce, and defend the legal rights and duties of UCHealth and in counselling, advising and assisting UCHealth in connection with these rights and duties.

194. Plaintiffs and the Declaratory Judgment Class therefore request a declaration from this Court that in pursuing its cases for unpaid medical debt on behalf of UCHealth, CSC is undertaking the unauthorized practice of law in Colorado.

195. Plaintiffs and the Declaratory Judgment Class further request an injunction enjoining CSC from undertaking the unauthorized practice of law in pursuing its cases for unpaid medical debt on behalf of UCHealth.

#### **DEMAND FOR JURY TRIAL**

196. Plaintiffs demand a trial by jury for all issues so triable.

#### **PRAYER FOR RELIEF**

Plaintiff respectfully requests an order and judgment from this Court for the following:

- A. Certifying the Rule 23 classes, naming the named Plaintiffs class representatives, and naming Plaintiffs' counsel class counsel;
- B. granting judgment in favor of Plaintiffs and against Defendant;
- C. awarding Plaintiffs and the Rule 23 classes their damages and penalties;
- D. awarding Plaintiffs and those similarly situated their costs;
- E. awarding Plaintiffs and those similarly situated their attorney's fees;
- F. awarding Plaintiffs and those similarly situated prejudgment and post-judgment interest, when allowable by law;
- G. declaring that CSC is a debt buyer and enjoining it from pursuing cases for unpaid medical debt that it has purchased from UCHealth without complying with the

requirements for debt buyers pursuant to Colo. Rev. Stat. § 5-16-111 or, in the alternative declaring that CSC is engaged in the unauthorized practice of law in pursuing its cases for unpaid medical debt on behalf of UCHealth and enjoining such practice.

- H. awarding Plaintiffs and members of the Rule 23 Class all appropriate equitable, declaratory, and injunctive relief; and
- I. granting such other relief as this Court deems just and proper.

Respectfully submitted,

s/Alexander Hood  
Alexander Hood  
David Seligman  
Towards Justice

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Charles Delbaum, Pro Hac Vice forthcoming  
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