



1 other states, titled “Settlement Offer” that offered to “settle” time-barred debts without disclosing  
2 that the debts were legally unenforceable because the statute of limitations had expired.

3 1.3 Because in common usage, the term “settlement” refers to an agreement to avoid  
4 or resolve a lawsuit, Convergent’s practice of offering to “settle” time-barred debts without  
5 disclosing that the debts were legally unenforceable had the capacity to deceive consumers into  
6 believing they could be sued on the debts if they did not pay, or created that deceptive net  
7 impression.

8 1.4 In response to these collection letters, over 3,000 Washington consumers (at least  
9 4% of those who received the letters) and a substantially larger but currently unknown number  
10 of consumers in other states sent payments to Convergent on time-barred debts.

11 1.5 By sending these letters to consumers in Washington and other states offering to  
12 “settle” time-barred debts without disclosing that the debts were legally unenforceable,  
13 Convergent acted unfairly and/or deceptively under the CPA, which prohibits unfair or deceptive  
14 acts or practices in trade or commerce that affect the public interest. RCW 19.86.020.

15 1.6 By sending these letters to Washington consumers offering to “settle” time-barred  
16 debts and impliedly threatening that consumers could be sued if they did not pay, Convergent  
17 also violated the CAA, which prohibits Washington-licensed collection agencies from  
18 threatening to take actions they cannot legally take. RCW 19.16.250(16).

19 1.7 Convergent’s violations of RCW 19.16.250(16) are *per se* unfair or deceptive  
20 practices in trade or commerce under the CPA, *see* RCW 19.16.440, and satisfy the “public  
21 interest impact” element of a CPA claim, *see Panag v. Farmers Ins. Co. of Washington*, 166  
22 Wn.2d 27, 54, 204 P.3d 885 (2009), and thus violate the CPA as well.

23 1.8 The Federal Trade Commission (FTC) has recognized that consumers may be  
24 misled when debt collectors seek payment on time-barred debts without disclosing that the debts  
25 are legally unenforceable. *See* FTC, *Repairing a Broken System: Protecting Consumers in Debt*  
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1 *Collection Litigation and Arbitration* (July 2010) at 26-28;<sup>1</sup> FTC, *The Structure and Practices*  
2 *of the Debt Buying Industry* (Jan. 2013) at 46-47.<sup>2</sup>

## 3 **II. PARTIES**

4 2.1 Plaintiff is the State of Washington, acting by and through the Consumer  
5 Protection Division of the Washington Attorney General’s Office. The Attorney General is  
6 authorized to bring this action pursuant to RCW 19.86.080, RCW 19.16.440, and  
7 RCW 19.16.460.

8 2.2 Defendant Convergent Outsourcing, Inc. is a Washington for-profit corporation  
9 with its principal place of business located at 800 SW 39th Street, Suite 100, Renton, Washington  
10 98057.

11 2.3 Convergent is a “collection agency” as defined in the CAA, RCW 19.16.100(4),  
12 and has been a Washington-licensed collection agency at all times material hereto.

13 2.4 At all times material hereto, Convergent regularly conducted business through its  
14 agents, employees, and/or representatives throughout the State of Washington, including King  
15 County, and in other states throughout the country.

## 16 **III. JURISDICTION AND VENUE**

17 3.1 This Court has subject matter jurisdiction over this Complaint under the  
18 provisions of the CPA, RCW 19.86, and the CAA, RCW 19.16.

19 3.2 This Court has personal jurisdiction over Convergent because it has its principal  
20 place of business in King County, Washington; it engaged in the conduct that is the subject of  
21 this Complaint in King County, elsewhere in Washington, and throughout the country; and it  
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23 <sup>1</sup> Available at [https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-](https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-bureau-consumer-protection-staff-report-repairing-broken-system-protecting-debtcollectionreport.pdf)  
24 [commission-bureau-consumer-protection-staff-report-repairing-broken-system-](https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-bureau-consumer-protection-staff-report-repairing-broken-system-protecting-debtcollectionreport.pdf)  
[protecting/debtcollectionreport.pdf](https://www.ftc.gov/sites/default/files/documents/reports/federal-trade-commission-bureau-consumer-protection-staff-report-repairing-broken-system-protecting-debtcollectionreport.pdf) (last viewed June 25, 2020).

25 <sup>2</sup> Available at [https://www.ftc.gov/sites/default/files/documents/reports/structure-and-](https://www.ftc.gov/sites/default/files/documents/reports/structure-and-practices-debt-buying-industry/debtbuyingreport.pdf)  
26 [practices-debt-buying-industry/debtbuyingreport.pdf](https://www.ftc.gov/sites/default/files/documents/reports/structure-and-practices-debt-buying-industry/debtbuyingreport.pdf) (last viewed June 25, 2020).

1 directed that conduct to consumers in King County, elsewhere in Washington, and throughout  
2 the country.

3 3.3 Venue is proper because many of the events giving rise to this action occurred in  
4 King County, Washington, and because Convergent has done and continues to do business in  
5 King County. RCW 4.12.020(3); RCW 4.12.025(1).

#### 6 IV. FACTS

7 4.1 From January 1, 2013 to February 23, 2015, Convergent sent over 75,000  
8 collection letters to Washington consumers, and hundreds of thousands more to consumers in  
9 other states, titled "Settlement Offer" that offered to "settle" time-barred debts without disclosing  
10 that the debts were legally unenforceable because the statute of limitations had expired.

11 4.2 Convergent generated these collection letters from letter templates containing  
12 fields for the letter date, consumer name and address, creditor name, and amount of the debt  
13 being collected.

14 4.3 None of these letters that Convergent sent offering to "settle" time-barred debts  
15 disclosed that the debt was legally unenforceable because the statute of limitations had expired.

16 4.4 In common usage, the term "settlement" refers to an agreement to avoid or  
17 resolve a lawsuit.

18 4.5 Because the term "settlement" commonly refers to an agreement to avoid or  
19 resolve a lawsuit, Convergent's practice of offering to "settle" time-barred debts without  
20 disclosing that the debts were legally unenforceable had the capacity to deceive consumers into  
21 believing they could be sued on the debts if they did not pay, or created that deceptive net  
22 impression.

23 4.6 In addition to offering to "settle" time-barred debts without disclosing that the  
24 debts could not be enforced in court, Convergent added a false sense of urgency for consumers  
25 to respond by telling them they must respond to the "Settlement Offer" within a fixed number  
26 of days.

1           4.7     In response to these collection letters, over 3,000 Washington consumers (at least  
2 4% of those who received the letters) and a substantially larger but currently unknown number  
3 of consumers in other states sent payments to Convergent on time-barred debts.

4                           **V.     VIOLATIONS OF CONSUMER PROTECTION ACT**  
5   **RCW 19.86.020**

6           5.1     Plaintiff re-alleges Paragraphs 1.1 through 4.7 and incorporates them as if set  
7 forth fully herein.

8           5.2     Because in common usage, the term “settlement” refers to an agreement to avoid  
9 or resolve a lawsuit, Convergent’s practice of sending collection letters to consumers offering to  
10 “settle” time-barred debts without disclosing that the debts were legally unenforceable had the  
11 capacity to deceive consumers into believing they could be sued on the debts if they did not pay,  
12 or created that deceptive net impression. Convergent’s conduct was unfair or deceptive.

13           5.3     Convergent’s practice of stating that consumers must respond to the “Settlement  
14 Offer” within a fixed number of days added a false sense of urgency for consumers to respond.  
15 This false sense of urgency had the capacity to deceive consumers into believing they could be  
16 sued on the debts if they did not pay, or created that deceptive net impression, and was unfair or  
17 deceptive.

18           5.4     By sending these collection letters offering to “settle” time-barred debts without  
19 disclosing that the debts were legally unenforceable, and telling consumers they must respond  
20 to the “Settlement Offer” within a fixed number of days, Convergent engaged in an unfair or  
21 deceptive practice in trade or commerce that affected the public interest.

22           5.5     Based on Convergent’s unfair or deceptive acts in violation of the CPA, RCW  
23 19.86.020, Plaintiff is entitled to injunctive relief pursuant to RCW 19.86.080; restitution to  
24 consumers of the net revenues Convergent acquired by means of its unlawful conduct, or  
25 disgorgement of the money it acquired through that unlawful conduct, pursuant to RCW  
26 19.86.080; civil penalties pursuant to RCW 19.86.140 of up to \$2,000 per violation of RCW

1 19.86.020 complained of herein; an order prohibiting Convergent and any other person legally  
2 entitled to recover on the subject accounts from recovering or retaining any interest, attorneys'  
3 fees, or other costs otherwise chargeable to debtors on those accounts other than the amount of  
4 the original claim pursuant to RCW 19.16.450; and reimbursement of Plaintiff's costs and  
5 reasonable attorneys' fees pursuant to RCW 19.86.080.

6 **VI. VIOLATIONS OF COLLECTION AGENCY ACT**  
7 **RCW 19.16.250(16)**

8 6.1 Plaintiff re-alleges Paragraphs 1.1 through 5.5 and incorporates them as if set forth fully  
9 herein.

10 6.2 Under the CAA, it is prohibited for a Washington-licensed collection agency to threaten  
11 any action against a debtor which the licensee cannot legally take. RCW 19.16.250(16).

12 6.3 When Convergent sent collection letters to Washington consumers offering to "settle"  
13 time-barred debts and requiring consumers to respond to the "Settlement Offer" within a fixed number of  
14 days, neither Convergent nor the creditors on whose behalf it sought to collect could take legal action to  
15 enforce the debts.

16 6.4 Because in common usage, the term "settlement" refers to an agreement to avoid or  
17 resolve a lawsuit, Convergent's practice of sending collection letters to Washington consumers offering to  
18 "settle" time-barred debts without disclosing that the debts were legally unenforceable impliedly threatened  
19 that consumers could be sued on the debts if they did not pay.

20 6.5 Convergent's practice of stating in its collection letters that Washington consumers must  
21 respond to the "Settlement Offer" within a fixed number of days created a false sense of urgency for  
22 consumers to respond and reinforced the implied threat that consumers could be sued on the time-barred  
23 debts if they did not pay.

24 6.6 By sending its collection letters to Washington consumers offering to "settle"  
25 time-barred debts and impliedly threatening that consumers could be sued on time-barred debts  
26

1 if they did not pay, Convergent threatened to take action it could not legally take and violated  
2 RCW 19.16.250(16).

3 6.7 Based on Convergent’s unlawful actions in violation of RCW 19.16.250(16),  
4 Plaintiff is entitled to all relief described under the CAA, including injunctive relief pursuant to  
5 RCW 19.16.460, and an order prohibiting Convergent and any other person legally entitled to  
6 recover on the subject accounts from recovering or retaining any interest, attorneys’ fees, or  
7 other costs otherwise chargeable to debtors on those accounts other than the amount of the  
8 original claim, pursuant to RCW 19.16.450.

9 **VII. VIOLATIONS OF CONSUMER PROTECTION ACT**  
10 ***PER SE* VIOLATIONS OF RCW 19.86.020—BASED ON RCW 19.16.250(16)**

11 7.1 Plaintiff re-alleges Paragraphs 1.1 through 6.7 and incorporates them as if set forth fully  
12 herein.

13 7.2 Violations of the prohibited collection practice provisions in the CAA, RCW 19.16.250,  
14 including RCW 19.16.250(16), are *per se* unfair or deceptive practices in trade or commerce under the  
15 CPA. RCW 19.16.440.

16 7.3 Violations of the prohibited collection practice provisions in RCW 19.16.250,  
17 including RCW 19.16.250(16), satisfy the “public interest impact” element of a CPA claim.  
18 *Panag*, 166 Wn.2d at 54.

19 7.4 Convergent’s violations of RCW 19.16.250(16) are *per se* unfair or deceptive  
20 practices in trade or commerce that affect the public interest and violate the CPA. RCW  
21 19.86.020; RCW 19.16.440.

22 7.5 Based on Convergent’s *per se* violations of the CPA, Plaintiff is entitled to  
23 injunctive relief pursuant to RCW 19.86.080; restitution to consumers of the net revenues  
24 Convergent acquired by means of its unlawful conduct, or disgorgement of the money it acquired  
25 through that unlawful conduct, pursuant to RCW 19.86.080; civil penalties pursuant to RCW  
26 19.86.140 of up to \$2,000 per violation of RCW 19.86.020 complained of herein; an order

1 prohibiting Convergent and any other person legally entitled to recover on the subject accounts  
2 are prohibited from recovering or retaining any interest, attorneys' fees, or other costs otherwise  
3 chargeable to debtors on those accounts other than the amount of the original claim pursuant to  
4 RCW 19.16.450; and reimbursement of Plaintiff's costs and reasonable attorneys' fees pursuant  
5 to RCW 19.86.080.

#### 6 **VIII. PRAYER FOR RELIEF**

7 Wherefore, Plaintiff prays for the following relief:

8 8.1 That the Court adjudge and decree that Convergent has engaged in the conduct  
9 complained of herein;

10 8.2 That the Court adjudge and decree that Convergent's practice of sending  
11 collection letters to consumers in Washington and other states titled "Settlement Offer" that  
12 offered to "settle" time-barred debts without disclosing that the debts were legally unenforceable  
13 because the statute of limitations had expired, and requiring consumers to respond to the  
14 "Settlement Offer" within a fixed number of days, was an unfair or deceptive practice in trade  
15 or commerce that affected the public interest in violation of the CPA, RCW 19.86.020, for which  
16 Convergent is liable;

17 8.3 That the Court adjudge and decree that Convergent's practice of sending  
18 collection letters to Washington consumers titled "Settlement Offer" that offered to "settle" time-  
19 barred debts without disclosing that the debts were legally unenforceable because the statute of  
20 limitations had expired, and requiring consumers to respond to the "Settlement Offer" within a  
21 fixed number of days, impliedly threatened consumers that they could be sued on time-barred  
22 debts, and was a violation of the CAA, RCW 19.16.250(16), for which Convergent is liable;

23 8.4 That the Court adjudge and decree that Convergent's violations of the CAA,  
24 RCW 19.16.250(16), were *per se* violations of the CPA pursuant to RCW 19.86.020 and RCW  
25 19.86.440, in violation of the CPA, RCW 19.86.020, for which Convergent is liable;  
26

1           8.5     That the Court, pursuant to the Attorney General’s powers to seek injunctive  
2 relief to restrain or prevent violations of the CPA and CAA under RCW 19.86.080 and RCW  
3 19.16.460, respectively, enjoin Convergent from continuing or resuming the violations of the  
4 CPA and CAA complained of herein;

5           8.6     That the Court, pursuant to RCW 19.86.140, assess civil penalties against  
6 Convergent of up to \$2,000 per violation for each violation of RCW 19.86.020 complained of  
7 herein;

8           8.7     That the Court, pursuant to RCW 19.86.080, order restitution to consumers in  
9 Washington and other states of the net revenues Convergent acquired by means of its collection  
10 letters titled “Settlement Offer” that offered to “settle” time-barred debts in violation of the CPA,  
11 or disgorgement of the money it acquired through those letters;

12          8.8     That the Court adjudge and decree, pursuant to RCW 19.16.450, that as a result  
13 of Convergent’s violations of RCW 19.16.250(16), Convergent and any other person legally  
14 entitled to recover on the subject accounts of Washington consumers were and are prohibited  
15 from recovering or retaining any interest, service charges, attorneys’ fees, or other collection  
16 costs on those accounts beyond the amount of the original claim;

17          8.9     That the Court, pursuant to RCW 19.16.450 and the injunctive relief provisions  
18 in RCW 19.16.460 and RCW 19.86.080, enjoin Convergent to forever discharge the right to  
19 recover or retain any interest, service charges, attorneys’ fees or other collection costs otherwise  
20 chargeable to Washington consumers on the subject accounts other than the amount of the  
21 original claim pursuant, including disgorgement of all interest, service charges, attorneys’ fees,  
22 and other collection costs recovered on those accounts after Convergent’s violations of RCW  
23 19.16.250(16);

24          8.10    That the Court award Plaintiff its costs and reasonable attorneys’ fees in this  
25 action, pursuant to RCW 19.86.080; and  
26

