

1 Christine Baker
2 3880 Stockton Hill Rd. Ste. 103-156
3 Kingman, AZ 86409
4 Tel: (206) 202-4653
5 Fax: (571) 222-1000
6 Email: christine@bayhouse.com

7 In Pro Per

8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10 Christine Baker;

11 Plaintiff,

12 v.

13 TransUnion LLC, Equifax Information
14 Services LLC, Experian Information
15 Solutions, Inc., NCO Financial Systems,
16 Inc., Dana Capital Group, Dana Smith,
17 Mutual Benefit Funding, Anthony
18 Paduano, Vincent Sanfilippo;

19 Defendants.

CIV-07-8032-PCT-JAT

1st AMENDED COMPLAINT

(Jury Trial Demanded)

20 Plaintiff, Christine Baker, upon information and belief, and in good faith, alleges
21 as follows:

22 **I. PRELIMINARY STATEMENT**

- 23 1) This is an action for damages and injunctive relief brought by Baker against
24 various Defendants for violations of the Fair Credit Reporting Act (“FCRA”), 15
25 U.S.C. § 1681 et seq., the Telephone Consumer Protection Act (“TCPA”), 47
26 U.S.C. § 227 et seq. and Tortuous Interference with Contractual Relations.

27 **II. JURISDICTION AND VENUE**

- 28 2) Jurisdiction of this Court arises under 15 U.S.C. § 1681p, 28 U.S.C. §§ 1331 and

1 1337 and 15 U.S.C. § 1692k. Venue lies properly in this district pursuant to 28
2 U.S.C. § 1391(b).

3 **III. PARTIES**

- 4 3) Plaintiff Christine Baker is an adult individual residing in the State of Arizona and
5 she is a "consumer" as defined by FCRA § 1681a(c).
- 6 4) Upon information and belief, Defendant TransUnion LLC ("TransUnion")
7 maintains headquarters in Chicago, Illinois, is licensed to do business in Arizona
8 and is a "consumer reporting agency" as defined by FCRA § 1681a(f).
- 9 5) Upon information and belief, Defendant Equifax Information Services LLC
10 ("Equifax") maintains headquarters in Atlanta, Georgia, is registered to do
11 business in Arizona and is a "consumer reporting agency" as defined by FCRA §
12 1681a(f).
- 13 6) Upon information and belief, Defendant Experian Information Solutions, Inc.
14 ("Experian") maintains headquarters in Costa Mesa, California, is registered to do
15 business in Arizona and is a "consumer reporting agency" as defined by FCRA §
16 1681a(f).
- 17 7) Upon information and belief, Defendant NCO Financial Systems, Inc. ("NCO")
18 maintains offices in Horsham, Pennsylvania, is a "person" as defined by FCRA §
19 1681a(b) and a "reseller" as defined by FCRA § 1681a(u).
- 20 8) Upon information and belief, Defendant Dana Capital Group ("Dana Capital") is
21 or was a mortgage banker located in Irvine, California, and is a "person" as
22 defined by FCRA § 1681a(b).
- 23 9) Upon information and belief, Defendant Dana Smith is or was the president of
24 Dana Capital and is a "person" as defined by FCRA § 1681a(b).
- 25 10) Upon information and belief, Defendant Mutual Benefit Funding Corp ("Mutual
26 Benefit") was a California corporation (forfeited), is a mortgage broker licensed
27 with the California Department of Real Estate located in Irvine, California, and is
28

1 a “person” as defined by FCRA § 1681a(b).

2 11) Upon information and belief, Defendant Anthony Paduano is the designated
3 officer for Mutual Benefit and is a “person” as defined by FCRA § 1681a(b).

4 12) Upon information and belief, Defendant Vincent Sanfilippo is the manager at
5 Mutual Benefit and is a “person” as defined by FCRA § 1681a(b).

6
7 **IV. INTRODUCTION**

8 13) This Complaint is about the fact that thousands of consumers are in foreclosure
9 (the subprime crisis) because credit reporting agencies (“CRAs”) willfully
10 disregard the FCRA requirement to provide consumer credit reports only to
11 persons with a permissible purpose and the regulators refuse to investigate
12 complaints of illegal activities and false mortgage advertising.

13 14) The CRAs’ motives are obvious, they get paid for every consumer credit report
14 provided to lenders and profits are far more important to CRAs than protecting
15 consumers’ personal and financial data and complying with the FCRA.

16 15) The CRAs and reseller NCO ignored Baker’s written and well documented
17 complaints in 2004 and 2005 about mortgage banker Dana Capital’s illegal
18 activities, including obtaining Baker’s consumer credit report for unlicensed
19 marketers in 2004.

20 16) When Baker applied with “Trinity Financial” for a mortgage in 3/07, she was
21 shocked to see that again Dana Capital’s account was utilized to obtain her credit
22 reports from reseller NCO – Baker did NOT apply for anything with Dana Capital.

23 17) The California and Arizona mortgage licensing departments also had failed to act
24 on Baker’s complaints and allowed Dana Capital to continue to establish often
25 unlicensed branches for the purpose of engaging in illegal telephone and fax
26 advertising of mortgages with entirely false terms.

27 18) Regulators with the mandate to protect consumers instead protected mortgage
28 companies engaging in false advertising of interest rates as low as 1%, as Baker

1 documented at her website

2 http://creditsuit.org/credit.php?/blog/comments/housing_sales_slowdown_californians_house_poor_mortgage_fraud_rampant/.

3
4 19) Baker suspects that the licensing agencies decided to ignore complaints to sustain
5 economic growth, as much of the cash obtained from refinances was used to pay
6 off credit cards and to purchase more products the borrowers could not afford.

7 20) No amount of money can adequately compensate the people who lost their homes,
8 end up divorced, depressed and/or ill due to financial problems and some no doubt
9 die because the economy and corporate profits are more important than
10 compliance with consumer protection laws.

11 21) Because Baker does not have the legal skills and cash to sue the government, she
12 plans to write a book about her credit work, research and litigation and the
13 corruption throughout American government and business, hopefully encouraging
14 more qualified people or organizations to seek justice and to put the responsible
15 persons into prison.

16 **V. FACTUAL ALLEGATIONS**

17 22) In 2004 Baker was inundated with unsolicited faxes (junk faxes) advertising
18 mortgages with terms and rates far below market.

19 23) Baker contacted an entity identified on the junk faxes as “Mortgage Center” and
20 she was advised that they were located in Phoenix.

21 24) “Mortgage Center” was not listed as a licensed mortgage broker or mortgage
22 banker with the Arizona Department of Financial Institutions (“DFI”) at
23 <http://azdfi.gov/> and the “Mortgage Center” employees refused to provide further
24 information.

25 25) Baker submitted her complaint about the “Mortgage Center’s” unlicensed lending
26 activities to the DFI and it subsequently claimed that its calls to “Mortgage
27 Center” were hung up on and it claimed not to have the funds to go to the
28 “Mortgage Center” office to investigate the unlicensed lending activities.

- 1 26) Baker continued to receive fax advertisements, eventually applied for a mortgage
2 with "Mortgage Center" and the subsequent inquiry on her Experian credit report
3 revealed that her credit report was procured by NCO for Dana Capital.
- 4 27) Baker contacted Amanda Smith in the Dana Capital legal department and she
5 denied knowing anything about the credit inquiry and she clearly had no interest in
6 finding out why Dana Capital had obtained Baker's credit report.
- 7 28) Baker did not receive any further communications from "Mortgage Center" or
8 Dana Capital regarding her loan application and she did not receive any loan
9 disclosures, an approval or decline or any notice regarding the status of her
10 mortgage application.
- 11 29) Through her research and submissions from readers of her websites, Baker learned
12 that Dana Capital had frequently violated the TCPA and that it had hired
13 telemarketers and set up branch offices engaging in illegal marketing campaigns
14 and it apparently even set up an Arizona corporation to evade liability.
- 15 30) On or about 12/24/04, Baker wrote to NCO, requesting that it terminate the Dana
16 Capital account so that it would no longer be able to access consumer credit
17 reports under false pretenses.
- 18 31) In response to Baker's request, NCO demanded Baker's social security number to
19 try to collect a debt (that did not exist) rather than to attend to Baker's complaint.
- 20 32) Eventually, Baker reached the NCO department for credit report resale and she
21 was promised an investigation, but apparently NCO failed to terminate Dana
22 Capital's account.
- 23 33) Finally, Baker sent her complaints to Experian, Equifax and TransUnion on or
24 about 2/12/05, requesting that the accounts for Dana Capital and NCO be
25 terminated to prevent future sales of consumer credit reports to persons without
26 permissible purpose.
- 27 34) Baker received no response from the CRAs regarding her complaint, but
28 TransUnion mailed a notice indicating that someone had attempted to order her

1 credit report, causing Baker a great deal of distress as she had not ordered a
2 TransUnion credit report and she concluded that someone was attempting to
3 obtain her credit report with all her personal and financial data to commit identity
4 theft or otherwise harm her.

5 35) Upon information and belief, the CRAs and NCO ignored the FCRA requirement
6 to provide consumer credit data only to identified end users with a permissible
7 purpose and they did nothing to prevent the continued access to consumer reports
8 through the Dana Capital account by unidentified persons.

9 36) NCO again obtained Baker's credit report on 6/17/05, apparently for the purpose
10 of collecting a debt.

11 37) Baker is not aware of any delinquent accounts and she never received a collection
12 letter from NCO.

13 38) The NCO TransUnion credit inquiry lowered Baker's credit scores.

14 39) TransUnion split Baker's credit file into two reports for several years and it failed
15 to merge the reports despite Baker's numerous requests.

16 40) When Baker accepted a pre-approved offer for a Chase credit card based on a
17 TransUnion promotional inquiry in August 2005, she was declined due to her
18 bankruptcy.

19 41) Apparently Chase had pre-approved Baker after receiving the TransUnion credit
20 report without her bankruptcy filing public record and when Baker accepted the
21 offer and Chase obtained another report to see whether there were any changes,
22 TransUnion provided the report with the bankruptcy, causing the decline.

23 42) The Chase TransUnion credit inquiry lowered Baker's credit scores.

24 43) For a number of years TransUnion has blocked Baker from obtaining her own
25 TransUnion FICO scores at Fair Isaac's consumer site www.myFICO.com while
26 at the same time providing her credit report with all her personal and financial
27 information to just about anyone willing to pay for it.
28

- 1 44) In 10/05, Baker's Experian credit report was also blocked at myFICO.com and
2 Experian's attorney claimed that Equifax notified it of a fraud alert on 10/26/05.
- 3 45) Upon information and belief, the fraud alert caused Baker's Experian myFICO
4 credit report to be blocked.
- 5 46) Baker had not requested that a Fraud Alert be added to her credit, as Fraud Alerts
6 can be extremely damaging, portraying consumers as high risk borrowers,
7 resulting in declines and blocked credit reports when consumers want to obtain
8 their own credit reports.
- 9 47) Equifax counsel Lewis Perling, Kilpatrick Stockton LLP, denied that Equifax
10 notified Experian of this Fraud Alert, but Baker did not receive a response from
11 Mr. Perling when she requested an affidavit.
- 12 48) On 8/30/06, Experian's Kimberly Hughes stated in her affidavit that Equifax
13 notified it of the Fraud Alert, leading Baker to conclude that Attorney Perling lied
14 to her on behalf of Equifax and that Equifax added the Fraud Alert to retaliate
15 against her because she had sued Equifax.
- 16 49) On or about 3/5/07, Baker applied for a mortgage after receiving numerous
17 unsolicited faxes from "Trinity Financial" and this time all three CRAs provided
18 Baker's credit reports to Dana Capital, again resold by NCO.
- 19 50) The "Trinity Financial" mortgage pre-approval was issued by Mutual Benefit, a
20 California corporation with a status of "forfeited" as of 6/14/07 according to the
21 California Secretary of State website.
- 22 51) According to the California Department of Real Estate, Anthony Paduano is the
23 designated officer and he is known by junk fax litigants as a notorious mortgage
24 junk faxer.
- 25 52) Vincent Sanfilippo claimed to be the Mutual Benefit manager when Baker called
26 on the status of her loan in 5/07, he made numerous false statements about FICO
27 scores and credit inquiries and when Baker inquired whether he was licensed, he
28 stated that he was not licensed.

- 1 53) Apparently Sanfilippo was in charge of the unsolicited fax advertising and the
2 processing of mortgage applications including ordering credit reports.
- 3 54) Baker has since received calls about her “internet mortgage application” (Baker
4 did NOT apply for any loan on the internet) from persons who had her loan
5 application and credit report (as evidenced by the information they provided) and
6 they claimed to have purchased the mortgage lead.
- 7 55) These callers refused to provide a number to call them back, probably due to
8 Baker’s questions, and Baker could not find any information with licensing
9 agencies about the mortgage companies they claimed to represent.
- 10 56) For over 2 years NCO and the CRAs condoned the use of the Dana Capital
11 account by unlicensed and unidentified persons despite Baker’s notices.
- 12 57) Apparently Dana Capital closed its offices in May 2007 after Pennsylvania
13 regulators took enforcement action due to unlicensed branch offices in
14 Pennsylvania.
- 15 58) It is Baker’s business to analyze the myFICO credit reports for consumers who
16 seek to increase their FICO credit scores, she recommends specific actions to be
17 taken to increase FICO scores and she drafts factual disputes to be submitted to the
18 credit bureaus.
- 19 59) Occasionally, Baker’s clients provide her with power of attorney to contact
20 creditors, collectors and credit bureaus on their behalf.
- 21 60) Despite Baker’s submission of her written factual disputes, Trans Union
22 repeatedly failed to permanently correct its reporting and/or failed to make the
23 corrections.
- 24 61) Due to Trans Union’s failures to comply with the FCRA and to provide complete
25 and accurate credit reports, Baker can not even guarantee positive results when she
26 personally submits the factual and relevant disputes to Trans Union.
27
28

- 1 62) Trans Union REPEATEDLY refused to report the critical DATE CLOSED for the
2 Capital One account of a client who became disabled while serving in Iraq and
3 receiving chemotherapy after major cancer surgery.
- 4 63) Trans Union REPEATEDLY failed to correct the “High Balance” to the current
5 balance for Baker’s clients with student loans, resulting in lower FICO scores.
- 6 64) Trans Union’s malice left Baker depressed and hopeless and she started to turn
7 away prospective clients with limited funds, as it is unlikely that they will get the
8 FICO scores they deserve and Baker does not wish to waste what little money they
9 have on futile disputes.

10
11 **VI. CAUSES OF ACTION**
12 **VIOLATIONS OF THE FCRA**

- 13 65) Baker repeats, realleges, and incorporates by reference the foregoing paragraphs.
- 14 66) TransUnion willfully and negligently blocked Baker’s myFICO credit reports in
15 violation of FCRA § 1681g.
- 16 67) TransUnion willfully and negligently sold Baker’s credit data to persons without
17 permissible purpose in violation of FCRA § 1681b.
- 18 68) TransUnion willfully and negligently failed to maintain reasonable procedures to
19 avoid violations of § 1681b in violation of FCRA § 1681e.
- 20 69) TransUnion willfully and negligently failed to follow reasonable procedures to
21 assure maximum possibly accuracy when preparing consumer reports in violation
22 of FCRA § 1681e.
- 23 70) TransUnion willfully and negligently failed to provide complete and correct
24 consumer reports after receiving factual disputes in violation of FCRA § 1681i.
- 25 71) Experian willfully and negligently sold Baker’s credit data to persons without
26 permissible in violation of FCRA § 1681b.
- 27 72) Experian willfully and negligently failed to maintain reasonable procedures to
28 avoid violations of § 1681b in violation of FCRA § 1681e.

- 1 73) Equifax willfully and negligently sold Baker's credit data to persons without
2 permissible in violation of FCRA § 1681b.
- 3 74) Equifax willfully and negligently failed to maintain reasonable procedures to
4 avoid violations of § 1681b in violation of FCRA § 1681e.
- 5 75) Equifax willfully and negligently reported an entirely fictitious fraud alert in
6 violation of FCRA § 1681c-1.
- 7 76) NCO willfully and negligently sold Baker's credit data to persons without
8 permissible in violation of FCRA § 1681b.
- 9 77) NCO willfully and negligently obtained Baker's credit report in violation of
10 FCRA § 1681b.
- 11 78) NCO willfully and negligently failed to maintain reasonable procedures to avoid
12 violations of § 1681b in violation of FCRA § 1681e.
- 13 79) Dana Capital and Dana Smith willfully and negligently obtained Baker's credit
14 report in violation of FCRA § 1681b.
- 15 80) Mutual Benefit, Anthony Paduano and Vincent Sanfilippo willfully and
16 negligently obtained Baker's credit report in violation of FCRA § 1681b.
- 17 81) As a direct result of the Defendants' conduct, action and inaction, Baker suffered
18 and continues to suffer actual damages, including but not limited to, humiliation,
19 embarrassment, emotional distress, anxiety, credit denial, higher interest rates, loss
20 of income and loss of opportunities.
- 21 82) The Defendants' conduct, action and inaction was willful, rendering them liable
22 for punitive damages pursuant to 15 U.S.C. §1681n.
- 23 83) In the alternative, if the Defendants' actions were negligent, Baker is entitled to
24 recover under 15 U.S.C. § 1681o.
- 25 84) Baker is entitled to recover actual or statutory damages, costs and attorney's fees
26 pursuant to 15 U.S.C. § 1681n and/or § 1681o
27
28

1 **TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS**

- 2 85) Baker repeats, realleges, and incorporates by reference the foregoing paragraphs.
- 3 86) Baker contracts with consumers to analyze their credit reports and FICO credit
4 scores, draft disputes to credit bureaus and/or to recommend specific actions to
5 improve FICO credit scores.
- 6 87) Trans Union was aware of Baker’s contractual relations with her clients at all
7 times relevant hereto.
- 8 88) Baker’s clients expect that their FICO credit scores will increase after they send
9 their factual disputes to Trans Union according to Baker’s instructions or after
10 Baker directly contacts Trans Union on behalf of her clients.
- 11 89) Trans Union at all times knew that it is required by law to correct disputed
12 consumer credit data.
- 13 90) TransUnion knowingly, intentionally and maliciously failed to correct the disputed
14 data on numerous occasions in violation of the FCRA.
- 15 91) TransUnion knowingly, intentionally and maliciously interfered with Baker’s
16 contractual relations with her clients.
- 17 92) As a proximate result of the foregoing intentional interference by TransUnion,
18 Baker has suffered and will continue to suffer financial damages, emotional
19 distress and mental anguish.
- 20 93) The actions of Trans Union were malicious, reckless and/or oppressive and were
21 undertaken to injure Baker and her clients. Accordingly, Trans Union is liable to
22 Baker for punitive and exemplary damages in an amount proven at trial.

23
24 **VIOLATIONS OF THE TCPA**

- 25 94) Baker repeats, realleges, and incorporates by reference the foregoing paragraphs.
- 26 95) Baker received numerous unsolicited faxes on behalf of Dana Capital, Dana
27 Smith, Mutual Benefit, Anthony Paduano and Vincent Sanfilippo in violation of
28 TCPA 47 U.S.C. § 227.

1 96) Baker is entitled to recover statutory damages, treble damages, costs and
2 attorney's fees pursuant to 47 U.S.C. § 227(b)3(B).

3 **VII. DEMAND FOR JURY TRIAL**

4 97) Baker requests a jury trial on all issues so triable.

5 **VIII. PRAYER FOR RELIEF**

6
7 WHEREFORE, Baker requests that judgment be entered against the Defendants
8 for:

- 9 a) Actual damages in an amount to be shown at trial;
10 b) Statutory damages;
11 c) Punitive damages;
12 d) Restitution
13 e) Costs and reasonable attorney's fees;
14 f) Such other relief as may be just and proper.

15 RESPECTFULLY submitted June 16th, 2008.

16
17 s/ Christine Baker
18 Plaintiff Pro Per

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on the 16th day of June, 2008, I electronically transmitted the
3 foregoing to the Clerk’s Office using the ECF System for filing and transmittal of a
4 Notice of Electronic Filing to the following CM/ECF registrants:
5

- 6 Donald E. Bradley d.bradley@mpglaw.com
7 Philip R. Wooten Philip.wooten@azbar.org
8 Attorneys for Defendant TransUnion, LLC
9
10 Timothy R. Grimm, II tgrimm@rcdmlaw.com
11 Attorneys for Defendant NCO Financial Systems, Inc.
12
13 Daniel Jacob Steimel dsteimel@swlaw.com
14 Cara Hergenroether Hergenroether@KSLAW.com
15 Attorneys for Equifax Information Services, LLC
16
17 Marc Stephen Carlson mscarlson@jonesday.com
18 Laura Schiesl Goodwin lsgoodwin@jonesday.com
19 Timothy Joel Eckstein teckstein@omlaw.com
20 Attorneys for Experian Information Solutions Inc
21
22
23
24
25
26
27
28

/s Christine Baker