

1 <http://creditfactors.com/>. Baker will gladly set up complementary accounts for Class
2 Counsel, consumer attorneys and court personnel interested in learning more about credit
3 reporting, credit scoring and the countless associated problems. Some systemic problems
4 with credit reporting, scoring and lending practices are documented at
5 <http://creditlegislation.org/> and Baker will add more documentation as time permits.

6 Baker recently decided to write a book not about credit repair, but about the
7 corruption of the credit bureaus, Fair Isaac, regulators, legislators, so-called consumer
8 “advocate” attorneys and courts. This Equifax and Fair Isaac marketing campaign
9 disguised as “settlement” and the incompetence (at best) of the class counsel certainly
10 deserve a chapter.

11 Baker uses the terms “ScorePower report” and “myFICO report” to refer to the
12 free reports Class Members are to receive as part of the Proposed Settlement.

13 **I. OBJECTIONS TO THE SETTLEMENT**

14 Baker reviewed and completely agrees with the 4/26/07 Objection by Class
15 Member Steven Helfand (doc. 298) and to avoid repetition, she is following his format
16 and she limits her comments to new and additional concerns.

17 **A. The Injunctive Relief Is Inconsequential**

18 Baker totally agrees with Objector Helfand and couldn’t agree more with his
19 excellent arguments. However, Baker has to point out that Fair Isaac is not merely
20 misrepresenting its ability to improve prospective customers’ FICO scores, but it actively
21 attempts to dupe unsuspecting consumers into providing information so it can better
22 assist its collector clients. Additionally, the advice supposedly provided by Suze Orman
23 and advertised at myFICO.com will often LOWER the FICO scores, benefiting the
24 creditors and insurers who can then justify charging higher fees and rates.

25 **The final Settlement must prohibit advertising and sales of horrible and**
26 **extremely damaging advice by Fair Isaac, Suze Orman or anyone else.**

27 Baker purchased a Suze Orman Kit at myFICO.com and instead of receiving the
28 advertised personal advice from Suze Orman, Baker received the software generated

1 4/28/07 checklist to “find and dispute errors on your credit report.” [Exhibit A,
2 attached to Baker’s Declaration].

3 **The only difference between reviewing the data on the credit report and on**
4 **this page is that it contains HORRIBLE advice.**

5 **Suze Orman advises to “look for errors” and “problems,”** see Exh. A, p. 1:

6 1) Orman recommends looking for “incorrect information.”

7 **FACT:** Most incorrect information is irrelevant to FICO scores, but the disputes of such
8 incorrect irrelevant data will often result in deletion of the entire account and therefore
9 LOWER the FICO scores due to less account history and fewer positive accounts. It is
10 almost impossible to have closed accounts added back on the reports and it is the #1 and
11 most devastating irreversible mistake consumers make when attempting to improve their
12 credit rating.

13 2) Orman recommends updating “outdated information” and supplying new
14 phone numbers.

15 **FACT:** Phone numbers are ignored by FICO scores and creditors. However, collectors
16 HIGHLY value updated phone numbers.

17 3) Orman recommends updating employer information and she falsely claims
18 that “lenders often look to an employment history as evidence of stability.”

19 **FACT:** MOST lenders don’t even see the credit report, they only get the “magic
20 number”, either a FICO score or some other credit score. As per Fair Isaac’s
21 publications, personal data such as address, employer, age, phone number, etc. is NOT
22 included in its FICO scores.

23 Additionally, creditors know that employment information on credit reports is
24 highly inaccurate, as evidenced by the fact that consumer themselves report it, although
25 usually indirectly through the information they provide on loan applications and it is then
26 reported by creditors to the credit bureaus. There are NO dates reported with the
27 employment data on the myFICO reports. Only the name of the employer is reported,
28 without contact information, position and salary.

1 When employment and stability is important to creditors, such as to mortgage
2 lenders, they independently verify the information provided by the borrower on the loan
3 application with the employer(s) directly.

4 Of course the current employment information is extremely helpful to collectors.

5 4) Orman recommends updating “outdated or missing current addresses.”

6 **FACT:** Of course it would be great if consumers could provide to a CRA their current
7 address and actually have it reported. However, Baker has documented that Equifax and
8 CSC consistently refused to permanently update the new address for a client after he
9 moved, see <http://forum.creditcourt.com/discus/messages/1701/1701.html>. Apparently,
10 every time a creditor reported an old address, the current address on the report reverted
11 back to the old address. Notably, the credit reports, investigation results and pre-
12 approved offers were sent to the “current” address as listed on the credit report and the
13 CSC legal department could not possibly have cared less.

14 **From p. 2 of Exh. A:**

15 5) Orman recommends submitting missing previous addresses.

16 **FACT:** Outdated addresses are only useful to collectors who hope to locate friends or
17 relatives at previous addresses. Not only are collectors trying to obtain current addresses
18 and phone numbers for debtors, but it is not uncommon for relatives to pay debts they
19 don’t even owe because they see no other way to stopping the collection calls.

20 Additionally, providing additional addresses increases the possibility of having
21 accounts reported that do NOT belong to the consumer and having the accounts verified
22 by the CRAs when disputed because a former address matches the real debtor’s reported
23 address. Consumers with an address at large apartment buildings are especially
24 vulnerable as apartment numbers are often ignored in the verification process.

25 6) Orman recommends looking for accounts never opened.

26 **FACT:** Many of Baker’s clients don’t recognize closed accounts because the creditors
27 changed names, accounts were sold or are identified only with cryptic abbreviations.
28 Disputing these accounts will often result in deletion and LOWER FICO scores.

1 7) Orman recommends looking for accounts reported twice.

2 **FACT:** Many accounts are legally reported 2 or 3 times, as they have been sold or
3 assigned for collection. If positive accounts are reported twice, they can actually improve
4 credit scores.

5 8) Orman recommends looking for accounts from spouses or ex-spouses.

6 **FACT:** Again, these accounts may be beneficial for the consumers' FICO scores and
7 deletion may lower the scores.

8 9) Orman recommends looking for incorrect balances or credit limits.

9 **FACT:** After 4 years of litigation (Baker first sued the CRAs and Capital One in 3/03),
10 Capital One still refuses to report the credit limits and Equifax refuses to correct Baker's
11 credit limit despite having received her Capital One statement with the correct credit
12 limit. Judge Neil Wake in Phoenix U.S. district court, CV-04-1192, dismissed Baker's
13 claims against Equifax and Capital One and Baker addressed this issue in her 3/29/07
14 opening brief to the 9th circuit court of appeals, Case No. 06-16849. The brief is posted at
15 <http://forum.creditcourt.com/discus/messages/4781/9355.html>.

16 Fair Isaac is fully aware of this problem, but it designed its credit scoring software
17 to substitute the often much lower "high credit", the highest balance for the account
18 reported by Capital One. This unconscionable practice often results in FICO scores 50 or
19 more points lower than if the account was reported correctly or ignored for the
20 calculation of revolving account utilization. Orman fails to mention this widely
21 publicized and litigated problem with credit limits.

22 10) Orman recommends looking for incorrect late payments and status.

23 **FACT: Fair Isaac actually ADDS entirely fictitious RECENT late payments to old**
24 **charged off accounts on Equifax and Experian reports.** Baker's clients have had very
25 little success when disputing these fictitious lates with CRAs. Apparently the FICO
26 scoring software is designed to misinterpret a creditor's reporting of a charge-off as a
27 new late payment. Many creditors report charge-offs every month as charged off,
28 resulting in these new late payments for accounts that have been closed many years.

1 According to Barry Paperno with Fair Isaac, the Experian fictitious lates are
2 ignored by FICO scores. However, the Equifax fictitious lates can result in seriously
3 lowered FICO scores as evidenced by the FICO score factors. Fair Isaac failed to fix its
4 software and Baker did not receive a response to her 2/26/07 Open Letter. [Declaration
5 ¶¶ 10-14, Exh. B]

6 Regarding the incorrect status, Equifax reports the status of paid charge-offs as
7 “120+ days post due.” Obviously, that’s incorrect, a paid account is NOT past due.
8 However, Baker has never seen correction of this incorrect status by Equifax in response
9 to clients’ disputes.

10 11) Orman recommends looking for accounts that are closed and paid off, but
11 are not reported as such.

12 **FACT:** Disputing an old account as closed can seriously lower FICO scores because
13 account history and the utilization of credit are so important. There are actually many
14 companies who offer to consumers “authorized user” accounts for literally thousands of
15 dollars. Baker even considered purchasing seasoned accounts with large limits to be
16 reported as authorized user on her credit reports, as she is currently looking for a
17 mortgage and a large credit line with a low balance would increase her FICO scores.
18 Unfortunately, the account brokers were not very responsive to her questions and she was
19 concerned that they might not be legitimate. To her clients, Baker often recommends
20 becoming an authorized user for friends’ or relatives’ positive revolving accounts.

21 Following Orman’s advice and disputing accounts incorrectly reported as open can
22 be disastrous, not only because the correct reporting can lower FICO scores, but because
23 the disputes often result in deletion of very valuable accounts.

24 11. Orman recommends looking for missing accounts and to have checking or
25 savings accounts added.

26 **FACT:** Baker has never seen a checking or savings account reported on consumer credit
27 reports. That’s of course because it is not possible to get credit bureaus to report
28 checking and savings accounts as they are not loans and not derogatory. CRAs will only

1 add NEGATIVE information such as public records and personal data, but all attempts to
2 have credit accounts reported by consumers fail. Account information has to be reported
3 by creditors through the automated eOscar reporting system utilized by all 3 CRAs and
4 the creditors have to first become approved by each CRA and they have to pay to report.

5 In fact, Equifax continues to refuse to report Baker's paid mortgage, auto loan and
6 Nelnet student loan (despite Nelnet's attempts to report) even after 4 years of litigation.
7 Credit bureaus and especially Equifax strive to delete POSITIVE account history as
8 credit scores can be seriously lowered upon deletion and the low scorers' reports are
9 more valuable, sold as leads to subprime lenders. More information is in Baker's 3/29/07
10 appeal brief.

11 Summary

12 Baker can't understand how multi-millionaire Suze Orman sleeps at night, her
13 advice appears to be out of a 20 year old credit repair manual and she has certainly
14 destroyed many consumers' lives with her horrible recommendations.

15 The CRAs and Fair Isaac are in business to assist creditors and collectors with the
16 collection of debts.

17 Is it legal to request that consumers submit personal information so that current
18 and future creditors can use it to aide their debt collection efforts? Fair Isaac FAILS TO
19 DISCLOSE that the purpose of this "service" is debt collection. Collectors have to
20 disclose to debtors that the information provided will be used to collect debts, as per the
21 Fair Debt Collection Practices Act (FDCPA). Baker is not sure whether Fair Isaac would
22 be considered a debt collector subject to the FDCPA, but to disguise these debt collection
23 efforts by Suze Orman as advice is misleading, deceptive and extremely damaging to
24 consumers.

25 **B. The Proposed "In-Kind Relief" Is Tantamount to a Coupon Settlement of the** 26 **Type Much Derided By the Judiciary, Academic Scholars, and the Class** 27 **Members These Settlements Purport to Serve.**

28 Again, Baker fully agrees with Objector Helfand's arguments, beginning on p. 6

1 of his 4/26/07 Objection.

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3 **C. The Proposed Settlement is Designed Not to Benefit the Class, but Rather is**
4 **an Elaborate Marketing Gimmick for Defendants.**

5 Again, Baker fully agrees with Objector Helfand's arguments, p. 8. Additionally,
6 Baker needs to point out that ScoreWatch is advertised by Fair Isaac at
7 <http://www.myfico.com/Products/ScoreWatch/FreeTrial.aspx> with a FREE one month
8 subscription including 2 free ScorePower Equifax reports at an annual cost of \$90. The
9 monthly cost of \$7.50 includes the 2 free reports (\$36 value). Considering that
10 consumers who are not yet subscribers can get 1 month of ScoreWatch and 2 free reports
11 entirely free of charge, the benefits of this proposed settlement are negligible.

12 **This FREE trial offer is obviously PROFITABLE, just as the 3 – 6 months**
13 **ScoreWatch subscription offered in this Proposed Settlement.**

- 14 1) Consumers who actually submit a claim are very likely to continue the
15 subscription.
16 2) When consumers receive an alert about score changes, they often purchase new
17 ScorePower reports
18 3) Consumers are likely to purchase other myFICO products, as Fair Isaac frequently
19 sends advertisements to customers.
20 4) It is sometimes necessary to purchase a new report after an alert because the
21 reasons for the score change provided by ScoreWatch are false.

22 **D. The Dubious Value of the Proposed Settlement is Underscored by the Non-**
23 **Transferability of the So-Called "Benefit."**

24 Again, Baker fully agrees with Objector Helfand's arguments, p. 9.

25 **E. The Release Is Overly Broad**

26 Again, Baker fully agrees with Objector Helfand's arguments, p. 10

27 **F. ScoreWatch is NOT Providing the Advertised Benefits.**

28 Fair Isaac advertises that ScoreWatch alerts subscribers to "new inquiries from

1 applications for a new account” as part of its “standard alerts.” However, while Baker’s
2 myFICO reports show 4 inquiries, she received only ONE alert.

3 ScoreWatch has a 75% FAILURE rate. [Declaration ¶ 9]

4 ScoreWatch is another buggy Fair Isaac product, as described in detail at
5 <http://creditsuit.org/credit.php/blog/C124>.

6 **G. No class member should be bound by the Settlement Unless Benefits are**
7 **Requested and Received**

- 8 1) Baker did not find the settlement e-mail notification until readers and
9 clients alerted her to the Proposed Settlement and she searched her
10 email. [Declaration ¶ 4]
- 11 2) Recently Baker switched to web based email automatically filtering
12 and deleting spam. [Declaration ¶ 5, 6]
- 13 3) It is unconscionable to require that class members opt out PRIOR to
14 the FINAL settlement. No reasonable person can expect the Class
15 Members to have the psychic abilities to know what the FINAL
16 settlement will offer.
- 17 4) Class Members were deprived of the opportunity to review the filings
18 and discovery documents free of charge.

19 The Court may want to consult with experts in internet technology to learn about
20 the percentage of email erroneously filtered and deleted by anti spam software or
21 misidentified or missed by consumers even when in their inbox because of the massive
22 amounts of spam -- thanks to the corrupt legislators who enacted the CAN Spam Act.
23 Until Baker started to utilize web based spam filtering, she usually received over 300
24 spam email every day.

25 **H. The Court Should Order the Posting of All Filings and Discovery at a Public**
26 **Free Website.**

27 A good example is at <http://fcraclassaction.com/fcra/courtDocs.html>.

28 How are Class Members and/or their attorneys supposed to determine whether this

1 Proposed Settlement is fair without having access to all documents?

2 Baker posted the docket, the amended complaint and a few other filings at
3 <http://creditlitigation.org/resources/messages/6/845.html>. How can one require the Class
4 Members and/or their attorneys to EACH spend hundreds or thousands of dollars on
5 PACER fees, not to mention the many hours required to download, name, save and
6 organize the documents. The costs by far exceed any potential recovery under the
7 Proposed Settlement.

8 Considering that Class Counsel is asking for up to \$4 million for fees, is it really
9 too much to ask Class Counsel to spend a few thousand dollars to make the filings and
10 discovery available to all Class Members so that they can make an INFORMED decision
11 about the merits of this case and the fairness of the Proposed Settlement?

12 Additionally, Baker would like to know why some documents were filed under
13 seal. Judge Broomfield in Phoenix U.S. district court, CV 03-525-RCB, refused to seal
14 Baker's unredacted credit reports, including her birth date, drivers license number, 1st
15 seven digits of her social security number, home phone number and all reported addresses
16 for the last 20 years. After 6 months of pleading with the court, Baker finally had to offer
17 dismissal of all her claims against Experian and ConsumerInfo.com with prejudice in
18 exchange for removal of her unredacted credit reports from PACER.

19 Baker is not suggesting that personal identifying data be published in this case, but
20 she would like to know the reasons for filing documents under seal and at least have a
21 redacted version or summary available to the Class Member free of charge.

22 **I. The Garden City Group is NOT Qualified to Administer this Settlement**

23 Baker was unable to receive the free satellite TV service promised on the
24 certificate from the DirecTV junk fax class action settlement. Baker contacted the
25 Garden City Group numerous times and at most received a response assuring her that she
26 would receive the promised free service. They lied. [Declaration ¶ 7]

27 **II. ATTORNEYS' FEES ARE EXCESSIVE**

28 Again, Baker fully agrees with Objector Helfand's arguments, beginning on p.11

1 of his 4/26/07 Objection.

2 Additionally, Baker needs the opportunity to review Class Counsel's work, all
3 filed documents as well as discovery documents to be able to make an informed decision
4 about the value of Class Counsel's efforts.

5 Baker hereby requests that Class Counsel mail to her all documents and notes
6 regarding this case not posted for public access at a website as requested above.

7 **III. THE MERE RIGHT FOR CLASS MEMBERS TO REQUEST**
8 **EXCLUSION DOES NOT MITIGATE THE INADEQUATE RELIEF**
9 **OFFERED TO CLASS MEMBERS.**

10 Again, Baker fully agrees with Objector Helfand's arguments, beginning on p.15
11 of his 4/26/07 Objection. And not only is the Proposed Settlement inadequate, but it will
12 actually harm the majority of Class Members who have no idea that the FICO scoring
13 and ScoreWatch software have so many bugs, that the advice supposedly provided by
14 Suze Orman is software generated and will most likely lower their FICO scores and is
15 designed to aide collectors with their debt collection efforts, that Fair Isaac adds fictitious
16 late payments to the CRAs' reports and that the 2 free ScorePower reports provided as
17 part of the Proposed Settlement are not compliant with the Fair Credit Reporting Act
18 requirement for COMPLETE consumer disclosures as they fail to disclose most credit
19 inquiries and creditor contact information and they fail to provide the Summary of
20 Rights.

21 This Proposed Settlement will hurt the Class Members and it is nothing but a
22 marketing campaign for Fair Isaac and Equifax.

23 **IV. BAKER IS NOT ABLE TO ATTEND THE FAIRNESS HEARING**

24 Due to her work load and financial situation, she is unable to attend the hearing.
25 [Declaration ¶16]. Baker doubts that it would be useful to attend the hearing, the issues
26 are very complex and she is not an attorney, but a credit consultant. However, she will
27 gladly assist other Objectors.

28 **V. CONCLUSION**

For the foregoing reasons, Baker respectfully requests that the Court withdraw its

1 conditional approval of the Proposed Settlement and enter orders requiring further
2 proceedings and the public posting of all filings and discovery documents. Baker hereby
3 reserves the right to amend and refine her objections as more information becomes
4 available.

5 DATED this 2nd day of May, 2007
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8 Christine Baker
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10 Email: christine@bayhouse.com
11 Objector Pro Per
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