

CIVIL ACTION COVER SHEET		DOCKET NUMBER 2084 CV 01650 F	Trial Court of Massachusetts The Superior Court	
PLAINTIFF(S): Commonwealth of Massachusetts ADDRESS: Attorney General's Office One Ashburton Place, 18th Floor Boston, MA 02108 ATTORNEY: David Lim ADDRESS: Attorney General's Office One Ashburton Place, 18th Floor Boston, MA 02108 BBO: 685364		COUNTY Suffolk <div style="text-align: center; font-size: 2em; color: red; font-weight: bold; margin-top: 20px;">RECEIVED</div> <div style="text-align: center; color: red; font-weight: bold; margin-top: 10px;">JUL 29 2020</div> <div style="text-align: center; color: red; font-weight: bold; margin-top: 10px;">SUPERIOR COURT-CIVIL MICHAEL JOSEPH DONOVAN CLERK/MAGISTRATE</div>		
DEFENDANT(S): Troy Capital, LLC		ADDRESS: 2660 S. Rainbow Blvd., #D104 Las Vegas, NV 89146		

CODE NO.	TYPE OF ACTION AND TRACK DESIGNATION (see reverse side)	TRACK	HAS A JURY CLAIM BEEN MADE?
E99	Other Administrative Action	X	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

*If "Other" please describe: Assurance of Discontinuance pursuant to G.L. c. 93A, section 5

Is there a claim under G.L. c. 93A?

☒ YES ☐ NO

Is this a class action under Mass. R. Civ. P. 23?

☐ YES ☐ NO

STATEMENT OF DAMAGES PURSUANT TO G.L. c. 212, § 3A

The following is a full, itemized and detailed statement of the facts on which the undersigned plaintiff or plaintiff's counsel relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only.

TORT CLAIMS

(attach additional sheets as necessary)

A. Documented medical expenses to date:

1. Total hospital expenses	\$
2. Total doctor expenses	\$
3. Total chiropractic expenses	\$
4. Total physical therapy expenses	\$
5. Total other expenses (describe below)	\$
Subtotal (A):	\$

B. Documented lost wages and compensation to date \$

C. Documented property damages to date \$

D. Reasonably anticipated future medical and hospital expenses \$

E. Reasonably anticipated lost wages \$

F. Other documented items of damages (describe below) \$

G. Briefly describe plaintiff's injury, including the nature and extent of injury:

TOTAL (A-F): \$n/a

CONTRACT CLAIMS

(attach additional sheets as necessary)

☐ This action includes a claim involving collection of a debt incurred pursuant to a revolving credit agreement. Mass. R. Civ. P. 8.1(a).

Provide a detailed description of claim(s):

TOTAL: \$

Signature of Attorney/ Unrepresented Plaintiff: *[Signature]* **Date:** 7/29/20

RELATED ACTIONS: Please provide the case number, case name, and county of any related actions pending in the Superior Court.

CERTIFICATION PURSUANT TO SJC RULE 1:18

I hereby certify that I have complied with requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods of dispute resolution.

Signature of Attorney of Record: *[Signature]* **Date:** 7/29/20

JUL 29 2020

9 2020
SUPERIOR COURT-CIVIL
MICHAEL JOSEPH DONOVAN
CLERK/MAGISTRATE
THE TRIAL COURT

educational materials consisted of online modules, with each module geared toward a specific equivalency exam. TCN's services consisted of academic support by telephone and "exam fee services," as described in Paragraph 5, *infra*.

4. TCN's salespeople determined the number of exams that each prospective consumer should take and, thus, the number of modules that each should purchase. Each module cost up to \$895. Packages of modules would typically cost thousands of dollars, and TCN's salespeople would often arrange for consumers to finance the cost of their purchase with personal loans to do so.

5. Through July 2014 or later, TCN's salespeople often arranged for consumers to finance equivalency exam fees, which cost \$80–\$460 per exam. Consumers who financed these fees paid up front for the cost of all the equivalency exams they intended to take—not to any test center, but to TCN. When prepared to take a specific exam, these consumers would request a check from TCN in the amount of one exam fee at a time.

6. Pursuant to agreements with TCN, various credit unions would originate personal loans to finance the cost of TCN's educational materials and services (the "TCN Loans").

7. Troy Capital purchased and is the owner of 76 TCN Loans made to Massachusetts consumers. As of October 25, 2019, the total outstanding balance of these loans reflected on Troy Capital's books was \$298,621.10.

8. Pursuant to M.G.L. c. 93A, § 6, the Attorney General investigated whether TCN engaged in unfair and deceptive acts and practices in connection with the marketing and selling of its educational materials and services, in violation of M.G.L. c. 93A, § 2 (the "Investigation").

9. As a result of the Investigation, the Attorney General alleges that TCN engaged in unfair and deceptive acts and practices by, *inter alia*, making false and misleading

representations to Massachusetts consumers to induce them to purchase TCN's educational materials and services. TCN's alleged misrepresentations include, but are not limited to, the following:

- a. misrepresenting TCN's program as partnered with various institutions of higher education when, in fact, no such partnerships existed;
- b. withholding material information from prospective purchasers about the difficulty of obtaining prepaid exam fees from TCN upon request, and failing to provide requested exam fees;
- c. misrepresenting the quality of TCN's educational materials as high quality when, in fact, the content contained therein was difficult to understand, insufficiently detailed, or unrelated to the tested subjects;
- d. misrepresenting the extent of substantive academic support available; and
- e. misrepresenting the value of TCN's program.

10. The Attorney General has received complaints from Massachusetts consumers about the nature, quality, and value of TCN's program and the status of their TCN Loans. Subsequently, the Attorney General undertook efforts to locate the current holders of TCN Loans for the purpose of seeking relief on behalf of Massachusetts consumers obligated on the loans.

11. In response to the Attorney General's inquiry, Troy Capital provided prompt assistance and cooperation in recognition of which the Attorney General agrees to accept this AOD based on the terms and conditions contained herein, pursuant to the Massachusetts Consumer Protection Act, M.G.L. c. 93A, § 5. Both the Attorney General and Troy Capital voluntarily enter into this AOD.

II. ASSURANCES

12. For each of the 76 Massachusetts consumers identified in the Investigation ("Massachusetts Consumers"), Troy Capital shall discharge and permanently cease collection of the Massachusetts Consumer's TCN Loans, including principal, interest, and fees. Troy Capital shall additionally (i) settle for zero dollars (\$0.00) any and all other amounts owed by Massachusetts Consumers relating to TCN Loans and (ii) provide any and all notifications necessary to effect such settlements. Upon entry of this AOD, Troy Capital shall neither sell nor assign any of the Massachusetts Consumers' TCN Loans, nor will it transfer any collection rights relating to the Massachusetts Consumers' TCN Loans.

13. Upon execution or filing with the Court of this AOD, as specified below, Troy Capital shall pay a total sum of \$70,630.62 to the Attorney General as follows or in any other manner as agreed to by the Attorney General:

- a. Upon execution of this AOD, Troy Capital shall pay \$30,630.62 to the Attorney General, which payment shall be made by certified check made payable to the Commonwealth of Massachusetts, and will deliver the payment via FedEx with a tracking number to Glenn Kaplan, One Ashburton Place, 18th Floor, Boston, MA 02108, or to whomever the Attorney General directs.
- b. Within thirty (30) days of the filing of this AOD, Troy Capital shall pay an additional sum of \$20,000 to the Attorney General in the manner described above in Paragraph 13(a).
- c. Within sixty (60) days of the filing of this AOD, Troy Capital shall pay an additional sum of \$20,000 to the Attorney General in the manner described above in Paragraph 13(a).

14. After receiving one or more of the payments described in Paragraphs 13(a) through (c), above, the Attorney General shall distribute this money, in amounts to be determined in her sole discretion, to Massachusetts Consumers who made payments to Troy Capital toward their TCN Loans prior to October 25, 2019. On or after March 1, 2021, any portions of the payments described in Paragraphs 13(a) through (c), above, that are undistributed may be directed to the Commonwealth's General Fund.

15. For each Massachusetts Consumer, starting on the date of this AOD, Troy Capital shall not issue a bill to any such Massachusetts Consumer relating to a TCN Loan, or accept any payment made toward the balance of the Massachusetts Consumer's TCN Loan. To the extent that (i) any payment is accepted inadvertently or (ii) Troy Capital determines that any payment was accepted on or after October 25, 2019, and prior to the date of the filing of this AOD, Troy Capital will refund such payment within sixty (60) days of discovering its receipt.

16. Troy Capital shall not report any negative information to any of the national credit reporting bureaus (Experian, Equifax, and TransUnion) concerning the Massachusetts Consumers' TCN Loans. Troy Capital asserts that it did not, at any time prior to the filing of this AOD, report any information to any of the national credit reporting bureaus concerning the Massachusetts Consumers' TCN Loans. If Troy Capital at any time determines that it, at any time prior to the filing of this AOD, reported any negative information to any of the national credit reporting bureaus concerning the Massachusetts Consumers' TCN Loans, Troy Capital shall immediately request that the bureaus delete all negative information contained in the trade lines corresponding to the Massachusetts Consumer's TCN Loans. This paragraph shall not apply to any credit inquiry that Troy Capital may have performed.

17. Troy Capital represents that it purchased the TCN Loans without the knowledge of the unfair or deceptive acts by TCN alleged by the Attorney General. Troy Capital also acknowledges that the promissory notes of the TCN Loans contain the notice required by 16 C.F.R. 433 (commonly known as the "Holder Rule"), which states that "[a]ny holder of this consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof." Troy Capital acknowledges that the nature and value of TCN's program (and, therefore, the value and enforceability of the TCN Loans that are the subject of this AOD) are the subject of a bona fide dispute by the Attorney General acting in the interests of the Massachusetts Consumers, and that this AOD represents a compromise of disputed debt. Troy Capital will not issue Tax Form 1099-C to any Massachusetts Consumer for the loan balances discharged as a result of this AOD, unless legally compelled to do so by an order, ruling, or regulatory mandate issued or promulgated by the IRS or any other agency of the federal government having such authority.

18. The Attorney General will not proceed with or institute a civil action or proceeding based upon M.G.L. c. 93A, 940 CMR 7.00 et seq., or any other statute, regulation, or other legal basis against Troy Capital relating to TCN Loans made to Massachusetts Consumers, including but not limited to an action or proceeding seeking restitution, injunctive relief, fines, penalties, attorneys' fees or costs, except that the Attorney General may bring an action relating to any violation of or non-compliance with the terms of this AOD.

19. The acceptance of this AOD is not acceptance or approval by the Attorney General of any of Troy Capital's business practices, and Troy Capital will make no representation to that effect.

III. COOPERATION & RECORD KEEPING

20. Troy Capital will continue to cooperate with the Attorney General during the implementation of this AOD. Additionally, Troy Capital will continue to cooperate with any investigations by the Attorney General relating to TCN or TCN Loans held by parties other than Troy Capital.

21. Troy Capital will create and maintain for a period of at least three (3) years from the entry date of this AOD all records necessary to demonstrate Troy Capital's compliance with its obligations under this AOD and, upon request, will provide such records to the Attorney General within a reasonable amount of time.

IV. MISCELLANEOUS PROVISIONS

22. Troy Capital enters into this AOD in compromise of a bona fide dispute. This AOD does not constitute an admission by Troy Capital of any fact or non-compliance with any state or federal law, rule, or regulation. This AOD is made without any trial or adjudication of any issue of fact or law and is entered without prejudice to any defenses which Troy Capital may be entitled to assert in the context of any trial or adjudication.

23. This AOD constitutes the entire agreement between the Attorney General and Troy Capital and supersedes any prior communication, understanding, or agreements, whether written or oral, concerning the subject matter of the AOD. This AOD can be modified or supplemented only by a written document signed by both parties, except that deadlines in this AOD may be extended at the discretion of the Attorney General.

24. This AOD will be binding upon Troy Capital, its parents, officers, directors, employees, agents, subsidiaries, affiliates, subdivisions, successors, assigns, and purchasers of all or substantially all of its assets.

25. This AOD and its provisions will be effective on the date that it is filed in Suffolk Superior Court.

26. All notices required by the AOD will be provided as follows:

To the Attorney General:

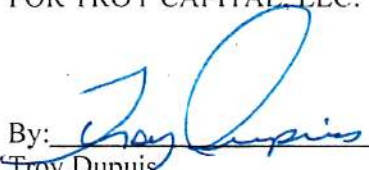
David Lim, Assistant Attorney General
Office of the Massachusetts Attorney General
Insurance and Financial Services Division
One Ashburton Place, 18th Floor
Boston, MA 02108
(617) 963-2137

To Troy Capital:

Troy Capital, LLC
Attention: Robert Qualey
2660 S. Rainbow Blvd., #D104
Las Vegas, NV 89146


27. By signing below, Troy Capital agrees to comply with all of the terms of this AOD. Any violation of this AOD or non-compliance with this AOD may be pursued in a civil action or proceeding under M.G.L. c. 93A hereafter commenced by the Attorney General.

FOR TROY CAPITAL, LLC:

By: 
Troy Dupuis
President
Troy Capital, LLC
2660 South Rainbow Blvd., #D-104
Las Vegas, NV 89146

Date: 7/22/2020

FOR THE ATTORNEY GENERAL,
MAURA HEALEY:

By: 
David Lim
Assistant Attorney General
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108

Date: 7/29/2020