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Superior Court of California
County of Los Angeles

NOV 22 2017

Sherri R. Carter, Executive Officer/Clerk
By: Yvonne Villareal, Deputy

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES – CHATSWORTH COURTHOUSE

13 VIDEO SYMPHONY, LLC,

14 Plaintiff,

15 vs.

16 ZACHARY J. WILSON, an individual

17 Defendant.

Case No. 16A03434
LIMITED CIVIL CASE

CLASS ACTION

Assigned to: Hon. Graciela Freixes
Department: F43

CROSS COMPLAINT FOR:

- 1) CLASS ALLEGATIONS OF FRAUD;
- 2) CLASS VIOLATIONS OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT;
- 3) CLASS VIOLATIONS OF THE ROSENTHAL FAIR DEBT COLLECTION PRACTICES ACT;
- 4) CLASS VIOLATIONS OF CALIFORNIA BUS. & PROF. CODE § 17200, *ET SEQ.*; and
- 5) CLASS REQUEST FOR DECLARATORY RELIEF.

18 ZACHARY J. WILSON, an individual, on
19 behalf of himself and persons similarly
20 situated; ALEX VAHLE, an individual, on
21 behalf of himself and persons similarly
22 situated,

23 Cross-Complainants,

24 vs.

25 VIDEO SYMPHONY, LLC, a limited
26 liability company; MICHAEL FLANAGAN,
27 an individual doing business as DEBT
28 ENFORCEMENT LAW GROUP; and DOES
1 through 10, inclusive,

Cross-Defendants.

Complaint Filed: March 9, 2016

Representative Class Cross-Complainant
VAHLE is also Defendant in:

Case No. 17CHLC00485

Video Symphony LLC v. Vahle

1
2 Defendant and Cross-Complainant Zachary Wilson and Cross-Complainant Alex
3 Vahle, who is also a defendant in the related case *Video Symphony LLC v. Vahle*, LASC Case
4 No. 17CHLC00485 (together “Cross-Complainants”) bring this cross-complaint on their own
5 behalf and on behalf of all those similarly situated (“Class Members”) against Plaintiff and
6 Cross-Defendant Video Symphony, LLC because they were fraudulently induced into
7 enrolling at Video Symphony EnterTraining, Inc. (“EnterTraining”), Video Symphony LLC’s
8 predecessor-in-interest and the assignor of the obligation being wrongfully collected by Video
9 Symphony, LLC from Cross-Complainants. Cross-Complainants allege that the fraud of
10 EnterTraining renders the obligation to Video Symphony, LLC voidable and hereby seek
11 cancellation of the obligations on that basis. Cross-Defendants Video Symphony, LLC and
12 Michael Flanagan are now seeking to collect on these obligations against the entire class of
13 former students in violation of the Fair Debt Collection Practices Act (15 U.S.C. § 1692, *et*
14 *seq.*), California’s Rosenthal Fair Debt Collection Practices Act (Civ. Code § 1788, *et seq.*),
15 and California’s Unfair Competition Law (Bus. & Prof. Code § 17200, *et seq.*).

16 **PARTIES**

17 1. Cross-Complainant Zachary Wilson is a resident of Coos County, Oregon. He is
18 a former student of EnterTraining and is a defendant in Video Symphony, LLC’s complaint in
19 this litigation.

20 2. Cross-Complainant Alex Vahle is a resident of Los Angeles County, California.
21 He is a former student of EnterTraining and is a defendant in a lawsuit filed by Video
22 Symphony, LLC styled *Video Symphony, LLC v. Vahle*, case number 17CHLC00485 with the
23 Los Angeles Superior Court.

24 3. Cross-Defendant Video Symphony, LLC (“Video Symphony”) is a limited
25 liability company with a principal place of business in Los Angeles County, California. Video
26 Symphony’s principal business is the collection of debts and it uses instrumentalities of
27 interstate commerce and the telephone to do so. Cross-Complainants are informed and believe
28 that Video Symphony is wholly owned by Cross-Defendant Michael Flanagan. Video

1 Symphony has filed multiple lawsuits against Cross-Complainant and Class Members in order
2 to collect on obligations fraudulently-obtained from Cross-Complainant and Class Members by
3 EnterTraining.

4 4. Cross-Defendant Michael Flanagan ("Flanagan") is a resident of Los Angeles
5 County, California. Cross-Complainants are informed and believe that Flanagan is the sole
6 owner of EnterTraining and is the sole owner of Video Symphony. Cross-Complainants are
7 informed and believe that Flanagan does business as the "Debt Enforcement Law Group" as part
8 of his efforts to collect debts on behalf of Video Symphony. Flanagan regularly engages in debt
9 collection activity on behalf of Video Symphony. Flanagan has filed over 150 lawsuits on
10 behalf of Video Symphony to collect on obligations fraudulently-obtained from Cross-
11 Complainants and Class Members by EnterTraining.

12 5. Cross-Complainants and Class Members are ignorant of the true names and
13 capacities of Cross-Defendants sued herein as Does 1 through 10, inclusive, and therefore sues
14 these Defendants by such fictitious names.

15 6. On information and belief, Cross-Defendant Video Symphony, EnterTraining,
16 and those Cross-Defendants named as Does 1 through 5 (together "Flanagan Enterprise") are
17 alter egos of Cross-Defendant Flanagan.

18 7. If the entities making up the Flanagan Enterprise were not alter egos of Cross-
19 Defendant Flanagan, then Cross-Complainants allege that, at all times herein mentioned, each of
20 the Flanagan Enterprise parties and Cross-Defendant Flanagan were acting as an agent, servant,
21 or joint venturer of each other and/or EnterTraining. At all times relevant, each Cross-
22 Defendant and EnterTraining was acting within the course and scope of said agency, service, or
23 joint venture. On further information and belief, each Cross-Defendant and EnterTraining had
24 knowledge of, authorized, ratified, or took part in the conduct of each of the other Cross-
25 Defendants.

26 **FACTUAL ALLEGATIONS**

27 **Cross-Complainant Wilson Enrolls with EnterTraining**

28 8. EnterTraining was a for-profit college that claimed to provide certificate

1 programs in subjects related to film editing, sound engineering, and motion graphics for jobs in
2 the entertainment industry. Cross-Defendant Flanagan was the sole owner and the operator of
3 EnterTraining.

4 9. Cross-Complainant Wilson, in 2009, was considering a career in audio
5 engineering for the entertainment industry. He saw EnterTraining's website and decided to visit
6 the school.

7 10. EnterTraining's website boasted that graduates of EnterTraining had a job
8 placement rate of over 70%, that it had a network of thousands of professionals throughout the
9 entertainment industry which graduates could draw upon, and that it had a reputation in the
10 entertainment industry for training highly skilled graduates. EnterTraining's website also stated
11 that careers doing technical audio/video work required proper industry certification, which
12 EnterTraining could provide, and that the industry knew and respected EnterTraining's
13 certification programs.

14 11. During Cross-Complainant Wilson's tour of the school, EnterTraining boasted
15 again of its excellent job placement rates, that it had a network of thousands of professionals
16 throughout the entertainment industry which graduates could draw upon, and that it had a
17 reputation in the entertainment industry for training highly skilled graduates.

18 12. Based upon these representations, Cross-Complainant Wilson moved his family
19 from Sacramento to Los Angeles and enrolled in EnterTraining's Pro Tools Audio Engineering
20 Program from January 2010 through Summer 2011.

21 13. As part of his enrollment, Cross-Complainant paid \$10,000 to EnterTraining and
22 executed an "Installment Note and Disclosure Agreement" for \$3,254.70 payable to
23 EnterTraining. This agreement is a retail installment contract within the meaning of Cal. Civ.
24 Code section 1802.6.

25 14. After graduating in 2011, Cross-Complainant was unable to find a job in audio
26 engineering. He had not yet learned that EnterTraining's representations had been false.

27 **Cross-Complainant Vahle Enrolls with EnterTraining**

28 15. Cross-Complainant Vahle, in 2012, was considering a career in motion graphics

1 for the entertainment industry. He saw EnterTraining's website, which still boasted that
2 graduates of EnterTraining had a job placement rate of over 70%, that it had a network of
3 thousands of professionals throughout the entertainment industry which graduates could draw
4 upon, and that it had a reputation in the entertainment industry for training highly skilled
5 graduates.

6 16. Cross-Defendant Vahle visited EnterTraining to discuss enrollment in the
7 summer of 2012. During the visit, EnterTraining represented that careers doing technical
8 audio/video work required proper industry certification, which EnterTraining could provide, and
9 that the industry knew and respected EnterTraining's certification programs. EnterTraining also
10 represented that students in the motion graphics program are trained in specific software which
11 Cross-Defendant knew was used in the industry.

12 17. Based upon these representations, Cross-Complainant Vahle signed an
13 enrollment agreement for EnterTraining's motion graphics and animation program beginning in
14 August 2012. When signing the enrollment agreement, EnterTraining informed Cross-
15 Complainant that his federal financial aid would cover the entire cost of attendance and no
16 further sums were required.

17 18. After graduating in 2013, Cross-Complainant Vahle was unable to find a job for
18 several months, despite the prestige boasted of by EnterTraining. He had not yet learned that
19 EnterTraining's representations had been false.

20
21 **EnterTraining Shuts Down; Class Members Discover EnterTraining's Fraud**

22 19. In early 2015, after investigating EnterTraining for several years, the U.S.
23 Department of Education ("DOE") determined that EnterTraining violated federal laws
24 prohibiting unauthorized disbursement of federal financial aid, and that it owed the DOE over
25 \$11 million in liabilities.

26 20. On March 27, 2015, an involuntary bankruptcy petition was filed against
27 EnterTraining by EnterTraining employees that had not been paid. Prior to this filing, Flanagan
28

1 caused EnterTraining to assign to Flanagan many of the outstanding enrollment obligations¹
2 payable to EnterTraining, including the obligations allegedly owed by Cross-Complainant and
3 the Class Members.

4 21. In April 2015, EnterTraining lost its accreditation. Shortly thereafter,
5 EnterTraining closed and went out of business.

6 22. After hearing that EnterTraining closed down, Cross-Complainants discovered
7 that many other EnterTraining graduates were unable to find employment related to the program
8 they studied at EnterTraining.

9 23. EnterTraining was not connected to a network of professionals in the
10 entertainment industry as it had represented to Cross-Complainants and the Class Members.
11 Cross-Complainants discovered that the school was relatively unheard of and that holding a
12 degree or certification from EnterTraining was meaningless to prospective employers. The only
13 job postings EnterTraining had been making available to its graduates were job postings from
14 other websites².

15 24. Until EnterTraining closed down, Cross-Complainants and Class Members had
16 no reason to suspect that EnterTraining had made false representations to induce them to enroll
17 at EnterTraining. The misrepresentations made include but are not limited to the false statistics
18 about the graduate employment both posted on EnterTraining's website and written in its
19 enrollment materials, and the written claims that EnterTraining provided graduates with access
20 to job postings not publicly available.

21
22 **Debt Collection by Cross-Defendants Flanagan and Video Symphony, LLC**

23 25. In February 2011, Cross-Complainant Wilson stopped making payments on his
24 promissory note to EnterTraining. Cross-Complainant Vahle never made any payments to
25 EnterTraining because he was informed and believed that his federal financial aid paid for his

26 _____
27 ¹ Some of these obligations, like that of Cross-Complainant Vahle, arise from enrollment agreements in which the
28 students agreed to pay a particular sum that Cross-Defendants claim has not been paid. Other obligations, like
that of Cross-Complainant Wilson, arise from installment promissory notes executed by the students during
enrollment for part or all of the cost of enrollment, which Cross-Defendants claim have not yet been satisfied.

² EnterTraining also offered its students an entire class on how to sign up for LinkedIn.

1 enrollment with EnterTraining.

2 26. In April 2015, Cross-Defendant Flanagan incorporated Video Symphony, LLC.
3 Flanagan purports to have transferred the obligations received from EnterTraining to Video
4 Symphony, including the obligations allegedly owed by Cross-Complainants and the Class
5 Members.

6 27. On March 9, 2016, Cross-Defendants Flanagan and Video Symphony filed this
7 action to collect on the debt allegedly owed by Cross-Complainant Wilson to Video Symphony
8 as assignee from EnterTraining and Flanagan.

9 28. On August 1, 2017, Cross-Defendants Flanagan and Video Symphony filed an
10 action against Cross-Complainant Vahle (LASC Case No. 17CHLC00485) to collect on the debt
11 allegedly owed by Cross-Complainant to Video Symphony as assignee from EnterTraining and
12 Flanagan.

13 29. Cross-Complainants are informed and believe that, between January 2016 and
14 October 2017, Cross-Defendants Flanagan and Video Symphony have filed over 150 cases in
15 the Los Angeles Superior Court against the Class Members, former EnterTraining students, to
16 collect on the obligations allegedly owed to EnterTraining but were procured by the fraud
17 described herein.

18 30. Cross-Complainants are informed and believe that Cross-Defendant Flanagan, as
19 the sole owner and operator of EnterTraining, knew of the fraud done to induce EnterTraining
20 students to enroll. Because of this, Cross-Defendants Flanagan and Video Symphony (which is
21 owned and operated solely by Flanagan) knew that they were not authorized to collect on the
22 obligations purportedly owed to Video Symphony, as assignee from EnterTraining, because
23 they were acquired by EnterTraining's fraud.

24 31. Despite knowing that the obligations assigned to Video Symphony are
25 unenforceable, Cross-Defendants instituted this action against Cross-Complainant Wilson and
26 similar actions against Cross-Complainant Vahle and the Class Members.

27 32. Cross-Complainants are informed and believe that EnterTraining and Cross-
28 Defendant Video Symphony, the Flanagan Enterprises, are alter egos of Cross-Defendant

1 Flanagan. This is based on several facts, including but not limited to Flangan's sole ownership
2 and control of the Flanagan Enterprises; his ability to assign EnterTraining assets to himself,
3 then transfer those assets to Video Symphony for Flanagan to collect on; and the lack of any
4 other person involved in any stage of the control, assignment, or collection of the obligations at
5 issue.

6 **CLASS ACTION ALLEGATIONS**

7 33. Cross-Complainants bring this action on their own behalf and on behalf of all
8 other persons similarly situated pursuant to Cal. Code of Civ. Proc. section 382.

9 34. Cross-Complainant requests certification of the following class:

10 All persons who are named as defendants in a complaint filed by
11 Cross-Defendants Video Symphony, LLC and/or Flanagan in
12 California for debts allegedly owed for attending Video Symphony
13 EnterTraining, Inc. and who were served with a summons in that
14 action on or after January 1, 2016.

15 35. The members of the Class are so numerous that joinder of all members is
16 impracticable. Cross-Complainants are informed and believe that there are more than 150
17 former EnterTraining students who are being wrongfully sued by Cross-Defendants. Although
18 the exact number of class members is not known at this time, the number and identity of Class
19 Members can be easily ascertained from Defendants' electronic records and the court's records.

20 36. Although there are a large number of Class Members, the common issues of law
21 and fact are so numerous and substantial that resolving these issues collectively would be
22 beneficial to both the court and the parties. The common questions include but are not limited
23 to:

- 24 a. Whether EnterTraining fraudulently induced Class Members into becoming
25 obligated on the debts currently being collected by Cross-Defendants;
26 b. Whether Cross-Defendants seek collection of debts which they knew were
27 obtained by EnterTraining through fraud;
28 c. Whether Cross-Defendants' actions violated the Fair Debt Collection

1 Practices Act (“FDCPA”);

2 d. Whether Cross-Defendants’ actions violated the Rosenthal Fair Debt
3 Collection Practices Act (“Rosenthal Act”);

4 e. Whether Class Members’ obligations held by Video Symphony are voidable
5 as the result of EnterTraining’s fraud;

6 f. Whether Class Members are entitled to restitution of amounts already paid on
7 their Video Symphony-held obligations as the result of EnterTraining’s
8 illegal practices; and

9 g. Whether Cross-Defendants’ actions violated the California Business and
10 Professions Code section 17200, *et seq.*

11 37. These common questions of fact and law are so substantial that the Class
12 Members share a community of interest, in that a collective outcome of these issues would be
13 determinative of all their claims. Proof of a common set of facts will establish the right of each
14 Class Member to recover, and there is an ascertainable class of individuals entitled to relief.

15 38. Cross-Complainants’ claims are typical of those of absent class members of the
16 Class.

17 39. Cross-Complainants can and will fairly and adequately represent and protect the
18 interests of the proposed Class. Neither of the Cross-Complainants have an interest that
19 conflicts with, or is antagonistic to, the interests of the proposed Class.

20 40. Cross-Complainants have employed attorneys who are experienced and
21 competent in consumer and civil rights litigation and class actions, and are able to adequately
22 and vigorously pursue this class action on behalf of all Class Members.

23 41. A class action is superior to other available methods for the fair and efficient
24 adjudication of the claims asserted herein given that:

25 a. A community of interest exists because the common questions of law and fact
26 are so numerous and substantial that resolving the questions collectively
27 would benefit both the court and the parties. There would be enormous
28 economies to the court and the parties in litigating the common issues on a

1 class-wide basis. Cross-Complainants' proof of liability will be based on the
2 same purported fraud and subsequent transfer of liability that impacted all
3 members of the Class similarly;

- 4 b. Prosecution of separate actions by individual members of the Class would
5 create a risk that inconsistent or varying adjudications with respect to
6 individual members of the Class would establish incompatible standards of
7 conduct for the parties opposing the Class;
- 8 c. Many Class Members are unaware of their rights to prosecute these claims and
9 lack the means or resources to secure legal assistance;
- 10 d. The relatively small size of the individual Class Member's claims for damages
11 and/or restitution, as well as the difficulty in individually resolving the
12 common issues of law and fact, substantially diminish the interest of Class
13 Members in individually controlling the prosecution of separate actions;
14 Despite the relatively small size of individual claims, their aggregate volume
15 coupled with the economies of scale inherent in litigating similar claims on a
16 common basis will enable this case to be litigated as a class action on a cost-
17 effective basis.
- 18 e. No unusual difficulties are likely to be encountered in the management of this
19 Class in that questions of law or fact to be litigated at the liability stage are
20 common to the Class, as are injunctive, declaratory, and restitutionary relief
21 issues.

22 42. Cross-Complainants are informed and believe and thereupon allege that Cross-
23 Defendants have acted on grounds generally applicable to the Class, thereby making appropriate
24 final injunctive relief or declaratory relief with respect to the Class as a whole.

25 **FIRST CAUSE OF ACTION**

26 **CLASS ALLEGATIONS OF FRAUD**

27 (Against All Cross-Defendants)

28 43. Cross-Complainants incorporate by reference the preceding paragraphs as if fully

1 alleged herein.

2 44. EnterTraining made misrepresentations to the Class Members through its website
3 and written enrollment materials, as described herein.

4 45. Cross-Defendant Flanagan and the Flangan Enterprises knew that
5 EnterTraining's misrepresentations were false at the time the misrepresentations were made.

6 46. The misrepresentations of EnterTraining are of the sort that would be material to
7 a reasonable enrollee.

8 47. EnterTraining and Cross-Defendant Flanagan knew that the misrepresentations
9 would likely be material to a reasonable enrollees.

10 48. Class Members were harmed by the misrepresentations, in that they became
11 obligated to Cross-Defendants for the amounts which Cross-Defendants are now seeking to
12 collect. Cross-Defendants have also damaged Cross-Complainants by negatively affecting their
13 credit without cause, causing them anxiety resulting from the legal actions, and requiring them
14 to take time away from work to address the collection.

15 49. Cross-Defendant Video Symphony had knowledge of the aforementioned fraud
16 through Cross-Defendant Flanagan, the sole owner and operator of Video Symphony. If the
17 Flanagan Enterprises are alter egos of Flanagan, which Cross-Complainants believe to be true,
18 then Cross-Defendants are directly liable for EnterTraining's fraud. Class Members are entitled
19 to avoid the obligations owed to Cross-Defendant Video Symphony as a result of the
20 aforementioned fraud.

21 50. Cross-Defendants have acted with recklessness, oppression, and/or malice.
22 Cross-Defendants' conduct constitutes despicable conduct in conscious disregard of Class
23 Members' rights, so as to justify an award of exemplary damages in an amount to be proven at
24 trial.

25 //

26 //

27 //

28 //

1 SECOND CAUSE OF ACTION

2 **CLASS VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT,**

3 **15 U.S.C. §§ 1692, et seq.**

4 (Against All Cross-Defendants)

5 51. Cross-Complainants incorporate by reference the preceding paragraphs as if fully
6 alleged herein.

7 52. The Fair Debt Collection Practices Act ("FDCPA") was enacted in 1968 to
8 counter abusive debt collection practices, prevent abusive debt collectors from having an unfair
9 advantage over responsible debt collectors, and to make consumer protections with regard to
10 debt collection more consistent. 16 U.S.C. § 1692(e). These protections apply regardless of
11 whether the consumer actually owes the underlying debt.

12 53. Class Members are natural persons who Cross-Defendants allege are obligated to
13 pay debt obligations arising out of their enrollment with EnterTraining.

14 54. Class Members' debt obligations arise out of their personal educations, which
15 they sought for the personal and household purpose of improving their ability to obtain better
16 paying and more fulfilling jobs.

17 55. Cross-Defendant Video Symphony is a "debt collector" within the meaning of 15
18 U.S.C. § 1692a(6) as its principal business is collecting debts and it uses instrumentalities of
19 interstate commerce and/or the mails as part of doing so. Video Symphony is also not
20 "creditor" under 15 U.S.C. § 1692a(4) as it received the obligations while the obligations were
21 in default and for purposes of collecting on them for Flanagan.

22 56. Cross-Defendant Flanagan is a "debt collector" within the meaning of 15 U.S.C.
23 § 1692a(6) as he asserts to be collecting the debts due to Video Symphony and none of the
24 exceptions apply to him. Flanagan is not entitled to the protections due to a "creditor" as he is
25 collecting his own debts but using the names of Video Symphony and the Debt Enforcement
26 Group instead of his own to do so.

27 57. Cross-Defendants, through their behavior described herein, violated the
28

1 restrictions of 15 U.S.C. § 1692e, which prohibits false, deceptive, or misleading
2 representations. False, deceptive, or misleading representations include misrepresenting the
3 character, amount, or legal status of a debt. Cross-Defendants violated this restriction through
4 their behavior described herein, including but not limited to initiating collection of debts Cross-
5 Defendants knew to be unenforceable.

6 58. Cross-Defendants, through their behavior described herein, violated the
7 restrictions of 15 U.S.C. § 1692f, which prohibits unfair or unconscionable means to collect on a
8 debt. Unfair or unconscionable means includes the collection of any amount not authorized by
9 the contract and by law. Cross-Defendants violated this restriction through their behavior
10 described herein, including but not limited to attempting to collect debts that are uncollectable
11 as the result of EnterTraining's fraud and failure to deliver the promised quality of education
12 services, of which Cross-Defendants were aware and were knowing participants.

13 59. Cross-Defendants' behavior described herein has damaged the Class Members by
14 negatively affecting their credit without cause, causing them anxiety resulting from the legal
15 actions, and requiring them to take time away from work to address the collection. The amount
16 of the damages will be proven at trial.

17 60. Cross-Defendants' actions described herein appear to be willful, knowing, and
18 with notice of EnterTraining's wrongdoing.

19 61. Cross-Complainants and the Class Members are entitled to statutory damages,
20 costs, and attorney's fees, in addition to actual damages.

21 **THIRD CAUSE OF ACTION**

22 **CLASS VIOLATIONS OF THE ROSENTHAL FAIR DEBT COLLECTION**

23 **PRACTICES ACT, California Civil Code § 1788, *et seq.***

24 (Against All Defendants)

25 62. Cross-Complainants incorporates by reference the preceding paragraphs as if
26 fully alleged herein.

27 63. The Rosenthal Fair Debt Collection Practices Act, California Civil Code § 1788
28 *et seq.* ("Rosenthal Act") was enacted in 1976 to protect consumers from the oppressive and

1 over-reaching debt collection practices of creditors and professional debt collectors. Civil Code
2 § 1788.1(b). The Legislature found that “unfair or deceptive debt collection practices
3 undermine the public confidence which is essential to the continued functioning of the banking
4 and credit system and sound extensions of credit to consumers.” Civil Code § 1788.1(a)(2).
5 The Rosenthal Act as originally passed set forth a list of proscribed collection practices. Then,
6 in 1999, the California Legislature expanded creditor liability even further, by incorporating
7 violations of the FDCPA as violations of the Rosenthal Act. Civil Code § 1788.17.

8 64. The obligations at issue herein are each a “consumer debt” as defined by Civil
9 Code § 1788.2(f) because Cross-Complainant and Class Members are natural persons and they
10 incurred the debts to pay for services obtained for personal and household purposes, as
11 described above.

12 65. Cross-Defendants at all times relevant herein were “debt collectors” within the
13 meaning of Civil Code § 1788.2(c), as a consequence of the facts alleged above.

14 66. Cross-Defendants’ actions described herein that were in violation of the FDCPA
15 are also violations of Civil Code § 1788.17.

16 67. Cross-Defendants’ behavior described herein has damaged Cross-Complainants
17 and the Class Members by negatively affecting their credit without cause, causing them anxiety
18 over the legal actions, and requiring them to take time away from work to address the collection.
19 The amount of the damages will be proven at trial.

20 68. Cross-Defendants’ violations of the Rosenthal Act were willful and knowing,
21 thereby entitling plaintiff to statutory damages pursuant to Civil Code § 1788.30(b).

22 69. Class Members are entitled to statutory damages, costs, and attorney’s fees, in
23 addition to actual damages.

24 **FOURTH CAUSE OF ACTION**

25 **CLASS VIOLATIONS OF CALIFORNIA BUS. & PROF. CODE § 17200, et. seq.**

26 (Against All Cross-Defendants)

27 70. Cross-Complainants incorporates by reference the preceding paragraphs as if
28 fully alleged herein.

1 71. California Business and Professions Code § 17200 *et seq.* is known as the Unfair
2 Competition Law. It prohibits businesses from using any unlawful, unfair, or fraudulent act or
3 practice in the conduct of its business.

4 72. The business acts and practices of Cross-Defendants within the last four years, as
5 described above, violated multiple federal and state laws, including but not limited to the Fair
6 Debt Collection Practices Act, and the Rosenthal Fair Debt Collection Practices Act.

7 73. The business acts and practices of EnterTraining, as described above, violated
8 multiple federal and state laws, including but not limited to California law prohibiting fraud, the
9 Unruh Retail Installment Sales Act, California contract law, and Department of Education
10 requirements for receiving federal financial aid. If the Flanagan Enterprises are alter egos of
11 Flanagan, which Cross-Complainants believe to be true, then Flanagan is directly liable for
12 EnterTraining's fraud. Regardless, Cross-Defendants knew of and sought to reap the benefits of
13 EnterTraining's actions, are liable for EnterTraining's unlawful business practices to the degree
14 allowed by the contract and equitable principles, as described above.

15 74. The business acts and practices of Cross-Defendants within the last four years, as
16 described above, offend public policy and are substantially injurious to consumers, in that
17 Cross-Defendants seek to collect debts known to have been procured by fraud and have relied
18 upon unfair means to collect those debts.

19 75. The business acts and practices of EnterTraining, as described above, offend
20 public policy and are substantially injurious to consumers, in that EnterTraining procured the
21 obligations at issue herein through fraud and used unfair means to collect those debts. If the
22 Flanagan Enterprises are alter egos of Flanagan, which Cross-Complainants believe to be true,
23 then Flanagan is directly liable for EnterTraining's fraud. Regardless, Cross-Defendants knew
24 of and sought to reap the benefits of EnterTraining's actions, are liable for EnterTraining's
25 unfair business practices to the degree allowed by the contract and equitable principles, as
26 described above.

27 76. Cross-Defendants' unfair and unlawful conduct, as described above, is typical of
28 how Cross-Defendants regularly interact with consumers like Cross-Complainants and the Class

1 Members. Cross-Complainants are informed and believe that there are other former
2 EnterTraining students that Cross-Defendants have not yet sued but could. As a result, Cross-
3 Defendants' business acts and practices injure or threaten to injure in the future other consumers
4 who, like Cross-Complainants and the Class Members, were defrauded by EnterTraining.

5 77. The business acts and practices of EnterTraining, as described above, used
6 deliberate misrepresentations to mislead consumers into enrolling at EnterTraining, as described
7 above. If the Flanagan Enterprises are alter egos of Flanagan, which Cross-Complainants
8 believe to be true, then Flanagan is directly liable for EnterTraining's fraud. Regardless, Cross-
9 Defendants knew of and seek to reap the benefits of EnterTraining's actions, are liable for
10 EnterTraining's fraudulent business practices to the degree allowed by the contract and
11 equitable principles, as described above

12 78. The business acts and practices of Cross-Defendants, as described above, are
13 likely to deceive affected consumers as to their legal rights and obligations, and by use of such
14 deception, may preclude affected consumers from exercising legal rights to which they are
15 entitled.

16 79. Cross-Defendants' acts and practices described herein have damaged Cross-
17 Complainants and the Class Members by putting them at risk for judgments on unenforceable
18 debts, negatively affecting their credit without cause, causing them anxiety over unauthorized
19 legal action, and requiring them to take time away from work to address the collection. The
20 amount of the damages will be proven at trial.

21 80. Pursuant to Business & Professions Code § 17203, Cross-Complainants and the
22 Class Members seek an order enjoining Cross-Defendants from engaging in the acts and
23 practices as hereinabove alleged, and ordering that Cross-Defendants disgorge all ill-gotten
24 gains and provide appropriate restitution to all affected consumers.

25 **FIFTH CAUSE OF ACTION**

26 **CLASS REQUEST FOR DECLARATORY JUDGMENT UNDER 28 U.S.C. § 2201**

27 (Against All Cross-Defendants)

28 81. Cross-Complainants incorporate by reference the preceding paragraphs as if fully

1 alleged herein.

2 82. Cross-Complainants and the Class Members justifiably relied upon the
3 representations of EnterTraining because EnterTraining was in a position of control over
4 information on its educational programs and because it marketed itself as an institution that
5 provides students with a quality education useful in improving one's work-related earnings.

6 83. As the result of EnterTraining's actions, Cross-Complainants and the Class
7 Members have been damaged by the negative effects on their credit without cause, the anxiety
8 resulting from not having the types of jobs for which they sought education, their inability to
9 obtain the income and job placement benefits promised by EnterTraining, and the legal actions
10 wrongfully initiated by Cross-Defendants.

11 84. The actions of EnterTraining as described above constitute fraud in inducing
12 Cross-Complainants and the Class Members to enroll with EnterTraining and incur the
13 obligations at issue.

14 85. For the reasons stated above, Cross-Defendants are subject to the same claims to
15 which EnterTraining is subject to the degree that Cross-Complainants and the Class Members
16 have paid any money and/or money is still demanded.

17 86. A live and active controversy exists now between the Cross-Complainants and
18 Class Members on one hand, and Cross-Defendants on the other. EnterTraining's fraud, the
19 legal violations pleaded in the preceding causes of action, and the injuries sustained by Cross-
20 Complainants and the Class Members as a result of the fraud and legal violations, justify a
21 cancellation of the obligations between the parties. Cross-Defendants continue to collect on the
22 obligations, whereas Cross-Complainants believe that the obligations of Cross-Complainants
23 and the Class Members should be terminated.

24 87. Cross-Complainants and Class Members seek a declaration that the obligations
25 arising out of Cross-Complainant's and Class Members' enrollments with EnterTraining, now
26 held by Video Symphony, are voidable and hereby cancelled. Because the "benefit" received
27 by Cross-Complainant and Class Members was negligible, Cross-Complainant and Class
28 Members do not need to restore anything to Cross-Defendants as part of cancelling these

1 contracts.

2
3 **WHEREFORE CROSS-COMPLAINANTS PRAY FOR RELIEF AS FOLLOWS:**

4
5 As to the First Cause of Action for class allegations of fraud:

- 6 a. For an order declaring the obligations allegedly owed by Class Members to
7 Video Symphony to be cancelled;
- 8 b. For an award of actual damages to Cross-Complainants and the Class Members
9 in an amount to be proven at trial; and
- 10 c. For an award of punitive damages to be proven at trial.

11
12 As to the Second Cause of Action for class violations of the Fair Debt Collection Practices Act:

- 13 a. For an award of actual damages to Cross-Complainants and the Class Members
14 in an amount to be proven at trial;
- 15 b. For an award of statutory damages to Cross-Complainants and the Class
16 Members; and
- 17 c. For an award of attorney's fees as allowed by 15 U.S.C. § 1692k(a)(3).

18
19 As to the Third Cause of Action for class violations of the Rosenthal Fair Debt Collection
20 Practices Act:

- 21 a. For an award of actual damages to Cross-Complainants and the Class Members
22 in an amount to be proven at trial;
- 23 b. For an award of statutory damages to Cross-Complainants and the Class
24 Members;
- 25 c. For an award of attorney's fees as allowed by Civil Code § 1788.30(c).

1 As to the Fourth Cause of Action for class violations of Bus. & Prof. Code Sec. 17200, *et seq.*:

- 2 a. For an order instructing Cross-Defendants to restore to the Cross-Complainants,
3 the Class Members, and anyone else affected by the Cross-Defendants' practices
4 all sums paid on the EnterTraining obligations;
- 5 b. For an injunction barring Cross-Defendants and their successors-in-interest from
6 all future attempts to collect on or otherwise enforce the EnterTraining
7 obligations at issue;
- 8 c. For an injunction barring Cross-Defendants from collecting on any similar
9 obligations known to have been procured through the fraud of EnterTraining; and
- 10 d. For an order instructing Cross-Defendants to remove all negative credit
11 information furnished to consumer reporting agencies as to Cross-Complainants
12 and anyone else whom Cross-Defendants alleged owed a debt arising from
13 EnterTraining enrollment.

14
15 As to the Fifth Cause of Action for class request for declaratory relief:

- 16 a. For an order declaring that the enrollment agreements and/or promissory notes
17 evidencing the obligations between Class-Defendants on one hand and the Class-
18 Complainants and Class Members on the other are cancelled as of the date of
19 judgment and are no longer of any legal effect;
- 20 b. For an order instructing Cross-Defendants to remove all negative credit
21 information furnished to consumer reporting agencies related to the canceled
22 student loans;
- 23 c. For an order finding that the Cross-Complainants and Class Members had
24 received insufficient consideration for the obligations, and so the cancellation of
25 the obligations, which were disputed, are not cognizable as "income" to the
26 Cross-Complainants and Class Members; and
- 27 d. For an injunction barring all future attempts to collect on or otherwise enforce
28 obligations arising from an enrollment at EnterTraining.

1 As to all causes of action:

- 2 a. For costs of suit herein incurred; and
- 3 b. For such other relief as this Court deems proper.

4

5 Dated:

Respectfully Submitted,

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By 

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Attorneys for Cross-Complainants
Zachary Wilson, Alex Vahle, and the Class
Members

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PROOF OF SERVICE

1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES)

3 I am over the age of 18, and not a party to the within action. My business address is:
4 610 South Ardmore Avenue, Los Angeles, California 90005. On November 22, 2017, I served
5 the foregoing documents described as:

CROSS-COMPLAINT; CIVIL CASE COVER SHEET (COUNTER)

6 on the interested parties in this action, by placing a true copy thereof in a sealed envelope
7 addressed as follows:

8 Mike Flanagan
9 145 South Glenoaks Boulevard, Suite 104
Burbank, California 91502

10 X [BY FIRST CLASS MAIL] I personally placed such envelope with postage fully prepaid
11 for collection and mailing on the above-referenced date following the ordinary business
12 practices of this office. I am readily familiar with our office's practice for collection and
13 processing of correspondence for mailing with the United States Postal Service. In the
14 ordinary course of business, correspondence, including said envelope, would be deposited
with the United States Postal Service at Los Angeles, California on the above-referenced
date.


15 _____ [BY OVERNIGHT MAIL] I mailed such envelope by overnight delivery on the above-
16 referenced date following the ordinary business practices of this office. I am readily
17 familiar with our office's practice for collection and processing of correspondence for
overnight mailing.

18 _____ [BY PERSONAL SERVICE] I caused the attached document(s) to be hand delivered to
the office(s) of the addressee(s) set forth above.

19 _____ [BY EMAIL] I personally placed the above referenced documents to be personally served
20 through email to the persons or firms with an email address indicated on the service list.

21 I declare under penalty of perjury under the laws of the State of California that the
22 foregoing is true and correct.

23 Executed on November 22, 2017, at Los Angeles, California.

24 
25 _____
26 Maria Cabadas