



January 10, 2022

Statement from United Holding Group, LLC regarding CFPB Lawsuit

On January 10, 2022, the Consumer Financial Protection Bureau (“Bureau” or “CFPB”) filed a complaint alleging Consumer Financial Protection Act and Fair Debt Collection Practices Act violations based on a handful of unverified consumer complaints dating back to 2015. The lawsuit names three debt buyers, United Debt Holding LLC (UDH), JTM Capital Management, LLC (JTM), and United Holding Group, LLC (UHG) and individuals with various ownership interests in one or more of the companies. Neither UDH nor JTM are currently in business. UHG and the individual defendants intend to fight the matter.

“The Bureau’s actions to file a lawsuit against UHG based on consumer complaints that predate UHG is surprising,” says Craig Manseth, the owner of former debt buying firm UDH and an investor in UHG. “UHG operates a first-class compliance program that redresses all issues when we become aware of them. It’s telling that the CFPB did not allege that consumers were harmed.” UHG anticipates filing a motion to dismiss.

No accounts purchased or placed by UHG are described in the Bureau’s complaint. Rather, the complaint’s allegations focus on collection activity by another debt-buyer, Delray, who purchased accounts from UDH in 2015. In July 2019, the CFPB and New York state AG [settled](#) a matter with Delray’s owner and his companies for a one-dollar (\$1) civil money penalty to the Bureau and \$10,000 for consumer redress. Due to the old age of the allegations, the CFPB’s pleading has nonactionable claims, as most of the conduct described arose from a debt sale over five years ago.

“It’s not clear from the complaint why UHG is named. We are working with our attorneys to develop a vigorous defense,” says Manseth. The lawsuit takes six examples from before UHG was in business and embellishes them to make a case. Specifically, the lawsuit cites one telephone call recording on an account owned by JTM and five complaints to the CFPB or Better Business Bureau about accounts owned by UDH. All allegations regarding arrest threats are directed at UDH. Both UDH and JTM ceased doing business in 2018 and 2019, respectively.

“We asked the Bureau repeatedly to substantiate their accusations, but they have not. We would prefer to resolve this amicably, but their settlement demands were unreasonable in light of their lack of facts against UHG, the old age of the allegations, and that our collection agency partners make millions of compliant consumer contacts per month,” says Manseth.

UHG’s partners and vendors are the best in the industry and UHG is proud of its strong record of legal compliance. Like other receivables management firms who have fought the Bureau and [won](#), UHG looks forward to defending the CFPB’s unfounded allegations in court.