

Fill in this information to identify the case:

Debtor John C. Heath, Attorney At Law PC

United States Bankruptcy Court for the: _____ District of Delaware
(State)

Case number 23-10725

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. **Who is the current creditor?** Candace White
Name of the current creditor (the person or entity to be paid for this claim)
Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?** No
 Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**

Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Candace White c/o Omar Sulaiman, Esq. Atlas Consumer Law 2500 S. Highland Avenue, Suite 200 Lombard, IL 60148, USA Contact phone <u>630-575-8181 x108</u> Contact email <u>osulaiman@sulaimanlaw.com</u>	 Contact phone _____ Contact email _____

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. **Does this claim amend one already filed?** No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____
MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?** No
 Yes. Who made the earlier filing? _____



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____ _

7. How much is the claim? \$ Undetermined / Contingent. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
Consumer claim under 15 U.S.C. § 1679 et seq.

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature or property:
 Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____
Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: \$ _____
Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 09/07/2023
MM / DD / YYYY

/s/Omar Sulaiman
Signature

Print the name of the person who is completing and signing this claim:

Name Omar Sulaiman
First name Middle name Last name

Title Attorney for Creditor

Company Atlas Consumer Law
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (888) 249-2721 | International (310) 751-2604

Debtor: 23-10725 - John C. Heath, Attorney At Law PC		
District: District of Delaware		
Creditor: Candace White c/o Omar Sulaiman, Esq. Atlas Consumer Law 2500 S. Highland Avenue, Suite 200 Lombard, IL, 60148 USA Phone: 630-575-8181 x108 Phone 2: Fax: 630-575-8188 Email: osulaiman@sulaimanlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Authorized agent	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: Consumer claim under 15 U.S.C. § 1679 et seq.	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: Undetermined / Contingent	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Omar Sulaiman on 07-Sep-2023 2:42:11 p.m. Eastern Time Title: Attorney for Creditor Company: Atlas Consumer Law		



Complete this form to start arbitration under an arbitration agreement in a contract.

1. Which party is sending in the filing documents? <i>(check one)</i> Consumer Business		
2. Briefly explain the dispute:		
3. Specify the amount of money in dispute, if any: \$		
4. State any other relief you are seeking: Attorney Fees Interest Arbitration Costs Other; explain:		
5. Identify the requested city and state for the hearing if an in-person hearing is held: City: _____ State: _____		
6. Please provide contact information for both the Consumer and the Business. Attach additional sheets or forms as needed.		
Consumer:		
Name:		
Address:		
City:	State:	Zip Code:
Telephone:	Fax:	
Email Address:		
Consumer's Representative (if known):		
Name:		
Firm:		
Address:		
City:	State:	Zip Code:
Telephone:	Fax:	
Email Address:		
Business:		
Name:		
Address:		
City:	State:	Zip Code:
Telephone:	Fax:	
Email Address:		



Business' Representative (if known):		
Name:		
Firm:		
Address:		
City:	State:	Zip Code:
Telephone:	Fax:	
Email Address:		
Date:		

7. Send a copy of this completed form to the AAA together with:

- A clear, legible copy of the contract containing the parties' agreement to arbitrate disputes;
- The proper filing fee (filing fee information can be found in the Costs of Arbitration section of the Consumer Arbitration Rules); and
- A copy of the court order, if arbitration is court-ordered.

8. Send a copy of the completed form and any attachments to all parties and retain a copy of the form for your records.

To file by mail, send the initial filing documents and the filing fee to: AAA Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043.

To file online, visit www.adr.org and click on **File or Access Your Case** and follow directions. To avoid the creation of duplicate filings, the AAA requests that the filing documents and payment be submitted together. When filing electronically, no hard copies are required.

Pursuant to Section 1284.3 of the California Code of Civil Procedure, consumers with a gross monthly income of less than 300% of the federal poverty guidelines are entitled to a waiver of arbitration fees and costs, exclusive of arbitrator fees. This law applies to all consumer agreements subject to the California Arbitration Act, and to all consumer arbitrations conducted in California. If you believe that you meet these requirements, you must submit a completed Affidavit for Waiver of Fees, available on our website.

**THE ARBITRATION TRIBUNALS
OF THE AMERICAN ARBITRATION ASSOCIATION**

CANDACE M. WHITE,

Claimant,

v.

JOHN C. HEATH, ATTORNEY AT LAW,
PC d/b/a LEXINGTON LAW,

Respondent.

American Arbitration Association

DEMAND FOR ARBITRATION

NOW COMES CANDACE M. WHITE (“Claimant”), by and through the undersigned counsel, complaining as to the conduct of JOHN C. HEATH, ATTORNEY AT LAW, PC d/b/a LEXINGTON LAW (“Respondent”) as follows:

NATURE OF THE ACTION

1. Claimant brings this action for damages pursuant to the Credit Repair Organizations Act (“CROA”) under 15 U.S.C. § 1679 *et seq.*, and the Idaho Collection Agency Act (“ICAA”) under ID. Civ. Code § 26-2221 *et seq.*, stemming from Respondent’s unlawful conduct.

PARTIES

2. Claimant is a consumer over 18 years of age residing in Boise, Idaho.

3. Respondent is a credit repair organization that claims to “help [consumers] meet [their] credit score goals.”¹ Respondent is a professional corporation that maintains its principal place of business at 2875 Decker Lake Drive, Suite 200, West Valley City, Utah 84119.

¹ <https://www.lexingtonlaw.com/credit-repair-services>

4. Respondent acted through its agents, employees, officers, members, directors, heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives and insurers at all times relevant to the instant action.

FACTS SUPPORTING CAUSES OF ACTION

5. Prior to the events giving rise to this action, in or around 2019 or 2020, Claimant entered into a contract with Respondent for credit repair services given Respondent's representations that its program would be able to help Claimant resolve her debt, remove all negative reporting and increase her credit score within 60 days.

6. Claimant was explicitly informed that if she completed monthly payments of \$139 to Respondent, Respondent would be able to increase her credit rating within thirty to sixty days and resolve outstanding debts negatively reporting by removing items off of her credit report.

7. Claimant was specifically promised that the negative remarks on her credit report would be removed once Respondent sent out dispute letters.

8. Respondent repeatedly suggested to Claimant that it was working on sending credit disputes on her behalf as a means to more promptly address the issues on Claimant's credit reports; however, Respondent's conduct in this regard deceptively and misleadingly represented the extent to which the credit reporting agencies are obliged to respond to credit disputes submitted by credit repair organizations.

9. After faithfully making payments to Respondent for 60 days, Claimant was growing increasingly more disappointed in Respondent's failure to improve her credit rating and remove items from her report, as promised.

10. Respondent's failure to increase Claimant's credit rating through its services caused our Client to believe she was deceived into subscribing to Respondent's services.

11. Throughout their dealings, Respondent deceptively and misleadingly strung Claimant along, telling her what she wanted to hear in order for her to keep making payment, only to turn around and fail to deliver on the promises and representations that induced Claimant's continued participation in Respondent's credit repair services.

12. Dissatisfied with the credit repair services, Claimant ceased making payments to the Respondent.

13. Frustrated, distressed, and concerned over Respondent's conduct, Claimant spoke with the undersigned regarding her rights.

14. Claimant has suffered concrete harm as a result of Respondent's actions, including but not limited to, emotional distress, aggravation, mental anguish, pecuniary loss stemming from the payments made to Respondent for deficient credit repair services, as well as numerous violations of her state and federally protected interests to be free from deceptive and misleading conduct on the part of purported credit repair organizations

COUNT I – VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT

15. Claimant repeats and realleges paragraphs 1 through 14 as though fully set forth herein.

16. Claimant is a "consumer" as defined by 15 U.S.C. § 1679a(1) of the CROA.

17. Respondent is a "credit repair organization" as defined by §1679a(3) of the CROA, as it is a person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of improving a consumer's credit, credit history, or credit rating, or providing assistance to any consumer with regard to any activity or service for the purpose of improving a consumer's credit.

a. Violations of CROA § 1679b(a)

18. The CROA, pursuant to 15 U.S.C. § 1679b(a)(3) prohibits any person from “mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization.” Additionally, pursuant to 15 U.S.C. § 1679b(a)(4), any person is prohibited from “engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization.”

19. Respondent violated the above referenced provisions of the CROA through its misrepresentations and deception as to the nature of the credit repair services it could provide Claimant. In order to get Claimant to agree to utilize Respondent’s services again, Respondent represented that its services would result in resolved outstanding debts negatively reporting by removing items off of her credit report and increase her credit rating; however, Respondent completely failed to follow through on these promises or the services it represented it would perform for Claimant.

20. Further, Respondent violated the CROA when it deceptively represented to Claimant that its disputes would be responded to by the credit reporting agencies. Inherent with Respondent’s representations was the notion that there would be an obligation for an investigation to be triggered by Respondent’s submission of a credit dispute on Claimant’s behalf. However, pursuant to 12 C.F.R. § 1022.43(b)(2), the credit reporting agencies are under no obligation to respond to disputes submitted by credit repair organizations like Respondent.

WHEREFORE, Claimant, CANDACE M. WHITE, respectfully requests that the Arbitrator enter judgment in her favor as follows:

- a. Declaring that the practices complained of herein are unlawful and violate the aforementioned bodies of law;
- b. Awarding Claimant actual damages to be determined at trial, as provided under 15 U.S.C. § 1679g(a)(1);
- c. Awarding Claimant punitive damages, in an amount to be determined at trial, as provided under 15 U.S.C. § 1679g(a)(2)(A);
- d. Awarding Claimant costs and reasonable attorney fees as provided under 15 U.S.C. § 1679g(a)(3); and
- e. Awarding any other relief as the Arbitrator deems just and appropriate.

COUNT II – VIOLATIONS OF THE IDAHO COLLECTION AGENCY ACT

- 21. Claimant restates and realleges paragraphs 1 through 20 as though fully set forth herein.
- 22. Claimant is a “person” as defined by ID. Civ. Code § 26-22 (14).
- 23. Respondent is a “credit repair organization” as defined by ID. Civ. Code § 26-22 (5).

a. Violation of ICAA § 26-2229A (9)

24. The ICAA, pursuant to WV. Civ. Code § 26-2229A, provides a list of prohibited conduct of credit repair organizations.

25. Pursuant to § 26-2229A (9) credit repair organization are prohibited from “[m]ake[ing] a representation or statement of material fact, or omit to state a material fact, in connection with the offer, sale, or performance of any service authorized under this chapter, if the representation, statement, or omission is false or misleading or has the tendency or capacity to be misleading”.

26. As outlined above, Respondent violated the above referenced provisions of the ICAA in much the same way it violated 15 U.S.C. §§ 1679b(a)(3)-(4).

WHEREFORE, Claimant, CANDACE M. WHITE, respectfully requests that the Arbitrator enter judgment in her favor as follows:

- a. Declaring that the practices complained of herein are unlawful and violate the aforementioned statutes and regulations;
- b. Awarding Claimant actual damages pursuant to ID. Civ. Code § 26-2245(2)(b).
- c. Enjoin Respondent from further violations of law pursuant ID. Civ. Code § 26-2245(2)
- d. Awarding any other relief the Arbitrator deems just and appropriate.

Dated: February 6, 2023

Respectfully submitted,

/s/ Omar T. Sulaiman
Omar T. Sulaiman, Esq.
Mohammed O. Badwan, Esq.
Marwan R. Daher, Esq.
Counsel for Claimant
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Lombard, IL 60148
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