

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**SUBRINA PARKER, Individually
and on behalf of all those similarly
situated,**

Plaintiff,

V.

**WORLD FINANCE
CORPORATION OF TEXAS
d/b/a World Finance;
WORLD ACCEPTANCE
CORPORATION d/b/a World
Finance; WFC LIMITED
PARTNERSHIP d/b/a World
Finance; CHARLES D.
WALTERS A. ALEXANDER
MCLEAN; CHARLEST F.
GARDNER, JR.; AND DELIA
BRIGMAN,**

Defendants.

**C.A. NO. 4:07-cv-2872
(JURY DEMANDED)**

PLAINTIFF’S ORIGINAL COMPLAINT

COMES NOW, SUBRINA PARKER, Individually and on behalf of all those similarly situated (hereinafter referred to as “Parker” or the “Plaintiff”), Plaintiff in the above styled case, and makes this her Plaintiff’s Original Complaint against WORLD FINANCE CORPORATION OF TEXAS d/b/a World Finance (“WFCTX”), WORLD ACCEPTANCE CORPORATION d/b/a World Finance (“WAC”); WFC LIMITED PARTNERSHIP d/b/a World Finance (“WFCLP”);

WFC OF SOUTH CAROLINA, INC. d/b/a World Finance (“WFCSCI”)(WFCTX, WAC, WFCLP, and WFCSCI hereinafter referred to together as “World Finance”), CHARLES D. WALTERS (“Walters”), A. ALEXANDER MCLEAN (“McLean”), CHARLEST F. GARDNER, JR., (“Gardner”) and DELIA BRIGMAN (“Brigman”) (WFCTX, WAC, WFCLP, WFCSCI, Walters, McLean, Gardner, and Brigman hereinafter collectively referred to as the “Defendants”) and for cause of action would show as follows:

I.

Parties

1. At all pertinent times the Plaintiff was and is a natural person and domiciliary of Humble, Harris County, Texas.

2. Defendant World Finance Corporation of Texas d/b/a World Finance is a Texas corporation doing business in the State of Texas, and may be served by serving its registered agent, CT Corporation System, at its registered address located at 350 N. St. Paul Street, Dallas, Texas 75201, or wherever it may be found.

3. Defendant World Acceptance Corporation d/b/a World Finance is a South Carolina corporation doing business in the State of Texas, and may be served by serving its registered agent, CT Corporation System, at its registered address located at 75 Beattie Place, Greenville, South Carolina 29601, or wherever it may be found.

4. Defendant WFC Limited Partnership d/b/a World Finance is a Texas limited partnership doing business in the State of Texas, and may be served by serving its registered agent, CT Corporation System, at its registered address located at 350 N. St. Paul Street, Dallas, Texas 75201, or wherever it may be found.

5. Defendant WFC of South Carolina, Inc. d/b/a World Finance is a South Carolina corporation doing business in the State of Texas, and may be served by serving its registered agent, CT Corporation System, at its registered address located at 75 Beattie Place, Greenville, South Carolina 29601, or wherever it may be found.

6. Defendant Charles D. Walters is an individual residing in South Carolina and doing business in the State of Texas and may be served by serving him at his principal place of business located at 108 Frederick Street, Greenville, South Carolina 29607, or wherever he may be found.

7. Defendant A. Alexandar McLean is an individual residing in South Carolina and doing business in the State of Texas and may be served by serving him at his principal place of business located at 108 Frederick Street, Greenville, South Carolina 29607, or wherever he may be found.

8. Defendant Charlest F. Garnder, Jr. is an individual residing in South Carolina and doing business in the State of Texas and may be served by serving him at his principal place of business located at 108 Frederick Street, Greenville, South Carolina 29607, or wherever he may be found.

9. Defendant Delia Brigman is an individual residing in South Carolina and doing business in the State of Texas and may be served by serving her at her principal place of business located at 108 Frederick Street, Greenville, South Carolina 29607, or wherever she may be found.

II.

Jurisdiction and Venue

10. This Court has jurisdiction under 28 U.S.C. § 1331 in that this civil action arises under the laws of the United States, in particular under the provisions of the “Racketeer Influenced and Corrupt Organizations Act” codified at 18 U.S.C. §§ 1961, *et seq.* (“RICO”).

11. The Defendants are also liable to the Plaintiff pursuant to the laws of the State of Texas, which claims may be brought under the supplemental and ancillary jurisdiction of this Court.

12. This Court has personal jurisdiction over the Defendants because they operated in Texas, solicited and made loans to Texas residents in Texas, and conducted the acts that are the grounds of this suit in Texas. The Defendants have established minimum contacts in the State of Texas.

13. This Court has venue under 28 U.S.C. §1391(b), because a substantial part of the events or omissions giving rise to the claim occurred in the Southern District of Texas.

III.

Background Facts

14. World Finance is a payday lender with storefront locations offering payday loans to working class people. Its storefront locations are located in Texas, Alabama, Georgia, Illinois, Louisiana, Missouri, New Mexico, Oklahoma, South Carolina, and Tennessee. World Finance is an enterprise that structures itself to attempt to avoid liability with multiple corporations, but it is essentially one group operating under the assumed name “World Finance Corporation: centrally out of one location in South Caroline. World Acceptance Corporation is the parent corporation owning a series of corporations set up to “operate” each state’s storefront locations and limited partnership set up to hold licenses in each state. In the summer of 2006, the Plaintiff applied for a \$200.00 loan from World Finance at its storefront location in Humble, Texas. The Plaintiff was approved for and received the loan. World Finance made the loan to the Plaintiff. World Finance contracted for, charged, and received finance charges and interest on the principal amount of \$200.00 far in excess of the amounts allowed under the Texas Finance Code and the Texas Administrative Code.

15. WFCTX is a wholly owned subsidiary of WAC. WAC also owns World Finance Corporation of South Carolina, World Acceptance Corporation of Oklahoma, World Finance Corporation of Georgia, World Finance Corporation of

Illinois, World Acceptance Corporation of Missouri, World Finance Corporation of New Mexico, World Finance Corporation of Louisiana, World Acceptance Corporation of Alabama, and World Finance Corporation of Tennessee.

16. WAC uses these wholly owned subsidiaries as its local lending arms and collecting units and represents and holds itself out to the public as being the lender with “branches” located in these various states. On its website, WAC lists the Humble storefront location along with numerous other locations in Texas as WAC’s loan stores.

17. WFCLP is the entity that holds the license with the Texas Office of Consumer Credit Commission to operate as a regulated consumer lender in the State of Texas. WFCSCI is the general partner of WFCLP. WFCTX is not a regulated consumer lender licensed to make loans with the Texas Office of Consumer Credit Commission.

18. Walters is the Chairman of the Board of Directors of WAC. McLean is the Chief Executive Officer of WAC. Gardner is the President of WFCTX. Brigman is the Treasurer of WFCTX.

19. Sometime in February of 2007, the Plaintiff was unable to pay the monthly interest payments at the unlawful rate that World Finance was demanding, and World Finance forced Plaintiff to “refinance” the loan. This involved the Plaintiff signing a new note for the principal and interest due plus finance charges

and interest again far in excess of the amounts allowed under the Texas Finance Code and the Texas Administrative Code. The new loan balance was \$250.00. In March of 2007, the Plaintiff began making her new monthly finance charge payments of \$50.00 each.

20. In the Spring of 2007, the Plaintiff became delinquent on her monthly payments. World Finance began collecting the debt against Plaintiff. World Finance began by calling the Plaintiff's place of employment and speaking with her co-workers. World Finance disclosed the nature of the call to the Plaintiff's co-workers. World Finance even spoke with the Plaintiff's supervisors, who informed World Finance that the Plaintiff was not allowed to take calls of that nature at her place of employment and to stop calling on that telephone line, which was a US Government line and not one for the public's use.

21. World Finance also telephoned the Plaintiff on her cell phone and her home phone. On a number of occasions, World Finance discussed the Plaintiff's debt with the Plaintiff's children. World Finance threatened to sue the Plaintiff and garnish her wages.

IV.

Class Claims

Class Action Considerations for Class Claims

22. The Plaintiff brings this action individually and on behalf of all persons similarly situated pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Plaintiff seeks to represent a Plaintiff class defined as follows:

All persons: (i) residing in the State of Texas (ii) who applied for and obtained a “payday loan” from World Finance (iii) in the State of Texas (iv) in which World Finance contracted for, charged or received an acquisition charge, an installment account handling charge, a default charge, or a deferment charge in excess of the maximum amount allowed under Tex. Fin. Code, Chapter 342, Subchapter F and Tex. Admin. Code, § 83.604 (v) during the time period from September 5, 2005, through the date of entry of an order certifying the class.

23. The class is so numerous that joinder of all members is impracticable.

24. There are common questions of law and fact affecting the rights of class members who suffered damage due to the conduct of the Defendants described herein. The common question of law is whether World Finance contracted for, charged or received an acquisition charge, a default charge, or a deferment charge in excess of the maximum amount allowed under Tex. Fin. Code, Chapter 342, Subchapter F and Tex. Admin. Code, § 83.604. This common question of law arises from the conduct in connection with form loan agreements and standard practices of

World Finance in which World Finance was engaged in identical, illegal lending practices across Texas. This also constitutes a common question of fact.

25. The Plaintiff's claims are typical of the claims of class members, and the defenses of the Defendants to the claims of the Plaintiff are expected to be typical of the defenses to the claims of other class members. Indeed, the Plaintiff's claims have the same essential characteristics as the claims of the class as a whole and are based upon identical legal theories. The class members have suffered the same injury and possess the same interests as the Plaintiff. In particular, all class members have paid finance charges to World Finance in excess of the amount allowed by the Texas Finance Code and Texas Administrative Code.

26. The Plaintiff as a representative party will fairly and adequately protect the interests of the class. The Plaintiff has retained qualified, experienced, and able counsel to represent the class, has no conflicts of interest with the class, and brings this suit specifically for the protection of the class members who have been misled, deceived, or otherwise victimized and damaged by the Defendants' practices, and not solely to recover her own personal damages.

27. The Defendants' conduct with respect to the Plaintiff is and has been generally applicable to the class, thereby making relief and damages with respect to the class as a whole.

28. The prosecution of separate suits by individual members of the class

would create a risk of inconsistent and varying adjudications with respect to individual members of the class that would establish incompatible standards of conduct for the party opposing the class. To avoid this result, this suit should be maintained as a class action.

29. The prosecution of separate suits by individual members of the class would create a risk of adjudications with respect to individual members of the class which would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests. To avoid this result, this suit should be maintained as a class action.

30. The Plaintiff believes this Court will find that the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Thus, this suit should be maintained as a class action.

Violations of the Texas Finance Code

31. WFCTX and WAC made consumer deferred presentment loans without holding a license in violation of Tex. Admin. Code, § 83.204(b).

32. WFCTX and WAC contracted for, charged or received finance charges, including but not limited to acquisition charges, installment account handling

charges, default charges and deferment charges, far in excess of the maximum amount allowed under Texas Finance Code, Chapter 342, Subchapter F and Tex. Admin. Code, § 83.604.

33. WFCTX's and WAC's conduct directly and proximately caused damages to the Plaintiff and the class members, which the Plaintiff and the class now seek.

RICO Claims

34. The Defendants are persons as defined by 18 U.S.C. § 1961(3) and are an "enterprise" as defined by 18 U.S.C. § 1961(4).

35. World Finance lent money to the Plaintiff and the class members at a rate that was illegal under Texas law, making the debts "unlawful debts" as defined under 18 U.S.C. § 1961(6).

36. The Defendants engaged in activity that constituted "racketeering activity" as defined under 18 U.S.C. § 1961(1). Specifically:

- (a) World Finance made extortionate extensions of credit to the Plaintiff and the class members in violation of 18 U.S.C. § 892, by making loans to the Plaintiff and the class members that were not enforceable in Texas and that were at a rate of interest for in excess of the allowed rate on a deferred presentment loan or "payday loan."
- (b) World Finance and the other Defendants participated in or conspired to participate in the use of extortionate means to collect or attempt to collect the extensions of credit to the Plaintiff and the class members in violation of 18 U.S.C. § 894 by making threats of arrest that were unlawful and impossible.

(c) Defendants knowingly engaged in a monetary transaction in criminally derived property of a value greater than \$10,000 and derived from specified unlawful activity in violation of 18 U.S.C. § 1957(a).

37. The Defendants have received income derived, directly and/or indirectly, from a pattern of racketeering activity and/or through collection of unlawful debts in which the Defendants have participated as principal within the meaning of 18 U.S.C. § 2, and the Defendants have used or invested, directly and/or indirectly, a part of that income or the proceeds of that income in the establishment and/or operation of an enterprise which is engaged in interstate commerce. In particular, the Defendants have taken the income derived from the activities of World Finance and have used or invested part of the income in the operation of World Finance and its affiliates in interstate commerce. This constitutes a violation of 18 U.S.C. § 1962(a).

38. The Defendants have participated, directly and/or indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity or collection of an unlawful debt in violation of 18 U.S.C. § 1962(c).

39. The Defendants, who are persons employed by or associated with the enterprise and have conspired to violate subsection (a) and (c) of section 1962 of title 18 of the United States Code, in violation of 18 U.S.C. § 1962(d). In particular, the Defendants agreed to charge, or conspired to charge and assisted in charging exceedingly usurious interest rates and agreed to collect these unlawful debts through extortionate practices.

40. The Defendants' conduct directly and proximately caused damages to the Plaintiff and the class that the Plaintiff and the class now seek.

41. The Defendants are liable to the Plaintiff and the class for an amount equal to three times the damages sustained and costs of the suit including a reasonable attorney's fee. In addition, the Plaintiff seeks the issuance of appropriate orders, including but not limited to an order divesting WAC from its interest in World Finance, an order imposing reasonable restrictions on the future activities of World Finance and prohibiting loans of the same type as those complained of in this suit, and an order dissolving WFCTX and WFCLP, liquidating its assets, and disbursing the proceeds of the liquidation to the Plaintiff and the class members in compensation of damages that may be awarded.

V.

Individual Claims

A. Texas Collection Act Claims

42. World Finance's conduct constitutes violations of the Texas Collection Practices Act, codified in the Texas Finance Code. The Plaintiff is a consumer as that term is defined by Tex. Fin. Code, § 392.001(1). World Finance is a debt collector as that term is defined by Tex. Fin. Code, § 392.001(6).

Threats or Coercion: Tex. Fin. Code, § 392.301

43. World Finance's actions and conduct constitute violations of Texas

Finance Code, § 392.301, specifically, threatening that nonpayment of a consumer debt will result in the seizure, repossession, or sale of the person's property without proper court proceedings in violation of Section 392.301(a)(7).

44. World Finance's conduct was the direct cause of damages to the Plaintiff in an amount in excess of the jurisdictional limits of the Court, for which the Plaintiff now sues.

Harassment; Abuse: Tex. Fin. Code, § 392.302

45. World Finance's actions and conduct constitute violations of Texas Finance Code, § 392.302, as follows:

- a. Using language intended to abuse unreasonably the hearer or reader in violation of section 392.302(1) of the Texas Finance Code.
- b. Causing a telephone to ring repeatedly or continuously or making repeated or continuous telephone calls with the intent to harass a person at the called number in violation of section 392.302(4) of the Texas Finance Code.

46. World Finance's conduct was the direct cause of damages to the Plaintiff in an amount in excess of the jurisdictional limits of the Court, for which the Plaintiff now sues.

Fraudulent, Deceptive, or Misleading Representations:
Tex. Fin. Code, § 392.304

47. World Finance's actions and conduct constitute violations of Texas Finance Code, § 392.304, as follows:

- a. Misrepresenting the character, extent, or amount of the Plaintiff's

- consumer debt, or misrepresenting the Plaintiff's consumer debt's status in a judicial or governmental proceeding in violation of section 392.304(a)(8) of the Texas Finance Code.
- b. Representing falsely the status or nature of the services rendered by the debt collector or the debt collector's business in violation of section 392.304(a)(14) of the Texas Finance Code.
 - c. Using any other false representation or deceptive means to collect a debt or obtain information concerning a consumer in violation of section 392.304(19) of the Texas Finance Code.

48. World Finance's conduct was the direct cause of damages to the Plaintiff in an amount in excess of the jurisdictional limits of the Court, for which the Plaintiff now sues.

Costs of Litigation and Attorney's Fees

49. The Plaintiff has been forced to hire the attorneys whose names appear below to pursue those claims on their behalf. The Plaintiff seeks an award of her costs of this action, including but not limited to reasonable attorneys' fees pursuant to Tex. Fin. Code, § 392.403(b).

B. Intentional Infliction of Emotional Distress

50. World Finance's conduct constitutes intentional infliction of emotional distress. World Finance made calls to the Plaintiff's work place after being told she was not permitted to take calls there. World Finance disclosed the nature of the call and that the Plaintiff owed a debt to her employer and continued to call a phone line that the Plaintiff's employer told it not to call. World Finance spoke with the Plaintiff's daughter about the debt and threatened to sue the Plaintiff and garnish her

wages if she did not pay. World Finance's actions and threats were all calculated at intentionally inflicting emotional distress upon the Plaintiff so that she would pay the debt in order to make the calls stop. World Finance's actions in doing this were intentional or reckless, their conduct was extreme and outrageous, their actions caused the Plaintiff emotional distress and the Plaintiff's resulting emotional distress was severe.

51. As a direct and proximate result of the acts of World Finance, the Plaintiff has been damaged in a sum in excess of the minimum jurisdictional limits of the court. Moreover, World Finance's actions were intentional or reckless, and the Plaintiff hereby sues for exemplary damages in an amount far in excess of the minimal jurisdictional limits of this Court.

C. Invasion of Privacy by Way of Intrusion

52. World Finance's conduct constitutes an invasion of the Plaintiff's privacy by way of intrusion, in that World Finance intentionally intruded upon the solitude of the Plaintiff or her private affairs in a way that was or would have been highly offensive to a reasonable person. World Finance's intrusion was unreasonable, unjustified, or unwarranted.

53. As a direct and proximate result of the acts of World Finance, the Plaintiff has been damaged in a sum in excess of the minimum jurisdictional limits of the court. Moreover, World Finance's actions were intentional or reckless, and the

Plaintiff hereby sues for exemplary damages in an amount far in excess of the minimal jurisdictional limits of this Court.

54. World Finance's conduct has proximately caused damages to the Plaintiff, and the Plaintiff has been harmed as a proximate result.

55. As a direct and proximate result of the acts of World Finance, the Plaintiff has been damaged in a sum in excess of the minimum jurisdictional limits of the court.

VI.

Jury Demand

56. The Plaintiff demands a trial by jury on all issues in this case.

WHEREFORE, PREMISES CONSIDERED, the Plaintiff, SUBRINA PARKER, Individually and on behalf of all those similarly situated, and respectfully requests that the Defendants, WORLD FINANCE CORPORATION OF TEXAS, WORLD ACCEPTANCE CORPORATION, WFC LIMITED PARTNERSHIP; WFC OF SOUTH CAROLINA, INC.; CHARLES D. WALTERS, A. ALEXANDER MCLEAN, CHARLEST F. GARDNER, JR., and DELIA BRIGMAN be cited to appear, and that after trial to a jury the Plaintiff be awarded judgment against the Defendants, jointly and severally, for the following:

1. Actual damages against Defendants;
2. Additional, punitive, or exemplary damages against Defendants;

3. Prejudgment and post judgment interest as allowed by law;
4. Reasonable and necessary attorney's fees;
5. Costs of Court; and
6. Such other relief, both equitable and at law, to which the Plaintiff may show herself entitled.

Respectfully submitted,

WAUSON ♦ PROBUS

By: /s/ Matthew B. Probus
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