

**BEFORE THE HEARING BOARD  
OF THE  
ILLINOIS ATTORNEY REGISTRATION  
AND  
DISCIPLINARY COMMISSION**

In the Matter of:

ROBERT KENNETH LOCK, JR.,

Commission No. 2010PR00164

Attorney-Respondent,

FILED - November 4, 2010

No. 6202454

**COMPLAINT**

Jerome Larkin, Administrator of the Attorney Registration and Disciplinary Commission, by his attorney, James A. Doppke, Jr., pursuant to Supreme Court Rule 753(b), complains of Robert Kenneth Lock, Jr., who was licensed to practice law in Illinois on November 9, 1989, and alleges that Respondent has engaged in the following conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute:

**COUNT I**

*(False statements regarding the operation of Phase I of the Debt Reconciliation Program of the Credit Collections Defense Network)*

1. Between 2005 and 2010, Respondent and Philip Manger, an attorney licensed in New York and residing in Connecticut, were the two members of the Credit Collections Defense Network ("CCDN"), a Nevada limited liability corporation. Manger, who was not licensed to practice law in Illinois, was the managing member of CCDN.
2. Between 2005 and 2010, Respondent and Manger together operated CCDN as an entity providing legal services to consumers nationwide relating to consumer credit card debt and other debt collection matters.
3. Specifically, CCDN offered its potential clients the opportunity to use its "Debt Reconciliation Program" in order to validate existing consumer debts; restore their credit; and, where applicable, seek redress for alleged violations of the Fair Debt Collection Practices Act.
4. Between 2005 and 2010, CCDN conducted its operations at several different locations, including, between approximately 2005 and 2009 a residence in Cattaraugus, New York, which it designated as the "CCDN Support Center." Between approximately 2009 and 2010, the "CCDN Support Center" was located at an office suite in Brick, NJ. Further, various promotional materials created by Respondent or Manger for CCDN gave the address for CCDN's headquarters as 7144 North Harlem Ave, Suite 323, Chicago, which was a private mailbox located at a UPS Store.
5. Between 2005 and 2010, CCDN had several employees, including two paralegals who worked from their home in Ohio, and a manager of the "CCDN Support Center" who had, prior to being employed by CCDN, owned and operated a lawn-care service in Florida.
6. Between 2005 and 2010, CCDN received payments in amounts between \$2,500 and \$4,800 from at least 2,219 clients seeking its assistance with relation to credit card debts and other debt collection matters, including, but not limited to, CCDN's assistance in communicating with original creditors in relation to

validation or invalidation of debts.

7. Between 2005 and 2010, Respondent, together with Manger, drafted and revised materials given by CCDN's agents or employees to its clients relating to the Debt Reconciliation Program, including a document entitled "Debt Reconciliation Program Enrollment Manual" ("the Enrollment Manual").

8. Respondent knew that the Enrollment Manual stated, *inter alia*, that the Debt Reconciliation Program purported to involve three phases: Phase I (Credit Restoration); Phase II (Reconciliation); and Phase III (Federal Lawsuit). Respondent further knew that the Enrollment Manual stated that the Debt Reconciliation Program was to continue for 24 months after the customer or client began participating in the program.

9. Between 2005 and 2010, the sole "credit restoration" service CCDN provided to its clients was to refer its clients to The Fulfillment Center, a Delaware business entity in which neither Respondent nor Manger participated. At no time during Respondent's participation in the operation of CCDN did CCDN take action to challenge any information on its clients' or clients' credit reports, or otherwise "monitor" any such reports.

10. Between 2005 and 2010, Respondent caused, or participated in causing, the Enrollment Manual to contain the following description of Phase I of CCDN's purported Debt Reconciliation Program:

**Phase I  
Credit Restoration**

Credit Restoration begins as soon as you enter our program and will continue for 24 months thereafter. Our experience is the majority of negatives will be removed from a typical clients [sic] credit reports within the first 4 to 6 months of this process, but we will continue to challenge unverified information and monitor all clients' credit reports for the full 24 months.

Once your paperwork is received at the CCDN Support Center, the support team will send your credit restoration application to The Fulfillment Center within two weeks. Following submission of your application, The Fulfillment Center will then begin the process of credit restoration with you by contacting you by e-mail. [...]

11. As Respondent knew, the statement that CCDN or its employees would "continue to challenge unverified information and monitor all clients' credit reports for...24 months" was false. At no time during Respondent's participation in the operation of CCDN did CCDN take action to challenge any information on its clients' or clients' credit reports, or otherwise "monitor" any such reports.

12. By causing the statement referred to in paragraph 10, above, to be contained in the Enrollment Manual, Respondent intended to, and did, mislead clients and potential clients of CCDN into believing that CCDN would take action challenge information on their credit reports on their behalf, or otherwise to remove negative items from any such reports.

13. By reason of the conduct described above that occurred before January 1, 2010, Respondent has engaged in the following misconduct:

- a. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(a)(4) of the Illinois Rules of Professional Conduct (1990); and
- b. conduct which tends to defeat the administration of justice, or to bring the courts or the legal profession into disrepute, in violation of Supreme Court

Rule 770.

14. By reason of the conduct described above that occurred on or after January 1, 2010, Respondent has engaged in the following misconduct:

- a. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(c) of the 2010 Illinois Rules of Professional Conduct; and
- b. conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute in violation of Supreme Court Rule 770.

## COUNT II

*(False statements regarding the operation of Phase II of the Debt Reconciliation Program of the Credit Collections Defense Network)*

15. The Administrator repeats and realleges paragraphs one through 12, above, and incorporates the same herein.

16. Between 2005 and 2010, CCDN took no action to contact any creditors on behalf of its clients with respect to validation of the consumer debts incurred by its clients. Instead, as part of its services, CCDN provided to its clients copies of form letters requesting validation of a debt, and advised the clients to complete the form letters and send them to their creditors in order to obtain validation of their debts.

17. Between 2005 and 2010, Respondent caused, or participated in causing, the Enrollment Manual (referred to in paragraph seven, above) to contain the following description of Phase II of CCDN's purported Debt Reconciliation Program:

### **Phase II Reconciliation**

Validation and Reconciliation also begins as soon as your paperwork is processed. The purpose of this phase is to create an administrative record and establish as much information as possible as to the ownership and validity of the alleged debt.

The process works through two levels. First, we send out a series of proprietary letters at specific times to either the original creditor (OC) or the third party debt collector (3PDC) in an attempt to have the OC or 3PDC provide validation of the alleged debt. If they are unable to do so, we demand that they zero out our customer's account and mark it "paid as agreed."

Second, these letters are used to expedite the transfer of the account from the OC to the 3PDC at which time our correspondence is used to enhance our compliance audits in Phase Three.

Phase Two usually takes from 3 to 8 months depending on the status of the accounts when the individual enters the program and the speed at which the various OCs and 3PDCs respond to our correspondence.

When you stop paying the creditors, they will begin their collection efforts. These efforts include phone calls and letters. You will have to keep a log of the calls (we

will provide you with a form) and fax any collection items or letters you receive in the mail to the Support Center ASAP so we can send you the proper response. The same applies to all 3PDCs as well.

Also included in this program, [sic] is the education and the support documents to aid our Clients against unlawful attacks of third party debt collectors. As CCDN does not work in the State court level, only the Federal level, the client will use these documents to protect themselves from these unlawful attacks with the goal of preventing State legal action and potential judgments.

The creditors, and especially third party debt collectors, typically violate several laws designed to protect the consumer. To learn more about how collectors work, visit our web site at [www.ccdnlaw.com](http://www.ccdnlaw.com), click on the Education tab at the top and read the articles "How Debt Collectors Work" and "Abusive Debt Collectors" Also, familiarize yourself with the Fair Debt Collections Practices Act, Fair Credit Billing Act and the Fair Credit Reporting Act found in the Education Section on our web site, as well.

18. As Respondent knew, the statements in the Enrollment Manual to the effect that CCDN or its employees would "send out a series of proprietary letters at specific times to either the original creditor (OC) or the third party debt collector (3PDC) in an attempt to have the OC or 3PDC provide validation of the alleged debt," or that CCDN or its employees would "demand that the [creditor] zero out our customer's account and mark it 'paid as agreed,'" were false, because at no time between 2005 and 2010 did CCDN take action to contact any creditors on behalf of its clients in order to validate of the consumer debts incurred by its clients, in order to demand that the creditor zero out an account and mark it "paid as agreed," or for any other reason.

19. By causing the statements referred to in paragraph 17, above, to be contained in the Enrollment Manual, Respondent intended to, and did, mislead clients and potential clients of CCDN into believing that CCDN would take action to contact their creditors regarding the validation or invalidation of debts on their behalf, or otherwise to contact their creditors directly.

20. By reason of the conduct described above that occurred before January 1, 2010, Respondent has engaged in the following misconduct:

- a. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(a)(4) of the Illinois Rules of Professional Conduct (1990); and
- b. conduct which tends to defeat the administration of justice, or to bring the courts or the legal profession into disrepute, in violation of Supreme Court Rule 770.

21. By reason of the conduct described above that occurred on or after January 1, 2010, Respondent has engaged in the following misconduct:

- a. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(c) of the 2010 Illinois Rules of Professional Conduct; and
- b. conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute in violation of Supreme Court Rule 770.

## COUNT III

*(False statements on Credit Collections Defense Network website)*

22. The Administrator repeats and realleges paragraphs one through 19, above, and incorporates the same herein.
23. As part of his participation in the operation of CCDN, Respondent maintained, or participated in maintaining, a website pertaining to CCDN ([www.ccdnlaw.com](http://www.ccdnlaw.com)).
24. In or about 2009, Respondent participated in drafting or revising a portion of the CCDN website entitled "FAQ" ("Frequently Asked Questions"), including by causing the FAQ to include the following text:

**SECTION 2: HOW DOES THE CCDN DEBT RECONCILIATION PROCESS WORK?****8) How do you eliminate my debt?**

Please understand that this is not a "Debt Elimination" process. If you are looking for a way to avoid your legal obligations under contract, you have found the wrong place. We have seen all of the processes out there, from UCC Redemption to Ultra Vires to Bonding to foreign mail drops coupled with lawsuits and liens, and everything in between. While some may work for a time, they all ultimately suffer the same fate—Failure—and in more and more cases, Sanctions.

The CCDN uses a proprietary set of tools and strategies developed by certified paralegals and licensed attorneys to validate unsecured debt claims, and then identify, develop and litigate consumer claims for violations of state and federal consumer protection laws. In all circumstances, the CCDN will endeavor to secure validation of the underlying debt from an original creditor and any subsequent owners or holders of the unsecured debt account. During the process, some debts may be invalidated. A debt that is proven to be invalid must be forgiven and removed from the credit report and the records of the financial institution. Other debts may be subject to negotiation and settlement. Still others may be litigated. From our experience and research, rarely do any of these federal claims go to trial. [...]

25. As Respondent knew, the statement that "[i]n all circumstances, CCDN will endeavor to secure validation of [an] underlying debt from an original creditor and any subsequent owners or holders of the unsecured debt account" was false. At no time during Respondent's participation in the operation of CCDN did CCDN take action to validate debts owed by its clients, or otherwise to communicate directly with its clients' creditors with respect to validation of debts. Instead, as part of its services, CCDN provided to its clients copies of form letters requesting validation of a debt, and advised the clients to send complete the form letters and send them to their creditors in order to obtain validation of their debts.
26. By causing the statement referred to in paragraph 24, above, to be contained in the FAQ on the CCDN website, Respondent intended to, and did, mislead clients of CCDN, or potential clients of CCDN, into believing that CCDN would take action to validate or invalidate debts on their behalf, or otherwise to contact their creditors directly.
27. Between 2005 and 2010, CCDN did not take any action to remove any negative items from its clients' credit reports; monitor its clients' credit reports; or contact any original creditors of any of its 2,219 clients in order to secure validation of any of those clients' debts, or for any other purpose.
28. In or about 2010, CCDN ceased its operations, and it ceased maintaining the website previously located

at <http://www.ccdnlaw.com>.

29. By reason of the conduct described above that occurred before January 1, 2010, Respondent has engaged in the following misconduct:

- a. making a false or misleading communication about the lawyer or the lawyer's services, in violation of Rule 7.1 of the Illinois Rules of Professional Conduct (1990);
- b. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(a)(4) of the Illinois Rules of Professional Conduct (1990); and
- c. conduct which tends to defeat the administration of justice, or to bring the courts or the legal profession into disrepute, in violation of Supreme Court Rule 770.

30. By reason of the conduct described above that occurred on or after January 1, 2010, Respondent has engaged in the following misconduct:

- a. making a false or misleading communication about the lawyer or the lawyer's services, in violation of Rule 7.1 of the 2010 Illinois Rules of Professional Conduct;
- b. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Rule 8.4(c) of the 2010 Illinois Rules of Professional Conduct; and
- c. conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute in violation of Supreme Court Rule 770.

#### COUNT IV

*(Payment of improper referral fees and dividing legal fees with nonlawyer Robert Lindsey)*

31. In or about February 2007, Respondent, on behalf of CCDN and Robert K. Lock and Associates ("RKLA"), an Illinois business entity owned or operated by Respondent, entered into a written referral agreement with Robert Lindsey, a/k/a Bob Lindsey ("Lindsey" or "BL"). At that time, Lindsey was the operator and sole proprietor of The Credit Card Solution ("TCCS"), a business entity located in Texas.

32. As of February 2007, Lindsey was neither an employee of Respondent's law firm nor a lawyer licensed to practice law.

33. As part of the agreement referred to in paragraph 31, above, Respondent, on behalf of RKLA and CCDN, caused the agreement to recite that "BL and RKLA/CCDN desire[d] to establish a mutually beneficial relationship whereby BL refers clients in need of the legal services offered by RKLA/CCDN, and RKLA/CCDN utilizes the marketing support services of BL to support its provision of high quality legal services to its client base."

34. As part of the agreement referred to in paragraph 31, above, Lindsey agreed to provide referrals of clients seeking legal services to CCDN.

35. As part of the agreement referred to in paragraph 31, above, Respondent and Lindsey agreed that Lindsey would solicit clients to participate in CCDN's Debt Reconciliation Program.

36. As part of the agreement referred to in paragraph 31, above, Respondent and Lindsey agreed that Lindsey would charge clients seeking to participate in CCDN's Debt Reconciliation Program up to \$5,900, and that Lindsey would remit at least \$2,800 of each payment he received from a customer or client to Respondent or CCDN.

37. Respondent allowed Lindsey to retain a portion of the funds he collected from clients of CCDN as compensation for Lindsey's having recommended that those clients employ RKLA or CCDN in order to provide legal services relating to credit card debts or other debt collection matters.

38. Between 2007 and approximately 2009, Lindsey promulgated advertising and other promotional materials in which he recommended that persons seeking assistance with credit card debts employ his services as the operator of TCCS. As part of those materials, Lindsey described the services that CCDN would purportedly provide, and claimed that those services would be successful in assisting with credit card debt issues and raising clients' credit scores.

39. Between 2007 and approximately 2009, Lindsey solicited, and referred to Respondent or CCDN, at least 243 clients, pursuant to the agreement referred to in paragraph 31, above. Neither Lindsey nor TCCS provided any services to Respondent, CCDN, or CCDN's clients other than the advertising services referred to in paragraph 38, above, and the referral of the client to Respondent or CCDN.

40. The 243 clients solicited by Lindsey were not relatives or close friends of Respondent, and neither Respondent nor CCDN had had professional relationships with those clients prior to the times that the clients retained the services of TCCS, RKLA, or CCDN.

41. Pursuant to the agreement referred to in paragraph 31, above, Lindsey was required to remit at least \$2,800 to CCDN for each of the 243 clients he referred to CCDN, or a total of at least \$680,400. Between 2007 and approximately 2009, Lindsey remitted approximately \$211,365 to Respondent or CCDN. In addition to retaining any amounts in excess of \$2,800 that he received from the clients he referred to CCDN, Lindsey retained at least the remaining \$469,035 that he was required to remit to CCDN, and used it for his own purposes.

42. By reason of the conduct described above that occurred before January 1, 2010, Respondent has engaged in the following misconduct:

- a. sharing legal fees with a nonlawyer, in violation of Rule 5.4(a) of the Illinois Rules of Professional Conduct (1990);
- b. giving something of value to a person for recommending or having recommended the lawyer's services, in violation of Rule 7.2(b) of the Illinois Rules of Professional Conduct (1990);
- c. through a representative, soliciting professional employment from a prospective client who is neither a relative, close friend of the lawyer, or a person with whom the lawyer or the lawyer's firm has had a prior relationship, in violation of Rule 7.3 of the Illinois Rules of Professional Conduct (1990);
- d. conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute, in violation of Supreme Court Rule 770.

43. By reason of the conduct described above that occurred on or after January 1, 2010, Respondent has engaged in the following misconduct:

- a. sharing legal fees with a nonlawyer, in violation of Rule 5.4(a) of the 2010 Illinois Rules of Professional Conduct;
- b. giving something of value to a person for recommending the lawyer's services, in violation of Rule 7.2(b) of the 2010 Illinois Rules of Professional Conduct;
- c. soliciting professional employment from a prospective client who is neither a lawyer nor a person with a family, close personal, or prior professional relationship with the lawyer, in violation of Rule 7.3 of the Illinois Rules of Professional Conduct (1990);
- d. conduct which tends to defeat the administration of justice or to bring the courts or the legal profession into disrepute, in violation of Supreme Court Rule 770.

WHEREFORE, the Administrator requests that this matter be assigned to a panel of the Hearing Board, that a hearing be held, and that the panel make findings of fact, conclusions of fact and law, and a recommendation for such discipline as is warranted.

Respectfully submitted,

Jerome Larkin,  
Administrator  
Attorney Registration  
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Disciplinary Commission

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