

12-1211

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

CITIBANK, N.A.

Plaintiff,

v.

VERONICA MANNING,

Defendant.

IN THE GENERAL COURT OF JUSTICE
DISTRICT COURT DIVISION
12-CVD-972

**ORDER GRANTING PLAINTIFF'S
MOTION FOR SANCTIONS**

FILED
2013 APR 24 PM 4:30
CLEVELAND COUNTY, C.S.C.

THIS CAUSE came on to be heard before the Hon. Meredith A. Shuford, District Court Judge of Cleveland County presiding over the Cleveland County District Court session on Monday, March 11, 2013, upon Plaintiff's Motion for Summary Judgment and Motion for Order Compelling Discovery and for Sanctions. Michael B. Stein appeared at the hearing on behalf of the Plaintiff, and the Defendant appeared pro se. By separate Order entered on March 11, 2013, this Court granted Plaintiff's Motion for Summary Judgment which rendered moot Plaintiff's Motion for Order Compelling Discovery. However, the undersigned took Plaintiff's Motion for Sanctions under advisement. Having reviewed the pleadings, case law and other materials submitted, and having considered the arguments of the parties and/or their counsel, the Court now makes the following **FINDINGS OF FACT**:

1. On May 18, 2012, Plaintiff instituted this civil action by filing a Civil Summons and Complaint against the Defendant. The Complaint alleges that the Defendant owes the Plaintiff \$2,160.34 for charges made on her Goodyear credit card issued by the Plaintiff. Attached to the Plaintiff's Complaint is an Affidavit of a Document Control Officer of the Plaintiff. The Affidavit provides, in relevant part, that the Defendant owes Plaintiff \$2,160.34 on her credit card account issued by the Plaintiff. Attached to the Affidavit as *Exhibit A* is a December 29, 2011 billing statement for the credit card account. That billing statement is addressed to the Defendant and provides that the credit card account balance, at that time, was \$2,160.34.

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2. On September 17, 2012, the Defendant filed her unverified *Answer to Complaint and Affidavit* (hereinafter “the Defendant’s Answer”) wherein she denied each allegation of the Plaintiff’s Complaint and stated that: (a) she did not open the credit card account; (b) did not make any charges on the account; (c) never received demand for payment; (d) never received billing statements; (e) never made payments to Plaintiff, and (f) owed Plaintiff nothing.

3. The undersigned reviewed and took judicial notice of a number of other Answers filed by other defendants in other civil actions throughout North Carolina. The Defendant’s Answer is identical to those other Answers. The defendants in all of these matters all retained the same out-of-state debt settlement company, World Law Group a/k/a World Law Direct a/k/a World Law Processing (hereinafter “World Law”), which drafted the Answers for the defendants.

4. On December 5, 2012, the Plaintiff filed a Motion for Summary Judgment and Affidavit Supporting Summary Judgment. The Affidavit provides, in relevant part, that the Defendant owes Plaintiff \$2,160.34 on her credit card account issued by the Plaintiff. Attached to the Affidavit as *Exhibit A* is every billing statement for the credit card account from December 29, 2008 to December 20, 2011, all of which are addressed to the Defendant and which provide a complete accounting for the credit card account during that time period.

5. On December 17, 2012, the Defendant filed an *Affidavit in Reply to Plaintiff’s Motion for Summary Judgment* (hereinafter “Defendant’s Affidavit”) wherein she alleged, without any evidentiary support, the following: (a) that she sent Plaintiff’s attorney Requests for Production of Documents which were never answered; (b) Plaintiff did not provide the original Card Agreement to her; (c) Plaintiff is not the proper party; (d) Plaintiff did not send her all of the monthly billing statements; and (e) that Plaintiff and its attorneys are under investigation by state and federal authorities for robo-signing.

6. The undersigned reviewed and took judicial notice of a number of other Affidavits filed by other defendants in other civil actions throughout North Carolina. The

Defendant's Affidavit is identical to those other Affidavits. The defendants in all of these matters also retained World Law which drafted the Affidavits for the defendants.

7. On December 20, 2012, Plaintiff sent the Defendant its First Request for Admissions, First Set of Interrogatories, and First Request for Production of Documents (hereinafter "Plaintiff's Discovery").

8. On January 15, 2013, the Defendant filed her Responses to Plaintiff's First Request for Admissions, Responses to Plaintiff's First Set of Interrogatories, and Responses to Plaintiff's First Request for Production of Documents (hereinafter "Defendant's Responses to Plaintiff's Discovery"). Defendant's Responses to Plaintiff's Discovery were entirely evasive and nonresponsive. Defendant produced no documents and did not adequately answer the interrogatories or requests for admission. Rather, the Defendant's Responses to Plaintiff's Discovery essentially repeated the same response to each discovery request; namely, the Defendant claimed that she could not produce any documents or answer the interrogatories or requests for admissions until the Plaintiff first provided her with various documents.¹

9. The undersigned reviewed and took judicial notice of a number of other responses to discovery filed by other defendants in other civil actions throughout North Carolina. The Defendant's Responses to Plaintiff's Discovery were virtually identical to those other responses. The defendants in all of these matters retained World Law which drafted the responses to discovery for these defendants.

10. On January 17, 2013, Plaintiff's attorney notified the Defendant that the Defendant's Responses to Plaintiff's Discovery were evasive and inadequate, and requested that those responses be supplemented. The Defendant responded by letter dated January 30, 2013 which was filed with this Court on February 4, 2013. The Defendant's letter reiterated, in relevant part, that the Defendant never opened or used the account, that Plaintiff's Complaint was "bogus", and that the Defendant drafted her own pleadings.

¹ Notably, Plaintiff had already provided these documents to the Defendant (e.g., monthly billing statements)—first, when the account was active; and then later, during this litigation as attachments to Plaintiff's Affidavit Supporting Summary Judgment.

11. The undersigned reviewed and took judicial notice of a number of other letters--similar to the Defendant's January 30, 2013 letter---that were filed by other defendants in other civil actions throughout North Carolina. The Defendant's January 30, 2013 letter was virtually identical to the letters of the other defendants in those other actions. The defendants in all of these matters retained World Law which drafted these letters for these defendants.

12. The undersigned also reviewed and took judicial notice of a Letter of Caution dated May 7, 2012 from the North Carolina State Bar to World Law which said letter accused World Law of committing the illegal and unauthorized practice of law in North Carolina, and which instructed World Law to cease and desist from providing legal advice and court pleadings to North Carolinians.

13. The pleadings filed by the Defendant in the subject case substantiate that World Law has not adhered to the North Carolina State Bar's Letter of Caution.

14. The Defendant never supplemented Defendant's Responses to Plaintiff's Discovery. Accordingly, Plaintiff filed a Motion for Order Compelling Discovery and for Sanctions.

15. At the hearing on March 11, 2013, the Defendant admitted that she owed this credit card debt to Plaintiff. Defendant provided no factual support for the allegations set forth in her pleadings. The Defendant testified that she retained World Law to settle her debts; that World Law prepared the Defendant's Answer, the Defendant's Affidavit, Defendant's Responses to Plaintiff's Discovery, and the Defendant's letter of January 30, 2013 (hereinafter collectively "Defendant's pleadings") and instructed her to file them; and that, pursuant to those instructions, she filed Defendant's pleadings. Defendant filed her pleadings without any consideration for the truth of the matters asserted therein.

16. Plaintiff's attorney's hourly rate of \$250.00 is reasonable given his sixteen years' of experience in the area of debtor-creditor law and in comparison to the hourly rate of other attorneys with similar experience in this locale.

17. It is reasonable for Plaintiff's attorney to have billed for two hours of time in connection with the Defendant's sanctionable conduct in this case.

Based on the foregoing FINDINGS OF FACT, the Court concludes as a matter of law the following:

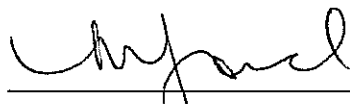
1. The Defendant's pleadings were filed in bad faith. The Defendant made no reasonable inquiry as to whether the Defendant's pleadings were well grounded in fact or warranted by existing law or a good faith argument for the extension, modification or reversal of existing law. The Defendant's pleadings were interposed for an improper purpose; namely, to cause unnecessary delay and the needless increase in the costs of this straightforward credit card collection case.

2. Sanctions are appropriate against the Defendant in this action pursuant to Rule 11, Rule 37, and Rule 56(e) of the North Carolina Rules of Civil Procedure.

NOW THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED as follows:

1. Plaintiff's Motion for Sanctions against the Defendant is hereby granted.
2. Defendant shall reimburse Plaintiff the sum of \$500.00 within thirty (30) days from the date of this Order; and
3. This sanctions award is *in addition to* any costs or attorney's fees already awarded in favor of the Plaintiff by virtue of this Court's Judgment filed on March 11, 2013.

This 25 day of April, 2013.



Hon. Meredith A. Shuford
District Court Judge Presiding
Cleveland County, North Carolina