

VIRGINIA:

IN THE CIRCUIT COURT FOR FAUQUIER COUNTY

COMMONWEALTH OF VIRGINIA,  
EX REL. MARK R. HERRING,  
ATTORNEY GENERAL

Plaintiff,

v.

WALL & ASSOCIATES, INC.

Case No. \_\_\_\_\_

**SERVE:**

**Edward S. Culbertson, Registered Agent**  
**10482 Armstrong Street**  
**Fairfax, VA 22030**

Defendant.

**COMPLAINT**

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of the Attorney General of Virginia, Mark R. Herring (“Plaintiff” or “the Commonwealth”), petitions this Court to declare that the activities in which the Defendant, Wall & Associates, Inc. (“Wall”) has engaged, and is engaging, constitute violations of the Virginia Consumer Protection Act (“VCPA”), Va. Code §§ 59.1-196 through 59.1-207; to enjoin these violations; to restore to consumers the sums acquired from them in violation of the VCPA; to award the Commonwealth civil penalties, expenses, and attorneys’ fees; and to grant such other relief that this Complaint requests.

**INTRODUCTION**

Wall offers so-called tax-relief services nationwide, targeting consumers facing tax liens or other collection efforts from federal, state, or local tax authorities. In advertisements and solicitations, Wall leads consumers to believe that Wall is a company with offices around the country, whose employees can provide consumers with expert tax advice to quickly and favorably

resolve their often substantial tax problems. Though permanently operating out of only Virginia and Tennessee, Wall deploys its salespeople nationwide to temporary offices, training them to feign tax expertise and pitch Wall as a panacea for tax disputes. When a consumer hires Wall, Wall charges the consumer substantial initial fees, typically over \$2,500, and hundreds of dollars in monthly fees. Locked into these monthly fee payments, consumers find that Wall exaggerates its employees' qualifications and abilities; provides inappropriate tax advice; or fails to deliver the results it advertises or that its salespeople pitch.

Among other conduct alleged in this Complaint, Wall has violated the VCPA by deceiving consumers about its office locations; misrepresenting its average results; misrepresenting the specific results it can obtain for consumers; misrepresenting the duration and cost of its services; and misrepresenting its employees' tax-related experience, qualifications, and abilities.

The Commonwealth prays that this Court grant the relief requested and states the following in support thereof:

### **PARTIES**

1. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.
2. The Defendant, Wall, is a corporation organized under the laws of Virginia, with a principal office address at P.O. Box 747, Marshall, VA 20116, in Fauquier County.

### **JURISDICTION AND VENUE**

3. The Circuit Court for Fauquier County has authority to entertain this action and to grant the relief requested here under Virginia Code §§ 8.01-620, 17.1-513, 59.1-203, 59.1-205, and 59.1-206.
4. Venue is permissible in this Court under Virginia Code § 8.01-262(1) because Wall

has its principal office in Fauquier County.

5. In accordance with Virginia Code § 59.1-203(B), prior to commencing this action, the Commonwealth gave Wall written notice that these proceedings were contemplated and a reasonable opportunity to appear before the Office of the Attorney General to show that no VCPA violations had occurred, or, in the alternative, to execute an appropriate Assurance of Voluntary Compliance that is acceptable to Plaintiff. Wall did not show that no violations had occurred and did not execute an appropriate Assurance of Voluntary Compliance.

## **FACTS**

### I. ADVERTISEMENTS AND WEBSITE

6. Wall advertises and offers for sale tax relief services to consumers and businesses with federal, state, or local tax problems in Virginia and nationwide.

7. Wall advertises its services in television and radio commercials, direct mail, and website advertisements. Wall also promotes its services through its own website and blog, available at [www.wallandassociates.net](http://www.wallandassociates.net) and [www.wallandassociatesblog.net](http://www.wallandassociatesblog.net), respectively.

8. In its television and radio commercials, Wall targets consumers who are in financial distress or who face imminent tax collection actions or audits.

9. Wall has used the following or similar language in its television or radio advertisements promoting its tax relief services:

- a. “You can trust the highly trained professionals at Wall & Associates to work hard for you. With over 30 years of experience, Wall & Associates has settled the tax problems of thousands of taxpayers for a small fraction of what they owed.”
- b. “Our average client settles for about 10 percent of their tax debt owed.”
- c. “Wall & Associates knows all about the tax code. They know how to fight the

garnishments, seizures, and penalties the IRS [Internal Revenue Service] uses to collect money.”

- d. “Other tax companies may tell you they can’t get a settlement because you own your own home or have too many assets. . . . We know the strategies to get the very best outcome for your case, many times settling for a small fraction of your initial balance.”
  - e. “We can help you keep your assets.”
  - f. “[T]he IRS will search you out. They are the most powerful collection agency in the world. One call to Wall & Associates and your tax problems can be solved.”
  - g. “If you hire Wall & Associates today, you’ll never have to talk to the IRS again.”
  - h. “We’ll meet with you, in person, face-to-face, at a local office near you.”
  - i. “Call Wall & Associates right now to speak to a professional tax relief agent. . . .”
  - j. “The IRS has a program to eliminate tax debt, and Wall & Associates professionals are trained to maximize its benefits for you. You always speak with a live person, with real support and real knowledge.”
10. Wall has used the following or similar language in advertisements on third-party websites:
- a. “We help clients solve federal and state tax problems. Our service offices are nationwide; Corporate headquarters is located in the metropolitan Washington, DC area.”
  - b. “Our staff of tax professionals which include Certified Public Accountants, Enrolled Agents, and/or Tax Practitioners will review your case when necessary.”
  - c. “If you haven’t filed your tax return for a number of years, we can assist in restoring your financial security.”

- d. "In most cases we're able to settle outstanding taxes, penalties and accumulated interest for a fraction of the amount due."
  - e. "We provide a comprehensive set of tax representation services to: Individuals, Couples, Sole Proprietors, General and Limited Partnerships, Limited Liability Companies, Liability Partnerships, Corporations, Non-Profit Organizations, Certified Public Accountants, and Enrolled Agents."
  - f. "Serving Your Local Area – CALL NOW!"
11. Wall's television, radio, and third-party website advertisements direct consumers to visit the company's website or blog for additional information. Wall has used, or is using, the following or similar language on its website or blog:
- a. "Wall & Associates, Inc. has been in business since 1982."
  - b. "[W]e put all our training, knowledge, and skills as **Certified Tax Representatives** to work for you." [Emphasis in original.]
  - c. "Meet Face-To-Face With A Tax Expert."
  - d. "With decades of experience and thousands of completed tax negotiations to our credit. . . ."
  - e. "Due to our highly specialized representation, we deliver one of the highest rates of acceptance by the IRS of Offers in Compromise, Request for Innocent Spouse Relief, Equitable Relief, Collection Due Process Appeal, Abatement of Penalties and Interest, reduction of tax liability determinations, protection from harassing communications, and in some cases, even relief from all taxes due."
  - f. "This is a complex tax environment, one in which we have worked for many years, and have established a record of more than 90% OIC [Offer in Compromise] acceptance upon first submission."

- g. “Wall & Associates, Inc. employs a trusted team including Certified Public Accounts (CPAs) and Enrolled Agents (EAs) that focus on the most effective ways to use Federal and State tax rules to your advantage in settlement negotiations. A tax attorney is available to assist the team where necessary.”
- h. “Wall & Associates, Inc. is authorized to practice before the IRS and other taxing authorities in all 50 states.”
- i. “Led by a Master in Taxation and Staffed by Tax Professionals.”
- j. “We were founded by a distinguished, nationally recognized tax expert. Think about it: the issues of your case are based on facts and IRS regulations. We know how to interpret the regulations to best protect you so you can come away with the best and lowest Offer.”
- k. “We have the level of seasoned experience necessary to best argue your case.
- We know the tax rules and IRS internal procedures.
  - We know how to argue the facts, the rules, and the procedures.
  - We are known among and credible with IRS agents.
  - We have extensive IRS experience so we know how the IRS thinks.
  - We know IRS procedures.
  - We know the limits of IRS discretion.
  - When necessary, we can write a technical memorandum on the facts and the IRS rules and procedures to accompany your request for an Offer in Compromise.”
- l. “The IRS must respect your advocate, or your Offer will fail or, at best, your Offer will be higher than it should be. This is where Wall & Associates, Inc.’s knowledge and years of experience in both IRS background and the tax code can be exceptionally helpful. IRS Offer Specialists and Appeals Officers know that they

cannot push a company that knows their rules and procedures sometimes better than they do themselves.”

- m. “Offices Located Nationwide.”
- n. Wall has a “corporate office” at 601 Pennsylvania Ave. NW in Washington, DC.
- o. “There will be no charge for an initial one half-hour confidential tax consultation.”
- p. “Contact us without delay for a free confidential initial half-hour tax consultation.”
- q. “The original goal of the IRS in imposing penalties was to punish taxpayers in order to keep them in line. Unfortunately, these penalties have turned into additional sources of income for the IRS, the amounts of which are used to measure the performance of IRS managers.”<sup>1</sup>
- r. “IRS personnel are well aware that over 99% of all installment agreements are defaulted upon. That’s when the full wrath of the IRS will fall upon you.”

## II. DIRECT MAIL SOLICITATIONS

12. Wall also sends thousands of direct mail solicitations to consumers nationwide, targeting taxpayers upon whose assets or income federal, state, or local tax authorities had placed tax liens or who had received notice of intent to impose tax liens.

13. Wall has used, or is using, the following or similar language in direct mail solicitations:

- a. “Offices Nationwide.”
- b. An address listing a “National Headquarters” on Pennsylvania Avenue in Washington, D.C. or, alternatively, an office address in the state of the taxpayer being solicited.

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<sup>1</sup> Compare with 26 C.F.R. § 801.3(e)(1) (“No employee of the IRS may use records of tax enforcement results (as described in § 801.6) to evaluate any other employee or to impose or suggest production quotas or goals for any employee.”)

- c. "MASTERS IN TAX LAW."
- d. "They [the IRS] may also attempt to lure you into an installment agreement ... IRS personnel are well aware that over 99% of all installment agreements are defaulted on."
- e. "These same IRS personnel will also attempt to send you forms to complete and return. One form, a waiver, is highly detrimental to you; it extends the period during which the IRS can collect the tax. Do not sign this or any other form."
- f. "We will also minimize the amount of tax, penalties, and interest you ultimately pay by analyzing your financial and procedural position, choosing the proper delicate negotiations and procedural arguments."
- g. "We can assist you in the removal of these tax liens from your credit report."
- h. "Wall & Associates employs professionals from many different fields in order to draw upon their respective areas of expertise in resolving your problem."
- i. "If your problem goes beyond an administrative IRS dispute into an area of law or for lawyers, we can identify that fact so that you can decide how you want to proceed. I [Kenneth Wall] have a Masters in Tax Law and many years experience assisting thousands of persons in IRS administrative disputes."
- j. "[W]e put all our training, knowledge, and skills as **Certified Tax Representatives** to work for you." (Emphasis in original).
- k. "There will be no charge for the initial one half-hour consultation to discuss these matters. This is not a solicitation to provide legal services."

14. For years, Wall's direct mail solicitations were signed by E. Kenneth Wall, President. Later versions of the letter were signed by P. Mark Yates, President.



### III. “LOCAL OFFICES”

15. Wall has permanent offices only in Virginia and Tennessee. Wall is a Virginia corporation that incorporated in 1998 as “E. Kenneth Wall & Associates, Inc.”
16. Wall is registered to conduct business in Virginia.
17. Wall leads consumers to believe it has local offices around the country.
18. Wall’s website lists locations and offices around the country.
19. Wall’s website has stated Wall “has 186 Nationwide Offices to Help Solve Federal and State Tax Problems for Individuals and Businesses!”
20. Wall advertises that it has “local” offices around the country. It has also advertised, “[o]ur service offices are nationwide.”
21. Wall advertises that consumers will receive a “local” tax consultation with a so-called tax professional.
22. Wall advertises in different cities using local addresses and local area codes.
23. Wall advertises online using different local addresses and local area codes depending on a consumer’s search location.
24. All of the local telephone numbers Wall uses are routed to Wall’s call centers in either Virginia or Tennessee.
25. Wall’s call center staff or salespeople tell the consumers that their face-to-face meetings will be held in a “local office.”
26. Wall’s so-called “local” offices are temporary rental office spaces booked through a third party vendor, Regus.
27. Wall’s salespeople use these temporary offices for sales meetings.
28. Other than sales, Wall does not work out of these temporary offices. Wall’s employees who work on consumers’ tax disputes, providing “tax services,” do not use them; these

employees work out of Wall's permanent offices in Virginia or Tennessee.

29. Wall instructs its salespeople to conceal from consumers the geographic origin of its services.

30. Wall instructs its salespeople to make the temporary office appear to be their own before the sales meeting by: arriving early to set up the room; putting Regus brochures or information in desk drawers; learning Regus employees' names; and familiarizing themselves with where office equipment is located.

31. Wall instructs its salespeople to maintain the ruse during the sales meeting, including providing explanations for why the temporary office lacks photographs or other personal items.

32. During the sales meeting, Wall's salespeople provide the consumers with business cards that list the temporary office as their address.

33. Wall instructs its salespeople to give specific instructions to Regus employees for when the salespeople are not there, namely to tell the consumers that the temporary office, "is one of our [Wall's] office locations and that we are not always at that particular office at all times," and to receive consumers' documents and to mail them to Wall's Virginia offices.

34. Wall also instructs its salespeople to tell the consumers the salespeople will continue to be part of consumers' case teams, when, in fact, consumers' cases will be managed entirely out of Virginia or Tennessee.

35. The purpose of Wall's deception is threefold: to convince consumers that they are dealing with a local company with a physical presence nearby; to convince consumers that Wall is located in and familiar with the state or local jurisdiction with which consumers have tax disputes; and to dissuade consumers from using local attorneys or local accountants, whom Wall views as its competitors.

36. Some consumers choose Wall because of its purported proximity to their home, because they thought they were hiring a home state or local company, or because they thought Wall was conversant with state or local tax laws, regulations, or ordinances.

37. Consumers have regularly hired Wall to represent them in state or local tax matters in states where Wall has no permanent physical presence, only to find that they are represented by Wall employees who work in Virginia or Tennessee.

#### IV. SALESPEOPLE'S QUALIFICATIONS AND THE SALES MEETING

38. Wall's initial "free tax consultation," "confidential tax consultation," or its advertised "meeting" with "a live person, with real support and real knowledge" is, in fact, a meeting with Wall's salespeople.

39. Wall tells consumers its salespeople are "tax consultants" or "tax experts."

40. Wall's salespeople present consumers with business cards identifying them as a "Tax Consultant" or "Senior Tax Analyst" or similar titles.

41. Wall's salespeople generally have a sales background and often have little to no prior tax-related work experience or education.

42. Wall's salespeople are incentivized to close as many sales as possible by a sales commission structure and constant pressure to make as many sales as possible.

43. Wall's salespeople are generally not qualified to practice before the IRS and are rarely, if ever, attorneys, certified public accountants ("CPAs"), enrolled agents, enrolled actuaries, enrolled retirement agents, or registered tax return preparers, who, as discussed below, do have authority to practice before the IRS under Code of Federal Regulations, title 31, sections 10.1 through 10.93.

44. Wall gives brief trainings to its salespeople about the federal tax code, IRS, and federal tax collection process, and types of state and local taxes.

45. Wall's training materials also include talking points about how to dissuade consumers from seeking tax advice from local tax attorneys or local accountants, or using self-help.

46. Consumers believe they are receiving a tax consultation in part because Wall instructs and guides its salespeople into giving the pretense of familiarity with and knowledge about the tax code, tax enforcement agencies, the tax collection process, and the tax dispute resolution process.

47. Wall trains its salespeople to obtain information on consumers' tax debts, assets, income, and expenses. This information gathering gives consumers the impression that the salespeople are, in fact, tax practitioners, tax attorneys, or accountants, capable of evaluating the consumers' tax liabilities, their potential grounds for disputing those liabilities, the likelihood that they can have those liabilities reduced, and the time frame for resolving those liabilities.

48. Consumers do not receive a tax consultation, a candid or proper evaluation of their tax problems and their tax dispute settlement options; instead, consumers receive a sales pitch.

49. The sales pitch consumers receive is often out-of-tune with their individual financial situations, failing to incorporate the information the salesperson has learned.

50. During the sales pitch, Wall's salespeople make detailed promises regarding the relief consumers can expect to obtain when they hire Wall. Specifically, consumers have reported salespeople making misrepresentations about:

- a. Wall's ability to reduce the consumer's tax obligation or tax penalties to a certain amount, e.g., "less than \$1,000";
- b. Wall's ability to reduce the consumer's tax obligation by a certain percentage, e.g., "10 percent of what you owe";
- c. Wall's ability to resolve tax disputes within a definitive timeframe, e.g., "no more

than six months”;

- d. The amount the consumer should expect to pay to Wall in monthly payments;
- e. Wall’s ability to obtain a specific outcome, such as an approved Offer in Compromise; and
- f. Wall’s ability to take immediate action on consumers’ cases, including Wall’s capacity to respond to time-sensitive deadlines from tax authorities.

51. Wall also trains or instructs its salespeople to tell consumers that the average Wall client “settle[s] their debts for an average of 10%” (or less) or that the “average settlement is about 10% of what our clients owe.”

52. Wall’s salespeople provide consumers with the following chart or its substantial equivalent, or showed or presented the following information to consumers regarding “client savings”:

<b>Wall &amp; Associates, Inc.</b>				
<b>Client Savings Tracker</b>				
<b>Year</b>	<b>Total Debt Resolved</b>	<b>Total Saved</b>	<b>Average Reduction</b>	<b>Average Settlement</b>
2012	\$ 25,631,059.81	\$ 23,885,584.64	93.19%	6.81%
2013	\$ 27,944,421.63	\$ 26,231,428.58	93.87%	6.13%
2014	\$ 40,801,214.71	\$ 37,516,716.93	91.95%	8.05%
2015	\$ 36,011,793.15	\$ 32,867,963.61	91.27%	8.73%
2016	\$ 34,001,380.50	\$ 31,050,060.67	91.32%	8.68%
<b>TOTAL</b>	<b>\$ 164,389,869.80</b>	<b>\$ 151,551,754.43</b>	<b>92.19%</b>	<b>7.81%</b>

53. Wall’s salespeople also give consumers tax or financial advice during the sales pitch. This includes advising consumers to stop making payments on installment agreements with tax authorities or advising consumers to use their savings to pay Wall rather than paying their

debts.

54. Wall's salespeople also make other representations about who will be handling consumers' cases, including reiterating Wall's representation that consumers' cases will be handled by tax experts, tax professionals, or highly qualified, educated, trained, and experienced tax practitioners.

55. Wall also trains its salespeople to tell or imply to consumers that their salesperson will continue to handle or be personally involved with consumers' cases, building on the claim that the salespeople are experienced or qualified tax practitioners.

56. In fact, salespeople generally cannot continue to be involved with cases after the sales pitch, and are not involved after the sales pitch, since Wall separates salespeople from the rest of its operation.

57. In March 2014, Wall prohibited salespeople from calling its casework offices and prohibited others from giving salespeople the telephone numbers for those offices.

58. If a consumer agrees to retain Wall, salespeople are trained to present them with power of attorney forms and have them sign a contract for tax services. Salespeople are not credited with a sale until the contract is signed and the initial payment has been made.

#### V. AGREEMENTS AND INITIAL FEES

59. Consumers hire Wall by signing an "Agreement" for tax relief services.

60. Wall's agreements typically obligate consumers to pay a high initial payment (usually in the thousands of dollars) and then subsequent, ongoing, monthly payments (usually in the hundreds of dollars).

61. Consumers coming to Wall usually have substantial and urgent tax problems: they may have or face tax liens on their real or personal property; garnishments of their wages or bank accounts; or have installment agreements obligating them to make regular monthly payments.

62. These consumers often are struggling to satisfy their tax obligations from their existing assets or income, or may be struggling with recent life changes, such as job losses or medical expenses, that have reduced their ability to pay tax authorities.

63. As a result, consumers face a tradeoff between paying their tax debts or obligations and paying Wall, both for their initial payment and for subsequent monthly payments.

64. During the sales pitch, consumers express concern to Wall's salespeople about Wall's initial and monthly fees, including concerns about how long it will take to resolve their tax disputes, since this determines how much they will ultimately pay Wall.

65. As noted above, Wall's pitch involves collecting information on consumers' tax debts, assets, income, and expenses, but Wall's salespeople do not evaluate whether consumers can afford or need Wall's services. To the contrary, salespeople sometimes encourage or pressure consumers to sign up for Wall's services when the consumers appear to be unable to afford them.

66. For example, Wall's training materials instruct salespeople to "help" clients find the money to pay Wall by seeking loans or gifts from family, friends, coworkers or employers; taking car loans; seeking title loans; getting payroll advances; borrowing from their church; or pawning personal property.

67. Wall's salespeople have also told consumers that their initial fee will cover most of Wall's services, when, in fact, it rarely, if ever, does.

68. In some cases, salespeople have encouraged consumers to use their limited resources to hire Wall instead of paying consumers' tax liabilities, including encouraging or advising consumers not to make payments on installment agreements with tax authorities.

69. Consumers are required to pay the entire initial fee before Wall will begin any work.

70. Wall's agreements have included the following or similar language:

You acknowledge, that a large portion of the Company's services are provided quickly, at the beginning of our work for you, that we utilize techniques that are unique in nature and that once we have performed this large amount of initial and unique work, our services will include periods with much activity, and other periods with less activity. For this reason, you agree to the fee arrangement above, so that you will not be presented with large invoices for periods in which the Company performs large amounts of work, and so that you can budget the expense of our services on a consistent, predictable basis.

71. Wall does not always provide a "large portion" of its services quickly or at the beginning of its work.

72. For example, in cases where consumers have unfiled tax returns, only after consumers hire Wall and pay Wall's initial fees do Wall's employees inform them that Wall does not prepare tax returns, advising them to prepare the returns themselves or hire another company to do so. In the meantime, Wall continues to collect its monthly fee with little to no services being provided.

73. In addition, Wall designates certain consumers "low priority," and will not even schedule initial conference calls with these consumers for one to two weeks after consumers are assigned to a Wall case team.

74. Wall's salespeople also tell consumers that they can cancel anytime without telling consumers that Wall will not refund its fees if they cancel.

75. Wall trains or instructs its salespeople to skip or skim over portions of its agreement when reviewing it with a consumer.

76. The portions of the agreement that salespeople are trained or instructed to skip or skim over contain terms that can prove detrimental to consumers in the event of a dispute with Wall, including the following terms:

- a. Wall may cease services if monthly invoices are not paid within 10 days;
- b. Wall will not provide an accounting to consumers of time spent or of charges



made;

- c. The jurisdiction for all actions to enforce the agreement or concerning the services covered by the agreement is Fairfax County, Virginia;
- d. The agreement is “deemed entered into in Virginia and is subject to the laws of Virginia”;
- e. In more recent contracts, disputes over or arising out of the agreement are subject to mandatory arbitration in Fairfax Virginia;
- f. The consumer agrees that Wall has not made guarantees or representations about its ability to negotiate or obtain tax relief; and
- g. If Wall did make any “expressions” relating to tax liabilities, these “are matters of our professional opinion only.”

77. Wall makes representations to induce consumers to enter into these agreements, then, if disputes arise, uses its agreements to claim it made no representations.

78. After consumers sign their agreement, Wall transfers their case to a team of caseworkers located in Wall’s Virginia or Tennessee offices.

#### VI. PRACTICE BEFORE THE IRS AND POWER OF ATTORNEY FORMS

79. Federal statutes and regulations limit those who can practice before the Treasury Department and the Internal Revenue Service. *See* 31 U.S.C. § 330, 31 C.F.R. §§ 10.1-10.3. Generally, only attorneys, CPAs, enrolled agents, enrolled actuaries, enrolled retirement plan agents, registered tax preparers, or taxpayers representing themselves may do so. *See* 31 C.F.R. §§ 10.3 (who may practice), 10.7 (self-representation).

80. The goal of the practice limitation is to ensure that practitioners, “demonstrate -- (A) good character; (B) good reputation; (C) necessary qualifications to enable the representative to provide to persons valuable service; and (D) competency to advise and assist persons in

presenting their cases.” 31 U.S.C. § 330(a)(2).

81. Practice before the Internal Revenue Service is defined broadly to include “all matters connected with a presentation to the Internal Revenue Service . . . relating to a taxpayer’s rights, privileges, or liabilities under laws or regulations administered by the Internal Revenue Service.” 31 C.F.R. § 10.2(a)(4). This includes preparing and filing documents, communicating and corresponding with the IRS, rendering written advice about a transaction, plan, or arrangement, and representing a taxpayer at a conference, hearing, and meeting. *Id.*

82. An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual or business tax returns, or through experience as a former IRS employee. *See* 31 C.F.R. § 10.4(a). The IRS also checks for past tax representation-related misconduct and for past federal tax compliance. *See* 31 C.F.R. § 10.5(d)(1).

83. Wall employs few enrolled agents and even fewer CPAs. For example, as of July 22, 2015, Wall employed 185 people, of which two were CPAs – its President and CEO, P. Mark Yates, and its Human Resources Manager, Tracey Stump – and 17 were qualified as enrolled agents. Of these 17 enrolled agents, six were managers, including the Chief Operating Officer, the Public Relations Manager, and the Director of Internal Operations, who are not assigned to consumers’ case teams. This left at most 11 enrolled agents to staff consumers’ cases.

84. Using power of attorney forms, under penalty of perjury, Wall attests to the IRS and state tax authorities that enrolled agents and certified public accountants will be representing consumers.

85. At sales meetings, Wall’s salespeople provide consumers with pre-filled power of attorney forms that list three Wall employees as those to be given a consumer’s power of attorney.

86. While representing consumers, Wall’s caseworkers have also provided consumers

with pre-filled power of attorney forms that list three Wall employees as those to be given a consumer's power of attorney.

87. The three employees listed on Wall's power of attorney forms are either CPAs or enrolled agents.

88. The three employees listed on Wall's power of attorney forms are usually not the employees assigned to the consumer's case team.

89. Even so, Wall instructs its salespeople to represent to consumers that those employees listed on the consumer's power of attorney forms will be assigned to their cases.

90. Wall's training materials instruct salespeople to use a script when discussing power of attorney forms with consumers. In part, the script tells salespeople to state: "Now, in order for the IRS to know that they are supposed to talk to us and copy us on your mail, we have to provide them with (at this time you should have the Form 2848 on the table in front of the client) the Form 2848, power of attorney. You'll notice the names of some individuals here that will be working on your case are already filled in." [Underlining added.]

91. Wall knowingly or deliberately does not tell consumers that their assigned caseworkers will generally not be attorneys, CPAs, or enrolled agents.

92. Wall also knowingly or deliberately does not tell consumers that its salespeople, its so-called "tax consultants," are not attorneys, CPAs, or enrolled agents.

93. Wall leads consumers to believe that caseworkers are attorneys, CPAs, or enrolled agents and does not tell consumers otherwise. It does not tell consumers about the IRS's limitations on representation in tax proceedings, nor does it tell consumers that their caseworkers lack the IRS-required qualifications.

## VII. CASEWORKER QUALIFICATIONS AND RESPONSIBILITIES

94. Wall's caseworkers operate out of one of several offices in Virginia and Tennessee.

95. Wall's caseworkers may lack prior tax or accounting education.
96. The caseworkers may have no prior training on federal, state, or local tax codes or regulations; on federal, state, or local tax enforcement agencies; or on federal, state, or local procedures for tax collection or tax dispute settlement.
97. Wall's caseworker job postings have described the position as a "customer service" position for individuals who were "customer service oriented" without referencing or requiring any tax-related background or education.
98. Wall has at times failed to provide its caseworkers training on tax codes or regulations, tax collection procedures, or case management before having them work on consumers' tax disputes.
99. Since approximately early 2014, Wall's initial caseworker training consisted of three days of on-site training, during and after which the caseworkers were not permitted to take the hundreds of pages of training materials off-site.
100. Wall does not require caseworkers to be attorneys, CPAs, enrolled agents, enrolled actuaries, enrolled retirement agents, or registered tax return preparers.
101. Wall assigns consumers' cases to teams that have no attorneys, CPAs, enrolled agents, enrolled actuaries, enrolled retirement agents, or registered tax return preparers.
102. Wall's case teams' responsibilities include some or all of the following:
- a. evaluating a client's tax problems;
  - b. strategizing about and determining Wall's course of action for handling the client's tax problems;
  - c. advising the client about tax problems and Wall's proposed course of action;
  - d. communicating with the client;
  - e. collecting tax-related records, including personal and business records of assets,

expenditures, income, and debts;

- f. evaluating records obtained from the client;
- g. seeking additional information from the client when necessary;
- h. organizing client files;
- i. evaluating and responding to communications from tax authorities;
- j. preparing tax forms for clients to submit to tax authorities;
- k. preparing correspondence to tax authorities;
- l. communicating with tax authorities;
- m. preparing filings, submittals, and settlement offers to tax authorities;
- n. preparing client records, presentations, and documents for administrative hearings before tax authorities; and
- o. preparing or communicating with tax authorities about appeals of administrative hearing decisions.

103. Wall takes measures to give the appearance to tax authorities that CPAs or enrolled agents are representing taxpayers.

104. Wall presents tax authorities with power of attorney forms listing only enrolled agents or CPAs as those to be appointed the taxpayer's representatives.

105. The power of attorney forms Wall gives to tax authorities purport to have the signatures of the enrolled agents or CPAs listed on the forms. However, at times Wall has had its caseworkers stamp these signatures onto the form, rather than getting the actual signature from the person listed.

106. Wall's few enrolled agents and CPAs sign or have their signature stamped on power of attorney forms for IRS or state representation for unfamiliar clients or for clients for whom they are not assigned to the case team.

107. In the course of representing taxpayers, Wall's caseworkers sign correspondence, hearing requests, appeals, settlement offers, or other documents to tax authorities stating it was on behalf of, or similar language, an enrolled agent or CPA who had not reviewed or drafted the correspondence.

108. In the course of representing taxpayers, for certain calls and meetings with tax attorneys, enrolled agents or CPAs with power of attorney are conferenced in on short-notice by other case teams.

109. As a result, Wall's enrolled agents or CPAs sometimes participate in conference calls and meetings for other case teams multiple times a day, regardless of whether they have any experience with or knowledge of a specific client's case.

110. Wall has even had its enrolled agents or CPAs conferenced into or participating in telephonic hearings and appeals with federal or state tax authorities on cases with which they are unfamiliar or for which they have had as little as a few hours to review a brief "summary" prepared by the client's case team.

#### VIII. CASEWORKER WORKLOADS AND TURNOVER

111. Wall's case teams, which are supposed to be comprised of five caseworkers but may operate with only two or three, are regularly assigned hundreds of consumer cases.

112. Wall denies requests by employees to increase the number of caseworkers per team, or decrease the number of cases assigned to each team.

113. Because of their workload, Wall's caseworkers regularly fall behind on reviewing mail, faxes, and emails which can include vital documents from consumers, and notices containing deadlines from the IRS or other tax authorities.

114. Wall instructs employees not to inform a customer if a deadline is missed, or why it was missed.

115. Wall also experiences high turnover in its caseworker staff. One result of this high turnover is that employees hired to do administrative tasks often end up on case teams, working on negotiations and speaking directly with IRS employees.

116. High turnover and high caseloads also limit caseworkers' ability to review and work on consumers' case files. For instance, caseworkers often ask consumers to produce the same documents multiple times, or to repeatedly sign forms for the IRS or state tax authorities.

117. In some cases, to mask delays or turnover, caseworkers have altered power of attorney forms and IRS 433-A forms (or similar forms) to fill in new names of Wall employees without having consumers re-execute the signed documents.

118. Wall also uses what it refers to as the "Contacts" program. Under this program, Wall requires caseworkers to make one contact with a consumer by telephone and one contact in writing per month.

119. Wall does not require the contacts to be substantive; as a result, case workers have satisfied their minimum contact requirement by leaving voicemails during hours when they know the consumer will be unavailable.

120. The intent of these "contacts" is to give the appearance that substantive work was being done to advance the consumers' cases, when often that is not the case.

#### IX. MONTHLY FEES AND STOP WORK HOLDS

121. At Wall, the collection of the consumer's monthly fee is paramount.

122. Consumers pay monthly fees regardless of whether Wall works on their cases or not that month.

123. Wall will initiate a stop work hold on consumers' cases if consumers are not current on their monthly payments.

124. Monthly payments are due on the first of every month. If a consumer has not paid

by the fifth, or, in some cases, a later time in the month, Wall may initiate a stop work hold, meaning that Wall instructs the case team not to work on a consumer's case until the consumer pays Wall's bill, even if the consumer has deadlines pending from tax authorities.

125. Wall has failed to represent consumers at scheduled hearings or conferences due to a stop work hold, even when the consumers have paid thousands of dollars for Wall's services.

126. Wall's stoppage of work has been irrespective of the amount consumers have already paid Wall: even if consumers have paid Wall tens of thousands of dollars and achieved no tax relief, if they fail to make ongoing monthly payments, Wall may stop working on their case.

#### X. TAX PREPARATION SERVICES

127. Wall itself does not provide tax preparation services.

128. But Wall often solicits customers who need tax preparation services. For instance, clients who have unfiled tax returns often require tax preparation services.

129. At times, Wall has willfully and intentionally failed to disclose that it will not be providing tax preparation services, even when it is apparent to Wall at the initial calls, initial sales meeting, or initial referrals to Wall's case work team that consumers may require tax preparation services.

130. Wall's agreements with consumers do not disclose that it will not be providing tax preparation services.

131. When Wall customers need tax preparation services, Wall instructs them to prepare their tax returns themselves, or to have another provider prepare the returns, while Wall waits and collects monthly fees.

132. At other times, when Wall customers need tax preparation, Wall refers them to Atlas Tax Services, a company owned and managed by Wall's Human Resources Director, Tracey Stump, a CPA.



133. Atlas Tax Services has the same mailing address as Wall and operates out of the same office space.

134. Wall has at times willfully and intentionally failed to disclose to customers that Atlas Tax Services is a related company.

135. Wall does not always disclose to customers that tax preparation services from Atlas Tax Services will result in additional charges and will not be covered by their payments to Wall.

#### XI. STATE TAX DISPUTES

136. Wall has advertised itself as “authorized” to practice in all 50 states and the District of Columbia.

137. Wall pays for listings or advertisements under “tax attorneys” in online and local Yellow Pages nationwide.

138. Wall sends direct mail solicitations nationwide.

139. Wall’s website lists locations nationwide, states that Wall provides tax services throughout the country, states that Wall is one of the “leading professional tax representation and negotiation firms” in most if not all states, and claims to be able to resolve tax disputes with state tax authorities in all 50 states.

140. Wall does, in fact, attempt to practice in states around the country, representing taxpayers in state and local tax disputes.

141. Wall does not have legal authority to practice or to provide the tax services it is providing in all of the states where it is conducting business.

142. Some states require companies engaging in tax debt management or settlement to obtain a license or register with the state. For some, if not all of those states, Wall has not obtained the appropriate license or registration. *See, e.g.*; Minn. Stat. §§ 332B.02, 332B.03.

143. At least one state requires licensure to practice before its tax authorities. Wall has

failed to obtain the appropriate licensure or registration to practice in this state. *See, e.g.*, Or. Rev. Stat. §§ 305.230, 673.625, O.A.R. § 150-305-0170.

144. Generally, Wall does not train or instruct its employees regarding these state licensure or practice requirements or restrictions.

145. Wall's employees have deliberately tried to circumvent these restrictions when practicing in these states.

146. Wall has minimal training on state tax matters for its employees. Its training slides explain this is because there are too many states for Wall to cover in its brief trainings.

147. Wall's employees have erred while representing consumers in tax disputes before state tax authorities because of their unfamiliarity with state tax laws or tax dispute procedures.

## XII. OUTCOMES

148. Wall's outcomes often differ from its representations.

149. Wall tells consumers that the average Wall customer settles for 10% or less of the customer's tax debt owed.

150. This claim is false.

151. The data Wall uses to support this claim selectively omits large numbers of Wall customers for whom Wall obtained no reduction in tax debt or for whom Wall has only obtained temporary relief, such as the lifting of liens or garnishments, without resolution of the underlying tax debt.

152. Wall's data even omits customers for whom it purportedly achieved some tax debt reduction, but the reduction obtained was for more than 10% of the customer's tax debt owed.

153. Wall also touts in advertisements, on its website, and in sales pitches its ability to negotiate an offer in compromise, a settlement of tax debts, for taxpayers. For example, Wall has claimed on its website that it has "established a record of more than 90% OIC [Offer in

Compromise] acceptance upon first submission.”

154. However, Wall trains its staff to tell consumers, once they have already hired Wall, that instead of a 90% acceptance rate, the expected initial response from the IRS to Wall’s offers in compromise, “will most likely be REJECTION.”

155. Wall states, in correspondence accompanying its offers in compromise to consumers, that the consumer should, “[p]lease be aware that the IRS’s first response to most Offers is their stated intent to reject the Offer.”

156. Wall writes to consumers who complain about their offer in compromise being rejected that “it is normal for the IRS to reject an Offer in Compromise the first time around” or statements to that effect.

157. Wall has written to the Better Business Bureau, when responding to consumer complaints, that “it is normal for the IRS to reject an Offer in Compromise as their first response.”

158. Similarly, Wall also claims on its website that “we deliver one of the highest rates of acceptance by the IRS of Offers in Compromise, Request for Innocent Spouse Relief, Equitable Relief, Collection Due Process Appeal, Abatement of Penalties and Interest, reduction of tax liability determinations, protection from harassing communications, and in some cases, even relief from all taxes due.”

159. Wall does not routinely collect information on categories like Innocent Spouse Relief, Equitable Relief, Collection Due Process Appeals, and abatement, so it lacks any basis for its claims about acceptance rates in these categories.

160. When Wall’s salespeople make express representations about how long a consumer’s case will take to resolve, Wall often does not resolve the matter within that time.

161. Wall’s salespeople and caseworkers understate the time it will take to resolve audits, adjudications, or disputes.

162. Wall's customers pay more than they are led to believe they will pay or pay for longer than they are led to believe they will pay.

163. Wall's tax-related work is often substandard. For instance, on multiple occasions, caseworkers have prepared, had taxpayers execute, and submitted Offers in Compromise offering to pay the IRS \$100 (with \$20 up front and \$80 to be paid in installments) that lacked basic supporting documents, that misstated or misrepresented taxpayers' assets, income, or expenses, and that were inconsistent with what the taxpayer owed or could pay.

164. By the time consumers come to the realization that Wall will not perform as advertised, solicited, or promised, some find themselves in a worse position with tax authorities than when they hired Wall.

165. Contrary to Wall's assertions, some consumers were promptly able to resolve tax problems on their own, were able to work with tax authorities, or were able to solve their problems more efficiently using attorneys or CPAs.

### XIII. REFUNDS AND FEE REDUCTIONS

166. Due to a large volume of dissatisfied consumers, Wall has elaborate policies and procedures about complaints, fee reductions, and refunds.

167. Wall will not issue refunds to consumers who can be "saved," meaning that they can be persuaded to keep paying Wall its monthly fee.

168. Wall also will not refund money to consumers, even those who it determines were harmed by casework errors or lack of work on a case, if the consumers complain to third parties, including complaints to the Better Business Bureau, state bar associations, state attorney general offices, or other regulators.

169. Wall goes so far as to renege on refund agreements and to file collections lawsuits, sometimes frivolously, if customers complain to third parties. As stated in Wall's "Client Services

Group Policies and Training Manual” from both June and November 2014:

5. Agreed Refunds and Third Party Complaints

a. If at any time we have mutually agreed to refund a client for any reason, and the client files any third party complaint before the refund is issued, the refund process should immediately stop. In this situation, no refund will be issued, and the case will be referred for collections.

b. If a client has received their refund from our office and then files any type of third party complaint, the case is to be referred immediately for collections purposes.

170. Wall’s collections lawsuits seek damages for purportedly unpaid monthly fees, which usually amount to a few hundred dollars. In settling these lawsuits, Wall’s attorneys have consumers sign releases that not only end the dispute over the small amount of monthly fees, but also release Wall from any dispute the consumer may have had with Wall’s services.

171. Wall has also refused to honor cancellations made immediately after a consumer signs an agreement, even when those cancellations are timely under state or federal law. *See, e.g.*, Federal Trade Commission’s Cooling Off Rule, 16 C.F.R. §§ 429.0 – 429.3

172. Wall’s refund policies have harmed consumers, including consumers on whose cases Wall knew it had erred.

**CAUSE OF ACTION**

173. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 172 and their subparagraphs.

174. Virginia Code § 59.1-197 provides that the VCPA is to be applied as remedial legislation to promote fair and ethical standards of dealings between suppliers and the consuming public.

175. In connection with consumer transactions, the VCPA prohibits suppliers from:

a. Misrepresenting geographic origin in connection with goods or services under Virginia Code § 59.1-200(A)(4);

b. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits under Virginia Code § 59.1-200(A)(5);

c. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model under Virginia Code § 59.1-200(A)(6);

d. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction under Virginia Code § 59.1-200(A)(14);

e. Failing to adhere to the terms and conditions of a written agreement with a consumer to resolve a dispute that arises in connection with a consumer transaction under Virginia Code § 59.1-200(A)(17).

176. During all relevant times, Wall is or was a “supplier” of “goods” or “services” in connection with “consumer transactions” as those terms are defined in § 59.1-198 of the VCPA.

177. Wall violated the VCPA through the acts and practices described in this Complaint, including:

a. Misrepresenting<sup>2</sup> to consumers the geographic origin of its services, in violation of Virginia Code § 59.1-200(A)(4) and (14), by stating or implying:

i. That it has “offices nationwide” when its offices are, in fact, located in Virginia and Tennessee and its corporate office is in Virginia;

ii. That it has offices in specific states other than Virginia and Tennessee, when its offices are, in fact, located in Virginia and Tennessee and its corporate office is in Virginia;

iii. That its corporate office or “National Headquarters” is in Washington, DC,

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<sup>2</sup> For purposes of this section, where the cause of action alleges a violation of §59.1-200(A)(14), the word “misrepresenting” shall also include using deception, fraud, false pretenses, or false promises.

when, in fact its corporate office and national headquarters are in Virginia;

iv. That temporary or short-term rental offices where consumers went for sales meetings are permanent offices belonging to Wall, or are the offices of the salesperson attending the meeting, when, in fact, its permanent offices are located in Virginia and Tennessee and the temporary offices are not the salesperson's offices; and

v. That Wall's tax dispute resolution services are conducted out of the temporary offices where consumers went for sales meetings when Wall's employees who work on consumers' tax disputes do not use those offices.

b. Misrepresenting to consumers that Wall's salespeople were "tax consultants," "tax experts," or tax analysts, and that consumers would have a free "confidential initial half-hour tax consultation" when, in fact, the salespeople were not tax consultants, tax experts, or tax analysts; had limited tax-related education, experience, training, or qualifications; and were meeting with the consumers to sell them Wall's services, not to provide them with a tax consultation, in violation of Virginia Code § 59.1-200(A)(5), (6), and (14);

c. Misrepresenting to consumers about who would be providing tax services to them and the experience, knowledge, qualifications, training, authorization, and certification of the Wall employees who actually were providing consumers tax services, in violation of Virginia Code § 59.1-200(A)(5), (6), and (14), by stating or implying:

i. That salespeople were tax consultants, when, in fact, the salespeople were not tax consultants, they were sales staff with generally little to no prior tax-related work experience or education and minimal tax training who lacked the necessary qualifications to practice before the IRS or to prepare taxes;

ii. That salespeople would be on the consumers' case team, when, in fact, they would not be on the case team and were generally prohibited from communicating directly with

case teams;

iii. That Wall employees were “tax consultants,” “tax practitioners,” “tax professionals,” “professional tax relief agents,” “certified tax representatives,” or were “masters” in tax law, or possessed unique or a high degree of skill, training, or experience, when its case team members had limited or no prior tax experience, had limited or no prior tax education, had limited or no tax-related training, and were not attorneys, CPAs, enrolled agents, enrolled actuaries, enrolled retirement agents, or registered tax return preparers;

iv. That Wall employed “Certified Tax Representatives” when employees were not and could not be “certified” by any specific entity. *See* 31 C.F.R. § 10.30(a) (prohibiting practitioners before the IRS from using the term “certified”).

v. That Wall or its employees had “over 30 years of experience” or “decades of experience,” when that was not the case;

vi. That Wall’s case team members were authorized to practice before the IRS, when most of them were not eligible or authorized to do so;

vii. That Wall’s case team members were authorized to practice before state tax authorities or to provide debt settlement services in certain states when Wall or its employees were not eligible or authorized to do so under state law;

viii. That Wall’s case team members were authorized to practice before tax authorities in states that have no authorization requirement;

ix. That Wall’s case team members were from the consumer’s state of residence or were familiar with the consumer’s state or local tax authorities or state or local tax statutes, regulations, or ordinances, when case team members were not from the consumer’s state of residence, were not familiar with the consumer’s state or local tax authorities, statutes, regulations, or ordinances, and, in some states, where the case team members were not legally



allowed to practice before state authorities or to provide tax debt resolution services.

d. Misrepresenting to consumers about who would be providing tax services to them and the experience, knowledge, qualifications, training, authorization, and certification of the Wall employees who actually were providing consumers tax services, in violation of Virginia Code § 59.1-200(A)(5), (6), and (14), by

i. Willfully or intentionally failing to disclose to consumers that those Wall employees listed on power of attorney forms presented to the consumers and signed by the consumers would generally not be working on the consumers' cases; and

ii. Willfully or intentionally failing to disclose to consumers that the consumers would be represented by Wall employees who were not listed on the consumers' power of attorney forms;

iii. Stating to consumers that those listed on the Power of Attorney form would be working on the consumers' cases.

e. Misrepresenting to consumers the average or typical outcome or results for Wall customers, in violation of Virginia Code § 59.1-200(A)(5) and (14), including the following statements:

i. That “[o]ur average client settles for about 10 percent of their tax debt owed,” when Wall’s data in support of that claim omits material information, such as large numbers of customers for whom Wall has obtained no reduction in tax debt or customers for whom Wall has only obtained temporary relief, such as the lifting of liens or garnishments, without resolution of the underlying tax debt;

ii. That many times clients settle for a small fraction of their initial tax debt owed, including the data presented in paragraph 52, above, when Wall’s data in support of that claim omits material information, such as large numbers of customers for whom Wall has obtained

no reduction in tax debt or customers for whom Wall has only obtained temporary relief, such as the lifting of liens or garnishments, without resolution of the underlying tax debt;

iii. That Wall has established a record of more than 90% Offer in Compromise acceptance upon first submission, when, at the same time, Wall was training staff to tell consumers who have already hired Wall that the expected initial response from the IRS to Wall's Offers in Compromise "will most likely be REJECTION," and when Wall uses inaccurate or cherry-picked data to support that claim; and

iv. That Wall delivers one of the highest rates of acceptance by the IRS of Offers in Compromise, Request for Innocent Spouse Relief, Equitable Relief, Collection Due Process Appeal, Abatement of Penalties and Interest, reduction of tax liability determinations, protection from harassing communications, and in some cases, even relief from all taxes due, when Wall either does not have data to support those claims, or uses inaccurate or cherry-picked data to support those claims.

f. Misrepresenting specific potential outcomes to individual consumers, in violation of Virginia Code § 59.1-200(A)(5), (6), and (14), by stating or implying:

i. That a consumer's tax matter could be resolved in a specific length of time, such as a few months, a matter of months, three months, three to six months, when the specified time frames were not met for the individual consumer;

ii. That resolution of that consumer's tax matter would result in a certain dollar amount in savings, or would resolve for a specific dollar amount or range, when the individual consumer did not save the dollar amount or range specified;

iii. That resolution of a consumer's tax matter would result in a certain percentage savings or would achieve a specific outcome, when the individual consumer did not save the percentage specified or achieve the outcome specified;

iv. That a consumer should expect to pay Wall a specific amount in monthly payments, when the consumer did not spend that amount specified;

v. That a consumer would or could qualify for a specific tax relief program, such as an Offer in Compromise, when the individual consumer could not or did not qualify for that specific tax relief program.

g. Misrepresenting to consumers about the amount of fees consumers would have to pay Wall to resolve their case, in violation of Virginia Code § 59.1-200(A)(14), including stating or implying:

i. That initial payments would cover most of the work that Wall would do on the consumer's behalf, when these initial payments often did not cover the costs consumers would pay;

ii. That "a large portion of the Company's services are provided quickly, at the beginning of our work for you," when, in fact, services often were not provided quickly at the beginning of work and initial services often did not constitute a "large portion" of the work Wall would need to do; and

iii. That initial fees were justified because Wall utilized techniques that were unique in nature, when, in fact, Wall's techniques were often not unique, or were unique in a way that were disadvantageous to the consumer.

h. Failing to adhere to the terms and conditions of written refund agreements with consumers when the consumers filed third party complaints, including complaints to governmental regulators, and by instituting collection actions against customers who received refunds and then filed complaints in violation of Virginia Code § 59.1-200(A)(17) and (14);

i. Misrepresenting to consumers that Wall could perform tax preparation services, or soliciting and entering into agreements with consumers who Wall knew needed tax preparation

services that it could or would not perform, in violation of Virginia Code § 59.1-200(A)(5) and (14);

j. Misrepresenting to consumers that Wall's initial and monthly fee included the cost of tax preparation services, or by knowingly or deliberately failing to disclose that Wall's fees did not include tax preparation services, in violation of Virginia Code § 59.1-200(A)(14);

k. Misrepresenting to consumers that Wall has been in business since 1982, when, in fact, Wall first incorporated in 1998 as "E. Kenneth Wall & Associates, Inc.," in violation of Virginia Code § 59.1-200(A)(5), (6), and (14);

l. Misrepresenting to consumers about IRS practices, including the false statements that "IRS personnel are well aware that over 99% of all installment agreements are defaulted upon" or that tax penalties "are used to measure the performance of IRS managers" in violation of Virginia Code § 59.1-200(A)(14).

178. Wall willfully engaged in the acts and practices described in this Complaint in violation of the VCPA.

179. Individual consumers have suffered losses as a result of the aforesaid violations of the VCPA by Wall.

### **PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff, the Commonwealth of Virginia, prays that this Court:

A. Preliminarily and permanently enjoin Wall and its officers, employees, agents, successors, and assigns from violating the VCPA pursuant to Virginia Code § 59.1-203;

B. Grant judgment against Wall and award to the Commonwealth all sums necessary to restore to any consumers the money or property acquired from them by Wall in connection with violations of the VCPA pursuant to Virginia Code § 59.1-205;


C. Enter any additional orders or decrees as may be necessary to restore to any consumers the money or property acquired from them by Wall in connection with violations of the VCPA pursuant to Virginia Code § 59.1-205;

D. Grant judgment against Wall and award to the Commonwealth civil penalties of up to \$2,500.00 per violation for each willful violation of the VCPA pursuant to Virginia Code § 59.1-206(A), the exact number of violations to be proven at trial;

E. Grant judgment against Wall and award to the Commonwealth its costs, reasonable expenses incurred in investigating and preparing the case up to \$1,000.00 per violation of the VCPA, and attorneys' fees pursuant to Virginia Code § 59.1-206(C); and

F. Grant such other and further relief as the Court deems equitable and proper.

**COMMONWEALTH OF VIRGINIA,  
EX REL. MARK R. HERRING,  
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