

EXHIBIT 1-A

IN THE DISTRICT COURT OF OTTAWA COUNTY  
STATE OF OKLAHOMA

FILED  
DISTRICT COURT  
OTTAWA CO. OKLA.

JAN 23 2007

SHAWNA ROBBINS, an individual, on behalf of herself and all others similarly situated,

Plaintiff,

vs.

BLUEHIPPO FUNDING, LLC, a Maryland corporation, and BLUEHIPPO CAPITAL, LLC, a Nevada corporation,

Defendants.

CATHY WILLIAMS COURT CLERK  
BY \_\_\_\_\_

Case No. CJ-07-43

Judge

CLASS ACTION PETITION

Plaintiff, Shawna Robbins, on behalf of herself and as representative of a class of persons similarly situated, alleges as follows:

Summary of Action

1. BlueHippo Funding, LLC claims its purpose is to provide an alternative for people with less than perfect or no credit at all to buy name brand computers on an "easy to manage payment plan." BlueHippo Funding, LLC claims to be the nation's leading direct response merchandisc lender.
2. BlueHippo Capital, LLC maintains the website <http://www.bluehippo.com>.
3. One of the Managers of BlueHippo Capital, LLC is Joseph K. Rensin, who is the President and primary shareholder for BlueHippo Funding, LLC.
4. Shawna Robbins is a thirty-three (33) year-old woman with limited credit, who was interested in purchasing a computer. She is a divorced mother of three minor children who

did not complete high school. She is currently employed as a Personal Care Assistant with a private home health agency.

5. Ms. Robbins responded to a BlueHippo advertisement to find out more about their offer to sell computers to people with limited or no credit. When she called BlueHippo to learn more, she told the sales representative that she was not yet ready to commit to buying a computer, and wanted some more time to think about it.

6. The sales representative convinced Ms. Robbins that she should still provide her banking information at that time, so that if she decided to later purchase the computer, it would already be in the system. Ms. Robbins was advised that this information would not be used until Ms. Robbins authorized BlueHippo to proceed. Ms. Robbins agreed to provide her banking information, on the understanding that she had not yet agreed to purchase the computer, and BlueHippo would not use her banking information in any way until receiving her authorization.

7. Ms. Robbins was shocked a month later when she received an overdraft notice from her bank, and was informed that BlueHippo had begun debiting her account for a computer that she had never agreed to purchase. Ms. Robbins never authorized BlueHippo to debit her account. She never signed a contract or received any type of purchase order from BlueHippo. BlueHippo, on its own, and without permission, took money from Ms. Robbins. BlueHippo has also never delivered a computer to Ms. Robbins, despite wrongfully debiting her bank account.

#### Jurisdiction and Venue

8. Venue is proper in this Court because Ms. Robbins lives in this judicial district and the transactions that gave rise to her claims occurred in this judicial district.

9. The amount in dispute in this action is less than \$75,000.00.

10. Plaintiff believes that there are fewer than 500 individuals in the class as defined below.

Parties

11. Plaintiff Shawna Robbins (hereinafter "Plaintiff") is a resident of Ottawa County, Oklahoma.

12. Defendant BlueHippo Funding, LLC is a Maryland corporation with its principle place of business in Maryland.

13. Defendant BlueHippo Capital, LLC is a Nevada corporation with its principle place of business in Maryland.

14. The Defendants BlueHippo Funding, LLC and BlueHippo Capital, LLC are collectively referred to herein as "BlueHippo" or "Defendants."

General Allegations

15. BlueHippo markets, sells and finances computers to low-income consumers who lack access to traditional and legitimate forms of credit. In its advertisements, BlueHippo promises to make "brand name" "top-of-the-line" computers "affordable" by allowing customers to make weekly or bi-weekly payments. In reality, BlueHippo sells its computers at prices that are several times the prices that consumers would pay manufacturers or legitimate retailers.

16. An individual purchasing a computer from BlueHippo would first be required to make an immediate down payment of \$99 followed by at least three months of consecutive weekly payments of at least \$36 before BlueHippo would even begin the shipping process. The consumer would then have to wait an additional processing period on top of the three months before even receiving a computer. The consumer would then pay BlueHippo at least an

additional \$1,404 in 39 weekly payments. The computer delivered by BlueHippo to the consumer is worth far less than the payments.

17. Plaintiff received an advertising flyer in the mail at her home address in Ottawa County from BlueHippo advertising their services to provide computers to people with no credit or less than perfect credit. The advertisement offered a free 20 inch LCD television and a printer. Soon after receiving this advertisement, on or about May 10, 2006, Plaintiff contacted BlueHippo from her telephone to obtain information about BlueHippo's services and discuss the possibility of ordering a new computer from BlueHippo.

18. During the telephone conversation with the BlueHippo sales representative, Plaintiff informed the sales representative that she did not know if she wanted to purchase a computer from BlueHippo, that she needed to consider the purchase before entering into an agreement with BlueHippo to purchase a computer, and that she would call back if she decided to purchase a computer from BlueHippo. She also informed the BlueHippo representative that she was waiting for child-support payments to be garnished from her ex-husband's wages, and until that time, she would be unable to afford the payments.

19. During the telephone conversation with the BlueHippo sales representative, the sales representative requested Plaintiff's bank account information so that the sales process would go quicker if Plaintiff did, in fact, call back to order a computer.

20. The BlueHippo representative further informed Ms. Robbins that BlueHippo could not begin to withdraw payments from her banking account until such time as she had received, signed and returned certain documents that BlueHippo would send her.

21. Plaintiff disclosed to the BlueHippo sales representative the banking information requested by the BlueHippo sales representative at that time.

22. Plaintiff did not agree to purchase a computer from BlueHippo during this conversation with the BlueHippo sales representative or at any other time after this conversation with the BlueHippo sales representative.

23. Roughly one month after her May 10, 2006 conversation with the BlueHippo sales representative, Plaintiff received an overdraft notice from her bank.

24. The overdraft notice indicated that BlueHippo made an electronic funds transfer debit from Plaintiff's bank account in the amount of \$99.00 on or about May 23, 2006.

25. BlueHippo made this electronic funds transfer debit (and others) from Plaintiff's bank account without Plaintiff's permission.

26. Roughly one month after her May 10, 2006, conversation with the BlueHippo sales representative, Plaintiff received from BlueHippo a Sales Order and a Layaway Agreement.

27. Plaintiff never signed, returned or agreed to the Sales Order or Layaway Agreement to BlueHippo.

28. Plaintiff never received a computer from BlueHippo.

29. BlueHippo's website, <http://www.bluchippo.com>,<sup>1</sup> states that their sales representatives will do the following during a sales call:

- Review the price of the equipment at the end of each sales call and ask for a verbal confirmation;
- Ask each customer to verbally agree and verify their understanding of the sales terms by saying "OK" multiple times during the verification section of each call as well as providing a 4 digit PIN number that represents the customer's digital signature;
- Ask the customer to verbally agree to our non-cash refund policy of providing store credit at BlueHippo.com if they should elect to cancel their purchase prior to our ordering the computer from our manufacturer.

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<sup>1</sup> As of the date of the filing of this Petition.

30. The sales representative did not ask Plaintiff to verbally agree to her understanding of sales terms and conditions. She was never provided with a 4 digit PIN. In fact, the sales representative informed Plaintiff that, without a PIN, BlueHippo would be unable to access her bank account.

31. The website further states that "within 48 hours of each sales call, BlueHippo mails disclosure documents further outlining the terms of the agreement. These documents must be signed and returned by the customer prior to financing their computer..." (Emphasis added.)

32. BlueHippo unlawfully withdrew money from Plaintiff's account, despite the fact that she never signed and returned the disclosure documents.

33. BlueHippo's website further states that each sales call undergoes an overnight review and, if the standards are not met, the customer is contacted to confirm they understand the terms and conditions of the sales agreement.

34. Plaintiff was never contacted by BlueHippo to confirm that she understood the nature and conditions of the sales agreement, despite the fact that BlueHippo's standards had not been followed.

35. Plaintiff has demanded that BlueHippo refund all money unlawfully obtained from her bank account by BlueHippo, but BlueHippo has failed to do so.

36. BlueHippo's website advised consumers that the Company records all sales calls.

#### Class Action Allegations

37. This action is instituted by Plaintiff on behalf of herself and as the representative of a nationwide class of all other persons similarly situated to Plaintiff.

38. The class of persons is defined as follows: all individuals whose accounts were debited by BlueHippo without permission and before receiving permission, from 2003 to the present.

39. Plaintiff believes the class includes hundreds of persons, but no more than 500 persons, and the class is so numerous that joinder of all members of the class would be impracticable.

40. The common questions of law and fact predominate over individual issues, because the common issues are central to this case. The claims asserted by Plaintiff on behalf of herself and as representative of the class present questions of law and fact that are common to the class, including without limitation the following:

40.1. Whether Defendants violated the Electronic Funds Transfer Act in their transactions with Plaintiff and Class by debiting their accounts without authorization.

40.2. Whether Defendants made misrepresentations and omissions of material fact to Plaintiff and Class.

40.3. Whether Defendants' actions were made intentionally and with malice.

40.4. Whether Defendants violated the Oklahoma Consumer Protection Act in their transactions with Plaintiff and Class by debiting their accounts without permission or authorization.

40.5. Whether Defendants violated the Maryland Consumer Protection Act in their transactions with Plaintiff and Class by debiting their accounts without permission or authorization.

41. The claims asserted by Plaintiff on behalf of herself are typical of the claims asserted for the Class.

42. Plaintiff and Plaintiff's counsel will represent fairly and adequately the interests of the class. Plaintiff has no interest that conflicts in any way with those of the class.

43. This action may be maintained as a class action under 12 O.S. § 2023(B)(2) because Defendants have acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

44. This action may be maintained as a class action under 12 O.S. § 2023(B)(3) because the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

**Plaintiff's First Claim for Relief:  
Violation of the Electronic Funds Transfer Act  
(against all Defendants)**

45. Plaintiff realleges and incorporates herein by reference the allegations set forth in each of the foregoing paragraphs as if fully alleged herein.

46. The debits that BlueHippo made on Plaintiff's checking account and the accounts of each member of the Class constitute electronic fund transfers within the meaning of the Electronic Funds Transfer Act, 15 U.S.C. § 1693a(6).

47. Plaintiff and members of the Class did not give written or oral authorization to BlueHippo prior to BlueHippo beginning to debit their accounts.

48. These debits were made intentionally and with malice.

49. These debits constitute unauthorized electronic fund transfers within the meaning of the Electronic Funds Transfer Act, 15 U.S.C. § 1693a(11) and any such debits are therefore not authorized and are unlawful.

**Plaintiff's Second Claim for Relief:  
Violation of the Nevada Consumer Protection Act  
(against Defendant BlueHippo Capital, LLC)**

50. Plaintiff realleges and incorporates herein by reference the allegations set forth in each of the foregoing paragraphs as if fully alleged herein.

51. Defendants' actions described herein are misrepresentations and omissions that have deceived or could reasonably be expected to deceive or mislead Plaintiff and Class to the detriment of Plaintiff and Class.

52. Defendants' actions described herein offend established public policy and are unethical, oppressive, unscrupulous and substantially injurious to consumers, including Plaintiff and Class.

53. These are unfair and deceptive trade practice as defined in Nev. Rev. Stat. § 598.0903 *et. seq.*

54. Defendants' actions described herein were made intentionally and with malice.

55. Plaintiff and Class have been damaged and may be further damaged by Defendants' actions described herein.

**Plaintiff's Third Claim for Relief:  
Violation of the Maryland Consumer Protection Act  
(against Defendant BlueHippo Funding, LLC)**

56. Plaintiff realleges and incorporates herein by reference the allegations set forth in each of the foregoing paragraphs as if fully alleged herein.

57. Defendants' actions described herein are misrepresentations and omissions that have deceived or could reasonably be expected to deceive or mislead Plaintiff and Class to the detriment of Plaintiff and Class.

58. Defendants' actions described herein offend established public policy and are unethical, oppressive, unscrupulous and substantially injurious to consumers, including Plaintiff and Class.

59. These are unfair and deceptive trade practice as defined in MD. CODE ANN., COM. LAW § 13-301.

60. Defendants' actions described herein were made intentionally and with malice.

61. Plaintiff and Class have been damaged and may be further damaged by Defendants' actions described herein.

**Plaintiff's Fourth Claim for Relief:  
Unjust Enrichment  
(against all Defendants)**

62. Plaintiff realleges and incorporates herein by reference the allegations set forth in each of the foregoing paragraphs as if fully alleged herein.

63. Defendants withdrew money from Plaintiffs bank account without her authorization. Plaintiff received nothing from Defendants. As of the date of the filing of this complaint, Plaintiff has not received a reimbursement of the monies withdrawn from her account by Defendants.

64. As a direct result of Defendants' acts or practices, Defendants have been unjustly enriched.

65. Plaintiff and the other Class Members are entitled to equitable restitution of these unauthorized withdrawals.


66. As Defendants wrongfully profited from the monies they received from Plaintiff and the other Class Members, Defendants must disgorge, for the benefit of the class, all or part of the profits received.

WHEREFORE, Plaintiff, on behalf of herself and all other members of the class, demands Judgment against Defendants as follows:

- a. Requiring Defendants to disgorge all profits to Plaintiff and/or the class realized by their unlawful conduct;
- b. Awarding any nominal, compensatory, punitive damages and/or treble damages as allowed by law, against each defendant, jointly and severally;
- c. Awarding Plaintiff reasonable attorney fees and costs;
- d. Awarding pre- and post-judgment interest;
- e. Ordering such funds or assets be impounded, or a trust imposed, to avoid dissipation, fraudulent transfers, and/or concealment of such monies or assets by Defendants; and
- f. Granting such other and further relief that this Court deems equitable and proper.

**JURY TRIAL REQUESTED**

Respectfully submitted,

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