



Consumer Financial  
Protection Bureau

## **CFPB and New York Attorney General Sue RD Legal for Scamming 9/11 Heroes Out of Millions of Dollars in Compensation Funds**

CFPB and NY Also Accuse Company of Deceiving National Football League Concussion Victims

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**WASHINGTON, D.C.** – Today the Consumer Financial Protection Bureau (CFPB) and the New York Attorney General filed a lawsuit against RD Legal Funding, LLC, two related entities, and Roni Dersovitz, the companies’ founder and owner, for allegedly scamming 9/11 heroes out of money intended to cover medical costs, lost income, and other critical needs. RD Legal also allegedly conned National Football League (NFL) concussion victims. The CFPB and New York Attorney General allege that the illegal scheme deceived 9/11 first responders with cancer and other illnesses and football players with brain injuries out of millions of dollars by luring them into costly advances on settlement payouts with lies about the terms of the deals. In the suit filed in federal court, the CFPB and the New York Attorney General seek to put an end to the company’s illegal practices, obtain relief for the victims, and impose penalties.

“It is unconscionable that RD Legal scammed 9/11 heroes and NFL concussion victims out of millions of dollars,” said CFPB Director Richard Cordray. “We allege that this company and its owner lined their pockets with funds intended to cover medical care and other critical expenses for people who are sick and sidelined. Our lawsuit seeks to end this illegal scheme and get money back to those entitled to receive it.”

“The alleged actions by RD Legal – scamming 9/11 heroes and former NFL players struggling with severe injuries—are simply shameful. RD Legal used deceptive tactics to charge unlawfully high interest rates for advances on settlement and compensation funds, allowing them to profit off the backs of these unsuspecting individuals,” said New York Attorney General Eric Schneiderman. “My office will do all it can to end the fraudulent practices employed by RD Legal, recoup the illegal amounts charged by this company – and make these victims whole again.”

RD Legal, based in Cresskill, N.J., is a company that offers advances to consumers entitled to payouts from victim compensation funds or lawsuit settlements. The company targeted fund awardees including police, firefighters, paramedics, and others who were first responders to the

World Trade Center attack on September 11, 2001. Many of these first responders suffer from cancers and other respiratory illnesses related to their exposure to dust and debris at the attack site, post-traumatic stress disorder, depression, and memory loss. They were awarded money from the Zadroga Fund, established by Congress to assist with needs including mounting medical costs and lost income because of their inability to work. RD Legal also targeted former NFL players who have been diagnosed with neurodegenerative diseases such as Alzheimer's and Parkinson's disease and were entitled to payments from the settlement in a class action lawsuit.

The CFPB and the New York Attorney General allege that RD Legal contacted these consumers after they were awarded their money but before they received most of it. RD Legal then swooped in with a "deal," offering the victims an upfront payment of some of the money they had not yet received which would be paid back when they received the balance of the payout. Through confusing contracts, RD Legal misrepresented to consumers their obligation to repay these expensive transactions, often collecting from the consumer more than twice what RD Legal had advanced months earlier. Today's lawsuit alleges that RD Legal's illegal actions cost victims, many of whom suffered long-term physical or cognitive harm, millions of dollars.

The CFPB and the New York Attorney General allege that the defendants violated several laws, including the Dodd-Frank Wall Street Reform and Consumer Protection Act's prohibition on deceptive and abusive acts and practices. Specifically, the CFPB and New York Attorney General allege that RD Legal:

- **Lured consumers into costly payouts by lying about the terms of the deal:** Through convoluted contracts, RD Legal misrepresented to consumers what they were being offered. These misrepresentations deceived consumers, interfered with their understanding of the terms, costs, and conditions of the transactions, and prevented them from meaningfully evaluating what was being offered. The products were expensive. For example, one consumer was awarded \$65,000 from the Zadroga Fund. While she waited for her payment from the fund, RD advanced her \$18,000. When her award payment from the fund arrived six months later, she had to repay \$33,000 to RD Legal – so she paid \$15,000 to RD above and beyond the money RD Legal advanced to her.
- **Lied about speeding up the processing of consumers' claims:** RD Legal lied to consumers by claiming that it could "cut through red tape" to obtain their anticipated payments from claims administrators faster than would otherwise be possible. In fact, RD Legal had no authority or ability to change when victim compensation or settlement payouts occurred.
- **Deceived consumers about when they would receive the money from RD Legal:** RD Legal misrepresented to consumers when they would receive money from the company. On its website, the company promised that consumers would receive the money within several days of entering into the contract, but some consumers did not receive money until months after it was promised.
- **Illegally collected money from consumers:** When consumers received their payouts from their actual settlement funds, RD Legal attempted to recover its money from the

victims. But the complaint alleges that the costly transactions are not valid and enforceable or they are void under New York law because they violated the state interest rate cap. As a result, no payment is due and RD Legal had no right to collect.

The New York Attorney General also alleges additional violations of New York state law in the complaint.

Named in today's lawsuit are RD Legal Funding LLC, RD Legal Finance LLC, RD Legal Funding Partners LP, and Roni Dersovitz. The lawsuit alleges that Dersovitz is the founder and owner of all the entities, and that he substantially assisted RD Legal's violations. Through the lawsuit, the CFPB and the New York Attorney General are seeking to put an end to the company's illegal practices, obtain relief for the victims, and impose penalties.

The complaint is not a finding or ruling that the defendants have actually violated the law.

**The CFPB and New York Attorney General's complaint can be found at:**  
[http://files.consumerfinance.gov/f/documents/201702\\_cfpb\\_RD-Legal-complaint.pdf](http://files.consumerfinance.gov/f/documents/201702_cfpb_RD-Legal-complaint.pdf)

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