VETERANS SETTLE SUIT AGAINST NETWORK OF COMPANIES THAT DUPED HUNDREDS OUT OF THEIR MILITARY BENEFITS

Eight veterans from across the country banded together to end a scheme to “sell” military benefits to investors

LOS ANGELES, CA — November 1, 2019 — Eight military veterans from across the country put a stop to a nation-wide scheme that bilked hundreds of veterans out of millions of dollars in military benefits. The veterans filed two lawsuits alleging that a network of companies, including Performance Arbitrage Co., Life Funding Options, and Upstate Law Group, targeted veterans seeking financial assistance and convinced them to sign over their retirement and disability benefits in exchange for upfront cash. The lawsuits alleged that these transactions were riddled with hidden interest rates, administrative fees, and worth far less than the value of the veterans’ benefits. These transactions were not only unjust, putting veterans’ health, homes and families at risk, but they violated multiple federal laws.

The veterans, represented by William F. Dolan of Jones Day, Stephanie Lewis of Jackson Lewis P.C., and Public Counsel, secured a series of agreed injunctions that will put BAIC, Performance Arbitrage Co. and Life Funding Options, and their affiliates Candy Kern-Fuller, Katharine Snyder, Michelle Plant, and Mark Corbett, out of the business of buying or brokering the sale of military benefits or pensions for good.

“Many of our veterans return home from their service only to be confronted by new battles, including unemployment and health problems,” said Nisha Kashyap, Staff Attorney at Public Counsel. “It’s unconscionable that bad actors would look to capitalize upon these challenges. The last thing any veteran should have to worry about is getting cheated out of their benefits.”

Under the injunctions, the defendants must immediately stop brokering, offering, arranging, enforcing or collecting on any veteran contracts, essentially ending all activities for all future and many existing contracts. These injunctions thus extend beyond the eight veterans who brought the lawsuits and affect in various ways the rights of many other veterans who contracted with the defendants.

“I’m just relieved that no one else will suffer or be taken advantage by this scheme,” said Billy Green, who served 23 years in the Navy and retired in 1999. “They took advantage of me at time when I was at my lowest. I was desperate to find a way to support my family and I couldn’t
have known at the time that this deal was illegal or that it would come at such a high cost to me and my family and our wellbeing.”

“Veterans’ benefits are in place to give back to the men and women who put their lives on the line for our country, and those benefits were taken from the hundreds of veterans targeted by this scheme,” said Stephanie Lewis, attorney at Jackson Lewis P.C. “While we can’t make up for their sacrifice or loss, we can make sure this never happens to another veteran again.”

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