

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

WOODBIDGE STRUCTURED FUNDING, LLC	)	CIVIL ACTION
	)	NO.
	)	
Plaintiff,	)	
	)	JURY TRIAL DEMANDED
VS.	)	
	)	
SOVEREIGN FUNDING d/b/a WE BUY PAYMENTS, and DAVID SPRINGER	)	
	)	
		NOVEMBER 28, 2011
Defendants		

COMPLAINT

The Plaintiff, Woodbridge Structured Funding, LLC ("Woodbridge"), by and through its undersigned counsel, for its Complaint against the Defendants, Sovereign Funding d/b/a We Buy Payments ("Sovereign Funding"), and David Springer ("Springer") (collectively "Defendants" or "WBP"), hereby alleges upon knowledge as to itself, and upon information and belief, as follows:

PARTIES

1. Plaintiff Woodbridge is a limited liability company duly organized and existing under the laws of Delaware with its principal place of business located in Sherman Oaks, California. Woodbridge specializes in offering lump sum payments to clients who are receiving periodic payments from structured settlements, all types of annuities or lottery winnings, so that those clients may access the funds they need today.
2. Upon information and belief, Defendant Sovereign Funding is a company duly organized and existing under the laws of the State of Delaware, with its principal

One Goodwin Square
225 Asylum Street
Hartford, CT 06103

HALLORAN
& SAGELL P

Phone (860) 522-6103
Fax (860) 548-0006
Juris No. 26105

place of business in Columbia, Maryland.

3. Upon information and belief, David Springer is citizen and resident of the State of Maryland, with principal place of business at 10430 Fair Oaks, Columbia, Maryland. He is the President of Sovereign Funding.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331, as this dispute arises by virtue of Defendants' violations of, *inter alia*, 15 U.S.C. § 1125 and 15 U.S.C. § 1114.

5. This Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367, for the claims under common law, as they are inexorably intertwined with the claims asserted under Federal law.

6. This Court has personal jurisdiction over the Defendants Sovereign Funding and Springer, as they are residents or have principal places of business in Columbia, Maryland.

7. Venue is appropriate pursuant to 28 U.S.C. § 1391, because the events or omissions giving rise to the claims alleged occurred in this District, or because one or both of the Defendants reside in this District.

BACKGROUND FACTS

8. Since 1993, Woodbridge has provided financial services to U.S. consumers, operating under the "Woodbridge" name. Its business focuses on providing lump sum and other payments to clients who are recipients of periodic payments through structured settlements, annuities, mortgages, deeds of trust, or lottery winnings, so that those clients can choose to use those funds to address their existing needs or

goals.

9. During these almost twenty years, Woodbridge has developed considerable trademark rights and goodwill in the "Woodbridge" name. Woodbridge has continuously and exclusively used the "Woodbridge" name and mark throughout the United States for the purpose of identifying its business and services, marketing and promoting its services, and providing services and funding to its clients. This has included print, television, radio, and other advertising, and since 2007, in its Internet website, **WWW.WOODBRIDGEINVESTMENTS.COM**.

10. As a result of its many years of experience and promotion, Woodbridge has developed extensive goodwill in the "Woodbridge" name in the area of funding payments for structured settlements, annuities, lottery winnings and similar instruments.

11. Woodbridge also owns a federal registration for WOODBRIDGE STRUCTURED FUNDING, LLC (U.S. Reg. No. 3,983,231) as well as a federal application for WOODBRIDGE (U.S. Serial No. 85/299,147). (Documentation supporting Woodbridge's federal trademark rights are attached hereto as Exhibit A).

12. David Springer is the principal and, upon information and belief, controlling officer of Sovereign Funding. In numerous Sovereign Funding advertising and promotional materials, Springer is touted as the person behind Sovereign Funding, and the individual in charge. Upon information and belief, all marketing, promotional, and management decisions are made by David Springer.

13. Sovereign Funding is a structured settlement broker. Offering services that in some respects are on their face copies of those developed by Woodbridge, Sovereign Funding promotes itself as a purchaser of structured settlements, annuities

and lottery winnings. Among others, it operates a website with the domain name **WWW.SOVEREIGNFUNDING.COM**.

14. In addition to the domain name cited in the preceding paragraph, Sovereign Funding has registered other domains, which have been used to redirect consumers to Sovereign Funding. Among these is **WWW.WEBUYPAYMENTS.NET**. For a period of time until approximately early October 2011, www.webuypayments.net included links to **WWW.SOVEREIGNFUNDING.COM**.

15. Upon information and belief, **WWW.WEBUYPAYMENTS.NET** is registered to or operated by Sovereign Funding.

16. Sovereign Funding has not been content with simply using its own name and **WWW.WEBUYPAYMENTS.NET** to promote its services. Instead, upon information and belief, Sovereign Funding embarked upon a campaign and scheme to both misappropriate the marks of and malign its competitors (including Woodbridge), all for the purpose of misdirecting consumers to Sovereign's sites.

17. In particular, and upon information and belief with the assistance of or by retaining an outside search engine optimization vendor, Sovereign Funding has used a fraudulent and deceptive search engine optimization ("SEO") technique, under which Sovereign Funding, either directly or working with vendors under its control and direction, have created landing sites and search results which misdirect consumers when a search is made using the term "Woodbridge," both alone and in combination with other words. As examples, at certain times, when potential consumers have entered a search using "Woodbridge Investments," "Woodbridge Structured Funding" and/or similarly worded searches, the results lists in such search engines as Google

have included landing pages which, when clicked, have redirected consumers to **WWW.WEBUYPAYMENTS.NET**, as well as to other companies and websites.

18. Sovereign Funding has used and is using the Woodbridge mark without the permission, consent or authorization of Woodbridge, to deceptively redirect potential consumers and refer those consumers to services identical to those offered by Woodbridge.

19. In addition, and as part of its fraudulent and deceptive SEO strategy, Sovereign Funding, with the assistance, upon information and belief, of vendors, has created submissions to search engines which include the Woodbridge mark in combination with other words which are intentionally, false, deceptive and/or defamatory. Google searches incorporating the Woodbridge mark with other terms result in lists that include, among other things, "Woodbridge structured funding scam," "Woodbridge funding lie," and "Woodbridge funding complaint," both alone and in combination with names of states in which Woodbridge does business. These search results are, upon information and belief, the direct result of search engine optimization techniques used by or at the request of Sovereign Funding.

20. At certain times in the past, when the results referred to in the preceding paragraph were clicked, the result would redirect the potential consumer to the **WWW.WEBUYPAYMENTS.NET** website.

21. On or about October 5, 2011, Plaintiff, through counsel, wrote to the Defendants Sovereign Funding and Springer regarding the aforementioned fraudulent, deceptive and defamatory practices. A copy of this cease & desist letter is attached hereto as Exhibit B.

22. No response was ever received to Exhibit B.

23. Instead, shortly thereafter, changes occurred to the

WWW.WEBUYPAYMENTS.NET website and with respect to the search results. All content was removed from **WWW.WEBUYPAYMENTS.NET**, and at present, the website is a Domain Parking Site. Even more intriguingly, in many instances, the redirection for search results from Google searches of "Woodbridge" and of "Woodbridge" coupled with other terms, underwent changes, first redirecting users to a blog site operated by a person who has in the past taken issue with the practices of Sovereign Funding, and then, to blank pages on **WWW.WIKIPEDIA.ORG**. Notwithstanding those changes in redirection, searches using the Woodbridge mark still result in lists that juxtapose the words "complaints," "scam" or "lie" to "Woodbridge" -- as was the case prior to the cease and desist letter of October 5, 2011 -- and the result lists are the same or similar to those which previously redirected consumers to **WWW.WEBUYPAYMENTS.NET** and to Sovereign Funding.

24. Upon information and belief, Sovereign Funding, and/or persons acting at the direction or on the behalf of Sovereign Funding, have taken steps to register domain names or landing sites, or to make submissions to search engines, using metadata and other submissions that are designed to produce the search results cited above, including juxtaposing "scam," "lie," and "complaint" in proximity to the Woodbridge mark, and, at least in the past, causing those results to direct users to **WWW.WEBUYPAYMENTS.NET**.

25. Upon information and belief, the conduct of Sovereign, as set forth above, has been by, at the direction of, or with the knowledge and consent of, Defendant David

Springer.

26. Upon information and belief, the search engine submissions and Internet web page creation has been performed by Sovereign Funding or by other entities acting at the direction of Sovereign Funding and Springer.

CLAIMS FOR RELIEF

COUNT ONE:

Trademark Infringement
(15 U.S.C. § 1125(a)(1))

27. Woodbridge incorporates the allegations contained in Paragraphs 1 through 26 as if fully restated herein.

28. Sovereign Funding has used, reproduced and/or copied the Woodbridge mark without the permission, consent or authorization of Woodbridge.

29. Sovereign Funding has used the Woodbridge mark in interstate commerce as part of sale, advertising and promotion of its commercial services, including through the use of the Woodbridge mark in creating Internet search engine results that redirect consumers to web sites owned and operated by Sovereign Funding.

30. Sovereign Funding's use of the Woodbridge mark as set forth above is likely to cause, and upon information and belief has caused, confusion, mistake or deception of consumers with respect to the affiliation, connection, or association of the Defendant with name "Woodbridge."

31. In addition, because of the deceptive use by Sovereign Funding of the Woodbridge mark to redirect consumers to the **WWW.WEBUYPAYMENTS.NET** website, consumers are likely to be confused, misled or deceived as to the source, origin, or sponsorship of products and services bearing the Woodbridge name.

- 7 -

One Goodwin Square
225 Asylum Street
Hartford, CT 06103

**HALLORAN
& SAGE LLP**

Phone (860) 522-6103
Fax (860) 548-0006
Juris No. 26105

32. By virtue of the foregoing, Sovereign Funding has infringed the rights of Woodbridge with respect to its mark, "Woodbridge."

33. Upon information and belief, Defendant David Springer knew of Woodbridge's mark and rights, and directed, caused, or permitted infringement of the Woodbridge mark, as set forth above.

34. As a result of the conduct of the Defendants Sovereign Funding and Springer, Woodbridge has suffered and will continue to suffer irreparable harm, including injury to Woodbridge's good will, for which Woodbridge has no adequate remedy at law.

35. As a result of the conduct of the Defendants, Woodbridge has suffered and will continue to suffer actual damages.

36. Each of the Defendants knew or should have known of Woodbridge's rights in its mark, and the aforementioned conduct by the Defendants was intentional and in bad faith.

COUNT TWO:

False Advertisement
(15 U.S.C. § 1125(a)(1))

37. Woodbridge incorporates the allegations contained in Paragraphs 1 through 36 as if fully restated herein.

38. Sovereign Funding has used false or misleading representations of fact by using the Woodbridge mark deceptively to redirect potential consumers to one or more internet websites owned or operated by Sovereign Funding.

39. Sovereign Funding has made false or misleading representations of fact by submitting data and other entries for the purpose of creating intentionally false,

deceptive and/or derogatory search results, with the result that search results include "Woodbridge" in proximity with "lie," "scam," or "complaint."

40. Sovereign Funding has used and continues to use the Woodbridge mark in commerce, in a manner which is false, deceptive and derogatory, and in connection with the promotion, sale, distribution, or advertising of its commercial services.

41. Sovereign Funding's use of the Woodbridge mark is likely to cause consumers confusion, mistake or deception as to the affiliation, connection, or association of the Defendant with Woodbridge as well as to the origin, sponsorship, or approval of defendant's goods, services or commercial activities.

42. Sovereign Funding's use of the Woodbridge mark, *inter alia*, in its use of "Woodbridge" for search results that redirect users to websites and landing pages controlled or developed Sovereign Funding, has caused and is likely to cause initial interest confusion of consumers, who after searching for "Woodbridge," will be misdirected to Defendant and its site.

43. Sovereign Funding's use of the Woodbridge mark in proximity with the words "lie," "scam," or "complaint," by making submissions that result in Google search results as alleged above, constitutes a false or misleading description or representation of fact, and misrepresents the characteristics and qualities of Woodbridge's services and commercial activities.

44. As a result of Sovereign Funding's conduct, Woodbridge has suffered and will continue to suffer irreparable harm, including damage to Woodbridge's good will, for which Woodbridge has no adequate remedy at law.

45. As a result of Sovereign Funding's misrepresentations and/or

mischaracterizations in its use of the Woodbridge mark, including in association with the phrases stated above and its unauthorized use of the Woodbridge mark, Woodbridge has suffered actual damages.

46. The aforementioned conduct by Sovereign Funding was intentional and in bad faith.

47. The aforementioned conduct by Sovereign Funding was undertaken by, at the direction of, or with the knowledge and consent of Springer.

48. Sovereign Funding and Springer knew or should have known that the aforementioned conduct would cause damage to Woodbridge.

COUNT THREE:

Unfair Competition and False Designation of Origin
(15 U.S.C. § 1125(a))

49. Woodbridge incorporates the allegations contained in Paragraphs 1 through 48 as if fully restated herein.

50. Sovereign Funding's adoption, use and promotion of the Woodbridge mark in its advertisements and web searches and its use and approval of search engine optimization techniques which result in intentionally creating search results in which deceptive and defamatory words are placed in proximity to the Woodbridge mark as alleged above, will likely cause confusion, mistake or deception on the part of persons who access information about Sovereign Funding's services, regarding the origin, sponsorship or approval by Woodbridge of Sovereign Funding's services, in violation of 15 U.S.C. § 1125(a).

51. Sovereign Funding's unfair competition has been and is willful and deliberate, done with full knowledge of Woodbridge's rights to its mark, and is intended

to trade upon the consumer goodwill which has been developed over many years, and is enjoyed by Woodbridge.

52. The aforementioned conduct by Sovereign Funding was undertaken by, at the direction of, or with the knowledge and consent of Springer.

53. Woodbridge's goodwill is of great value, and Woodbridge has suffered and will continue to suffer irreparable harm as a result of Sovereign Funding's unfair and deceptive use of the Woodbridge mark, including without limitation to its redirecting consumers to the **WWW.WEBUYPAYMENTS.NET** website and/or the use of the Woodbridge mark with disparaging terms such as "scam" and "lie" in search results.

54. Sovereign Funding's unfair competition will continue unless enjoined by this Court.

55. Woodbridge is entitled to preliminary and permanent injunctive relief against Sovereign Funding and Springer, as well as all other remedies available under the Lanham Act, including but not limited to compensatory damages, treble damages, disgorgement of profits, and costs and attorney's fees.

COUNT FOUR:

Common Law Trade Libel and Product Disparagement

56. Woodbridge incorporates the allegations contained in Paragraphs 1 through 55 as if fully restated herein.

57. Sovereign Funding and Springer, alone and/or with the assistance of others, have made or created false and deceptive representations of fact, including by publishing or causing to be published intentionally false and deceptive terms in juxtaposition with the Woodbridge mark, and by submitting, or causing others to submit,

data or material using search engine optimization techniques which result in Google search results that juxtapose "Woodbridge" with "complaint," "lie," or "scam."

58. The planting of search results that proximate "Woodbridge" to the terms "scam," "lie," or "complaint" has had and continues to have the effect of disparaging and defaming Woodbridge.

59. In addition, at certain times, these phrases have redirected the potential consumer to other websites, first to the **WWW.WEBUYPAYMENTS.NET**, then to a blog relating to structured settlements, and most recently to a blank Wikipedia page.

60. Upon information and belief, Sovereign Funding and Springer, alone and/or acting with the assistance of others, have published or caused to be created the search results that which produce the defamatory search results alleged above.

61. Upon information and belief, Sovereign Funding and Springer, alone and/or acting with the assistance of others, have created and published the false and/or disparaging statements regarding Woodbridge with knowledge of their falsity, and/or with reckless disregard for their truth or falsity, and has done so for the purpose of causing harm to Woodbridge, one of the Defendants' competitors.

62. The statements, as set forth above, disparage the business and reputation of Woodbridge in such a way that they have interfered, or are likely to interfere, with Woodbridge's business with potential and actual consumers.

63. As a result of the conduct of Sovereign Funding, and David Springer, including the false and defamatory statements and submissions they have made or caused to be created, Woodbridge's reputation, name and good will have been harmed and damaged in the eyes of consumers and members of the public, and Woodbridge

has suffered and will continue to suffer irreparable injury, including injury to Woodbridge's good will, for which Woodbridge has no adequate remedy at law.

64. By virtue of the Defendants' conduct, Woodbridge has suffered actual damages.

65. Woodbridge is entitled to preliminary and permanent injunction against the Defendants.

66. Woodbridge is entitled to compensatory damages, treble damages, disgorgement of profits, and costs and attorney's fees, as a result of the conduct of the Defendants.

COUNT FIVE:

Common Law Defamation

67. Woodbridge incorporates the allegations contained in Paragraphs 1 through 66 as if fully restated herein.

68. Sovereign Funding has made statements, and through search engine submissions has caused to be made statements, about Woodbridge to the general public, which are false, defamatory and which disparage the business reputation and goodwill of Woodbridge.

69. Sovereign Funding and Springer, alone and/or working with others, created and submitted data and materials to search engines, which have caused to be created search results that are false, defamatory, and which disparage the business reputation and goodwill of Woodbridge.

70. The aforementioned conduct by Sovereign Funding has been undertaken at the direction, or with the consent, of Springer.

71. As a result of the conduct of the Defendants, Plaintiff has sustained damage to its goodwill, reputation, and name as a result of the defamatory statements and defamatory search results.

72. As a further direct and proximate result of said conduct and defamatory statements, Woodbridge has sustained damages.

WHEREFORE, the Plaintiff, **WOODBIDGE STRUCTURED FUNDING, LLC** respectfully requests the following:

1. An Order:

i. Preliminarily and permanently enjoining and restraining the Defendants, their officers, agents, servants and employees, and all others in concert and privity with them from:

1. Imitating, copying or making unauthorized use of the Woodbridge name;
2. Infringing, or falsely designating the Woodbridge name;
3. Using the Woodbridge name in commerce;
4. Injuring Woodbridge's reputation;
5. Distributing, circulating, selling, offering for sale, advertising, promoting, activating, using or displaying the Woodbridge name in advertisements for Sovereign Funding, including but not limited to on the www.webuypayments.net website;
6. Using, or causing the Woodbridge name to be used, in any manner which may be defamatory or harm the goodwill of Woodbridge, including but not limited to by creating search

results or web pages, or making submissions designed to create search results, which include derogatory terms such as "scam," "lie," "claim" or other similar words in proximity to the Woodbridge mark;

7. Using the Woodbridge mark in a manner so that search results redirect internet users and potential consumers to any websites owned, operated, or controlled by, or affiliated with, Sovereign Funding, including but not limited to the www.webuypayments.net website; and

8. Engaging in any activity constituting unfair competition.

- ii. Requiring that the Defendants immediately undertake corrective advertising and all other activities necessary to correct and/or remove any false, deceptive, defamatory, or other advertising or search results;
- iii. Requiring that the Defendants file with this Court and serve upon the Plaintiff within thirty (30) days after service of the permanent injunction a report in writing, under oath, setting forth in detail the manner and form in which the Defendants have complied with the preliminary and permanent injunction;

- 2. An award of compensatory damages in an amount to be determined;
- 3. An award of statutory damages;
- 4. An award of treble damages, pursuant to 15 U.S.C. § 1117(b);
- 5. An award of attorneys fees, costs, and expenses, pursuant to 15 U.S.C. §

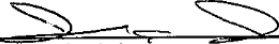
1117(b);

6. An award of pre- and post-judgment interest, as authorized by law; and
7. Such other relief as the Court may deem just and proper.

JURY DEMAND

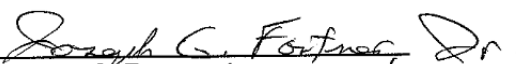
The Plaintiff, Woodbridge Structured Funding, LLC, hereby demands, in accordance with Federal Rule of Civil Procedure 38, a trial by jury of all issues so triable in the Complaint.

Respectfully submitted,
Woodbridge Structured Funding, LLC

By 
James A. Johnson
Fed Bar. No. 02298

Teresa M. Kelly
Fed. Bar No. 09034

SEMMES, BOWEN & SEMMES
25 South Charles Street, Ste 1400
Baltimore, MD 21201
Phone: 410-539-5040
Fax:: 410-539-5223

By 
Joseph G. Fortner, Jr.,
(signed by James A. Johnson with
permission of Joseph G. Fortner, Jr.)
(Motion for Admission *Pro Hac Vice*
pending)
Fed. Bar No. ct04602

Maura Droney
Fed. Bar No. ct28123
(Motion for Admission *Pro Hac Vice*
pending)
HALLORAN & SAGE, LLP
225 Asylum Street
Hartford, CT 06103
Phone: 860-522-6103
Fax: 869-548-0006
fortner@halloran-sage.com
droney@halloran-sage.com

- 17 -

VERIFICATION OF COMPLAINT

I, Jim Klohn, Retained General Counsel for Woodbridge Structured Funding, LLC, being duly sworn hereby verify that I have read the allegations of the preceding Verified Complaint dated November 28th, 2011 and to the best of my knowledge, information and belief, each allegation is true and correct.

Executed on November 28th, 2011

A handwritten signature in black ink, appearing to read "J. Klohn", is written over a horizontal line.