

SNAKE TRAP: Python Leads and Owners Jacquelyn and David Levin Facing Big Liability For Alleged Bad Leads

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Final Expense Direct is one lead buyer that is not going to be taken advantage of by bad lead sellers.

Hope others follow their good example.

According to a complaint FED filed against Python Leads and its owner the Levins, Python sold some leads to FED that resulted in TCPA claims and over \$100k in settlements FED had to shell out.

FED sued Python and the Levins to recover those sums and the fees incurred defending the TCPA suits allegedly occasioned by their bad leads.

Defendants moved to dismiss and just today their motion was denied—and forcefully.

In *Final Expense Direct. v Python Leads*, Case No. 23-cv-02093-WFJ-AAS, Doc. No. 34 (M.D. Fl. Feb. 7, 2024) the Court denied Defendants' motion concluding the case could proceed as pleaded.

The background facts are interesting.

Apparently a guy named Mr. Raza represented to FED that Python's transfers would be "fully [TCPA] Complaint and DNC scrubbed" and that Python could hold Plaintiff "100%" harmless through its up to \$1,000,000 in Berkshire Hathaway litigation insurance. " This lead to FED agreeing to do business with them.

But these facts were allegedly untrue and resulted in big trouble for FED.

FED sued for fraud leading up to entering into the contract in light of these statements and the court found these statements were independently actionable as fraudulent misrepresentations notwithstanding the contract that was subsequently entered into.

Interesting, no?

But a contract was subsequently entered into and it said:

[(1)] It is the sole responsibility of [Python] to familiarize with all laws and regulations applicable with TCPA, FEDERAL AND STATE DO NOT CALL REGISTRY! And it will hold [Plaintiff] harmless from and against any and all claims, costs, actions, losses, expenses, liabilities, and damages ("Claims") arising from the Undersigned's breach of the Agreement or this Addendum or failure to ensure that the Leads provided to your company comply with the terms of the TCPA

Also interesting, **Python never actually signed the agreement**. But since leads started being sold the Court found the agreement was binding even if unsigned because the parties relied on it.

Also also interesting, a later contract was negotiated that had different terms:

Being a Lead provider[,] we use Opt-In Data from different sources and do our best to be [in] compliance with TCPA Regulations. Along with Lead ID we will provide the source IP of the Lead. And this is your responsibility to protect yourself against any cost, demands or damages in regards to TCPA Rules. Python Leads will not be responsible for any loss or damages in regards to TCPA. (june agreement—not signed)

And THIS one was was signed by Python **but not by FED**.

For purposes of a motion to dismiss, however, the Court allowed the allegation that the second contract was never binding to survive. Wild right? That may change on summary judgment, however. To be seen.

With breach of contract and fraud claims proceeding the last question is whether the Levins could be held personally liable here. Seems pretty tough since they did not sign the agreement, the contract was with Python and not the Levins, and no specific misrepresentations were made by the Levins,

Yet the Court allowed the case to proceed against them individually reasoning that they treated Python as their own piggy bank (accepting payments into their personal accounts) and otherwise professed complete control over the company for the allegedly unlawful purpose of duping FED into buying leads from Python.

Rather obviously this *FED* case is fascinating and a MASSIVE WIN for lead buyers to keep in mind. If you get sucked into a case based on the actions of a lead seller who won't honor their agreements there is definitely a path forward—even under a possible fraud theory.

For lead sellers this case should really encourage you to straighten up and fly right. Notice how the court allowed the Plaintiff to pierce the corporate veil here—so the individual owners of Python are going to be personally liable potentially. Plus the Court is going to hold the owners liable for alleged lies by their employees—so there is really nowhere to run here.

Indeed the owners of Python are getting treated pretty roughly here. They have to face fraud claims despite making no fraudulent statements. They have to face breach of contract claims, despite signing no contracts. They face personal liability, despite providing leads only through a corporate entity. But so it goes for bad lead sellers I guess...

Very impressive in by FED and we will be paying careful attention to where this case slithers to next.

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