

**UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA**

**FEDERAL TRADE COMMISSION**  
600 Pennsylvania Avenue, N.W., NJ-3158  
Washington, D.C. 20580

Plaintiff,

v.

**DOMINANT LEADS, LLC,**  
5455 Wilshire Boulevard, Suite 2123  
Los Angeles, CA 90036

**MAD TJ HOLDINGS, LLC,**  
2717 Greenleaf Avenue  
Simi Valley, CA 93063

**JAMES RAMBADT,**  
2717 Greenleaf Avenue  
Simi Valley, CA 93063

**THOMAS HAYES,**  
5455 Wilshire Boulevard, Suite 2123  
Los Angeles, CA 90036

and

**JAMES KANE,**  
2717 Greenleaf Avenue  
Simi Valley, CA 93063

Defendants.

**Case No.**

Case: 1:10-cv-00997  
Assigned To : Friedman, Paul L.  
Assign. Date : 6/15/2010  
Description: TRO/PI

**COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission ("FTC"), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement

of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Defendants use their websites to solicit consumers to seek mortgage assistance relief services and debt relief services under the guise that Defendants are, or are affiliated with, the federal or state government.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this District under 28 U.S.C. § 1391(b), (c), and (d) and 15 U.S.C. § 53(b).

### **PLAINTIFF**

4. The FTC is an independent agency of the United States government created by statute. 15 U.S.C. §§ 41 - 58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

### **DEFENDANTS**

6. Defendant Dominant Leads, LLC is a California limited liability company with its principal place of business at 5455 Wilshire Boulevard, Suite 2123, Los Angeles, California. In connection with maintaining the Internet websites described herein, among others, which are available to consumers throughout the United States, including the District of Columbia, Dominant Leads transacts or has transacted business in the District of Columbia and throughout

the United States. At all times material to this Complaint, acting alone or in concert with others, Dominant Leads has offered, advertised, marketed, distributed, or sold mortgage assistance relief services and/or debt relief services to consumers in the District of Columbia and throughout the United States.

7. Defendant MAD TJ Holdings, LLC is a California limited liability company with its principal place of business at 2717 Greenleaf Avenue, Simi Valley, California. In connection with maintaining the Internet websites described herein, among others, which are available to consumers throughout the United States, including the District of Columbia, MAD TJ Holdings transacts or has transacted business in the District of Columbia and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, MAD TJ Holdings has offered, advertised, marketed, distributed, or sold mortgage assistance relief services and/or debt relief services to consumers in the District of Columbia and throughout the United States.

8. Defendant James Rambadt is a manager of Dominant Leads and MAD TJ Holdings (collectively, the "Corporate Defendants"). At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Rambadt, in connection with the matters alleged herein, including but not limited to the Corporate Defendants' maintenance of Internet websites that are available to consumers throughout the United States, including the District of Columbia, transacts or has transacted business in the District of Columbia and throughout the United States.

9. Defendant Thomas Hayes is a manager and the chief financial officer of Dominant Leads. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts

and practices set forth in this Complaint. Defendant Hayes, in connection with the matters alleged herein, including but not limited to the Corporate Defendants' maintenance of Internet websites that are available to consumers throughout the United States, including the District of Columbia, transacts or has transacted business in this district and throughout the United States.

10. Defendant James Kane is a principal of MAD TJ Holdings. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Kane, in connection with the matters alleged herein, including but not limited to the Corporate Defendants' maintenance of Internet websites that are available to consumers throughout the United States, including the District of Columbia, transacts or has transacted business in this district and throughout the United States.

11. The Corporate Defendants have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. Defendants have conducted the business practices described below through interrelated companies that have common ownership, officers, managers, business functions, and employees. Because these Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Individual Defendants James Rambadt, Thomas Hayes, and James Kane have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

### **COMMERCE**

12. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

## **THE FEDERAL GOVERNMENT'S EFFORTS TO ASSIST HOMEOWNERS**

13. The deep contraction in the economy and in the housing market has created devastating consequences for homeowners and communities throughout the country. In response, the federal government has introduced and widely publicized a number of federal homeowner relief and financial stability programs aimed at reviving the United States economy and assisting distressed homeowners whose mortgage loans have become unaffordable. These programs are promoted through various websites, such as [www.financialstability.gov](http://www.financialstability.gov) and [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov), both of which include official federal government logos, links to official federal government websites, and other iconic images or language.

14. The [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov) website includes the official seals or logos of the Department of Housing and Urban Development (“HUD”) and the Department of the Treasury (“Treasury”), as well as links to [www.Treas.gov](http://www.Treas.gov), [www.WhiteHouse.gov](http://www.WhiteHouse.gov), [www.HUD.gov](http://www.HUD.gov), and [FinancialStability.gov](http://FinancialStability.gov), in a banner located at the bottom of every webpage. The website’s logo depicts a row of three house roof peaks, with a square in the middle of each. The website’s home page discusses the “Obama Administration’s Making Home Affordable Program,” which offers several relief program options to homeowners, including the Home Affordable Modification Program (“HAMP”). These programs have various eligibility requirements. For example, to be eligible for a modification under HAMP, a consumer’s unpaid principal balance (for a one-unit home) must be equal to or less than \$729,750.

15. The [www.FinancialStability.gov](http://www.FinancialStability.gov) website includes the official seal of the Treasury, as well as links to [www.USA.gov](http://www.USA.gov) and [www.Treasury.gov](http://www.Treasury.gov), in a banner located at the bottom of every webpage. The website’s home page prominently features the [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov) logo (discussed above) and link to the website. It also

includes other iconic images, such as photographs of the U.S. Capitol dome and the front of the Treasury building.

### **DEFENDANTS' BUSINESS ACTIVITIES**

16. Since at least December 2008, Defendants have solicited consumers to seek mortgage assistance relief services and debt relief services through a plethora of Internet websites.

#### **Mortgage Assistance Relief Services**

17. Defendants have solicited consumers to seek mortgage assistance relief services through one or more Internet websites, including but not limited to:

www.fedmortgageloans.com, www.fedhomeaffordableplan.com, websites with the naming convention www.[state]modificationact.com (for the states of California, Georgia, Illinois, Michigan, Ohio, Pennsylvania, and Texas), and websites with the naming convention www.[state]-loan-modifications.com or www.loan-modifications-[state].com (for all 50 states except Alaska).

18. All of the www.[state]modificationact.com websites are nearly identical mirror websites to each other. All of the www.[state]-loan-modifications.com and www.loan-modifications-[state].com websites are nearly identical mirror websites to each other. Both sets of state websites have nearly identical content to www.fedmortgageloans.com and www.fedhomeaffordableplan.com. Defendants Rambadt and Kane have served as registrants, administrative contacts, technical contacts, and billing contacts for these websites. Defendants Rambadt and Hayes have paid the domain registration fees for these websites.

19. Defendants' www.fedmortgageloans.com, www.fedhomeaffordableplan.com, and www.[state]modificationact.com websites prominently feature the official seals or logos of HUD

and Treasury, and all of Defendants' websites feature links to four federal government websites ([www.Treas.gov](http://www.Treas.gov), [www.WhiteHouse.gov](http://www.WhiteHouse.gov), [www.USA.gov](http://www.USA.gov), and [www.FinancialStability.gov](http://www.FinancialStability.gov)), in a banner located at the bottom of every webpage.

20. At various times, one or more versions of the home pages of the [www.fedmortgageloans.com](http://www.fedmortgageloans.com) and [www.fedhomeaffordableplan.com](http://www.fedhomeaffordableplan.com) websites also have prominently featured the official logo of the White House.

21. Defendants have maintained a Twitter account in the name of [FEDMortgageloans.com](http://FEDMortgageloans.com) on which they identify their location as Washington, D.C.

22. Similar to the federal government's Making Home Affordable logo, [www.fedmortgageloans.com](http://www.fedmortgageloans.com)'s logo depicts a row of three houses with peaked roofs, with a square in the middle of each, above a wavy line. Moreover, [www.fedhomeaffordableplan.com](http://www.fedhomeaffordableplan.com)'s logo looks like the U.S. Capitol dome in front of a stylized American flag background. The name [www.fedhomeaffordableplan.com](http://www.fedhomeaffordableplan.com) is similar to the names of the federal government's official homeowner relief programs, "Making Home Affordable" and "Home Affordable Modification," promoted through [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov).

23. Further, the names [www.\[state\]modificationact.com](http://www.[state]modificationact.com), [www.\[state\]-loan-modifications.com](http://www.[state]-loan-modifications.com), and [www.loan-modifications-\[state\].com](http://www.loan-modifications-[state].com) suggest that these websites are tied to official mortgage loan modification legislation or programs in each state.

24. Defendants aim to leverage their purported status as, or affiliation with, a government entity or loan program to convince consumers to use their websites to obtain mortgage assistance relief services. Specifically, Defendants' [www.fedmortgageloans.com](http://www.fedmortgageloans.com), [www.fedhomeaffordableplan.com](http://www.fedhomeaffordableplan.com), [www.\[state\]-loan-modifications.com](http://www.[state]-loan-modifications.com), and [www.loan-modifications-\[state\].com](http://www.loan-modifications-[state].com) websites state: "Are You Eligible? Please use the Loan Modification

Qualifier Tool provided below, to see if you are among the 10 million homeowners who qualifies for a Federal Loan Modification!” Defendants’ www.[state]modificationact.com websites state: “Are You Eligible? Please use the Loan Modification Qualifier Tool provided below, to see if you are among the 10 million homeowners who qualifies for a Federal Loan Modification! This program is State Regulated for [state] Residents only.”

25. Below this language, Defendants’ websites provide an online form with three “Instructions” located on the left side of the home page. For some websites, the instructions read as follows:

- Fill out the Form to the Right and answer the Three Questions, and find out instantaneously if your Mortgage is Eligible for the Obama Federal Loan Modification Program.
- If you meet the eligibility requirements you will receive a security pin number with directions on how to access your Loan Modification Information Package.
- If your criteria does not match the necessary requirements you will be prompted to an explanation page for details of decline.

For other websites, the instructions read as follows:

- Fill out the Form to the Right and answer the Three Questions, and find out instantaneously if your Mortgage is Eligible for the Loan Modification Program Available to all U.S. Residents to Prevent Foreclosure.
- If you meet the eligibility requirements you will receive a security pin number with directions on how to access your Loan Modification Information Package.
- Your secured PIN Number is only available for 24-Hours.

26. The online form, located on the right side of the home page on each of Defendants’ websites, lists three bullet points. For some websites, the bullets read as follows:

- Must be suffering from a Financial Hardship
- Must be on Title of Mortgage

- Must have established Mortgage prior to January of 2009

For other websites, the bullets read as follows:

- Must be Current U.S. Resident
- Must be on Title of Mortgage
- Must have established Mortgage prior to January of 2009

For other websites, the bullets read as follows:

- Must be a Current [state] Resident
- Must be on Title of Mortgage
- Must have established Mortgage prior to January of 2009

27. Below these bullets on all websites, the form states: "Input Information Below..."

and asks the following questions:

- What is your Current Mortgage Payment?\*
- What is your Current Loan Amount?\*
- Current Mortgage Lenders Name?\*

The asterisks do not appear to refer to any other asterisked information on the page. Below the questions, the form states:

By clicking below, you certify the above criteria is met and you have answered the questions truthfully and accurately.

Then, the form provides a click-button labeled: "Find out if you are eligible."

28. When consumers input any information into the form (even loan information that would make the consumer ineligible for federal loan modification programs ), the website opens a new eligibility page that states either one of the following (depending on the different websites):

- Based on the Criteria You Filled Out. YOU QUALIFY!

or

- Based on the Criteria You Filled Out. YOU MAY MEET THE QUALIFICATIONS!

Then, the eligibility page (for all websites) states:

For your Privacy you have been issued a security pin code. By using this security pin number you will need to validate that all the information you submitted is accurate and correct. To proceed with the verification process you must call:

**888-XXX-XXXX**

Please have the following information ready.

**Secure Web PIN: XXXXX[X][X] (Valid for 24 hours)**

After completing the security verification process the new mortgage structure will be disclosed to you and you will be informed of your options to Lower Your Payment.

To help protect your information, personal information is only discussed with the [sic] you, the Mortgage Borrower.

Loan Modification Customer Service: 1-888-XXX-XXXX

29. For some websites, the toll-free telephone number provided on the eligibility page is the same as the toll-free telephone number provided elsewhere on the website. The toll-free telephone number varies from website to website. When consumers call the toll-free telephone numbers, instead of connecting with a representative of Defendants, the toll-free numbers connect them with third-party companies that market purported mortgage assistance relief services for a fee.

30. Defendants are not part of or affiliated with the United States government, the Making Home Affordable Program, [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov), [www.financialstability.gov](http://www.financialstability.gov), any federal homeowner relief or financial stability program, any state government, or any state government loan modification legislation or program.

31. Defendants' websites include a disclaimer, on a separate "Privacy Policy" page, that the websites are not affiliated with any government authority or agency. Nothing on the websites' homepages or eligibility pages, however, indicates that consumers should go to the "Privacy Policy" page or that there is any information on that page other than the actual privacy policy.

32. In addition, some of Defendants' websites include a disclaimer, located at the bottom of every webpage, that the website is not affiliated with any government authority or agency and do not take loan applications or make credit decisions. As discussed above, all of Defendants' websites feature links to four federal government websites ([www.Treas.gov](http://www.Treas.gov), [www.WhiteHouse.gov](http://www.WhiteHouse.gov), [www.USA.gov](http://www.USA.gov), and [www.FinancialStability.gov](http://www.FinancialStability.gov)) at the bottom of each webpage. Below these links is copyright and related language typically seen at the end of websites. For those websites that have the additional disclosure at the bottom of each webpage, the disclosure appears below the copyright language, such that a consumer would need to scroll past the copyright language to reach it. Nothing on the webpages above the copyright language indicates to consumers that they should scroll down for any disclaimers. The disclaimer itself is in a font size smaller than the text on the rest of the page and is in a color that is difficult to read against the webpage's background.

33. Because of the small font size, color, and placement of the various disclaimers, many consumers may not notice or review them. Thus, the disclaimers are not clear and conspicuous and do not offset the overall net impression of the websites that (1) Defendants are, or are affiliated with, the federal or state government, and (2) consumers who complete the online eligibility form "qualify" or "may meet the qualifications" for the federal government's

mortgage loan modification program regardless of consumers' actual eligibility for those programs.

### **Debt Relief Services**

34. Defendants have solicited consumers to seek debt relief services through one or more Internet websites, including but not limited to: websites with the naming convention [www.\[state\]reliefact.com](http://www.[state]reliefact.com) (for states including Alabama, California, Arkansas, Florida, Louisiana, Minnesota, New Mexico, New York, North Carolina, Ohio, South Carolina, Texas, and Washington) and websites with the naming convention [www.avoid-bankruptcy-\[state\].com](http://www.avoid-bankruptcy-[state].com) (for states including Alabama, Arkansas, Arizona, California, Florida, Indiana, Maryland, and Massachusetts).

35. All of the [www.\[state\]reliefact.com](http://www.[state]reliefact.com) websites are nearly identical mirror websites to each other. All of the [www.avoid-bankruptcy-\[state\].com](http://www.avoid-bankruptcy-[state].com) websites are nearly identical mirror websites to each other. Both sets of state websites have nearly identical content to each other. Defendants Rambadt and Kane have served as registrants, administrative contacts, technical contacts, and billing contacts for these websites. Defendants Rambadt and Hayes have paid the domain registration fees for these websites.

36. At various times, one or more versions of Defendants' [www.\[state\]reliefact.com](http://www.[state]reliefact.com) websites prominently have featured the official seals or logos of the FTC and the Social Security Administration and links to four federal government websites ([www.ssa.gov](http://www.ssa.gov), [www.ftc.gov](http://www.ftc.gov), [www.USA.gov](http://www.USA.gov), and [www.FinancialStability.gov](http://www.FinancialStability.gov)), in a banner located at the bottom of every webpage. At various times, one or more versions of the home pages of Defendants' [www.avoid-bankruptcy-\[state\].com](http://www.avoid-bankruptcy-[state].com) websites prominently have featured the official seal (or what purports to be the official seal) of the respective state. Further, the names [www.\[state\]reliefact.com](http://www.[state]reliefact.com) and

www.avoid-bankruptcy-[state].com suggest that these websites are tied to official debt relief legislation or programs in each state.

37. Defendants aim to leverage their purported status as, or affiliation with, a government entity or debt relief program to convince consumers to use their websites to obtain debt relief services. Specifically, Defendants' www.[state]reliefact.com websites state: "Please use the Credit Relief Act Tool provided below, to see if you are among the Thousands of [state] Residents who qualifies for the Credit Relief Program! Debt Reductions vary based on Criteria and current Hardship Status..." Defendants' www.avoid-bankruptcy-[state].com websites state: "Please use the Avoid Bankruptcy Tool provided below, to see if you are among the Thousands of [state] Residents who qualifies for the Credit Relief Program! Debt Reductions vary based on Criteria..."

38. Below this language, Defendants' websites provide an online form with three "Instructions" located on the left side of the home page. For the www.[state]reliefact.com websites, the instructions read as follows:

- Fill out the Form to the Right and answer the Three Questions, and find out if your [sic] Eligible for the State of [state] Credit Relief Program granting credit relief to [state] Residents.
- If you meet the eligibility requirements you will receive a security pin number with directions on how to access your Credit Relief Informational Package, please write down your Secure PIN Number for future reference.
- If your criteria does not match the necessary requirements you will be prompted to an explanation page for details of ineligibility.

For the www.avoid-bankruptcy-[state].com websites, the instructions read as follows:

- Fill out the Form to the Right and answer the Three Questions, and find out if your [sic] Eligible for the [state] Avoid Bankruptcy Program granting credit relief to [state] Residents.

- If you meet the eligibility requirements you will receive a security pin number with directions on how to access your Avoid Bankruptcy Information Package (at various times, some of these websites conclude this instruction with the phrase “please write down that PIN Number for future reference”).
- If your criteria does not match the necessary requirements you will be prompted to an explanation page for details of ineligibility (at various times, some of these websites substitute “denial” for “ineligibility”).

39. The online form, located on the right side of the home page on each of Defendants’ websites, lists three bullet points. For the www.[state]reliefact.com websites, the bullets read as follows:

- \*Must be a Current [state] Resident
- \*Must be over the Age of 18
- \*Must be suffering from a Financial Hardship

For the www.avoid-bankruptcy-[state].com websites, the bullets read as follows:

- \*Must be a Current [state] Resident
- \*Must be over the Age of 18
- \*Must have Credit Card Debt over \$10,000.00

40. Below these bullets, the form states: “Input Information Below...” and asks the consumer to answer three questions. For the www.[state]reliefact.com websites, the questions are

- What is your approximate Unsecured Debt amount?
- How many dependants did you claim on your 2008 [state] State Tax Return?
- Are You Experiencing Financial Hardship?

For the www.avoid-bankruptcy-[state].com websites, the questions are

- What is your approximate Credit Card Debt?

- How many dependants did you claim on your 2008 tax return?
- Are You Experiencing Financial Hardship?

41. Below the questions, the form states (on all websites) “\*\*By clicking below, you certify the above criteria is met and you have answered the questions truthfully and accurately.” Directly below this statement, the websites provide a click-button labeled: “Find out if you are eligible ▶”

42. When consumers input any information into the form, the websites open a new eligibility page. At various times, the www.[state]reliefact.com eligibility page states “**YOU ARE ELIGIBLE FOR CREDIT RELIEF!**” At various times, the www.avoid-bankruptcy-[state].com eligibility page states “**YOUR DEBT QUALIFIES FOR A REDUCTION!**”

Below this statement, all websites continue:

For Confidentiality your Reduction Plan can only be discussed over the phone. We need to verify the information you submitted on the previous page.

Please call: **1-XXX-XXX-XXXX**

Please have the following information ready.

**Secure Web PIN: XXXXX (Valid for 24 hours)**

*(Social security number is not needed for validation)*

For your Privacy you have been issued a security pin code to receive all the information necessary to obtain your Credit Relief Program.

After completing the security verification process, your options will be disclosed to you about re-structuring your debt and lowering your payments.

**Credit Relief Act Customer Service: 1-XXX-XXX-XXXX**

43. The toll-free telephone number provided on Defendants’ websites varies from website to website. When consumers call the toll-free telephone numbers, instead of connecting

with a representative of Defendants, the toll-free numbers connect them with third-party companies that market purported debt relief services for a fee.

44. Both the [www.\[state\]reliefact.com](http://www.[state]reliefact.com) and [www.avoid-bankruptcy-\[state\].com](http://www.avoid-bankruptcy-[state].com) websites have separate webpages, entitled "Eligibility," "FAQS," and "Program" on which Defendants' make the following additional statements:

- **Will *The Credit Relief Program* help me?**  
Eligible [state] Residents who are current on their credit card payments but have recently been struggling to make the payments due to any Hardship Circumstance may qualify. Due to the economic conditions in [state]; as well as, the Housing Market Decline most candidates have faced some sort of Financial Hardship. [sic]
- **THE BOTTOM LINE!**  
If you amongst the [Millions][Thousands] of [state] Residents who are drowning in debt due to Economic or personal Hardship you more than likely qualify for *The Credit Relief Program*. If you are paying High Interest Rates, Struggling to pay your payments on time or are looking to shorten the repayment terms to get out of debt, you probably qualify.
- Frequently Asked Questions about [state] Credit Relief Act

**How does this program work?**

It works by reducing the balance owed (principal) on your unsecured personal debt accounts through the time-honored process of the creditor agreement. This is the difference from simply reducing the interest rate as with Debt Consolidation and Credit Counseling, which do not affect the total debt balance. This program provides a much faster means of satisfying your debt.

- The [state] Credit Relief Program

Credit Card companies will **NO LONGER** be able to taken [sic] advantage of the people...

The goal of the new regulations imposed upon CREDIT CARD companies is to level the playing field to make things FAIR for credit card users.

Results of the new plan:

NO MORE RATE HIKES WITHOUT WARNING  
NO MORE LIMIT DECREASES  
NO MORE RETRO ACTIVE APPLIED LATE PAYMENTS  
NO MORE 29.99% RATES DUE TO ONE LATE PAYMENT

The Obama Administration, under the direction of Senator Christopher Dodd has enacted New Regulations that apply to CREDIT CARD companies and the ways in which they conduct business. These regulations will prevent CREDIT CARD users from being taken advantage of without prior knowledge.

### **THE PROBLEM...**

It doesn't help people who have **ALREADY BEEN TAKEN ADVANTAGE OF...** It is only applicable to how CREDIT CARD companies conduct themselves in the future.

### **THE SOLUTION...**

**TAKE ADVANTAGE** of the CREDIT CARD companies and get the proposed CREDIT RELIEF.

### **CREDIT RELIEF MEANS...**

**LOWER MONTHLY PAYMENTS**

**DECREASED AMOUNT OWED BY UP TO 50%**

**SHORTER TIME TO PAY OFF LOAN**

45. Defendants are not part of or affiliated with the United States government, any state government, or any federal or state government debt relief legislation or program. There are no federal or state debt relief statutes or programs.

46. Defendants' websites include a disclaimer, on a separate "Privacy Policy" page, that the websites are not affiliated with any government authority or agency. Nothing on the websites' homepages or eligibility pages, however, indicates that consumers should go to the "Privacy Policy" page or that there is any information on that page other than the actual privacy policy.

47. In addition, Defendants' [www.\[state\]reliefact.com](http://www.[state]reliefact.com) websites include a disclaimer, located at the bottom of every webpage, that the website is not affiliated with any government authority or agency, is not a credit counselor, and does not take loan applications or make credit

decisions. As discussed above, however, all of these websites feature links to four federal government websites (www.ssa.gov, www.ftc.gov, www.USA.gov, and www.FinancialStability.gov) at the bottom of each webpage. Below these links is copyright and related language typically seen at the end of websites. The additional disclosure appears below the copyright language, such that a consumer would need to scroll past the copyright language to reach it. Nothing on the webpages above the copyright language indicates to consumers that they should scroll down for any disclaimers. The disclaimer itself is in a font size smaller than the text on the rest of the page and is in a color that is difficult to read against the webpage's background.

48. Because of the small font size, color, and placement of the various disclaimers, many consumers may not notice or review them. Thus, the disclaimers are not clear and conspicuous and do not offset the overall net impression of the websites that (1) Defendants are, or are affiliated with, the federal or state government, and (2) consumers who complete the online eligibility form have debts that qualify for reduction under a state debt relief program.

#### **VIOLATIONS OF THE FTC ACT**

49. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

50. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

#### **Count I**

51. In connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage assistance relief services and debt relief services, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants are the United States

government or a state government or are affiliated with the United States government or a state government. Such representations are material to consumers seeking mortgage or debt relief.

52. In truth and in fact, Defendants are not the United States government or a state government and are not affiliated with the United States government or a state government.

53. Therefore, Defendants' representations as set forth in Paragraph 51 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **Count II**

54. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who complete Defendants' online eligibility form are or may be eligible for participation in the federal government's homeowner relief programs regardless of consumers' actual eligibility for those programs.

55. In truth and in fact, in many instances, consumers who complete Defendants' online eligibility form are not eligible for participation in the federal government's homeowner relief programs.

56. Therefore, Defendants' representations as set forth in Paragraph 54 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **Count III**

57. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of debt relief services, Defendants have represented, directly or

indirectly, expressly or by implication, that consumers who complete Defendants' online eligibility form are or may be eligible for participation in a federal or state debt relief program.

58. In truth and in fact, there is no federal debt relief program and, in many instances, no state debt relief program, for which consumers could be eligible.

59. Therefore, Defendants' representations as set forth in Paragraph 57 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **CONSUMER INJURY**

60. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

### **THIS COURT'S POWER TO GRANT RELIEF**

61. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

### **PRAYER FOR RELIEF**

Wherefore, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b) and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, temporary and preliminary injunctions.

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants.

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies.

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: June 15, 2010

Respectfully submitted,

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