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14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**

16 Consumer Financial Protection Bureau,

17 Plaintiff,

18 v.

19 Prime Marketing Holdings, LLC,
(d.b.a. Park View Credit, National
20 Credit Advisors, and Credit Experts)

Defendant.

Case No. 16-cv-7111

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER RELIEF**

1 Plaintiff, the Consumer Financial Protection Bureau (“Bureau”), alleges the
2 following against Prime Marketing Holdings, LLC (“PMH”).

3 **INTRODUCTION**

4 1. The Bureau brings this action under Sections 1031(a), 1036(a), and
5 1054(a) of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C.
6 §§ 5531(a), 5536(a), 5564(a); and the Telemarketing and Consumer Fraud and
7 Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and its
8 implementing regulation, the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part
9 310, in connection with Defendant’s offer and sale of credit repair services.

10 2. Defendant engages in an ongoing, unlawful credit repair business that
11 harms consumers nationwide by charging consumers unlawful advance fees and
12 misrepresenting both the costs and the benefits of its services.

13 **JURISDICTION AND VENUE**

14 3. This Court has subject-matter jurisdiction over this action because it is
15 “brought under Federal consumer financial law,” 12 U.S.C. § 5565(a)(1), presents
16 a federal question, 28 U.S.C. § 1331, and is brought by an agency of the United
17 States, 28 U.S.C. § 1345.

18 4. Venue is proper in this District under 28 U.S.C. § 1391(b)(1) because
19 Defendant resides in this District, 28 U.S.C. § 1391(b)(2), because a substantial
20 part of the events or omissions giving rise to the claims herein occurred in this

1 District, and under 12 U.S.C. § 5564(f), because Defendant is located in and does
2 business in this District.

3 **PARTIES**

4 5. The Bureau is an independent agency of the United States. 12 U.S.C.
5 § 5491. The Bureau is charged with enforcing Federal consumer financial laws. 12
6 U.S.C. §§ 5563, 5564. The Bureau has independent litigating authority, 12 U.S.C.
7 § 5564(a)-(b), including the authority to enforce the TSR as it applies to persons
8 subject to the CFPB, 15 U.S.C. § 6105(d).

9 6. PMH is a Delaware company organized in 2014 that has a place of
10 business at 15350 Sherman Way, #255, Van Nuys, CA.

11 7. Beginning on or about October 1, 2014, PMH offered and provided
12 credit repair services to consumers.

13 8. PMH purchased the assets of several credit repair companies on
14 September 30, 2014.

15 9. On or about September 29, 2014, PMH entered into an agreement
16 with a company that was registered as a credit services organization (“CSO”) with
17 the California Department of Justice.

18 10. A California attorney was the sole owner, officer, and employee of
19 that CSO.

20

1 11. Pursuant to the agreement, PMH handled marketing and performed all
2 credit repair services for consumers who entered into contracts with the CSO.

3 12. This agreement enabled PMH to offer credit repair services using the
4 CSO's name.

5 13. This agreement was terminated on or about June 29, 2015.

6 14. As early as November 2015, PMH began doing business in the name
7 Park View Credit.

8 15. As early as November 2015, PMH began doing business in the name
9 National Credit Advisors.

10 16. As early as November 2015, PMH began doing business in the name
11 Credit Experts.

12 17. PMH offered or provided credit repair to consumers, which is a
13 consumer financial product or service covered by the CFPA, 12 U.S.C.
14 § 5481(15)(A)(viii), (ix), and it therefore is a covered person within the meaning of
15 the CFPA, id. § 5481(6).

16 18. PMH is a seller, as defined by the TSR, 16 C.F.R. § 310.2(dd),
17 because, in connection with a telemarketing transaction, it provides, offers to
18 provide, or arranges for others to provide goods or services to customers in
19 exchange for consideration.

20

1 19. PMH is a telemarketer, as defined by the TSR, 16 C.F.R. § 310.2(ff),
2 because, in connection with telemarketing, it initiates or receives telephone calls to
3 or from customers.

4 **THE CREDIT REPAIR OPERATION**

5 20. PMH has offered, sold and provided credit repair services to
6 consumers beginning on or about October 1, 2014.

7 21. PMH has offered, sold and provided credit repair services using
8 several different names, including, but not limited to, Park View Credit, National
9 Credit Advisors, and Credit Experts.

10 22. PMH's customers include individuals who were seeking to obtain a
11 mortgage, loan, refinancing, or other extension of credit when they were first
12 contacted by PMH.

13 23. PMH often has called consumers shortly after the consumers have
14 inquired about a loan on a lending website.

15 24. Other consumers have called PMH after seeing information online
16 about its credit repair services.

17 **PMH Charged Unlawful Advance Fees**

18 25. PMH requested and received payment for services represented to
19 remove derogatory information from, or to improve, consumers' credit histories,
20 credit records, or credit ratings.

1 26. During the initial sales call, PMH told some consumers that they must
2 pay an initial fee in order to proceed with the consultation.

3 27. PMH told some consumers that this initial fee was allegedly for a
4 credit report.

5 28. PMH has represented that this consultation is the first step in the
6 credit repair process.

7 29. PMH has marketed this consultation as “free.”

8 30. Typically, PMH has charged a fee in connection with this
9 consultation.

10 31. At times, PMH has claimed that the initial fee is for a special credit
11 report or “lender report.”

12 32. At times, PMH has refused to provide consumers with a copy of the
13 contract until after they have paid the initial fee.

14 33. During the initial consultation, an analyst purportedly reviews and
15 discusses the credit report with the consumer and identifies how PMH can help the
16 consumer increase his or her credit score.

17 34. If consumers agree to continue the services during the consultation
18 call, PMH directs them to sign a lengthy online contract.

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1 35. At times, consumers have not been provided an opportunity to read
2 through the contract and have been hurried through the signature process by a
3 salesperson working on behalf of PMH.

4 36. Consumers who elect to continue services after the initial consultation
5 are charged additional monthly fees.

6 37. At times, PMH has charged a monthly fee of \$89.99.

7 38. PMH continues to charge the monthly fee until consumers
8 affirmatively cancel their contracts.

9 39. At times, PMH has charged a separate set-up fee of several hundred
10 dollars for the first two months, and then charged the monthly fee in later months.

11 40. PMH requests and collects the initial fee, the set-up fee, and many of
12 the monthly fees from consumers before it has provided them with documentation
13 in the form of a consumer report from a consumer reporting agency demonstrating
14 that the promised results have been achieved, such report having been issued more
15 than six months after the results were achieved.

16 **PMH Misrepresented the Efficacy of its Services**

17 41. PMH misrepresented the efficacy of its services.

18 42. PMH has misrepresented to consumers that it could remove virtually
19 any negative information from a consumer's credit report.

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1 43. PMH has misrepresented its ability to get certain items removed from
2 individual consumers' credit reports.

3 44. PMH did not have a reasonable basis for representing that it could
4 remove virtually any negative information from a consumer's credit report.

5 45. At times, PMH did not have a reasonable basis for representing that it
6 could get certain items removed from individual consumers' credit reports.

7 46. PMH has represented in phone calls with consumers that it
8 substantially raises its customers' credit scores, often stating that it raises scores by
9 an average of more than 100 points.

10 47. PMH has also represented that it can raise consumers' individual
11 credit scores by a significant—and specific—amount.

12 48. PMH does not have a reasonable basis for representing that it raises
13 scores by an average of over 100 points.

14 49. PMH does not have a reasonable basis for stating that it can raise an
15 individual's score by a specific amount.

16 **PMH Misrepresented the Terms of Its "Guarantee"**

17 50. PMH has represented that it offers a money-back guarantee.

18 51. PMH has failed to disclose that there are significant limitations on this
19 guarantee.

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1 52. For example, PMH's sales contracts typically limited this guarantee to
2 the removal of "a minimum of one (1) Disputed item within one hundred and
3 eighty days (180) of the execution of this Agreement."

4 53. At times, PMH has represented, directly or indirectly, that the
5 guarantee applies to increases in a consumer's credit score.

6 54. During sales calls, PMH has also typically failed to explain that
7 consumers would have to pay for at least six months of services in order to even be
8 eligible for the money-back guarantee.

9 55. Consumers often encountered difficulty in obtaining refunds from
10 PMH.

11 **PMH Misrepresented the Cost of Its Services**

12 56. PMH misrepresented the cost of its services to consumers.

13 57. For example, at times, PMH has failed to disclose to consumers
14 during sales calls that they would be charged a monthly fee.

15 58. As another example, PMH has at times represented that additional
16 monthly fees would be charged only if the consumer affirmatively elected to
17 continue services beyond 60 days.

18 59. Consumers did not need to specifically elect to continue services
19 beyond 60 days, and PMH instead charged them the monthly fee automatically.

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1 **COUNT I**

2 **Advance Fees in Violation of the TSR**

3 60. The allegations in paragraphs 1-59 are incorporated by reference.

4 61. It is an abusive act or practice under the TSR for a seller or
5 telemarketer to request or collect fees for credit repair services until the seller has
6 provided the person with documentation in the form of a consumer report from a
7 consumer reporting agency demonstrating that the promised results have been
8 achieved, such report having been issued more than six months after the results
9 were achieved.

10 62. Because PMH is a telemarketer, seller, or both, PMH's request for and
11 collection of fees for credit repair services before providing consumers with
12 documentation in the form of a consumer report from a consumer reporting agency
13 demonstrating that the promised results have been achieved, such report having
14 been issued more than six months after the results were achieved, violates the TSR.
15 16 C.F.R. § 310.4(a)(2).

16 **COUNT II**

17 **Misrepresentations about Material Aspects of the Efficacy of Its Services in**

18 **Violation of the TSR**

19 63. The allegations in paragraphs 1-59 are incorporated by reference.
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1 64. It is a deceptive act or practice under the TSR for a seller or
2 telemarketer to misrepresent any material aspect of the efficacy of their services.
3 16 C.F.R. § 310.3(a)(2)(iii).

4 65. In numerous instances, in connection with the offering or provision of
5 credit repair services, PMH has represented, directly or indirectly, expressly or by
6 implication, that its actions will or likely will result in a substantial increase to
7 consumers' credit scores.

8 66. In numerous instances, in connection with the offering or provision of
9 credit repair services, PMH has represented, directly or indirectly, expressly or by
10 implication, that its actions will or likely will result in the removal of material
11 negative entries on consumers' credit reports.

12 67. These representations have been material and likely to mislead
13 consumers acting reasonably under the circumstances.

14 68. PMH has lacked a reasonable basis for making these claims.

15 69. Because PMH is a telemarketer, seller, or both, PMH's material
16 misrepresentations about the efficacy of its services violates the TSR. 16 C.F.R.
17 § 310.3(a)(2)(iii).

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1 **COUNT III**

2 **Failure to Disclose Limitations on Guarantee**

3 **in Violation of the TSR**

4 70. The allegations in paragraphs 1-59 are incorporated by reference.

5 71. It is a deceptive act or practice under the TSR for a seller or
6 telemarketer to fail to disclose material terms and conditions in an advertised
7 refund policy. 16 C.F.R. § 310.3(a)(1)(iii).

8 72. PMH has represented that its services come with a money-back
9 guarantee.

10 73. PMH has failed to disclose the limitations that its contracts place on
11 this guarantee.

12 74. PMH has misrepresented, directly or indirectly, expressly or by
13 implication, the terms of this guarantee.

14 75. Because PMH is a telemarketer, seller, or both, PMH's failure to
15 clearly and conspicuously disclose the material terms and conditions of its refund
16 policy before a consumer consents to pay for goods or services violates the TSR.
17 16 C.F.R. § 310.3(a)(1)(iii).

1 **COUNT IV**

2 **Misrepresentations Regarding the Cost of Services in**

3 **Violation of the TSR**

4 76. The allegations in paragraphs 1-59 are incorporated by reference.

5 77. It is a deceptive act or practice under the TSR for a seller or
6 telemarketer to misrepresent, directly or by implication, the total cost to purchase
7 the goods and services that are subject of the sales offer. 16 C.F.R. § 310.3(a)(2)(i).

8 78. PMH has misrepresented the total cost of its credit repair services.

9 79. These representations have been material and likely to mislead
10 consumers acting reasonably under the circumstances.

11 80. Because PMH is a telemarketer, seller, or both, PMH's
12 misrepresentations about the total cost of the credit repair services violate the TSR.
13 16 C.F.R. § 310.3(a)(2)(i).

14 **COUNT V**

15 **Deceptive Acts or Practices in Violation of the CFPA**

16 81. The allegations in paragraphs 1-59 are incorporated by reference.

17 82. In numerous instances, in connection with the offering or provision of
18 credit repair services, PMH has, directly or indirectly, expressly or by implication,
19 made material misrepresentations regarding the efficacy of its credit repair
20 services.

1 83. For example, PMH has misrepresented that its credit repair services
2 will or likely will result in the removal of material negative entries on consumers'
3 credit reports.

4 84. For example, PMH has misrepresented that its credit repair services
5 will or likely will result in a substantial increase to consumers' credit scores.

6 85. PMH lacked a reasonable basis for making these claims.

7 86. In numerous instances, in connection with the offering or provision of
8 credit repair services, PMH misrepresented the costs of its credit repair services.

9 87. These representations have been material and likely to mislead
10 consumers acting reasonably under the circumstances.

11 88. Therefore, PMH's representations as described herein were false and
12 misleading, and have constituted deceptive acts or practices in violation of
13 Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

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

15 89. The CFPA empowers this Court to grant any appropriate legal or
16 equitable relief including, without limitation, a permanent or temporary injunction,
17 rescission or reformation of contracts, the refund of monies paid, restitution,
18 disgorgement or compensation for unjust enrichment, and monetary relief,
19 including but not limited to civil money penalties, to prevent and remedy any
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1 violation of any provision of law enforced by the Bureau. 12 U.S.C. §§ 5538(a);
2 5565(a), (c).

3 **PRAYER FOR RELIEF**

4 The Bureau requests that the Court, as permitted by 12 U.S.C. § 5565:

5 a. Permanently enjoin Defendant from committing further violations of
6 the CFPA and the TSR and other provisions of Federal consumer financial law as
7 defined by 12 U.S.C. § 5481(14);

8 b. Grant additional injunctive relief as the Court may deem to be just and
9 proper;

10 c. Award damages and other monetary relief against Defendant as the
11 Court finds necessary to redress injury to consumers resulting from Defendant's
12 violations of the CFPA and the TSR, including but not limited to rescission or
13 reformation of contracts, the refund of monies paid, restitution, disgorgement or
14 compensation for unjust enrichment;

15 d. Award Plaintiff civil money penalties; and
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1 e. Award Plaintiff the costs of bringing this action, as well as such other
2 and additional relief as the Court may determine to be just and proper.

3 Dated: September 22, 2016
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5 Respectfully submitted,

6 Anthony Alexis
Enforcement Director

7 Deborah Morris
8 Deputy Enforcement Director

9 Craig Cowie
Assistant Litigation Deputy

10 /s/ R. Gabriel D. O'Malley

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