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FEDERAL TRADE COMMISSION

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA**

**FEDERAL TRADE COMMISSION**

**Plaintiff**

v.

**Ambrosia Web Design LLC, an Arizona  
limited liability company, also d/b/a AWD;**

**Concord Financial Advisors LLC, an  
Arizona limited liability company;**

**CAM Services Direct LLC, an Arizona  
limited liability company;**

**AFB LLC, an Arizona limited liability  
company;**

CV-12-2248-PHX-FJM

Case no. \_\_\_\_\_

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

1 **Western GPS LLC, an Arizona limited**  
2 **liability company;**

3 **Chris Ambrosia, individually and as a**  
4 **manager of Ambrosia Web Design LLC,**  
5 **AFB LLC, and CAM Services Direct LLC;**

6 **and**

7 **LeRoy Castine, a/k/a Lee Castine,**  
8 **individually and as a manager of Ambrosia**  
9 **Web Design LLC, Concord Financial**  
10 **Advisors LLC, AFB LLC, and Western**  
11 **GPS LLC;**

12 **Defendants**

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

14 1. The FTC brings this action under Sections 13(b) and 19 of the Federal  
15 Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing  
16 and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C.  
17 §§ 6101-6108, to obtain temporary, preliminary, and permanent injunctive relief,  
18 rescission or reformation of contracts, restitution, the refund of monies paid,  
19 disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or  
20 practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation  
21 of the FTC's Trade Regulation Rule entitled Telemarketing Sales Rule ("TSR"),  
22 16 C.F.R. Part 310.

### 23 **JURISDICTION AND VENUE**

24 2. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331,  
25 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and 6105(b).

26 3. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c), and  
27 15 U.S.C. § 53(b).  
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**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. The FTC also enforces the Telemarketing Act, 15 U.S.C. § 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the TSR 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), 56(a)(2)(A)-(B), 57b, 6102(c) and 6105(b).

**DEFENDANTS**

6. Defendant Ambrosia Web Design LLC, also doing business as AWD, is an Arizona limited liability company with its principal place of business at 123 E. Baseline Road, Suite D-208, Tempe, Arizona 85283. Ambrosia Web Design LLC transacts or has transacted business in this district and throughout the United States.

7. Defendant Concord Financial Advisors LLC is an Arizona limited liability company with its principal place of business at 123 E. Baseline Road, Suite D-208, Tempe, Arizona 85283. Concord Financial Advisors LLC transacts or has transacted business in this district and throughout the United States.

8. Defendant CAM Services Direct LLC is an Arizona limited liability company with its principal place of business at 123 E. Baseline Road, Suite D-208, Tempe, Arizona 85283. CAM Services Direct LLC transacts or has transacted business in this district and throughout the United States.

1           9. Defendant AFB LLC is an Arizona limited liability company with its  
2 principal place of business at 3021 S. Woodruff Circle, Mesa, Arizona 85212. AFB LLC  
3 transacts or has transacted business in this district and throughout the United States.

4           10. Defendant Western GPS LLC is an Arizona limited liability company with  
5 its principal place of business at 1935 E. Redmon Drive, Tempe, Arizona. Western GPS  
6 LLC transacts or has transacted business in this district and throughout the United States.

7           11. Defendant Chris Ambrosia is the managing member of Ambrosia Web  
8 Design LLC and CAM Services Direct LLC, and is a manager of AFB LLC. At all times  
9 material to this Complaint, acting alone or in concert with others, he has formulated,  
10 directed, controlled, had the authority to control, or participated in the acts and practices  
11 set forth in this Complaint. Defendant Chris Ambrosia resides in this district and, in  
12 connection with the matters alleged here, transacts or has transacted business in this  
13 district and throughout the United States.

14           12. Defendant LeRoy Castine, also known as Lee Castine, is a managing  
15 member of Concord Financial Advisors LLC, AFB LLC, and Western GPS LLC, and a  
16 manager of Ambrosia Web Design LLC. At all times material to this Complaint, acting  
17 alone or in concert with others, he has formulated, directed, controlled, had the authority  
18 to control, or participated in the acts and practices set forth in this Complaint. Defendant  
19 LeRoy Castine resides in this district and, in connection with the matters alleged here,  
20 transacts or has transacted business in this district and throughout the United States.

21           13. Defendants Ambrosia Web Design LLC, Concord Financial Advisors LLC,  
22 CAM Services Direct LLC, AFB LLC, and Western GPS LLC (collectively, "Corporate  
23 Defendants") have operated as a common enterprise while engaging in the deceptive and  
24 abusive acts and practices alleged below. Corporate Defendants have conducted the  
25 business practices described below through an interrelated network of companies that  
26 have common ownership, managers, business functions, representatives, customer service  
27 telephone numbers, and office locations, and have corresponded with third parties on  
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1 each other's behalf. Because these Corporate Defendants have operated as a common  
2 enterprise, each of them is jointly and severally liable for the acts and practices alleged  
3 below. Defendants Chris Ambrosia and LeRoy Castine have formulated, directed,  
4 controlled, had the authority to control, or participated in the acts and practices of the  
5 Corporate Defendants that constitute the common enterprise.

6 **COMMERCE**

7 14. At all times material to this Complaint, Defendants have maintained a  
8 substantial course of trade in or affecting commerce, as "commerce" is defined in Section  
9 4 of the FTC Act, 15 U.S.C. § 44.

10 **DEFENDANTS' BUSINESS ACTIVITIES**

11 15. Since at least August 2011, Defendants, directly or through their agents or  
12 intermediaries, have telemarketed credit card interest rate reduction services to  
13 consumers throughout the United States. During these calls, Defendants claim to have  
14 the ability to substantially reduce consumers' credit card interest rates. Defendants claim  
15 that they can obtain very low interest rates for consumers, even as low as zero percent,  
16 and that the reduced interest rate will save consumers a substantial amount of money in  
17 interest payments. Defendants promise consumers that they will save a specific amount  
18 in interest payments, typically \$2500 or more. At the time Defendants make these  
19 promises to consumers, Defendants have little or no information about the consumers'  
20 creditworthiness or credit history.

21 16. Defendants promise many consumers a full or partial refund if Defendants  
22 are unable to obtain the promised interest rate reductions or dollar savings. In sales  
23 presentations to other consumers, Defendants do not make specific promises regarding  
24 refunds, but they also do not affirmatively tell these consumers that Defendants have a  
25 no-refund, no-cancellation policy. When consumers later attempt to obtain refunds,  
26 cancel participation, or dispute the charges with their credit card issuers, Defendants then  
27 claim that they have a no-refund, no-cancellation policy.

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1           17. During the sales presentations, Defendants often claim to be affiliated with  
2 a U.S. government program. They tell consumers there is a federal stimulus program in  
3 place to help consumers get out of debt and that Defendants' credit card interest rate  
4 reduction services are part of the program. Defendants tell some consumers that they are  
5 part of or working with the U.S. government.

6           18. Defendants' descriptions of the actual services they will provide to get the  
7 lower interest rate for consumers are inconsistent. Sometimes Defendants simply  
8 promise to lower consumers' rates without specifying how they will do it. In other  
9 instances, they specifically claim they will get new, lower interest rate credit cards for  
10 consumers and transfer consumers' existing balances to the new cards, without telling  
11 consumers whether Defendants will issue the new cards or third parties will issue them.  
12 In still other instances, Defendants tell consumers that they will negotiate with the issuers  
13 of consumers' existing credit cards to obtain a lower interest rate on existing accounts.  
14 Sometimes Defendants claim to have special relationships with credit card companies, or  
15 special methods or experience, that enable them to obtain better interest rates than  
16 consumers could obtain on their own.

17           19. Defendants charge an up front, advance fee ranging from \$495 to \$2495 for  
18 their services. In the initial sales presentation, Defendants ask for consumers' credit card  
19 account information, including account numbers. Defendants use this information to  
20 immediately charge the fee to consumers' existing credit cards, before providing any  
21 services. Defendants often do not tell consumers that they intend to use the account  
22 information to immediately charge a fee. Consumers believe Defendants are requesting  
23 the information simply to verify the consumer's debts and perform services. In some  
24 instances, Defendants do not disclose the fee at all, or claim that there will be no fee. In  
25 other instances, Defendants mention the fee, but tell consumers that they will pay the fee  
26 at some later point. In yet other instances, Defendants are simply silent about when they  
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1 will charge the fee. Although some consumers understand that their credit cards will be  
2 charged immediately, many do not.

3 20. After consumers agree to participate in the program, in many instances  
4 Defendants send forms that require consumers to list all of their credit card account  
5 information, as well as other sensitive personal information such as date of birth and  
6 Social Security Number. A Service Agreement is often included in the forms for  
7 consumers to sign. The Service Agreement repeats Defendants' guarantee that they will  
8 obtain a certain dollar savings for consumers or provide a full or partial refund.

9 21. After consumers agree to Defendants' services, and Defendants charge their  
10 advance fee, Defendants often do not deliver on their promises. Consumers have great  
11 difficulty even contacting Defendants to check on their accounts. If Defendants provide  
12 any service at all, they apply for third-party credit cards on behalf of consumers or initiate  
13 a three-way telephone call with consumers' credit card issuers and ask for an interest rate  
14 reduction. Often Defendants do not obtain any interest rate reduction for consumers  
15 using these methods. On the occasions when Defendants do obtain a lower interest rate,  
16 the lower rate is often not sufficient to produce the promised savings.

17 22. In some instances, consumers try to cancel their participation in the  
18 program immediately. These consumers often are unable to reach a representative, or  
19 they are told by Defendants that there is a no-refund, no-cancellation policy. When these  
20 consumers later dispute the charge with their credit card issuer, Defendants often respond  
21 to the disputes by falsely claiming that they disclosed a no-refund, no-cancellation policy  
22 to consumers, or that they provided services that they did not provide.

23 23. Whether consumers try to cancel, or ask for refunds because Defendants  
24 have failed to provide the promised results, Defendants rarely provide refunds unless  
25 consumers complain to law enforcement agencies or the Better Business Bureau.  
26 Defendants either do not return consumers' calls, promise refunds that never come, or  
27 refuse the refunds outright.

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1           24. While telemarketing their services, Defendants, directly or through their  
2 agents or intermediaries, have made numerous calls to telephone numbers on the National  
3 Do Not Call Registry. In some instances, these calls are made by Defendants using  
4 Defendants' company names. In other instances, Defendants have used third-party  
5 telemarketers to contact consumers. The third-party telemarketers often use the name  
6 "Card Member Services" while interacting with consumers. Telemarketers using this  
7 name or similar names (e.g. "Card Services") and offering credit card interest rate  
8 reduction services have generated hundreds of thousands of Do Not Call complaints  
9 across the United States.

10           25. Further, Defendants, directly or through their agents or intermediaries, have  
11 initiated numerous telemarketing calls using a service that delivers prerecorded voice  
12 messages, known as "voice broadcasting" or "robocalling." The prerecorded messages  
13 direct consumers to press a number on their telephone if they are interested in obtaining  
14 lower credit card interest rates. Consumers often receive many robocalls before they  
15 decide to speak to a representative. Defendants initiate these robocalls to consumers even  
16 though consumers have not agreed in writing to receive these robocalls from Defendants.

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

18           26. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or  
19 deceptive acts or practices in or affecting commerce."

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

22           28. Acts or practices are unfair under Section 5 of the FTC Act if they cause  
23 substantial injury to consumers that consumers cannot reasonably avoid themselves and  
24 that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C.  
25 § 45(n).



**COUNT ONE**

**Misrepresenting Material Facts**

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3 29. In numerous instances, in connection with the advertising, marketing,  
4 promotion, offering for sale, or sale of credit card interest rate reduction services,  
5 Defendants have represented, directly or indirectly, expressly or by implication, that:

- 6 a. Consumers who purchase Defendants' credit card interest rate reduction  
7 services will receive a low rate credit card or have their credit card interest  
8 rates reduced substantially; and  
9 b. Consumers who purchase Defendants' credit card interest rate reduction  
10 services will save thousands of dollars as a result of lowered credit card  
11 interest rates.

12 30. In truth and in fact, in numerous instances the representations set forth in  
13 Paragraph 29 of this Complaint were false or not substantiated at the time the  
14 representations were made.

15 31. Therefore, Defendants' representations as set forth in Paragraph 29 above  
16 are false and misleading and constitute deceptive acts or practices in violation of Section  
17 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**COUNT TWO**

**Misrepresenting Refund Policy**

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20 32. In numerous instances, in connection with the advertising, marketing,  
21 promotion, offering for sale, or sale of credit card interest rate reduction services,  
22 Defendants have represented, directly or indirectly, expressly or by implication, that  
23 Defendants will provide full or partial refunds if consumers do not receive the guaranteed  
24 credit card interest rate reduction or dollar savings.

25 33. In truth and in fact, in numerous instances in which Defendants have made  
26 the representation set forth in Paragraph 32 of this Complaint, Defendants do not provide  
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1 full or partial refunds when consumers do not receive the guaranteed credit card interest  
2 rate reduction or dollar savings.

3 34. Therefore, Defendants' representation as set forth in Paragraph 32 above is  
4 false and misleading and constitutes a deceptive act or practice in violation of Section  
5 5(a) of the FTC Act, 15 U.S.C. § 45(a).

6 **COUNT THREE**

7 **Misrepresenting Affiliation with a Government Entity**

8 35. In numerous instances, in connection with the advertising, marketing,  
9 promotion, offering for sale, or sale of credit card interest rate reduction services,  
10 Defendants have represented, directly or indirectly, expressly or by implication, that they  
11 are carrying out a government program or are otherwise affiliated with the United States  
12 government.

13 36. In truth and in fact, Defendants are not carrying out a government program  
14 and are not affiliated with the United States government.

15 37. Therefore, Defendants' representations as set forth in Paragraph 35 above  
16 are false and misleading and constitute deceptive acts or practices in violation of Section  
17 5(a) of the FTC Act, 15 U.S.C. § 45(a).

18 **COUNT FOUR**

19 **Unauthorized Billing**

20 38. In numerous instances, Defendants have caused billing information to be  
21 submitted for payment without having obtained previously consumers' express informed  
22 consent.

23 39. Defendants' actions cause or are likely to cause substantial injury to  
24 consumers that consumers cannot reasonably avoid themselves and that is not  
25 outweighed by countervailing benefits to consumers or competition.

1           40.   Therefore, Defendants' practice as described in Paragraph 38 above  
2 constitutes an unfair act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C.  
3 § 45(a).

4                           **VIOLATIONS OF THE TELEMARKETING SALES RULE**

5           41.   Congress directed the FTC to prescribe rules prohibiting abusive and  
6 deceptive telemarketing acts or practices under the Telemarketing Act, 15 U.S.C. §§  
7 6101-6108. The FTC adopted the original TSR in 1995, extensively amended it in 2003,  
8 and amended certain sections thereafter. 16 C.F.R. Part 310.

9           42.   As amended, effective September 27, 2010, and October 27, 2010, the TSR  
10 addresses the telemarketing of debt relief services. The amendments effective September  
11 27, 2010, among other things, prohibit misrepresentations about material aspects of debt  
12 relief services. The amendments effective October 27, 2010, prohibit sellers and  
13 telemarketers from charging or collecting an advance fee before renegotiating, settling,  
14 reducing, or otherwise altering consumers' debts.

15           43.   Defendants are "seller[s]" or "telemarketer[s]" engaged in "telemarketing,"  
16 and Defendants have initiated, or caused telemarketers to initiate, "outbound telephone  
17 call[s]" to consumers to induce the purchase of goods or services, as those terms are  
18 defined in the TSR, 16 C.F.R. § 310.2(v), (aa), (cc), and (dd). Defendants also are sellers  
19 or telemarketers of "debt relief service[s]," as defined by the TSR, 16 C.F.R. § 310.2(m).

20           44.   Under the TSR, an "outbound telephone call" means a telephone call  
21 initiated by a telemarketer to induce the purchase of goods or services or to solicit a  
22 charitable contribution. 16 C.F.R. § 310.2(v).

23           45.   The TSR prohibits sellers and telemarketers from misrepresenting, directly  
24 or by implication, in the sale of goods or services, any material aspect of the  
25 performance, efficacy, nature, or central characteristics of the goods or services that are  
26 the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(iii).

1           46. As amended, effective September 27, 2010, the TSR prohibits sellers and  
2 telemarketers from misrepresenting, directly or by implication, in the sale of goods or  
3 services, any material aspect of any debt relief service. 16 C.F.R. § 310.3(a)(2)(x).

4           47. The TSR prohibits sellers and telemarketers from misrepresenting, directly  
5 or by implication, in the sale of goods or services, any material aspect of the nature or  
6 terms of the seller's refund, cancellation, exchange, or repurchase policies. 16 C.F.R.  
7 § 310.3(a)(2)(iv).

8           48. The TSR prohibits sellers and telemarketers from failing to disclose, in a  
9 clear and conspicuous manner, if the seller has a policy of not making refunds,  
10 cancellations, exchanges, or repurchases, a statement informing the customer that this is  
11 the seller's policy; or if the seller makes a representation about a refund, cancellation,  
12 exchange, or repurchase, a statement of all material terms and conditions of such policy.  
13 16 C.F.R. § 310.3(a)(1)(iii).

14           49. The TSR prohibits sellers and telemarketers from misrepresenting, directly  
15 or by implication, in the sale of goods or services, a seller's or telemarketer's affiliation  
16 with, or endorsement or sponsorship by, any person or government entity. 16 C.F.R.  
17 § 310.3(a)(2)(vii).

18           50. The TSR prohibits sellers and telemarketers from requesting or receiving  
19 payment of any fee or consideration in advance of obtaining a loan or other extension of  
20 credit when the seller or telemarketer has guaranteed or represented a high likelihood of  
21 success in obtaining or arranging a loan or other extension of credit for a person.  
22 16 C.F.R. § 310.4(a)(4).

23           51. As amended, effective October 27, 2010, the TSR prohibits sellers and  
24 telemarketers from requesting or receiving payment of any fee or consideration for any  
25 debt relief service unless and until:

- 26           a. the seller or telemarketer has renegotiated, settled, reduced, or otherwise  
27           altered the terms of at least one debt pursuant to a settlement agreement,  
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- 1 debt management plan, or other such valid contractual agreement executed  
2 by the customer;
- 3 b. the consumer has made at least one payment pursuant to that settlement  
4 agreement, debt management plan, or other valid contractual agreement  
5 between the customer and the creditor or debt collector; and
- 6 c. to the extent that debts enrolled in a service are renegotiated, settled,  
7 reduced, or otherwise altered individually, the fee or consideration either  
8 (1) bears the same proportional relationship to the total fee for  
9 renegotiating, settling, reducing, or altering the terms of the entire debt  
10 balance as the individual debt amount bears to the entire debt amount; or  
11 (2) is a percentage of the amount saved as a result of the renegotiation,  
12 settlement, reduction, or alteration. 16 C.F.R. § 310.4(a)(5)(i).

13 52. The TSR prohibits telemarketers and sellers from causing billing  
14 information to be submitted for payment, directly or indirectly, without the express  
15 informed consent of the consumer. 16 C.F.R. § 310.4(a)(7).

16 53. The TSR, as amended in 2003, established a “do-not-call” registry (the  
17 “National Do Not Call Registry” or “Registry”), maintained by the FTC, of consumers  
18 who do not wish to receive certain types of telemarketing calls. Consumers can register  
19 their telephone numbers on the Registry without charge either through a toll-free  
20 telephone call or over the Internet at [www.donotcall.gov](http://www.donotcall.gov).

21 54. Consumers who receive telemarketing calls to their registered numbers can  
22 complain of Registry violations the same way they registered, through a toll-free  
23 telephone call or over the Internet at [www.donotcall.gov](http://www.donotcall.gov), or by otherwise contacting law  
24 enforcement authorities.

25 55. The TSR prohibits sellers and telemarketers from initiating, or causing  
26 others to initiate, an outbound telephone call to telephone numbers on the Registry.  
27 16 C.F.R. § 310.4(b)(1)(iii)(B).

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56. As amended, effective September 1, 2009, the TSR prohibits initiating, or causing others to initiate, a telephone call that delivers a prerecorded message to induce the purchase of any good or service unless the seller has obtained from the recipient of the call an express agreement, in writing, that evidences the willingness of the recipient of the call to receive calls that deliver prerecorded messages by or on behalf of a specific seller. The express agreement must include the recipient’s telephone number and signature, must be obtained after a clear and conspicuous disclosure that the purpose of the agreement is to authorize the seller to place prerecorded calls to the person, and must be obtained without requiring, directly or indirectly, that the agreement be executed as a condition of purchasing any good or service. 16 C.F.R. § 310.4(b)(1)(v)(A).

57. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**COUNT FIVE**

**Misrepresenting Material Facts in Violation of the TSR**

58. In numerous instances, in connection with the telemarketing of goods and services, Defendants have misrepresented, directly or by implication, material aspects of the performance, efficacy, nature, or central characteristics of such goods and services, including, but not limited to, that:

- a. Consumers who purchase Defendants’ credit card interest rate reduction services will receive a low rate credit card or have their credit card interest rates reduced substantially; and
- b. Consumers who purchase Defendants’ credit card interest rate reduction services will save thousands of dollars as a result of lowered credit card interest rates.

1 59. Defendants' acts and practices, as described in Paragraph 58 above, are  
2 deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R. §310.3(a)(2)(iii).

3 **COUNT SIX**

4 **Misrepresenting Debt Relief Service in Violation of the TSR**

5 60. In numerous instances on or after September 27, 2010, in connection with  
6 the telemarketing of debt relief services, Defendants have misrepresented, directly or by  
7 implication, material aspects of the debt relief services, including, but not limited to, that:

- 8 a. Consumers who purchase Defendants' credit card interest rate reduction  
9 services will receive a low rate credit card or have their credit card interest  
10 rates reduced substantially; and
- 11 b. Consumers who purchase Defendants' credit card interest rate reduction  
12 services will save thousands of dollars as a result of lowered credit card  
13 interest rates.

14 61. Defendants' acts and practices, as described in Paragraph 60 above, are  
15 deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R. § 310.3(a)(2)(x).

16 **COUNT SEVEN**

17 **Misrepresenting Refund Policy in Violation of the TSR**

18 62. In numerous instances, in the course of telemarketing goods and services,  
19 Defendants have misrepresented, directly or by implication, that Defendants will provide  
20 full or partial refunds if consumers do not achieve the guaranteed interest rate reductions  
21 or interest savings.

22 63. Defendants' acts and practices, as described in Paragraph 62 above, are  
23 deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R. §310.3(a)(2)(iv).

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1 **COUNT EIGHT**

2 **Failing to Disclose No-Refund, No-Cancellation Policy in Violation of the TSR**

3 64. In numerous instances, in the course of telemarketing goods and services,  
4 Defendants have failed to disclose to consumers that Defendants have a policy of not  
5 making refunds or allowing cancellations.

6 65. Defendants' acts and practices, as described in Paragraph 64 above, are  
7 deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R.  
8 § 310.3(a)(1)(iii).

9 **COUNT NINE**

10 **Misrepresenting Affiliation with a Government Entity in Violation of the TSR**

11 66. In numerous instances, in the course of telemarketing goods and services,  
12 Defendants have misrepresented, directly or by implication, that they are carrying out a  
13 government program or are otherwise affiliated with the United States government.

14 67. Defendants' acts or practices, as described in Paragraph 66 above, are  
15 deceptive telemarketing practices that violate the TSR, 16 C.F.R. § 310.3(a)(2)(vii).

16 **COUNT TEN**

17 **Charging or Receiving a Fee in Advance of Obtaining a New,**  
18 **Lower Interest Credit Card in Violation of the TSR**

19 68. In numerous instances, in the course of telemarketing goods and services,  
20 Defendants have requested or received payment of a fee or consideration in advance of  
21 consumers obtaining or arranging an extension of credit, when Defendants have  
22 guaranteed or represented a high likelihood of success in obtaining an extension of credit  
23 for such consumers.

24 69. Defendants' acts or practices, as described in Paragraph 68 above, are  
25 abusive telemarketing acts or practices that violate the TSR, 16 C.F.R. § 310.4(a)(4).



1 **COUNT ELEVEN**

2 **Charging or Receiving a Fee In Advance of Providing Debt Relief Services**  
3 **In Violation of the TSR**

4 70. In numerous instances on or after October 27, 2010, in the course of  
5 telemarketing debt relief services, Defendants have requested or received payment of a  
6 fee or consideration for a debt relief service before: (a) they have renegotiated, settled,  
7 reduced, or otherwise altered the terms of at least one debt pursuant to a settlement  
8 agreement, debt management plan, or other such valid contractual agreement executed by  
9 the customer; and (b) the customer has made at least one payment pursuant to that  
10 agreement.

11 71. Defendants' acts or practices, as described in Paragraph 70 above, are  
12 abusive telemarketing acts or practices that violate the TSR, 16 C.F.R. § 310.4(a)(5)(i).

13 **COUNT TWELVE**

14 **Unauthorized Billing in Violation of the TSR**

15 72. In numerous instances, in the course of telemarketing goods and services,  
16 Defendants have caused billing information to be submitted for payment without the  
17 express informed consent of the consumer.

18 73. Defendants' acts or practices, as described in Paragraph 72 above, are  
19 abusive telemarketing acts or practices that violate the TSR, 16 C.F.R. § 310.4(a)(7).

20 **COUNT THIRTEEN**

21 **Violating the National Do Not Call Registry in Violation of the TSR**

22 74. In numerous instances, in connection with telemarketing, Defendants have  
23 engaged, or caused a telemarketer to engage, in initiating an outbound telephone call to a  
24 person's telephone number on the National Do Not Call Registry in violation of the TSR,  
25 16 C.F.R. § 310.4(b)(1)(iii)(B).

1 **COUNT FOURTEEN**

2 **Initiating Unlawful Prerecorded Messages On or After September 1, 2009**

3 **In Violation of the TSR**

4 75. In numerous instances on or after September 1, 2009, Defendants have  
5 made, or caused others to make, outbound telephone calls that deliver prerecorded  
6 messages to induce the purchase of goods or services in violation of the TSR, 16 C.F.R.  
7 § 310.4(b)(1)(v).

8 **CONSUMER INJURY**

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

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

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

22 78. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the  
23 Telemarketing Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as the  
24 Court finds necessary to redress injury to consumers resulting from Defendants'  
25 violations of the TSR, including the rescission or reformation of contracts, and the refund  
26 of money.

**PRAYER FOR RELIEF**

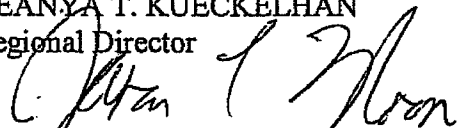
Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, requests that the Court:

- 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, an order freezing assets, immediate access, and the appointment of a receiver;
- b. enter a permanent injunction to prevent future violations of the FTC Act and the TSR by Defendants;
- c. award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the TSR, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- 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: \_\_\_\_\_ Respectfully submitted,

WILLARD K. TOM  
General Counsel

DEANYA T. KUECKELHAN  
Regional Director

  
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