

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,
600 Pennsylvania Ave NW, Room NJ3158
Washington, DC 20580,

Plaintiff,

v.

CHRISTOPHER MALLET, also d/b/a
**Department of Consumer Services Protection
Commission, U.S. Debt Care, World Law
Debt, U.S. Mortgage Relief Counsel, gov-
usdebtreform.net, usdebtcare.net,
Worldlawdebt.org, and fha-homeloan.info,**
201 Cedar St.
San Antonio, TX 78210-1121,

Defendant.

Case No.

**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 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6101 *et seq.*, and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), 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 Defendant’s acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and the Mortgage Assistance Relief Services Rule (“MARS Rule”), 16 C.F.R. Part 322,

in connection with the marketing and sale of debt relief, tax relief, and mortgage assistance relief services.

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), 53(b), 57b, 6102(c), and 6105(b).

3. Venue is proper in this District under 28 U.S.C. § 1391(b), 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 *et seq.* 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 *et seq.* Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive or abusive telemarketing acts or practices. Pursuant to the Omnibus Act, § 626, 123 Stat. 678, as clarified by the Credit Card Act, § 511, 123 Stat. 1763-64, the FTC promulgated and enforces the MARS Rule, 16 C.F.R. Part 322, which prohibits unfair or deceptive acts or practices on the part of mortgage assistance relief providers.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act, the Omnibus Act, as clarified by the Credit Card Act, the TSR, and the MARS Rule 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), 56(a)(2)(B), 57b, 6102(c), and 6105(b); and § 626, 123 Stat. 678, as clarified by § 511, 123 Stat. 1763-64.

DEFENDANT

6. Defendant Christopher Mallett, also doing business as the Department of Consumer Services Protection Commission, U.S. Debt Care, World Law Debt, U.S. Mortgage Relief Counsel, gov-usdebtreform.net, usdebtcare.net, worldlawdebt.org, and fha-homeloan.info, is the operator of websites that impersonate, represent, or suggest association with a federal government agency, in connection with the sale or offering for sale of debt relief, tax relief, and mortgage assistance relief services. At all times material to this Complaint, acting alone or in concert with others, Defendant has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. 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, Defendant transacts or has transacted business in the District of Columbia and throughout the United States.

COMMERCE

7. At all times material to this Complaint, Defendant has 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.

DEBT RELIEF AND TAX RELIEF SERVICES

8. Debt relief services include debt settlement programs whereby a provider typically offers to help consumers resolve their debts by negotiating settlements of their balances for less than the consumer owes. These commercial debt settlement programs are not conducted by, or in affiliation with, the Federal Trade Commission or any other United States government agency.

9. Tax relief services typically consist of programs whereby a provider offers to negotiate tax debts owed by consumers to the Internal Revenue Service or other tax authorities. These commercial tax relief programs are not conducted by, or in affiliation with, the Federal Trade Commission or any other United States government agency.

GOVERNMENT MORTGAGE ASSISTANCE

10. Numerous mortgage lenders and servicers have offered certain borrowers the opportunity to modify loans that have become unaffordable. Many of these “loan modification” programs have expanded dramatically as lenders have increased participation in the federal government’s “Making Home Affordable” program, a plan to stabilize the U.S. housing market and help millions of Americans reduce their monthly mortgage payments to more affordable levels. The Making Home Affordable program includes the Home Affordable Modification Program, in which the federal government has committed up to \$75 billion to keep significant numbers of Americans in their homes by preventing avoidable foreclosures. The mortgage assistance relief services advertised in Defendant’s websites are not connected with the Making Home Affordable program or affiliated or otherwise associated with, or endorsed, sponsored, or approved by, the United States government in any way.

DEFENDANT’S BUSINESS ACTIVITIES

11. Defendant has solicited consumers who seek debt relief, tax relief, and mortgage assistance relief services through a number of Internet websites. Since at least August 19, 2008, Defendant has registered or operated numerous websites, including but not limited to the following: gov-usdebtreform.net, usdebtcare.net, worldlawdebt.org, fha-homeloan.info, us-stopforeclosurenow.com, usstopforeclosuretoday.com, usstopforeclosure.com, usbank-loanmodification-gov.info, mortgagehelp-gov.us, loanmods-gov.info, loanmods-gov.us,

mortgagehelp-gov.info, debtconsolidation-gov.info, debtrelease-gov.info, creditcard-assistance-gov.info, and mycredithelp-gov.info. Since at least February 11, 2011, some of Defendant's websites have prominently displayed text, graphics, and other imagery associated with actual United States government agencies and entities, such as the Federal Trade Commission seal or a reference to the "Obama Foreclosure Program." Defendant also has maintained websites advertising companies that he has held out as "Member Organizations" of fictitious government agencies, including the "Department of Consumer Services Protection Commission."

12. Defendant's websites have provided online contact forms or, in some instances, toll-free telephone numbers consumers may use to seek more information. When consumers have submitted their information online to one of Defendant's websites, they have been taken to a "thank you" webpage that displays the following web address:

"[http://www.123contactform.com/thank-you-**cmallett**71-139732.html](http://www.123contactform.com/thank-you-cmallett71-139732.html)." (emphasis added).

When consumers have called the toll-free telephone numbers obtained from Defendant's websites they have reached a voicemail box for "Chris Mallett," as indicated by the voicemail message. After providing their contact information, consumers who have sought services from one of the websites or organizations depicted on Defendant's websites typically have been subsequently contacted by third parties, including companies that sell debt relief services.

Defendant's Representations of Government Affiliation or Association

13. Defendant has solicited consumers interested in debt relief, tax relief, and mortgage assistance relief services through websites that appear to be affiliated or associated with the United States government.

14. One website operated by Defendant, gov-usdebtreform.net, has displayed the heading "Department of Consumer Services Protection Commission" and the following:

The **Consumer Services Protection Commission (CSPC)** is a National consumer protection agency and works **For the Consumer** to help avoid fraud, deception, and/or unfair business practices in the financial assistance marketplace. The CSPC:

- Enhances consumer confidence by enforcing CSPC listed organizations to abide [sic] federal laws that protect consumers
- Informs consumers with free information to help them exercise their rights and to spot and avoid fraud and deception
- Wants to hear from consumers who want to obtain information about financial assistance organizations, such as: debt relief companies, mortgage industry organizations, and tax resolution companies.

(emphasis in original).

15. The language cited in Paragraph 14, which has appeared on the home webpage of gov-usdebtreform.net, is very similar to the language that appears on the actual FTC Bureau of Consumer Protection webpage:

The Federal Trade Commission is the nation's consumer protection agency. The **FTC's Bureau of Consumer Protection** works **For The Consumer** to prevent fraud, deception, and unfair business practices in the marketplace. The Bureau:

- Enhances consumer confidence by enforcing federal laws that protect consumers
- Empowers consumers with free information to help them exercise their rights and spot and avoid fraud and deception
- Wants to hear from consumers who want to get information or file a complaint about fraud or identity theft

16. The phrase “**For the Consumer**,” which gov-usdebtreform.net has displayed, is also a tagline that the Federal Trade Commission website displays on many of its online consumer education materials and press releases.

17. At various times, gov-usdebtreform.net has displayed the phrase “Leaders in Consumer Financial Services Protection” directly below the heading “Department of Consumer Services Protection Commission.”

18. The gov-usdebtreform.net homepage has included a citation to the Federal Trade Commission website, ftc.gov, as the source of the material provided on the Defendant's website.

19. The gov-usdebtreform.net homepage also has prominently displayed the seal of the Federal Trade Commission with the words "Department of Consumer Services Protection Commission" below the seal.

20. At various times, Defendant also has displayed the Federal Trade Commission seal on another website, usdebtcare.net, directly above the words "Member of the Department of Consumer Services Protection Commission," the title "U.S. Debt Care," and an address for U.S. Debt Care.

21. Defendant also has maintained a website, fha-homeloan.info, that displays the heading "U.S. Mortgage Relief Counsel" above the words "Integral Authority for Home Loan Approval." This heading has been super-imposed on a large picture of the United States Capitol. Beneath the heading with the picture of the United States Capitol, the fha-homeloan.info website has stated:

The form below is reserved for American Citizens and Permanent Resident Aliens in need of more favorable mortgage terms. Whether you are purchasing a new home, looking to refinance your current mortgage or trying to consolidate debt, U.S. Mortgage Relief Counsel can assist you in finding the proper organizations to help accomplish your financial goals. All requests are responded to by officials licensed with the National Mortgage Licensing Service (NMLS), pursuant [sic] to the SAFE.act of 2008. For more information on NMLS and SAFE.act, use the links below your contact information form.

22. The fha-homeloan.info website has provided links to the United States Department of Housing and Urban Development website (hud.gov) and the National Mortgage Licensing System website (mortgage.nationwidelicingsystem.org) and stated that "On

February 18, 2009 mortgage assistance was announced by President Obama when he unveiled the Homeowner Affordability and Stability Plan. The Program was to provide about \$75 billion to [sic] in assistance to struggling homeowners.”

23. Neither Mallett nor any of his websites, including gov-usdebtreform.net, usdebtcare.net, worldlawdebt.org, and fha-homeloan.info, are, or have ever been, affiliated with government agencies or have had authority to use the FTC seal in a manner that implies that they are affiliated with the FTC. The Department of Consumer Services Protection Commission and The U.S. Mortgage Relief Counsel are not, and have never been, government agencies.

24. Defendant’s websites, including gov-usdebtreform.net, usdebtcare.net, worldlawdebt.org, and fha-homeloan.info, do not contain the statement “[Name of the company referred to on the website] is not associated with the government, and our service is not approved by the government or your lender.”

Defendant’s Representations of Government Vetting and Approval

25. Defendant has solicited consumers interested in debt relief, tax relief, and mortgage assistance relief services through websites that represent that the member organizations or entities referred to therein have been researched, monitored, or vetted by the United States government.

26. The gov-usdebtreform.net website has displayed the following statement:

The Department of Consumer Services Protection Commission monitors and researches Nationwide activity of member companies and practices of participating organizations in their process of providing various types of financial assistance to American Consumers.

27. The gov-usdebtreform.net website has featured a tab entitled “Member Organizations,” which has linked to a webpage containing a list of “Participating Members of the Department of Consumer Services Protection Commission.” The list has contained several

organizations, which has included, at various times, two of Defendant's trade names: U.S. Debt Care and World Law Debt.

28. Defendant also has maintained usdebtcare.net, which has stated that U.S. Debt Care is a "Member of the Department of Consumer Services Protection Commission."

29. Neither the FTC nor any other government agency endorses or has endorsed Mallett or any of his websites, including gov-usdebtreform.net, usdebtcare.net, wordlawdebt.org, and fha-homeloan.info.

Defendant's Representations to Reduce or Eliminate Debt

30. Defendant solicits consumers interested in debt relief services that can be obtained via the Internet. Defendant represents that using the services he promotes will result in consumers having debts substantially reduced or eliminated. For example, gov-usdebtreform.net has purported to provide financial consumer protection advice to consumers. It has featured tabs that link to webpages purporting to provide advice pertaining to a myriad of financial issues including "Student Loan Relief," "Better Credit Bureau," "Obama Foreclosure Program," "Loans and Credit," "Dealing with Debt," "Avoiding Scams," "Identity Theft," "Tax Solutions," and "Mortgage Information."

31. The gov-usdebtreform.net website also has provided several links to other websites. The links have displayed text with representations including: "Your IRS Tax Debt Can Be Reduced To A Fraction Of What Is Owed And You Can Be Debt Free. Click Here For A Free Evaluation," and "The Ultimate Debt Settlement Program. Our Debt Buyers purchase your Debt from Creditors at a settled price. Then, You [sic] pay the debt buyer in easy LOW and AFFORDABLE monthly payments. Minimum 5K debt."

32. The gov-usdebtreform.net website has directed consumers to obtain additional information by filling out its online “Debt Assistance Request Form” and/or “Tax Assistance Request Form.” The forms have asked for the consumer’s name, telephone number, email address, total unsecured debt or taxes owed, and the best time to call.

33. After consumers have filled out the online Debt Assistance Request Form, they frequently have received telephone calls from a third party organization that offers debt relief services. In many instances, third party organizations have represented during these calls that they will set up a reserve account for the consumer and subsequently negotiate a one-time settlement payment for the consumer to pay his or her creditors a portion of his or her unsecured debt, and will charge the consumer a percentage of the money saved. In many instances, third party organizations have represented that they can settle a consumer’s debt for a payment of approximately 25% to 40% of the amount owed (*i.e.*, a 60% to 75% savings).

34. Defendant also has maintained usdebtcare.net, which has displayed text stating “at U.S. Debt Care, we connect Americans with Effective and Ethical Alternatives to Standard Debt Settlement Programs, Debt Consolidation, Consumer Credit Counseling, and Bankruptcy.” It has offered debt relief services through statements including: “U.S. Debt Care works with you to put together a customized program specifically designed to relieve you of unsecured debt burdens!” and “if you have \$5,000 or more of unsecured debt and have experienced financial hardship anytime since **March 23, 2003** you may qualify for a **U.S. Debt Care Legal Enrollment Package!**” The usdebtcare.net website also has described the types of debt with which it can assist consumers and the services its “Consumer Service Department” provides. The website has provided a toll-free phone number and online inquiry form so that consumers

can “find out whether or not you qualify for **U.S. Debt Care/World Law Legal Enrollment Package.**”

35. Defendant has posted on usdebtcare.net a chart of “success stats” containing a “settlement % rate” that purports to represent the percentage savings that he can obtain for consumers on their debts. The success stats chart has displayed substantial reductions from the amounts of debt consumers owed to the amounts of money they ultimately paid. Specifically, the success stats chart has represented that U.S. Debt Care has settled consumers’ debts with settlement payments of 16% to 40% of the amount owed (*i.e.*, a 60% to 84% savings). An example given in the chart is that a consumer who initially owed a “principle [sic] balance” of “\$15,355” ultimately paid the “settled amount” of “\$2,400,” a “settlement % rate” of “16%” (*i.e.*, an 84% savings).

36. The usdebtcare.net website has stated that it is the “Legal Consulting Arm for World Law Debt” and has provided a link to worldlawdebt.org.

37. Defendant also has maintained worldlawdebt.org, which has displayed statements including: “We solve your debt problems with a personally assigned State Attorney” and “State and Federal Attorneys will work with you on a financial analysis in determining the best avenue to becoming debt free.”

38. The worldlawdebt.org website has described the debt relief services it has purported to provide with statements such as “WorldLawDebt.org and World Law Financial offers 24 hour access to legal advice for our clients with financial concerns. Personal debt and credit evaluation, structured debt settlements, and financial analysis are our field of legal concentration.”

39. The worldlawdebt.org website has displayed the same toll-free phone number as that listed on the U.S. Debt Care website, as well as an online form for consumers who wish “[t]o speak with an attorney or legal financial specialist for a free enrollment assessment.”

VIOLATIONS OF THE FTC ACT

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

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

Count I

42. In connection with the advertising, marketing, promoting, offering for sale, or sale of debt relief, tax relief, and mortgage assistance relief services, Defendant has represented, directly or indirectly, expressly or by implication, that the websites or organizations he has operated are agencies of the United States government, or affiliated or otherwise associated with, or endorsed, sponsored, or approved by the United States government.

43. In truth and in fact, Defendant and the websites and organizations that he has operated are not agencies of the United States government, or affiliated or otherwise associated with, or endorsed, sponsored, or approved by the United States government.

44. Therefore, Defendant’s representations, as set forth in Paragraph 42 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

45. In connection with the advertising, marketing, promoting, offering for sale, or sale of debt relief, tax relief, and mortgage assistance relief services, Defendant has represented, directly or indirectly, expressly or by implication, that the federal government has researched, monitored, or vetted, and subsequently approved as legitimate, the assistance providers identified on his websites.

46. In truth and in fact, the federal government has not researched, monitored, or vetted, and subsequently approved as legitimate, the assistance providers identified on his websites.

47. Therefore, Defendant's representations, as set forth in Paragraph 45 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

48. In connection with the advertising, marketing, promoting, offering for sale, or sale of debt relief services, Defendant has represented directly or indirectly, expressly or by implication, that consumers who use the services promoted on his websites will have their debts substantially reduced, including by the specific percentages stated by Defendant.

49. In truth and in fact, the representations set forth in Paragraph 48 of this Complaint are false or were not substantiated at the time the representations were made.

50. Therefore, the making of the representations, as set forth in Paragraph 48, constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE TELEMARKETING SALES RULE

51. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108, in 1994. The FTC adopted the original TSR in 1995, extensively amended it in 2003, and amended certain sections thereafter.

52. In 2010, the FTC amended the TSR to address the telemarketing of debt relief services. The amendments, among other things, prohibit misrepresentations about material aspects of debt relief services. Prior to 2010, except for certain specified transactions, the TSR exempted from coverage telephone calls initiated by a customer in response to an advertisement through any medium, other than direct mail solicitations. 16 C.F.R. § 310.6(b)(5). Effective September 27, 2010, the amended TSR modified Section 310.6(b)(5) to also exclude from this exemption telephone calls initiated by a customer in response to an advertisement relating to debt relief services. 16 C.F.R. § 310.6(b)(5). Therefore, these telephone calls are covered by the TSR.

53. The TSR defines “seller” as “any person, who in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration.” 16 C.F.R. § 310.2(aa). The TSR defines “telemarketer” as “any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor.” 16 C.F.R. § 310.2(cc). Defendant is a “seller” or “telemarketer” engaged in “telemarketing” as those terms are defined by the TSR, 16 C.F.R. § 310.2 (aa), (cc), and (dd). Defendant is a seller or telemarketer of “debt relief services,” as defined by the TSR, 16 C.F.R. § 310.2(m).

54. The TSR prohibits sellers and telemarketers from, *inter alia*, “[m]isrepresenting, directly or by implication, in the sale of goods or services . . . a seller’s or telemarketer’s affiliation with, or endorsement or sponsorship by, any person or government entity.” 16 C.F.R. § 310.3(a)(2)(vii)(1995).

55. Effective September 27, 2010, the TSR also prohibits sellers or telemarketers from “[m]isrepresenting, directly or by implication, in the sale of goods or services . . . any material aspect of any debt relief service, including, but not limited to, the amount of money or the percentage of the debt amount that a customer may save by using such service.” 16 C.F.R. § 310.3(a)(2)(x).

56. 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 IV

57. Since at least February 11, 2011, in connection with the telemarketing of debt relief services, Defendant has misrepresented, directly or indirectly, expressly or by implication, that the websites or organizations he has operated are affiliated with, or endorsed or sponsored by, the United States government.

58. Defendant’s acts or practices, as described in Paragraph 57 of this Complaint, constitute deceptive telemarketing acts or practices that violate Section 310.3(a)(2)(vii) of the TSR, 16 C.F.R. § 310.3(a)(2)(vii).

Count V

59. Since at least February 11, 2011, in connection with the telemarketing of debt relief services, Defendant has misrepresented, directly or indirectly, expressly or by implication, material aspects of the debt relief services, including the amount of money or the percentage of the debt amount that a customer will save by using Defendant's services.

60. Defendant's acts or practices, as described in Paragraph 59, constitute deceptive telemarketing acts or practices that violate Section 310.3(a)(2)(x) of the TSR, 16 C.F.R. § 310.3(a)(2)(x).

VIOLATIONS OF THE MORTGAGE ASSISTANCE RELIEF SERVICES RULE

61. In 2009, Congress directed the FTC to prescribe rules prohibiting unfair or deceptive acts or practices with respect to mortgage loans. Omnibus Act, § 626, 123 Stat. 678, as clarified by Credit Card Act, § 511, 123 Stat. 1763-64. Pursuant to that direction, the FTC promulgated the MARS Rule, 16 C.F.R. Part 322, all but one of the provisions of which became effective on December 29, 2010. The remaining provision, Section 322.5, became effective on January 31, 2011.

62. The MARS Rule defines "mortgage assistance relief provider" as "any person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service" other than the dwelling loan holder, the servicer of a dwelling loan, or any agent or contractor of such individual or entity. 16 C.F.R. § 322.2(j). Defendant is a "mortgage assistance relief provider" engaged in providing "mortgage assistance relief services" as those terms are defined in the MARS Rule, 16 C.F.R. § 322.2 (i) and (j).

63. The MARS Rule prohibits mortgage assistance relief providers from, *inter alia*, “[m]isrepresenting, expressly or by implication, any material aspect of any mortgage assistance relief service, including but not limited to . . . [t]hat a mortgage assistance relief service is affiliated with, endorsed or approved by, or otherwise associated with: . . . [t]he United States government . . . [or] [a]ny Federal, State, or local government agency, unit, or department.” 16 C.F.R. § 322.3(b)(3)(i) and (iii).

64. The MARS Rule also requires mortgage assistance relief providers to disclose “in every general commercial communication for any mortgage assistance relief service: (1) (Name of company) is not associated with the government, and our service is not approved by the government or your lender.” 16 C.F.R. § 322.4(a)(1). Failing to provide this disclosure is a violation of the MARS Rule.

Count VI

65. In connection with the advertising, marketing, promoting, offering for sale, or sale of mortgage assistance relief services, Defendant has misrepresented, directly or indirectly, expressly or by implication, that Defendant is affiliated with, endorsed or approved by, or otherwise associated with the United States government or any Federal, State, or local government agency, unit, or department in violation of Sections 322.3(b)(3)(i) and (iii) of the MARS Rule, 16 C.F.R. § 322.3(b)(3)(i), (iii).

Count VII

66. In connection with the advertising, marketing, promoting, offering for sale, or sale of mortgage assistance relief services, Defendant has failed to place the following statement in general commercial communications for mortgage assistance relief services: “(Name of company) is not associated with the government, and our service is not approved by the

government or your lender” in violation of Section 322.4(a)(1) of the MARS Rule, 16 C.F.R. § 322.4(a)(1).

CONSUMER INJURY

67. Consumers have suffered and will continue to suffer substantial injury as a result of Defendant’s violations of the FTC Act, the TSR, and the MARS Rule. In addition, the Defendant has been unjustly enriched as a result of his unlawful acts or practices. Absent injunctive relief by this Court, Defendant is likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THE COURT’S POWER TO GRANT RELIEF

68. 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.

69. Section 19 of the FTC Act, 15 U.S.C. § 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and Section 626 of the Omnibus Act, respectively, authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendant’s violations of the TSR and the MARS Rule, including the rescission or reformation of contracts, and the refund 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 57(b), Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), the Omnibus Act, 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, the TSR, and the MARS Rule by Defendant.

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendant's violations of the FTC Act, the TSR, and the MARS Rule, 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: September 14, 2011

Respectfully submitted,

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General Counsel

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