

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

THE DEBT ADVOCACY CENTER, LLC,
a limited liability company,

SMITH, GROMANN & DAVIDSON, P.A.,

**CREDITLAWGROUP, an Interstate
Partnership of Professional Associations, a
Florida general partnership formerly known as
Smith & Gromann, an Interstate Partnership
of Professional Associations and doing
business as Smith & Gromann, P.A.,**

CREDIT SERVICES ALLIANCE, INC.,
a corporation

EDWARD J. DAVIDSON,
individually and as Chief Executive Officer of
The Debt Advocacy Center, LLC and as an
owner of Smith, Gromann & Davidson, P.A.,

Case No. 1:09CV02712

Judge Christopher A. Boyko

JOHN W. SMITH,
individually and as an owner of Smith,
Gromann & Davidson, P.A., and
CreditLawGroup,

GLENN E. GROMANN,
individually and as an owner of Smith,
Gromann & Davidson, P.A., and
CreditLawGroup,

KEVIN MCCORMICK,
individually,

BRADFORD R. GEISEN,
individually and the owner and an officer of
Credit Services Alliance, Inc.,

MAURICE JACKSON,
individually and as an officer of Credit
Services Alliance, Inc., and

PATRICK BUTLER,
individually.

Defendants.

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

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), 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), in connection with the marketing and sale of mortgage loan modification and foreclosure 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) and 53(b).

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

PLAINTIFF

4. Plaintiff 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.

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), 56(a)(2)(A), 56(a)(2)(B), and 57b.

DEFENDANTS

6. Defendant The Debt Advocacy Center, LLC (DAC), is a Delaware limited liability company with its principal place of business located at 614 W. Superior Ave., Suite 815, Cleveland, Ohio 44113. It has also used the address 14000 Military Trail, Suite 200, Delray Beach, Florida 33484. Defendant DAC transacts or has transacted business in this District and throughout the United States.

7. Defendant Smith, Gromann, & Davidson, P.A. (SG&D), purports to be a “partnership of professional associations.” On information and belief, SG&D has no formal legal status in any state. Its principal place of business is located at 614 W. Superior Ave., Suite 815, Cleveland, Ohio 44113. It also uses the address 14000 Military Trail, Suite 200, Delray Beach, Florida 33484. Defendant SG&D transacts or has transacted business in this District and throughout the United States.

8. Defendant CreditLawGroup (CLG) is an Interstate Partnership of Professional Associations, formerly known as Smith & Gromann, an Interstate Partnership of Professional Associations, doing business as Smith & Gromann, P.A. Defendant CLG is a Florida general partnership owned, directly or indirectly, by Defendants John W. Smith and Glenn E. Gromann. Its principal place of business is at 1095 Broken Sound Parkway, Suite 201, Boca Raton, Florida 33487. Defendant CLG sold loan modification and foreclosure relief services, including but not limited to loan modifications, forensic audits, short sales and foreclosure defense, to homeowners throughout the United States. Defendant CLG transacts or has transacted business in this District and throughout the United States. Defendant CLG filed for bankruptcy in the United States Bankruptcy Court for the Southern District of Florida on April 23, 2010 (Case No. 10-20824 - EPK). The instant action against CLG is not stayed by 11 U.S.C. § 362(a)(1), (2), (3), or (6) because it is an action brought by the FTC to enforce the FTC’s police and regulatory power as a governmental unit pursuant to 11 U.S.C. § 362(b)(4) and, thus, falls within an exception to the automatic stay.

9. Defendant Credit Services Alliance, Inc. (CSA), is a Florida corporation owned, directly or indirectly, by Defendant Bradford R. Geisen. Its principal place of business is at

2201 N.W. Corporate Blvd., Suite 200, Boca Raton, Florida 33431. Through Defendant CLG, CSA transacts or has transacted business in this district and throughout the United States.

Defendant CSA filed for bankruptcy in the United States Bankruptcy Court for the Southern District of Florida on December 1, 2009 (Case No.09-36556 EPK). That bankruptcy case is now closed.

10. Defendant Edward J. Davidson (Davidson), is or has been an owner, manager, officer or director of DAC and SG&D. Davidson is an attorney whose registered business address is P.O. Box 1206, Ridgefield, Connecticut 06877. At 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 of DAC and SG&D, including the acts and practices set forth in this Complaint. Defendant Davidson, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

11. Defendant John W. Smith (Smith) is an owner, manager, officer or director of SG&D and, either directly or indirectly, of CLG. Smith is an attorney whose current business address is 1095 Broken Sound Parkway, Suite 201, Boca Raton, Florida 33487. He has also used the addresses of 2201 N.W. Corporate Boulevard, Suite 200, Boca Raton, Florida 33431 and 5295 Town Center Road, Suite 201, Boca Raton, Florida 33486. At 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 of SG&D and CLG, including the acts and practices set forth in this Complaint. Defendant Smith, in connection with the

matters alleged herein, transacts or has transacted business in this District and throughout the United States.

12. Defendant Glenn E. Gromann (Gromann) is an owner, manager, officer or director of SG&D and, either directly or indirectly, of CLG. Gromann is an attorney whose current business address is 1095 Broken Sound Parkway, Suite 201, Boca Raton, Florida 33487. He has also used the addresses of 2201 N.W. Corporate Boulevard, Suite 200, Boca Raton, Florida 33431 and 5295 Town Center Road, Suite 201, Boca Raton, Florida 33486. At 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 of SG&D and CLG, including the acts and practices set forth in this Complaint. Defendant Gromann, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

13. Defendant Kevin McCormick (McCormick) is or has been the general manager of DAC and SG&D. He is also a part owner of DAC. McCormick resides in Delray Beach, Florida and his business addresses are the same as those of DAC and SG&D. At 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 of DAC and SG&D, including the acts and practices set forth in this Complaint. Defendant McCormick, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

14. Defendant Bradford R. Geisen (Geisen) is a resident of Florida and an officer and/or owner of numerous corporate entities, including CSA and CLG. He has served as the sole

owner of CSA and a financier of CLG. At 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 of CLG and CSA, including the acts and practices set forth in this Complaint. Defendant Geisen, in connection with the matters alleged herein, transacts and has transacted business in this District and throughout the United States.

15. Defendant Maurice Jackson (Jackson) is a resident of Florida and is currently the Vice President of Operations of CSA. At various times, he also acted on behalf of CLG and supervised its sales force. At 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 of CLG and CSA, including the acts and practices set forth in this Complaint. Defendant Jackson, in connection with the matters alleged herein, transacts and has transacted business in this District and throughout the United States.

16. Defendant Patrick Butler (Butler) is a resident of Florida. At various times he was a National Seminar Manager at CLG and was directly responsible for supervising sales of CLG's loan modification and foreclosure relief services. At 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 of CLG, including the acts and practices set forth in this Complaint. Defendant Butler, in connection with the matters alleged herein, transacts and has transacted business in this District and throughout the United States.

COMMERCE

17. 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.

AVAILABILITY OF FREE LOAN MODIFICATION AND FORECLOSURE RELIEF SERVICES

18. Numerous mortgage lenders and servicers have instituted free programs to assist financially distressed homeowners by offering them the opportunity to modify loans that have become unaffordable. Many of these “loan modification” programs have expanded as lenders have increased participation in the federal government’s “Making Home Affordable” program, a plan to stabilize our housing market and help up to 7 to 9 million 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 \$75 billion to keep up to 3 to 4 million Americans in their homes by preventing avoidable foreclosures. Moreover, numerous major mortgage lenders and servicers, non-profit and community-based organizations, the federal government, and the news media have helped publicize the availability of these free mortgage loan modification programs. Lenders often notify consumers of the availability of these programs, or of consumers’ eligibility, through their “loss mitigation” departments. Defendants divert consumers from these free programs and induce them to spend thousands of dollars on their mortgage loan modification and foreclosure relief services.

DEFENDANTS' BUSINESS PRACTICES - DAC AND SG&D

19. Together, DAC, SG&D, Davidson, McCormick, Smith, and Gromann will be referred to as the "DAC Defendants."

20. Since at least November 2007 until approximately November 2009, acting alone or in concert with others, DAC advertised, marketed, offered for sale, or sold loan modification and foreclosure relief services to consumers throughout the United States. In or around August 2009, DAC renamed itself SG&D and since that time has advertised, marketed, offered for sale, or sold those same services to consumers throughout the United States.

21. From at least January 1, 2008, and until the filing of the original Complaint herein, DAC and later, SG&D, engaged in a course of conduct to advertise, market, offer to sell, and sell to consumers mortgage loan modification and foreclosure relief services. The DAC Defendants marketed the services through Internet websites, including www.thedebtadvocacycenter.com, sgdandd.com, and www.foreclosurefish.com, to homeowners who were behind in their mortgage payments or who were in danger of losing their homes to foreclosure.

22. The DAC Defendants' websites contained statements intended to induce consumers to purchase mortgage loan modification and foreclosure relief services, including the following:

a. **MODIFY YOUR LOAN PAYMENTS TO WHAT YOU DESIRE
OR WE PAY YOU!**

b. At the Debt Advocacy Center we can help you stop foreclosure and keep your home, with a much lower payment and, often, a fixed interest rate.

c. . . . we have penetrated the Senior levels of most servicers and have negotiators for the lender, generally unavailable to the public.

d. How certain are we? For our negotiation service, if we do not obtain the payment your have agreed you can afford we pay you a penalty of a minimum of \$1500 or more.

e. If you are facing foreclosure, or don't know how you're going to make future payments, then it's time to act now. Don't miss out on this chance to get a modified payment, without needing perfect credit to refinance. This is not a refinance, it's a loan modification and we're seeing some of the lowest interest rates ever. The lenders are tired of losing money and, with a properly underwritten plan proposed to the right negotiator, they're making unheard of deals on loan modifications. We have special arrangements with 90% of the top lenders, so if you can afford a new lower payment, we can get you approved for our program today! These options may not last forever, so please act while help is still available. Other qualification do apply, so please use the form on the left to request your free evaluation and make sure you qualify today.

f. With a 90% success rate, we're constantly receiving testimonial letters. We always appreciate hearing from you and hope to receive 1000's more!

23. The DAC Defendants' websites also contained numerous purported customer testimonials touting Defendants' ability to arrange loan modifications and/or stop foreclosures.

As an example:

First of all, I want to say that The Debt Advocacy Center definitely lives up to its name and guarantee. You are truly an advocate on behalf of the consumer. The DAC staff is understanding and compassionate to your dilemma. Unlike, other companies DAC works with you and for you. The negotiator assigned to my case hit the ground running from day one. My family home was in jeopardy of being foreclosed with a date set. She contacted me informing me that she was pleased that my lender was Saxon whom she had previously worked with. That information and her reassurance lifted a heavy burden off my shoulders and gave me hope and relief. The professionalism, efficiency, promptness and communication which she exhibited were remarkable. When I received the call with the resolution of my modification, she asked me was I sitting down. Well, I was until I heard the results. Then I jumped up for joy thanking the LORD. The words: Thank You does not justify the true feeling of my gratitude, but: "Thank you, Thank you, THANK YOU!!!" This was truly money well spent!

24. The Internet websites invited consumers to call the DAC Defendants' toll-free number for more information. Consumers who called the toll-free number or provided contact information in response to the DAC Defendants' websites spoke with "consultants." In

numerous instances, the consultants stated that the DAC Defendants had a success rate of over 90% in obtaining satisfactory loan modifications. In numerous instances, the consultants stated that the DAC Defendants had special relationships with mortgage lenders and/or servicers that enabled them to arrange loan modifications where others could not. In numerous instances, the DAC Defendants' consultants stated that if they were unable to obtain a loan modification for the consumer, the consumer would receive their money back and/or receive a penalty payment of at least \$1500.

25. In numerous instances, the DAC Defendants' consultants told consumers that a lawyer would be working on their case and that they were a reputable firm whose owner had ties to prominent politicians and government officials.

26. In numerous instances, the DAC Defendants' consultants obtained consumers' bank account or credit card information by telling consumers that these accounts or credit cards would not be debited or charged, but that the information was needed before a contract could be sent for review. Then, in numerous instances, the DAC Defendants debited the consumer's account for its fee even though it had no contract or authorization.

27. Those consumers who did sign the DAC Defendants' contracts paid an up-front fee of \$1500. Some paid an additional fee of \$1500. In numerous instances, the DAC Defendants told consumers who engaged their services to stop making their mortgage payments.

28. In numerous instances, the DAC Defendants failed to obtain the promised mortgage loan modifications that would make consumers' mortgage payments more affordable. In numerous instances, the DAC Defendants provided consumers a do-it-yourself kit containing "educational materials" about how consumers should act when the consumers attempt to

negotiate a loan modification with their lender. These “educational materials” also provided the consumer a fill-in-the-blanks form: “ANSWER TO COMPLAINT FOR FORECLOSURE.”

29. When consumers complained and asked for their money back as the DAC Defendants guaranteed, in numerous instances, the DAC Defendants refused to refund their money. In these instances, the DAC Defendants claimed that the initial \$1500 payment was only for advice and educational materials. The DAC Defendants have even refused to return the payments that the DAC Defendants took from consumers who had not signed a contract.

DEFENDANTS’ BUSINESS PRACTICES - CLG AND CSA

30. Together, CLG, CSA, Smith, Gromann, Geisen, Jackson, and Butler will be referred to as the “CLG Defendants.”

31. At some time in 2008, Defendant CLG, controlled by Defendants Smith, Gromann and Geisen, and with the assistance of Defendant CSA, began to actively market loan modification and foreclosure relief services.

32. The CLG Defendants marketed loan modification and foreclosure relief services on the Internet, at www.creditlawgroup.com, and through direct mail solicitations.

33. The CLG Defendants’ website stated:

our firm utilizes forensic document audits to identify potential violations in consumer disclosure laws If your lender has violated these consumer disclosure laws you may be entitled to money damages. This information can be extremely valuable when negotiating a loan modification or short sale We have found that between 80-90% of all loans we have audited have some form of rights violations. You need to know whether or not you were a victim - don’t become a statistic.

The website included a toll free “800” number for consumers to contact for more information.

34. The CLG Defendants also sent a mailing offering its loan modification and foreclosure relief services to consumers and suggested that consumers contact them by calling a toll-free “800” number. The CLG Defendants held “informational” seminars for various organizations where it also marketed its services. The CLG Defendants also solicited and paid for referrals from third parties, such as AmeriFirst Financial. Defendants Geisen, Gromann and Smith directed the activities of Defendants Jackson and Butler and those who worked under them.

35. The CLG Defendants’ sales representatives were paid a salary and a commission for successful sales. As a law firm, CLG could not pay commissions for sales, so the commissions were paid by checks from Defendant CSA.

36. The CLG Defendants sold their services to several hundred homeowners over at least a six month period. Although these homeowners signed an agreement for legal services presented to them by the CLG Defendants, few, if any of them ever met with an attorney.

37. The CLG Defendants’ sales representatives told consumers who wanted to get their loans modified that they first needed to purchase a forensic loan audit. A forensic loan audit involves the examination of a homeowner’s loan documents for possible violations of applicable statutes and regulations. The CLG Defendants’ representatives told homeowners that the audit was likely to find violations that would give them leverage with the lender in getting their loans modified. The CLG Defendants’ representatives told consumers that, with the purchase of the forensic loan audit, they were likely to obtain a loan modification. They also told consumers that the CLG Defendants had been very successful in arranging loan modifications for clients, in some cases eliminating all or a substantial portion of their mortgage debt. The CLG Defendants collected \$995 in advance from consumers for the forensic loan

audit. In fact, the forensic loan audit was unlikely to find violations that provide sufficient leverage to obtain a successful loan modification.

38. Some consumers who contracted with the CLG Defendants wanted to negotiate a short sale as an alternative to foreclosure. A short sale is a sale of the house for an amount less than the remaining mortgage balance and requires the agreement of the mortgage holder. The CLG Defendants' representatives told consumers that a forensic loan audit was necessary to give them leverage in the short sale process, and that, with such leverage, they were likely to complete a short sale. They charged consumers \$995 up front for the forensic loan audit. In fact, the forensic loan audit was unlikely to find violations that provide leverage in short sale negotiations.

39. The CLG Defendants had little success in obtaining loan modifications or short sales for its clients. In the spring of 2009, the CLG Defendants turned over at least 400 of its loan modification and short sale files to Defendant DAC under agreements that required DAC to attempt to obtain the loan modifications and short sales and split any resulting success fees with the CLG Defendants. The CLG Defendants did not attempt to obtain its clients' consent before turning their files over to DAC.

VIOLATIONS OF SECTION 5 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.

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

COUNT I

43. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage loan modification or foreclosure rescue services, the DAC Defendants have represented, directly or indirectly, expressly or by implication, that the DAC Defendants will obtain for consumers mortgage loan modifications, in all or virtually all instances, that will make their mortgage payments substantially more affordable.

44. In truth and in fact, the DAC Defendants do not obtain for consumers mortgage loan modifications, in all or virtually all instances, that will make their mortgage payments substantially more affordable.

45. Therefore, the DAC Defendants' representation as set forth in Paragraph 43 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S. C. § 45(a).

COUNT II

46. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage loan modification or foreclosure rescue services, the DAC Defendants have represented, directly or indirectly, expressly or by implication, that they have helped over 90% of their clients obtain a mortgage loan modification.

47. In truth and in fact, the material representation set forth in paragraph 44 is false or was not substantiated at the time the representation was made.

48. Therefore, the making of the representation as set forth in Paragraph 46 of this Complaint 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).

COUNT III

49. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage loan modification or foreclosure rescue services, the DAC Defendants have represented, directly or indirectly, expressly or by implication, that if they are unsuccessful at arranging a loan modification or other foreclosure relief for a consumer, the DAC Defendants will refund the consumers' money and/or pay a penalty.

50. In truth and in fact, in numerous instances, the DAC Defendants have not given refunds or paid a penalty to consumers for whom they failed to obtain a loan modification or other foreclosure relief.

51. Therefore, the DAC Defendants' representation as set forth in Paragraph 49 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S. C. § 45(a).

COUNT IV

52. In numerous instances, as described in Paragraph 26 above, the DAC Defendants have withdrawn funds from consumers' bank accounts or charged consumers' credit cards without first obtaining the consumer's agreement to purchase and pay for the DAC Defendants' services.

53. The DAC Defendants actions cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition.

54. Therefore, the DAC Defendants' practice as described in Paragraph 52 above constitutes an unfair act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

COUNT V

55. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of mortgage loan modification or foreclosure rescue services, the CLG Defendants have represented, directly or indirectly, expressly or by implication, that as a result of forensic loan audits of consumers' mortgage loan documents that the CLG Defendants perform, consumers generally would obtain (a) mortgage loan modifications that will make their mortgage payments substantially more affordable or (b) completed short sales.

56. In truth and in fact, as a result of forensic loan audits of consumers' mortgage loan documents that the CLG Defendants perform, consumers did not generally obtain (a) mortgage loan modifications that will make their mortgage payments substantially more affordable or (b) completed short sales.

57. Therefore, the CLG Defendants' representation as set forth in Paragraph 55 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S. C. § 45(a).

CONSUMER INJURY

58. 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

59. 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, an order freezing assets, and appointment of a receiver over the corporate Defendants;

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; 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.

Date: _____

Respectfully submitted,

WILLARD K. TOM, General Counsel
Federal Trade Commission, Washington, D.C.

JON MILLER STEIGER
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Federal Trade Commission

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FEDERAL TRADE COMMISSION

CERTIFICATE OF SERVICE

I certify that on March 7, 2012, a copy of the foregoing Plaintiff Federal Trade Commission's **SECOND AMENDED COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF** was served upon Kevin McCormick by email and on all parties of record by the Court's ECF system.

/s/ Michael B. Rose

Attorney for Plaintiff
Federal Trade Commission