

Rule” (“TSR”), 16 C.F.R. Part 310.

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

3. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2), (b)(3), (c)(2), and (d), and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. 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), 56(a)(2)(B), 57b, 6102(c) and 6105(b).

DEFENDANTS

6. Defendant Resort Property Depot, Inc. (“RPD”), is a Florida corporation with its current principle place of business at 7901 4th Street North, Suite 104, St. Petersburg, Florida 33702. RPD transacts or has transacted business in this district and throughout the

United States.

7. Defendant Narendra S. Patel (“Patel”), also known as “Nick,” is an owner, officer or manager of RPD. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in, the acts and practices of RPD, including the acts and practices set forth in this Complaint. Defendant Patel is an authorized signatory on the corporate defendant’s bank account, signs corporate checks, directs employees how to operate, and knows of all fundamental business practices. Defendant Patel resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

8. 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.

DEFENDANTS’ BUSINESS ACTIVITIES

9. Since at least May 2008, and continuing thereafter, Defendants have engaged in a plan, program, or campaign to deceptively advertise, market, promote, offer for sale, or sell timeshare rental or resale services through interstate telephone calls to consumers throughout the United States.

10. Defendants, directly or through their agents, contact consumers through unsolicited telemarketing calls. Defendants target consumers who own timeshare properties. In contacting these consumers, Defendants often already have information about the

consumers' timeshare properties, such as the properties' names and locations.

11. Frequently, Defendants begin their telemarketing calls by representing that Defendants will quickly rent or sell the consumers' timeshares or that Defendants have renters or buyers for consumers' timeshare properties. In many instances, Defendants state that they have a renter or buyer already interested, and that their purported renters or buyers are willing to pay a specific dollar amount for consumers' timeshare properties.

12. In numerous instances, Defendants also tell consumers that the renting or selling of their timeshare properties will occur within a specified time period. If the properties are leased or sold by consumers directly, or another sales company, consumers are frequently promised that the listing fee will be returned in double the amount paid.

13. Consumers who agree to sell their properties are typically told their closings will occur within thirty days to six months.

14. Once consumers express interest in the rental or sale of their properties, Defendants then inform consumers they must pay a fee, generally ranging from \$300-\$3,000, to secure the deal.

15. After Defendants explain how they can rent or sell consumers' timeshare properties for a set price, and in a specified time period, many consumers agree to proceed and pay Defendants' fee.

16. Consumers are then asked for their credit or debit card information so Defendants can charge consumers the amount of the up-front fee. The charges are generally posted that day.

17. Defendants also tell consumers that they will receive a contract from

Defendants that they should immediately sign and return.

18. Consumers who agree to pay Defendants' fee are typically transferred to another representative for purposes of verifying the consumers' agreement to pay Defendants' fee. Defendants often give consumers various directions or explanations to make them compliant during the verification process.

19. After completing verification and charging consumers, RPD sends an unclear and ambiguous contract to consumers for signature.

20. Upon receiving Defendants' contract, many consumers sign and return it.

21. Consumers who pay Defendants' fee do not receive what they are promised. Indeed, consumers' timeshare properties are not rented or sold at all.

22. Defendants routinely and flatly deny consumers a return of their money. In these instances, Defendants argue that they have fulfilled their agreement by placing consumers' timeshare information on their website, for example www.resortpropertydepot.net, and that is all that they are required to do. Consumers are left with nothing more than a small advertisement for their timeshares on an obscure website, if they receive anything at all.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

25. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of timeshare rental and resale services, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants have a renter or buyer for the consumer's timeshare who will pay a specified price, or that Defendants will quickly rent or sell the consumer's timeshare.

26. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 25 of this Complaint, Defendants do not have a renter or buyer for the consumer's timeshare who will pay a specified price, and Defendants do not quickly rent or sell the consumer's timeshare.

27. Therefore, Defendants' representations as set forth in Paragraph 25 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).

THE TELEMARKETING SALES RULE

28. 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 Telemarketing Sales Rule in 1995, extensively amended it in 2003, and amended certain provisions thereafter. 16 C.F.R. Part 310.

29. Defendants are "sellers" or "telemarketer[s]" engaged in "telemarketing," as defined by the TSR. 16 C.F.R. §§ 310.2(aa), (cc) and (dd).

30. The TSR prohibits sellers and telemarketers from making any false or misleading statement to induce any person to pay for goods or services. 16 C.F.R. § 310.3(a)(4).

31. 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).

VIOLATIONS OF THE TELEMARKETING SALES RULE

COUNT II

32. In numerous instances, in the course of telemarketing their goods and services, Defendants have made false or misleading statements, directly or by implication, to induce consumers to pay for goods or services, including, but not limited to, misrepresentations that Defendants have a renter or buyer for the consumer's timeshare property who will pay a specified price, or that Defendants will quickly rent or sell the consumer's timeshare.

33. Defendants' acts or practices, as described in Paragraph 32 above, are deceptive telemarketing acts or practices that violate the TSR, 16 C.F.R. § 310.3(a)(4).

CONSUMER INJURY

34. Consumers have suffered, and will continue to suffer, substantial injury as a result of Defendants' violations of the FTC Act and the TSR. 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

35. 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.

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, 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;

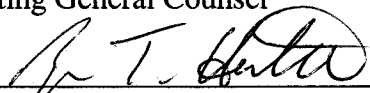
C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the TSR, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;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

Respectfully Submitted,

David Shonka
Acting General Counsel

Dated: May 20, 2013



RYAN T. HOLTE, Trial Counsel
Special Bar No. A5501784
rholte@ftc.gov

HAROLD E. KIRTZ
Special Bar. No. A5500743
hkirtz@ftc.gov

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

Southeast Region
225 Peachtree Street, Suite 1500
Atlanta, Georgia 30303
Telephone: (404) 656-1360 (Holte)
Telephone: (404) 656-1357 (Kirtz)
Facsimile: (404) 656-1379
E-mail: rholte@ftc.gov
E-mail: hkirtz@ftc.gov
E-mail: bcpbriefbank@ftc.gov