

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**
Case No. _____ Civ. _____

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**SOUTHEAST TRUST, LLC, f/k/a The
Debt School, LLC and d/b/a Financial
Freedom Credit Counseling,**

and

PAUL A. WEXLER,

Defendants.

(Filed Under Seal)

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, and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6101 *et seq.*, 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), and the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310, in connection with the marketing and sale of debt 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 (c), 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 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.

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 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 Southeast Trust, LLC (“Southeast Trust”) is a Florida limited liability company with its principal place of business at 4700 Hiatus Road, Suite 256, Sunrise, Florida. Southeast Trust also maintains mailing addresses at 631 E. Dania Beach Blvd, Dania Beach, Florida and 3850 East Coquina Way, Weston, Florida. Southeast Trust was formerly known as The Debt School, LLC and it also does business as Financial Freedom Credit Counseling. Southeast Trust transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Southeast

Trust has advertised, marketed, distributed, or sold debt relief services to consumers throughout the United States.

7. Defendant Paul A. Wexler is a principal and officer of Southeast Trust. Defendant Paul Wexler has signatory authority over Southeast Trust's bank accounts. 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 set forth in this Complaint. In connection with the matters alleged herein, Paul Wexler 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 August 2005, Defendants have used internet marketing and various telemarketing techniques to solicit consumers who seek debt relief services. Defendants then induce these consumers to purchase credit counseling services with representations that Defendants will consolidate their unsecured debt and allow consumers to pay off their debt at an interest rate as low as 0%. Using the pretext of providing these credit counseling services, Defendants ask for consumers' bank account numbers and in numerous instances, make unauthorized charges to the consumers' bank accounts. In the course of their telemarketing, Defendants routinely make robocalls to consumers on the FTC's Do Not Call list.

Defendants' Internet Marketing Activities

10. Defendants have solicited customers who seek debt relief services through their website. Since at least August 2005, Defendants have operated several websites, including but not limited to: southeasttrust.com and the debtschool.com. Defendant Wexler is the registrant for these websites. The domain registration and hosting fees for these websites are paid for by Defendant Wexler.

11. Defendants' websites make the following statements regarding their ability to reduce consumers' debt:

- a. **How long does it take to pay off my credit card debts and bills after debt consolidation?**
Most people are able to get out of debt in 3 to 5 years after the interest rates on their debts have been reduced under a debt consolidation plan.
- b. **Why don't credit card companies have their own debt reduction programs for people like me?**
They do, however, debt consolidation and debt counseling are entirely different functions than what the credit card companies do best. Credit card companies would prefer that people deal with specialized debt consolidation firms who take on the substantial burden of individual repayment agreements and terms as well as all the attendant paperwork. For these reasons, the credit card companies have special programs only for use by debt consolidators.
- c. Your creditors have people working for them, so should you. Southeast Trust is dedicated to making sure you have both the knowledge and the opportunity to pull yourself out of debt. We truly believe everyone deserves a chance to recover from unforeseen financial burdens or learn from past mistakes. These programs often reduce your finance charges drastically saving you possibly thousands of dollars in the long run.

12. Defendants' websites invite consumers to call the toll-free telephone number — 866-396-9995 — to obtain more information.

Defendants' Telemarketing Activities

13. In addition to responding to inbound calls from consumers visiting Defendants' websites, Defendants actively engaged in outbound telemarketing to solicit consumers to enter into debt relief services.

14. Defendants engaged in an outbound telemarketing campaign that consists of three phases: a robocall, a prequalification sales pitch, and an enrollment sales pitch.

The Robocall

15. In numerous instances, when consumers answer the telemarketing calls, Defendants, or intermediaries acting on behalf of Defendants, do not connect the call to a live sales representative, but play prerecorded messages, known as "voice broadcasting" or "robocalling." A typical and illustrative prerecorded message features a female voice stating the following:

Hi, this is Kathy with Financial Freedom. You may recall receiving a letter saying you've been approved to consolidate your credit cards down to as low as a 1.5 percent interest rate. This is not a new loan. You've already been approved by a certified non-profit agency. So, if you can please have your statements ready when you call, my number is 1-800-706-6208. Again, my name is Kathy and you can reach me at 800-706-6208 until 10:00 tonight. Thanks, and have a great day.

16. To induce the purchase of Defendants' goods or services, Defendants, directly or through their agents or intermediaries, have made numerous calls to telephone numbers on the National Do Not Call Registry ("Registry").

17. To induce the purchase of Defendants' goods or services, Defendants, directly or through their agents or intermediaries, have initiated telephone calls to the telephone numbers of consumers who have previously stated that they do not wish to receive calls by or on behalf of Defendants.

18. In numerous instances, Defendants, directly or through their agents or intermediaries, have initiated telephone calls to consumers several times per day, continuing for days or weeks.

19. In numerous instances, Defendants, directly or through their agents or intermediaries, have initiated outbound telemarketing calls with prerecorded messages that failed to disclose truthfully, promptly, and in a clear and conspicuous manner to the person receiving the call: the identity of the seller; that the purpose of the call is to sell goods or services; and the nature of the goods or services.

20. In the course of telemarketing described above, since September 1, 2009, Defendants, or intermediaries acting on behalf of Defendants, have initiated outbound telephone calls that delivered prerecorded messages to induce the sale of goods or services when the persons to whom those telephone calls were made had not signed an express agreement, in writing, authorizing the delivery of prerecorded messages on behalf of Defendants.

The Prequalification Sales Pitch

21. When consumers call the number provided in the robocall (800-706-6208), consumers typically receive a prerecorded message. A typical and illustrative prerecorded message features a female voice stating the following::

Hi, this is Kathy. Thanks for getting back to me. I wish I could speak to you, but I'm either on the phone with another client or right in the middle of teaching a class. Please listen carefully to the following options and someone will be right with you. We may record this call for quality purposes.

If you feel we've reached you in error and would like your number removed from our dialing list, please dial one.

If you're worried about managing your debt and would like to speak to a professional counselor, please press two.

If you're not certain why we've called you and would like more information, please press three.

22. Those consumers who press 2 on their telephone after hearing the voice message are connected to one of Defendants' telemarketers. In numerous instances, Defendants' telemarketers identify themselves using the phrase "Financial Freedom" or "The Debt School."

23. Defendants' telemarketers typically ask consumers three questions: whether they have \$5,000 or more in credit card debt, whether the debt is unsecured, and whether the interest rate is above 9%.

24. In numerous instances, after consumers answer in the affirmative to the above questions, Defendants' telemarketers inform consumers that they will be transferred to one of Defendants' "certified credit counselors." Defendants' telemarketers then transfer consumers to another telemarketer for the enrollment sales pitch.

The Enrollment Sales Pitch

25. After consumers are transferred from the initial telemarketer, or when consumers call the toll-free number listed on Defendants' website, Defendants' telemarketers explain their debt relief services to consumers and discuss the low payments and low interest rates that Defendants can offer to the consumer.

26. In numerous instances, Defendants' telemarketers tell consumers that Defendants can consolidate their unsecured debts into a single monthly payment and lower their interest rates to as low as 0% to 6%. Defendants' telemarketers explain that consumers will be debt free in three to five years.

27. In numerous instances, Defendants' telemarketers provide consumers with an estimated monthly payment amount under their new "debt consolidation plan." In some instances, Defendants' telemarketers inform consumers that Defendants charge a fee for their

services. In some instances, Defendants' telemarketers explain that Defendants charge an initial fee, often described as an enrollment fee, that varies and is often the same amount as the consumer's monthly payment under the new debt consolidation plan. In some instances, Defendants' telemarketers explain that, in addition to the initial fee, Defendants also charge a monthly fee of \$39 - \$59.

28. In numerous instances, Defendants' telemarketers tell consumers that they are a non-profit entity.

Unauthorized Charges

29. Under the pretext of getting the debt consolidation process started, Defendants' telemarketers ask consumers to provide their bank account numbers and other personally identifiable information.

30. In numerous instances, Defendants' telemarketers state that they will send consumers enrollment contracts that will explain the details of the debt consolidation program. In numerous instances, Defendants' telemarketers assure consumers that there is no obligation to join the program or that no payments will be taken until the consumers sign and return the enrollment contracts.

31. In numerous instances, regardless of whether consumers sign and return Defendants' enrollment contracts, Defendants withdraw the enrollment fee from consumers' bank accounts. In numerous instances, Defendants debit consumers' accounts before consumers ever receive the enrollment contracts. In numerous instances, Defendants debit consumers' accounts even when consumers call to decline Defendants' services.

32. In numerous instances, when consumers discover that Defendants have debited the enrollment fee and call to inquire about the debit or to ask for their money back, consumers

are told for the first time that the enrollment fee is non-refundable even if consumers do not enroll in Defendants' program or sign the agreement.

33. Defendants are not a non-profit organization nor do they provide debt relief services to consumers themselves. Instead, in cases where consumers do sign and return the enrollment contracts, Defendants forward all those consumers' information to a third party that provides the debt relief services.

VIOLATIONS OF THE FTC ACT

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

35. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act. Acts or practices are unfair under Section 5 of the FTC Act if they cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

Count I

36. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of debt relief services, Defendants have represented, directly or indirectly, expressly or by implication, that they will not debit consumers' bank accounts until after consumers complete, sign, and return Defendants' enrollment contracts.

37. In truth and in fact, in numerous instances, Defendants have debited consumers' bank accounts before consumers have completed, signed, and returned Defendants' enrollment contracts.

38. Therefore, Defendants' representation as set forth in paragraph 36 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

39. In numerous instances, Defendants have caused consumers' bank accounts to be debited without having obtained previously consumers' express informed consent.

40. 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.

41. Therefore, Defendants' practices as described in paragraph 39 constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

Count III

42. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of debt relief services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who purchase Defendants' services will have the interest rates on their unsecured debt reduced substantially, including but not limited to as low as 0% to 6%.

43. In truth and in fact, the representation set forth in paragraph 42 is false or was not substantiated at the time the representation was made.

44. Therefore, Defendants' representation as set forth in paragraph 42 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

45. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of debt relief services, Defendants have represented, directly or indirectly, expressly or by implication, that they are a non-profit organization that provides debt relief services to consumers.

46. In truth and in fact, Defendants are not a non-profit organization that provides debt relief services to consumers.

47. Therefore, Defendants' representation as set forth in paragraph 45 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).

VIOLATIONS OF THE TELEMARKETING SALES RULE

48. 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 *et seq.* The FTC adopted the original Telemarketing Sales Rule in 1995, extensively amended it in 2003, and amended certain provisions thereafter.

49. Among other things, the 2003 amendments to the TSR established a "do-not-call" registry (the "National Do Not Call Registry" or "Registry"), maintained by the FTC, of consumers who do not wish to receive certain types of telemarketing calls. Consumers can register their telephone numbers on the Registry without charge either through a toll-free telephone call or over the Internet at www.donotcall.gov.

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

51. Under the TSR, a “telemarketer” means 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). A “seller” means any person who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to a customer in exchange for consideration. *Id.* § 310.2(aa).

52. Under the TSR, an “outbound telephone call” means a telephone call initiated by a telemarketer to induce the purchase of goods or services or to solicit a charitable contribution. 16 C.F.R. § 310.2(v). Defendants have initiated, or have caused telemarketers to initiate, “outbound telephone calls” to consumers.

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

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

55. The TSR also prohibits sellers and telemarketers from initiating an outbound telephone call to any person when that person previously has stated that he or she does not wish to receive an outbound telephone call made by or on behalf of the seller whose goods or services are being offered. 16 C.F.R. § 310.4(b)(1)(iii)(A).

56. The TSR prohibits sellers and telemarketers from initiating an outbound telephone call to numbers on the Registry. 16 C.F.R. § 310.4(b)(1)(iii)(B).

57. The TSR also requires telemarketers in an outbound telephone call to disclose truthfully, promptly, and in a clear and conspicuous manner the following information:

- A. The identity of the seller;
- B. That the purpose of the call is to sell goods or services; and
- C. The nature of the goods or services.

16 C.F.R. § 310.4(d).

58. As amended, effective December 1, 2008, the TSR prohibits initiating a telephone call that delivers a prerecorded message to induce the purchase of any good or service unless the message promptly discloses:

- A. The identity of the seller;
- B. That the purpose of the call is to sell goods or services; and
- C. The nature of the goods or services.

16 C.F.R. § 310.4(b)(1)(v)(B)(ii).

59. As amended, effective September 1, 2009, the TSR prohibits initiating 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 such 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).

60. As amended, effective September 27, 2010, the TSR prohibits sellers and telemarketers from misrepresenting, 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).

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

A. the seller or telemarketer has renegotiated, settled, reduced, or otherwise altered the terms of at least one debt pursuant to a settlement agreement, debt management plan, or other such valid contractual agreement executed by the customer;

B. the customer has made at least one payment pursuant to that settlement agreement, debt management plan, or other valid contractual agreement between the customer and the creditor or debt collector; and

C. to the extent that debts enrolled in a service are renegotiated, settled, reduced, or otherwise altered individually, the fee or consideration either:

1. bears the same proportional relationship to the total fee for renegotiating, settling, reducing, or altering the terms of the entire debt balance as the individual debt amount bears to the entire debt amount. The individual debt amount and the entire debt amount are those owed at the time the debt was enrolled in the service; or

2. is a percentage of the amount saved as a result of the renegotiation, settlement, reduction, or alteration. The percentage charged cannot change from one individual

debt to another. The amount saved is the difference between the amount owed at the time the debt was enrolled in the service and the amount actually paid to satisfy the debt.

16 C.F.R. § 310.4(a)(5)(i).

62. Defendants are “sellers” or “telemarketers” of “debt relief services,” as defined by the TSR, 16 C.F.R. § 310.2(aa), (cc), and (m).

63. 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 V

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

- a. that Defendants will not debit consumers’ bank accounts until after consumers complete, sign, and return Defendants’ enrollment contracts;
- b. that consumers who purchase Defendants’ services will have interest rates on their unsecured debits reduced substantially, including but not limited to as low as 0% to 6%; and
- c. that Defendants are a non-profit organization that provides debt relief services to consumers.

65. Defendant's acts or practices, as described in paragraph 64, constitute deceptive telemarketing acts or practices that violate Sections 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

Count VI

66. In numerous instances on or after September 27, 2010, in connection with the telemarketing of debt relief services, Defendants have misrepresented, directly or indirectly, expressly or by implication, material aspects of their debt relief services, including, but not limited to:

- a. that Defendants will not debit consumers' bank accounts until after consumers complete, sign, and return Defendants' enrollment contracts;
- b. that consumers who purchase Defendants' services will have interest rates on their unsecured debts reduced substantially, including but not limited to as low as 0% to 6%; and
- c. that Defendants are a non-profit organization that provides debt relief services to consumers.

67. Defendant's acts or practices, as described in paragraph 66, constitute deceptive telemarketing acts or practices that violate Sections 310.3(a)(2)(x) of the TSR, 16 C.F.R. § 310.3(a)(2)(x).

Count VII

68. In numerous instances, in connection with telemarketing, Defendants has caused billing information to be submitted for payment, directly or indirectly, without the express informed consent of the customer.

69. Defendants' acts or practices, as described in paragraph 68, constitute abusive telemarketing acts or practices that violate Section 310.4(a)(7) of the TSR, 16 C.F.R. § 310.4(a)(7).

Count VIII

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

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

Count IX

72. In numerous instances, in connection with telemarketing, Defendants have initiated, or caused others to initiate, an outbound telephone call to a person's telephone number on the National Do Not Call Registry in violation of the TSR, 16 C.F.R. § 310.4(b)(1)(iii)(B).

Count X

73. In numerous instances, in connection with telemarketing, Defendants have initiated, or caused others to initiate, an outbound telephone call to a person who previously has stated that he or she does not wish to receive such a call made by or on behalf of the seller whose goods or services are being offered, in violation of the TSR, 16 C.F.R. § 310.4(b)(1)(iii)(A).

Count XI

74. In numerous instances on or after September 1, 2009, Defendants have made, or caused others to make, outbound telephone calls that deliver prerecorded messages to induce the purchase of goods or services when the persons to whom these telephoned calls were made had not signed an express agreement, in writing, authorizing the seller to place prerecorded calls to such persons, in violation of the TSR, 16 C.F.R. § 310.4(b)(1)(v)(A).

Count XII

75. In numerous instances, in connection of telemarketing goods or services, Defendants have made, or caused others to make, outbound telephone calls in which the telemarketer failed to disclose truthfully, promptly, and in a clear and conspicuous manner to the person receiving the call:

- a. the identity of the seller;
- b. that the purpose of the call is to sell goods or services; and
- c. the nature of the goods or services,

in violation of the TSR, 16 C.F.R. § 310.4(d).

Count XIII

76. In numerous instances on or after December 1, 2008, in connection of telemarketing goods or services, Defendants have made, or caused others to make, outbound telephone calls that deliver a prerecorded message in which the telemarketer or message failed to disclose truthfully, promptly, and in a clear and conspicuous manner to the person receiving the call:

- a. the identity of the seller;
- b. that the purpose of the call is to sell goods or services; and

c. the nature of the goods or services,
in violation of the TSR, 16 C.F.R. §§ 310.4(b)(1)(v)(B)(ii) and (d).

CONSUMER INJURY

77. 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

78. 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.

79. 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 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 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: December 10, 2012

Respectfully submitted,

DAVID SHONKA
Acting General Counsel



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