

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Case No. _____ -Civ (/)

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

SERVICE BROKERS ASSOCIATES, INC., and

DANIEL GONZALEZ,

Defendants.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”) for its Complaint alleges:

1. Plaintiff 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 Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), to secure a permanent injunction, rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief against defendants for engaging in deceptive acts or practices in connection with the sale and offering for sale of credit repair services in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Credit Repair Organizations Act, 15 U.S.C. § 1679 *et seq.*

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a) and 53(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue is proper in the Southern District of Florida under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

PLAINTIFF

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-48, as amended. The Commission is charged, *inter alia*, with enforcement of 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 Commission also enforces the Credit Repair Organizations Act. 15 U.S.C. § 1679h(a). The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the Credit Repair Organizations Act in order to ensure such equitable relief as is appropriate in each case, including restitution for injured consumers. 15 U.S.C. §§ 53(b), 57b, and 1679h(b).

DEFENDANTS

5. Defendant Service Brokers Associates, Inc. (“Service Brokers”), is a Florida corporation with its offices and principal place of business located at 5440 N. State Road 7, Fort Lauderdale, Florida 33319. Service Brokers has also done business under the name USA Credit YES. Defendant Service Brokers transacts or has transacted business in the Southern District of

Florida.

6. Defendant Daniel Gonzalez is the president and an owner of defendant Service Brokers. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of defendant Service Brokers, including the various acts and practices set forth in this complaint. Daniel Gonzalez resides in and transacts or has transacted business in the Southern District of Florida.

COMMERCE

7. At all times relevant 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

8. Since at least March, 2002, and continuing thereafter, defendants, directly or through their representatives, have promoted, offered for sale, and sold credit repair services to consumers. Defendants market and sell their credit repair services in the English and Spanish languages. Defendants maintained, for some period of time since at least March, 2002, an Internet website where consumers could purchase defendants’ credit repair services. The company’s Spanish-language web page was located at www.usacredities.com/espanol, and its English-language web page was found at www.usacredities.com/ingles.

9. Through verbal statements by their representatives and through written statements on their website, defendants have offered “credit repair” services purporting to remove or attempt

to remove derogatory information from, or improve, consumers' credit histories, credit records, or credit ratings.

10. Before providing any of the promised services, defendants' representatives request and obtain at least partial payment for these services. Fees required by defendants typically range from \$300 to \$400.

11. Defendants require consumers to sign written contracts for defendants' services. However, defendants fail to provide consumers with separate written statements containing specific information on consumers' credit file rights under state and federal law prior to the time consumers sign contracts.

12. Defendants also fail to include on their consumer contracts specific statements regarding the consumers' right to cancel the contract without penalty or obligation at any time before the third business day after the date on which the consumer signed the contract.

THE CREDIT REPAIR ORGANIZATIONS ACT

13. The Credit Repair Organizations Act took effect on April 1, 1997, and has since that date remained in full force and effect.

14. Defendants are "credit repair organizations" as that term is defined in the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3).

15. The purposes of the Credit Repair Organizations Act, according to Congress, are:

(1) to ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services; and (2) to protect the public from unfair or deceptive advertising and business practices by credit repair organizations.

15 U.S.C. § 1679(b).

16. The Credit Repair Organizations Act prohibits credit repair organizations from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform before such service is fully performed. 15 U.S.C. § 1679b(b).

17. The Credit Repair Organizations Act requires that credit repair organizations provide consumers with a written disclosure statement entitled “Consumer Credit File Rights Under State and Federal Law” before any contract or agreement between the consumer and the credit repair organization is executed. 15 U.S.C. § 1679c(a).

18. The Credit Repair Organizations Act requires credit repair organizations to include in their written contracts for services specific statements regarding the consumers’ right to cancel the contract without penalty or obligation at any time before the third business day after the date on which the consumer signed the contract. 15 U.S.C. § 1679d(b)(4).

19. Pursuant to Section 410(b)(1) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b)(1), any violation of any requirement or prohibition of the Credit Repair Organizations Act constitutes an unfair and deceptive act or practice in commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT

COUNT ONE

20. In numerous instances, in connection with the sale and performance of services for consumers by a credit repair organization, as that term is defined in Section 403(3) of the

Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), defendants have charged or received money or other valuable consideration for the performance of credit repair services that defendants have agreed to perform before such services were fully performed. Defendants have thereby violated Section 404(b) of the Credit Repair Organizations Act. 15 U.S.C. § 1679b(b).

COUNT TWO

21. In numerous instances, in connection with the sale and performance of services for consumers by a credit repair organization, as that term is defined in Section 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), defendants have failed to provide consumers with separate written statements containing specific information on the consumer's credit file rights under state and federal law before the contracts or agreements between the consumer and defendants were executed. Defendants have thereby violated Section 405(a) of the Credit Repair Organizations Act. 15 U.S.C. § 1679c(a).

COUNT THREE

22. In numerous instances, in connection with the sale and performance of services for consumers by a credit repair organization, as that term is defined in Section 403(3) of the Credit Repair Organizations Act, 15 U.S.C. § 1679a(3), defendants have failed to include in their consumer contracts specific statements regarding the consumers' right to cancel the contract without penalty or obligation at any time before the third business day after the date on which the consumer signed the contract. Defendants have thereby violated Section 406(b)(4) of the Credit Repair Organizations Act. 15 U.S.C. § 1679d(b)(4).

CONSUMER INJURY

23. Consumers have suffered, and continue to suffer, substantial monetary loss as a result of defendants' unlawful acts and practices. In addition, defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.

THIS COURT'S POWER TO GRANT RELIEF

24. Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), empower this Court to grant injunctive and such other relief as the Court may deem appropriate to prevent and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), and the Court's own equitable powers, requests that this Court:

- (a) Permanently enjoin defendants from violating the FTC Act and the Credit Repair Organizations Act as alleged herein;
- (b) Award such equitable 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 of contracts and restitution, and the disgorgement of ill-gotten gains by the defendants; and

(c) Award plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: _____

Respectfully Submitted,

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