

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

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Case No.
	)	
v.	)	FILED: OCTOBER 20, 2008
	)	08CV5994
ADVANTAGE CREDIT REPAIR LLC, and	)	JUDGE PALLMEYER
	)	MAGISTRATE JUDGE COLE
MARK D. SOLOMON,	)	
	)	
Defendants.	)	TC
	)	

**COMPLAINT FOR INJUNCTIVE 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 under Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief against Defendants Advantage Credit Repair LLC and Mark D. Solomon for engaging in deceptive acts or practices in connection with the advertising, marketing, promotion, offering for sale, or 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. §§ 1679-1679j.

**JURISDICTION AND VENUE**

2. This Court has jurisdiction over this matter pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the United States District Court for the Northern District of Illinois is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).

### **PLAINTIFF**

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC is charged, *inter alia*, with enforcing 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 is charged with enforcing the Credit Repair Organizations Act. 15 U.S.C. § 1679h(a).

5. The FTC 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 secure 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**

6. Defendant Advantage Credit Repair LLC (“Advantage”), is an Illinois Limited Liability Company. Advantage’s principal office is at 500 N. Michigan Avenue, Suite 300, Chicago, Illinois 60611. It also transacts business at 3166 N. Lincoln Avenue, Suite 215, Chicago, Illinois 60657. Defendant Advantage transacts or has transacted business in this district and throughout the United States.

7. Defendant Mark D. Solomon (“Solomon”), is the president and owner of Defendant Advantage. At all times material to this Complaint, acting alone or in concert with others, Defendant Solomon has formulated, directed, controlled, or participated in the acts or practices of Advantage, including the acts and practices set forth in this Complaint. Defendant Solomon is a resident of Chicago, Illinois, and 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 June 2006, and continuing thereafter, Defendants have advertised, marketed, promoted, offered for sale, and sold credit repair services to consumers in Illinois and across the country. Defendants have advertised and continue to advertise their services through an Internet Web site, located at [www.myadvantagecredit.com](http://www.myadvantagecredit.com), in local Yellow Page advertisements, and by other means.

10. Through verbal statements made by their representatives, written statements on their Web site, and in their promotional materials, Defendants have offered and continue to offer credit repair services purporting to remove derogatory information from, and to improve, consumers’ credit records, credit histories, and credit ratings. Defendants claim to possess a proprietary system that enables them to permanently remove negative information from consumers’ credit reports, including late payments, charge-offs, bankruptcies, collections, judgments, tax liens, repossessions, foreclosures, and garnishments, even where such information is accurate and not obsolete.

11. To attract consumers and induce them to purchase Defendants’ credit repair services, Defendants’ Web site contains statements such as the following:

We have been helping people with their credit scores since the beginning of 2001. Since then, we have developed a proprietary and highly effective system of dealing with the three major credit

bureaus to get negative items deleted quickly. We have so much confidence in our ability to get negative items deleted that we only charge based on our performance!

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We would never charge a large fee up front, or make you wait a long period of time to refund your money if we do not get results. You WILL see results in 60 days, or your money will be refunded in full. It is as simple as that.

\*\*\*

### **Can Bankruptcies and Foreclosures Be Removed?**

**Yes.** Any derogatory item on a credit report can be removed, depending on the circumstance and the skill of your credit repair company. These types of negative items, along with civil judgments, are more challenging to remove than standard late [sic] and collections. But be assured - it can be done! That is why you need a credit repair company that has the experience and methodology to get this accomplished.

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Regardless of the type of negative item that appears on your report, we will legally challenge that item using our proprietary and highly effective dispute system. This includes any item - even if it [sic] the result of a mistake on your part!

12. To attract customers and induce them to purchase Defendants' credit repair services, Defendants have published advertisements in Chicago Yellow Pages directories that contain the following statements:

Results in 30 To 60 Days - Guaranteed!

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Negative Items Deleted From Credit Reports Include: Judgements, Collections, Chargeoffs, Late Pays, Bankruptcies And More!

\*\*\*

We Can Legally Raise Your Credit Score by 100 Points or More Quickly!

13. Consumers who see Defendants' ads or Internet Web site, or who are referred to Advantage by acquaintances, are encouraged to contact Advantage via telephone for a free consultation.

14. To induce consumers to purchase Defendants' services, Defendants' representatives make statements to consumers such as the following:

What we do is we get negative items deleted from your credit report. That can be anything from bankruptcies, foreclosures, debt claims, collections, late payments, judgments. Anything that is deemed derogatory in your credit, to get your score higher.

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We can take care of [a 2005 bankruptcy].

15. Consumers who are persuaded to purchase Defendants' services are required to pay an advance fee before services will begin. Defendants currently advertise their credit repair services for \$495 for an individual and \$665 for a couple. Defendants require a portion of this fee up-front, either \$219 for an individual or \$269 for a couple, with the remaining balance paid off in four subsequent monthly payments. Defendants often proceed to withdraw the subsequent monthly payments from consumers' bank accounts.

16. Following payment of the up-front fees, Defendants do little, if anything, to fulfill the promises they make to consumers. When consumers attempt to complain to Defendants, they find it difficult to reach them. Consumers' voice-mails frequently go unanswered by Defendants.

17. Consumers' refund requests are almost always denied by Defendants. Even consumers who file formal complaints against Defendants with the Better Business Bureau of

Chicago and Northern Illinois often are unsuccessful in recovering any money from Defendants.

**THE CREDIT REPAIR ORGANIZATIONS ACT**

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

19. The Credit Repair Organizations Act defines a “credit repair organization” as:

[A]ny person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of . . . improving any consumer’s credit record, credit history, or credit rating[.]

15 U.S.C. § 1679a(3).

20. 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).

21. The Credit Repair Organizations Act prohibits all persons from making or using any untrue or misleading representation of the services of the credit repair organization.

15 U.S.C. § 1679b(a)(3).

22. 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).

23. 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 or 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**

24. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to 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 made untrue or misleading representations to induce consumers to purchase their credit repair services, including, but not limited to, the representation that Defendants can improve substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete.

25. Defendants have thereby violated Section 404(a)(3) of the Credit Repair Organizations Act. 15 U.S.C. § 1679b(a)(3).

**COUNT TWO**

26. In numerous instances, in connection with their operation as 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.

27. Defendants have thereby violated Section 404(b) of the Credit Repair Organizations Act. 15 U.S.C. § 1679b(b).

**VIOLATION OF SECTION 5 OF THE FTC ACT**

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

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

**COUNT THREE**

30. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of credit repair services, Defendants have represented, expressly or by implication, that they can improve substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete.

31. In truth and in fact, in numerous of these instances, Defendants cannot improve substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.

32. Therefore, Defendants' representations set forth in Paragraph 30 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).

**CONSUMER INJURY**

33. Consumers have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' violations of the FTC Act and the Credit Repair Organizations Act. 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**

34. 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 halt and redress violations of the FTC Act and the Credit Repair Organizations 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 FTC, 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:

1. 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 and an order freezing assets;

2. Enter a permanent injunction to prevent future violations of the FTC Act and the Credit Repair Organizations Act by Defendants;

3. Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants’ violations of the FTC Act and the Credit Repair Organizations Act, including, but not limited to, rescission of contracts and restitution, and the

disgorgement of ill-gotten gains by Defendants; and

4. 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,

WILLIAM BLUMENTHAL  
General Counsel

Dated: October 20, 2008

/s/ Marissa J. Reich \_\_\_\_\_  
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