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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

2008 OCT 20 PM 2:55

MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

FEDERAL TRADE COMMISSION,)
)
 Plaintiff,)
)
 v.)
)
 LATRESE & KEVIN ENTERPRISES INC.,)
 a Florida Corporation, also doing business as)
 HARGRAVE & ASSOCIATES FINANCIAL)
 SOLUTIONS,)
)
 LATRESE HARGRAVE, also known as,)
 Latrese V. Williams, individually and as an)
 officer of Latrese & Kevin Enterprises Inc., and)
)
 KEVIN HARGRAVE, SR., individually and)
 as an officer of Latrese & Kevin Enterprises Inc.)
)
 Defendants.)
)

Case No. _____
3:08-cv-1001-j-34 JRK

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 57(b), Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, to obtain temporary, preliminary and permanent injunctive relief, rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief against Defendants Latrese & Kevin Enterprises Inc., doing business as Hargrave & Associates Financial

Solutions, and its principals Latrese Hargrave and Kevin Hargrave for engaging in deceptive acts or practices in connection with the advertising, marketing, promotion, offering for sale, or sale of credit repair services and an advance fee credit card in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Credit Repair Organizations Act, 15 U.S.C. § 1679 *et seq.*, and the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this action pursuant to 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c) and 6105(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the United States District Court for the Middle District of Florida 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), and 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, the Credit Repair Organizations Act, and the TSR 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, 1679h(b), 6102(c) and 6105(b).

DEFENDANTS

6. Defendant Latrese & Kevin Enterprises Inc. is a Florida Corporation with its office and principal place of business at 3450 Dunn Avenue, Suite 101, Jacksonville, Florida 32218. Defendant Latrese & Kevin Enterprises Inc., using its registered fictitious name Hargrave & Associates Financial Solutions, markets and sells credit repair services and an advance fee credit card. Defendant also has an office in Ohio at 1313 E. Broad Street, Columbus, Ohio 43205-3500. Defendant transacts or has transacted business in the Middle District of Florida and throughout the United States.

7. Defendant Latrese Hargrave is the president and treasurer of Defendant Latrese & Kevin Enterprises Inc., and is currently its only officer or director. At all times material to this Complaint, acting alone or in concert with others, Defendant Latrese Hargrave has formulated, directed, controlled, or participated in the acts and practices of Defendant Latrese & Kevin Enterprises Inc., including the acts and practices set forth in this Complaint. Defendant Latrese Hargrave resides in Fernandina Beach, Florida, and transacts or has transacted business in the Middle District of Florida and throughout the United States.

8. Defendant Kevin Hargrave, Sr. was the treasurer of Defendant Latrese & Kevin Enterprises Inc. until April 30, 2007, and continued to participate in the business thereafter. At all times material to this Complaint, acting alone or in concert with others, Defendant Kevin Hargrave has formulated, directed, controlled, or participated in the acts and practices of Defendant Latrese & Kevin Enterprises Inc., including the acts and practices

set forth in this Complaint. Defendant Kevin Hargrave resides in Fernandina Beach, Florida, and transacts or has transacted business in the Middle District of Florida and throughout the United States.

COMMERCE

9. 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 PRACTICES

10. Since at least October 23, 2003, and continuing thereafter, Defendants have advertised, marketed, promoted, offered for sale, and sold credit repair services to consumers in Florida and throughout the United States. Defendants have advertised and continue to advertise their services through two Internet Web sites, www.hargraveandassociates.com and www.helpmycreditnow.com and in radio advertisements aired regularly on stations with Rhythm and Blues, Hip-Hop, and Gospel formats throughout the country.

11. Through verbal representations made by Defendants, in radio advertisements, and in written statements on Defendants’ Web sites and in their promotional materials, Defendants have offered and continue to offer credit repair services in which they purport to remove or attempt to remove derogatory information from and to improve consumers’ credit profiles, credit histories, and credit ratings. Defendants claim to be able to remove negative information from consumers’ credit reports, including bankruptcies, tax liens, foreclosures, garnishments, collections, judgments, and charge-offs, even where such information is accurate and not obsolete.

12. To attract consumers and induce them to purchase Defendants' credit repair services, Defendants make the following written representations on their Web sites:

What Hargrave & Associates Do Our trained staff puts years of experience to work for you specializing in having credit reporting agencies ERASE BAD CREDIT.

WHAT ARE SOME OF THE ITEMS THAT YOU CAN REMOVE? Tax Liens Foreclosure, Collections, Repossessions, Garnishments, Bankruptcies, Judgments, Charge Offs and much more.

WILL THE \$250 PAY EVERYTHING FOR ALL 3 CREDIT BUREAUS? Yes. We, at Hargrave & Associates Financial Solutions, Inc. will work to get your beacon score over 620 and 80% of the negative items removed for only \$250; no other hidden charges or fees.

13. Defendants make the following representations in their radio advertisements to induce consumers to call their advertised number and purchase Defendants' credit repair services:

They specialize in erasing bad credit! Hargrave & Associates covers all three major credit bureaus, slow pays, charge-offs, repossessions can be erased for two-hundred, fifty dollars.

Hargrave & Associates can help you repair your damaged credit in the next four to six months, guaranteed!

14. Consumers who hear Defendants' radio advertisements or view Defendants' Web sites are encouraged to contact Defendants via telephone for further information. In discussions with consumers, Defendants' sales representatives reiterate the representations from Defendants' Web sites and radio advertisements, and assure consumers that Defendants will remove all negative information, including bankruptcies, from their credit reports, regardless of whether that information is accurate and not obsolete.

15. Examples of the verbal representations Defendants make to consumers to convince them to purchase Defendants' credit repair services include the following:

[W]e have a group of attorneys on staff and what they do is they go in and they use the Fair Credit Reporting Act to take all negative things off of your credit report as long as the government did not put them there. And what I mean by that is child support and student loans, we cannot touch. Everything else that's negative, we're going to get it off of your credit report.

A: Bankruptcies, that's the first thing at the top of our list, bankruptcies, foreclosures, repossessions, medical bills, credit card bills, charge-offs, evictions, judgments, collections.

Q: Even if they are my debts?

A: If they are your debt, yes, ma'am We just clear it off of your credit report permanently.

16. Consumers who are persuaded to purchase Defendants' credit repair services are required to pay an advance fee. Defendants charge fees that typically range from \$250 to \$270 per individual and \$450 per couple. Defendants request and obtain all or at least one-half of the fee up-front before any credit repair services begin.

17. Relying on Defendants' representations that Defendants will get rid of all the negative information on consumers' credit reports, consumers pay Defendants the required up-front fee for their credit repair services.

18. Typically after consumers pay Defendants the advance fees, Defendants do little, if anything, to fulfill the promises made to consumers. When consumers attempt to complain, Defendants make a variety of excuses as to why they have not achieved the promised results, or totally ignore consumers' complaints.

19. Consumers' refund requests are almost always denied by Defendants, even consumers who file complaints with the Better Business Bureau or state law enforcement

agencies.

20. Since at least October 26, 2006, Defendants also have marketed and sold, and continue to market and offer for sale, an advance fee credit card through several means, including their Web site www.hargravecard.com, radio advertisements, upselling the card to prospective customers who initiate calls in response to Defendants' credit repair advertisements, and direct mail solicitations to their existing credit repair customers.

21. Defendants on their www.hargravecard.com Web site promise that everyone who calls or applies for Defendants' credit card will be approved for a guaranteed credit limit of between \$500 and \$10,000, and make statements such as the following:

YOU ARE APPROVED Credit Lines from \$500 - \$10,000.

The Road To Good Credit Begins Here!

- ATM access and cash withdrawal
- The Elite Hargrave & Associates Credit Card
- Credit line up to \$10,000.00

CALL 1-877-768-9551 FOR MORE INFORMATION

22. When a consumer calls to inquire about the credit card, Defendants state that for an up-front fee between \$100 and \$300, depending on the desired credit limit, the consumer is guaranteed approval for a MasterCard or Visa.

23. Believing that they will receive a credit card, consumers pay Defendants the advance fee of \$100 to \$300.

24. In numerous instances, after paying Defendants the advance fee for a credit card, consumers do not receive a credit card, or any type of card whatsoever.

THE CREDIT REPAIR ORGANIZATIONS ACT

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

26. 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).

27. 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).

28. 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).

29. 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).

30. 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 I

31. In numerous instances, in connection with 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 profiles and credit scores by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete.

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

Count II

33. 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.

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

THE TELEMARKETING SALES RULE

35. 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. On August 16, 1995, the FTC adopted the Telemarketing Sales Rule (the “Original TSR”), 16 C.F.R. Part 310, which became effective on December 31, 1995. On January 29, 2003, the FTC amended the Original TSR by issuing a Statement of Basis and Purpose and the final amended Telemarketing Sales Rule (the “TSR”). 68 Fed. Reg. 4580, 4669.

36. Defendants are “sellers” or “telemarketers” engaged in “telemarketing,” as defined by the TSR. 16 C.F.R. §§ 310.2(z), (bb) and (cc).

37. The TSR prohibits telemarketers and sellers from, among other things, requesting or receiving payment of any fee or consideration in advance of obtaining or arranging a loan or other extension of credit when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit. 16 C.F.R. § 310.4(a)(4).

38. 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), violations of the TSR constitute unfair or deceptive acts or practices 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 III

39. In numerous instances, in connection with the telemarketing of an advance fee credit card, Defendants have requested and received payment of a fee in advance of consumers obtaining a credit card when Defendants have guaranteed or represented a high likelihood of success in obtaining or arranging for the acquisition of a credit card, such as a VISA or MasterCard credit card, for such consumers.

40. Defendants have hereby violated Section § 310.4(a)(4) of the TSR, 16 C.F.R. § 310.4(a)(4).

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

42. Misrepresentations or omissions of material facts constitute deceptive acts or practices prohibited by section 5(a) of the FTC Act.

Count IV

43. 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 Defendants can improve substantially consumers' credit profiles and credit scores by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete.

44. In truth and in fact, in numerous of these instances, Defendants cannot improve substantially consumers' credit profiles and credit scores by permanently removing

negative information from consumers' credit reports, where such information is accurate and not obsolete.

45. Therefore, the representation set forth in Paragraph 44 of this Complaint 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 V

46. In numerous instances, in connection with the telemarketing of an advance fee credit card, Defendants have represented, expressly or by implication, that after paying Defendants a fee, consumers will receive a credit card, such as a VISA or MasterCard credit card.

47. In truth and in fact, in numerous of these instances, after consumers pay Defendants a fee, Defendants do not issue consumers a credit card, such as a VISA or MasterCard credit card.

48. Therefore, Defendants' representation set forth in Paragraph 47 of this Complaint 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

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

50. Sections 13(b) and 19 of the FTC Act, 15 U.S.C. § 53(b) and 57b, Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(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, the Credit Repair Organizations Act, and the Telemarketing Sales Rule. This 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 Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and this 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, appointment of a receiver, immediate access, and an order freezing assets;
2. Enter a permanent injunction to prevent future violations of the FTC Act, the Credit Repair Organizations Act, and the Telemarketing Sales Rule 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, the Credit Repair Organizations Act, and the Telemarketing Sales Rule, including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains by Defendants; and

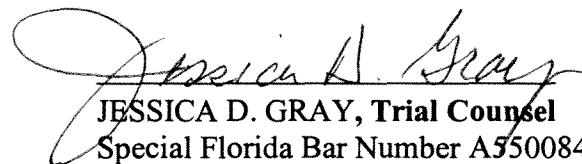
4. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as this Court may determine to be just and proper.

Dated: October 20, 2008

Respectfully submitted,

WILLIAM BLUMENTHAL
General Counsel

BRADLEY ELBEIN
Regional Director


JESSICA D. GRAY, Trial Counsel
Special Florida Bar Number A5500840

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