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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

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**FEDERAL TRADE COMMISSION,** )  
 )  
 )  
Plaintiff, )  
 )  
 )  
v. )  
 )  
**HOPE NOW MODIFICATIONS, LLC,** )  
**HOPE NOW FINANCIAL SERVICES** )  
**CORP.,** also dba Hope Now Modifications, )  
**NICK PUGLIA, and SALVATORE** )  
**PUGLIA,** )  
 )  
Defendants. )  

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Civil No.

**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 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, 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).

### **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) and 53(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. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. § 41 *et seq.* The FTC 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 FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable

relief as may be appropriate in each case, including restitution and disgorgement. 15 U.S.C. § 53(b).

**DEFENDANTS**

5. Defendant Hope Now Modifications LLC (“HNM”) is a New Jersey limited liability company with its principal place of business at 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey. HNM transacts or has transacted business in the District of New Jersey. At all times material to this Complaint, HNM, acting alone or in concert with others, has advertised, marketed, and/or sold mortgage loan modification services to consumers throughout the United States.
6. Defendant Hope Now Financial Services Corp. (“HNFS”), doing business as Hope Now Modifications, is a New Jersey corporation with its principal place of business at 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey. HNFS transacts or has transacted business in the District of New Jersey. At all times material to this Complaint, HNFS, acting alone or in concert with others, has advertised, marketed, and/or sold mortgage loan modification services to consumers throughout the United States.
7. Defendant Nick Puglia is a manager, officer and/or principal of HNM and HNFS. 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 HNM and HNFS, including the acts and practices set forth in this Complaint. Defendant Nick Puglia resides in this District and transacts or has transacted business in this District and throughout the United States.

8. Defendant Salvatore Puglia, Sr. is a manager, officer and/or principal of HNM and HNFS. 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 HNM and HNFS, including the acts and practices set forth in this Complaint. Defendant Salvatore Puglia resides in this District and transacts or has transacted business in this District and throughout the United States.
9. Defendants HNM and HNFS have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. Because HNM and HNFS have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

#### COMMERCE

10. 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.

**BACKGROUND ON THE HOPE NOW ALLIANCE**

11. The Hope Now Alliance is a private-sector, non-profit alliance formed in October 2007 with the encouragement of then President Bush and the Departments of Treasury and Housing and Urban Development. The Hope Now Alliance is a broad-based collaboration between credit and homeownership counselors, lenders, investors, mortgage market participants, and trade associations. The Hope Now Alliance offers free assistance to homeowners who may not be able to pay their mortgages and need help working with their mortgage company or loan servicer. The Hope Now Alliance maintains an Internet website, [www.hopenow.com](http://www.hopenow.com), and a toll-free hotline, 888-995-HOPE. Consumers who contact the Hope Now Alliance are referred to HUD-approved housing counselors who provide counseling at no cost to consumers.

**DEFENDANTS' BUSINESS PRACTICES**

12. Since at least August 27, 2008, Defendants have engaged in a course of conduct to advertise, market, offer to sell, and sell to consumers mortgage loan modification and foreclosure relief services. Defendants, using the name Hope Now Modifications, market their services to homeowners who are in danger of losing their homes to foreclosure. Defendants maintain an

Internet website, [www.hopenowmod.com](http://www.hopenowmod.com), through which they market their services.

13. Defendants' website states "STOP FORECLOSURE – GET HELP." At the top left is Defendants' logo: a graphic of a house interspersed with the words "HOPE NOW MODIFICATIONS." To the right is Defendants' toll-free number, "877-HOPE-364."
14. Defendants' website contains statements to induce consumers to purchase their mortgage loan modification and foreclosure relief services, including:
  - a. ARE YOU BEHIND ON YOUR MORTGAGE? Our team of modification professionals are here to help you now!
  - b. Are you worried about losing your home due to **missed payments**? Are you worried about **delinquency** damaging your credit? Are you being **harassed** by **bill collectors** over your mortgage? If you said yes to any of these questions, we can help!
  - c. **Hope Now Financial Services Corp.** supports law firms in their efforts to keep borrowers in their homes, but can't afford the payment to adjust upward, or can't quite afford the current mortgage payment.
  - d. Do not put it off any longer but enlist the help of a powerful ally today by filling out the form.
  - e. We are contracted by Full-Service Law Firms that have helped thousands of individuals and businesses triumph in the face of adversity
  - f. **What are typical success rates?**  
Our professionals have an excellent track record of negotiating loan modifications. Our network of experienced and well trained negotiators have the legal experience, necessary to get you a loan

modification that can help you save your credit and your home, often within 60 to 90 days.

g. **What if I don't want to call my lender?**

Call the Homeowners Hotline – 1.877.HOPE.364. This hotline is staffed by independent contractors who can guide you through possible options.

15. Defendants also advertise online through such online classified advertisement services as Craigslist and iList.com. Defendants' online classified advertisements make the following claims to induce consumers to purchase their mortgage loan modification and foreclosure relief services:

a. **FACING FORECLOSURE? CAN'T REFINANCE? HOPE NOW MODIFICATIONS CAN HELP!!**

b. **HOPE NOW Loan Modification...Are You behind in mortgage payments?**

. . . Are you behind in mortgage payments, or facing foreclosure on your home? Do you have a higher interest rate or an adjustable rate? Call 1 877-467-3364 ext. 3645 if you want to keep your Home and have a Lower monthly payment with a low fixed interest rate. Hope Now Modifications is what you need to fix you [sic] mortgage payment and what is needed to fix the mortgage crisis.

c. **\*\*\*Don't Lose Your Home To FORECLOSURE!\*\*\*Hope Now Modifications**

d. **\*\*We STOP FORECLOSURE In Its Tracks!\*\*Hope Now Modifications**

e. **HOPE NOW MODIFICATIONS\*\*\*SAVE YOUR HOME FROM FORECLOSURE. . . .** If the underwriter accepts your submission you have a 99% chance for success.

- f. **Hope Now Modifications LLC** is an alliance between professional counselors, servicers, and underwriters. This alliance will maximize outreach efforts to homeowners in distress to help them stay in their homes and will create a unified, coordinated plan to reach and help as many homeowners as possible.
16. Defendants' website and online advertisements include a toll-free number, 877-HOPE-364 and encourage consumers to call to "Get Help Now!"  
  
Alternatively, Defendants' website requests consumers to complete a short form and submit the information to Defendants after which a representative calls the consumer. The short form asks consumers for their contact information, lender name, and hardship reason.
17. Consumers speak with Defendants' telemarketers when they call the toll-free number in response to Defendants' Internet advertising or when Defendants call consumers after receiving consumers' information via the online form.
18. During the telemarketing sales calls, Defendants' representatives collect information from consumers, including details about the consumers' mortgages and income. After consumers provide Defendants with this information, the telemarketers often claim that the consumers are prime candidates for a modification. Defendants' representatives typically promise consumers that Defendants can help modify consumers' mortgage loans and prevent foreclosure.

19. Defendants' telemarketers instruct consumers that they must pay Defendants' fee up-front. The fee is typically in the amount of consumers' monthly mortgage payment. Defendants typically refer to the fee as a mitigation escrow deposit. Consumers who express concern about paying the fee are often told that they can pay the fee instead of their regular mortgage payment, because foreclosure proceedings will be stayed while Defendants negotiate with the lender.
20. In numerous instances, consumers are told that if they are not satisfied with Defendants' service they are entitled to a full refund of the fees paid.
21. In numerous instances, Defendants' telemarketers create a false aura of legitimacy by misrepresenting that they are part of the Hope Now Alliance.
22. Defendants, however, are not members of, affiliated with, or part of the Hope Now Alliance.
23. In numerous instances, after consumers have paid Defendants' fee, Defendants fail to return consumers' telephone calls or provide updates about the status of Defendants' purported communications with the consumers' lenders. In other instances, Defendants misrepresent to consumers that negotiations are proceeding smoothly.
24. In numerous instances, Defendants fail to obtain mortgage loan modifications. In numerous instances, consumers learn from their lenders

that Defendants have not even contacted the lender or that Defendants have made only minimal, non-substantive contacts with the lender. Some consumers are able to obtain mortgage loan modifications and avoid foreclosure only through their own efforts and not because of any service provided by Defendants. Consumers who obtain modifications and stop foreclosure through their own efforts sometimes learn that their lenders offer the same settlement terms to consumers who negotiate on their own behalf that they offer through third parties such as Defendants; other consumers learn that their lenders will negotiate only with consumers and not with third parties.

25. Because of their reliance on Defendants' promises, numerous consumers lost not only the substantial fees paid to Defendants, but also opportunities for lower payments as a result of concessions offered directly by the lender. Moreover, in numerous instances, Defendants increase the likelihood of foreclosure by encouraging consumers to pay Defendants' fee rather than make mortgage payments, and encouraging consumers not to accept work out options presented by the consumers' lenders.
26. In numerous instances, when Defendants fail to obtain a mortgage loan modification as promised, Defendants deny refund requests from consumers. In some instances, Defendants condition the issuance of refunds on

consumers' withdrawing previously filed complaints with law enforcement agencies or consumer reporting entities.

**VIOLATIONS OF SECTION 5 OF THE FTC ACT**

27. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts and practices in or affecting commerce."
28. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

**Count I**

29. In numerous instances, Defendants have represented to consumers, expressly or by implication, that Defendants will obtain a mortgage loan modification or stop foreclosure in all or virtually all instances.
30. In truth and in fact, Defendants do not obtain a mortgage loan modification or stop foreclosure in all or virtually all instances.
31. Therefore, Defendants' representation as set forth in Paragraph 29 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**

32. In numerous instances, Defendants have represented to consumers, expressly or by implication, that Defendants will give refunds to consumers if Defendants fail to obtain a mortgage loan modification or stop foreclosure.

33. In truth and in fact, in numerous of these instances, Defendants do not give refunds to consumers when Defendants fail to obtain a mortgage loan modification or stop foreclosure.
34. Therefore, Defendants' representation as set forth in Paragraph 32 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 III**

35. In numerous instances, Defendants have represented to consumers, expressly or by implication, that Defendants are members of, part of, or affiliated with the Hope Now Alliance.
36. In truth and fact, Defendants are not members of, part of, or affiliated with the Hope Now Alliance.
37. Therefore, Defendants' representation as set forth in Paragraph 35 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**

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

39. 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 the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission of contracts and restitution, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

**PRAYER FOR RELIEF**

Wherefore, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(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 by Defendants;

C. Award such 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 or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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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: March 17, 2009

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

s/ Gregory A. Ashe

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Attorneys for Plaintiff

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<p><b>I. (a) PLAINTIFFS</b> Federal Trade Commission</p> <p><b>(b)</b> County of Residence of First Listed Plaintiff <u>District of Columbia</u></p> <p><b>(c) Attorney's (Firm Name, Address, Telephone Number and Email Address)</b> Gregory A. Ashe, Lawrence Hodapp, Stephanie Rosenthal Federal Trade Commission 600 Pennsylvania Avenue, Room NJ-3158 Washington, DC 29580</p>	<p><b>DEFENDANTS</b> Hope Now Modifications, LLC, Hope Now Financial Services, Corp dba Hope Now Modifications, Nick and Salvatore Puglia</p> <p>County of Residence of First Listed Defendant <u>Camden, New Jersey</u></p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.</p> <p>Attorneys (If Known)</p>
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<p><b>II. BASIS OF JURISDICTION</b> (Place an "X" in One Box Only)</p> <p><input checked="" type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated <i>or</i> Principal Place of Business In This State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated <i>and</i> Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated <i>or</i> Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated <i>and</i> Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated <i>or</i> Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated <i>and</i> Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p><b>PERSONAL INJURY</b></p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p><b>PERSONAL PROPERTY</b></p> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <p><b>PROPERTY RIGHTS</b></p> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <p><b>SOCIAL SECURITY</b></p> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <p><b>FEDERAL TAX SUITS</b></p> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS---Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	LABOR	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence <p><b>Habeas Corpus:</b></p> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <p><b>IMMIGRATION</b></p> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	

**V. ORIGIN** (Place an "X" in One Box Only)

1 Original Proceeding   
 2 Removed from State Court   
 3 Remanded from Appellate Court   
 4 Reinstated or Reopened   
 5 Transferred from another district (specify)   
 6 Multidistrict Litigation   
 7 Appeal to District Judge from Magistrate Judgment

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 U.S.C. 45(a)

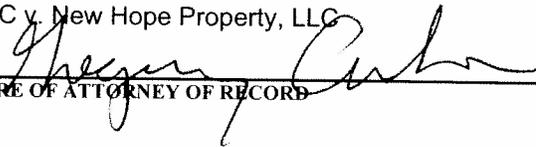
Brief description of cause:  
Unfair or deceptive acts or practices

**VII. REQUESTED IN COMPLAINT:**     CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23    **DEMAND \$** \_\_\_\_\_

CHECK YES only if demanded in complaint:  
**JURY DEMAND:**     Yes     No

**VIII. RELATED CASE(S)** (See instructions):    JUDGE \_\_\_\_\_    DOCKET NUMBER \_\_\_\_\_

Explanation: This case is filed simultaneously with FTC v. New Hope Property, LLC

DATE: 3/17/09    SIGNATURE OF ATTORNEY OF RECORD: 

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

## Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I. (a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

**III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

**V. Origin.** Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

**VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

**VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

**VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases. Provide a brief explanation of why the cases are related.

**Date and Attorney Signature.** Date and sign the civil cover sheet.