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CENTRAL DIST. OF CALIF.
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22 **UNITED STATES DISTRICT COURT**
 23 **CENTRAL DISTRICT OF CALIFORNIA**

24 **FEDERAL TRADE COMMISSION,**

25 Plaintiff,

26 v.

27 **NELSON GAMBLE &**
ASSOCIATES LLC, also d/b/a
Nelson Gamble & Associates, P.C.
and Nelson Parker Gamble &
Banks, LLP,

Case No. SACV12 - 1504 JST (JPRx)

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

1 **JACKSON HUNTER MORRIS &**
2 **KNIGHT LLP,**

3 **BLACKROCK PROFESSIONAL**
4 **CORPORATION,**

5 **MEKHIA CAPITAL, LLC,**

6
7 and

8 **JEREMY R. NELSON,**

9
10 Defendants.

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

12 1. The FTC brings this action under Sections 13(b) and 19 of the Federal
13 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the
14 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing
15 Act”), 15 U.S.C. § 6101 *et seq.*, and Section 917(c) of the Electronic Fund Transfer
16 Act (“EFTA”), 15 U.S.C. § 1693o(c), to obtain temporary, preliminary, and
17 permanent injunctive relief, rescission or reformation of contracts, restitution, the
18 refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief
19 for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15
20 U.S.C. § 45(a); the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310;
21 Section 907(a) of EFTA, 15 U.S.C. § 1693e(a); and Section 205.10(b) of
22 Regulation E, 12 C.F.R. § 205.10(b), in connection with the marketing and sale of
23 debt relief services.
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1 **JURISDICTION AND VENUE**

2 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§
3 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), 6105(b),
4 and 1693o(c).
5

6 3. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c), and
7 15 U.S.C. § 53(b).
8

9 **PLAINTIFF**

10 4. The FTC is an independent agency of the United States Government
11 created by statute. 15 U.S.C. § 41 *et seq.* The FTC enforces Section 5(a) of the
12 FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in
13 or affecting commerce. The FTC enforces the Telemarketing Act, 15 U.S.C. §
14 6101 *et seq.* Pursuant to the Telemarketing Act, the FTC promulgated and
15 enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive or abusive
16 telemarketing acts or practices. The FTC also enforces the EFTA, 15 U.S.C. §
17 1693 *et seq.*, which regulates the rights, liabilities, and responsibilities of
18 participants in electronic funds transfer systems.
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23 5. The FTC is authorized to initiate federal district court proceedings, by
24 its own attorneys, to enjoin violations of the FTC Act, the TSR, the EFTA, and
25 Regulation E, and to secure such equitable relief as may be appropriate in each
26 case, including rescission or reformation of contracts, restitution, the refund of
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1 monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b),
2 56(a)(2)(A), 56(a)(2)(B), 57b, 6102(c), 6105(b), and 1693o(c).
3

4 **DEFENDANTS**

5 6. Defendant Nelson Gamble & Associates LLC (“Nelson Gamble”) is a
6 Colorado corporation with its principal place of business at 30221 Aventura, 2nd
7 Floor, Rancho Santa Margarita, California. Nelson Gamble also maintains a
8 mailing address at 18101 Von Karman Avenue, 3rd Floor, Irvine, California.
9 Nelson Gamble transacts or has transacted business in this district and throughout
10 the United States. At times material to this Complaint, acting alone or in concert
11 with others, Nelson Gamble has advertised, marketed, distributed, or sold debt
12 relief services to consumers throughout the United States.
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16 7. Defendant Jackson Hunter Morris & Knight LLC (“Jackson Hunter”)
17 is a Nevada corporation with its principal place of business at 30221 Aventura, 2nd
18 Floor, Rancho Santa Margarita, California. Jackson Hunter also maintains a
19 mailing address at 620 Newport Center Drive, Suite 1100, Newport Beach,
20 California. Jackson Hunter transacts or has transacted business in this district and
21 throughout the United States. At times material to this Complaint, acting alone or
22 in concert with others, Jackson Hunter has advertised, marketed, distributed, or
23 sold debt relief services to consumers throughout the United States.
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1 8. Defendant BlackRock Professional Corporation (“BlackRock”) is a
2 Colorado professional corporation. BlackRock maintains a mailing address at
3 8880 Rio San Diego Drive, Suite 800, San Diego, California. BlackRock transacts
4 or has transacted business in this district and throughout the United States. At
5 times material to this Complaint, acting alone or in concert with others, BlackRock
6 has advertised, marketed, distributed, or sold debt relief services to consumers
7 throughout the United States.
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11 9. Defendant Mekhia Capital LLC (“Mekhia Capital”) is a California
12 limited liability company with its principal place of business at 30221 Aventura,
13 2nd Floor, Rancho Santa Margarita, California. Mekhia Capital’s registered office
14 is 250 North Golden Circle, Suite 109, Santa Ana, California. Mekhia Capital
15 transacts or has transacted business in this district and throughout the United
16 States. At all times material to this Complaint, acting alone or in concert with
17 others, Mekhia Capital has advertised, marketed, distributed, or sold debt relief
18 services to consumers throughout the United States.
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21
22 10. Defendant Jeremy R. Nelson (“Nelson”) is a principal and officer of
23 Nelson Gamble, Jackson Hunter, BlackRock, and Mekhia Capital. Nelson
24 manages and oversees Defendants’ day-to-day operations. Nelson has signatory
25 authority over Defendants’ bank accounts. At all times material to this Complaint,
26 acting alone or in concert with others, he has formulated, directed, controlled, had
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1 the authority to control, or participated in the acts and practices set forth in this
2 Complaint. Nelson resides in this district and, in connection with the matters
3 alleged herein, transacts or has transacted business in this district and throughout
4 the United States.
5

6
7 11. Defendants Nelson Gamble, Jackson Hunter, BlackRock and Mekhia
8 Capital (collectively, "Corporate Defendants") have operated as a common
9 enterprise while engaging in the unlawful acts and practices alleged below.
10 Defendants have conducted the business practices described below through
11 interrelated companies that have common ownership, officers, managers, business
12 functions, employees, and office locations, and have commingled funds. Because
13 the Corporate Defendants have operated as a common enterprise, each of them is
14 jointly and severally liable for the acts and practices alleged below. Defendant
15 Nelson has formulated, directed, controlled, had the authority to control, or
16 participated in the acts and practices of the Corporate Defendants that constitute
17 the common enterprise. Defendant Nelson regularly oversees the transfer of funds
18 among the corporate defendants and between the corporate defendants and other
19 entities controlled by him or his personal accounts.
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COMMERCE

12. 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

13. Since at least 2009, Defendants have solicited consumers who seek debt relief services through the Internet and telemarketing. Defendants induce consumers to purchase their services with representations that Defendants will reduce consumers’ unsecured debt by 50% or more. In the course of their telemarketing, Defendants routinely call consumers on the FTC’s Do Not Call list. In addition, in numerous instances, Defendants make unauthorized charges to consumers’ bank accounts.

Defendants’ Internet Marketing Activities

14. Defendants have solicited consumers who seek debt relief services through a number of Internet websites. Since at least January 2009, Defendants have operated several websites, including but not limited to the following:
nelsongamble.com, nelsongamble.org, nelsongamble.net, nelsongamble.info,
jhmklaw.com, jhmklaw.org, jhmklaw.net, jhmklp.com, jhmklp.net,
blackrocklaw.com, mekhiacapital.com, checkmatedebt.info, checkmatedebt.org,
checkmatedebt.com, checkmatedebtsolutions.com, checkmatedebt.net, drlgpc.com,

1 and drlgpa.com. Defendant Nelson is the registrant for these websites. The
2 domain registration and hosting fees for many of these websites are paid for by
3 Defendant Nelson.
4

5 15. Defendants' nelsongamble.com website makes the following
6 statements regarding their ability to reduce consumers' unsecured debt:
7

8 a. **When it comes to Debt Settlement, not all companies are the**
9 **same.**

10 At Nelson Gamble & Associates, we take great pride in offering
11 our client's [sic] the most affordable and effective form of relief
12 from their unsecured debts. Our business model is based on the
13 premise that all clients be completely satisfied while providing
14 them the following in expectations:
15

- 16 • SAVINGS amounting to Hundreds of Dollars a month;
- 17 • BENEFIT of having only one effortless monthly
18 payment;
- 19 • DEBT FREE usually in three years or less;
- 20 • REDUCTION of your principal balance by up to 80%;
- 21 • FLEXIBLE program guidelines absent of Credit History
22 or Home Ownership Requirements.
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1 **b. Nelson Gamble works with the utmost of diligence to obtain**
2 **the best possible outcome for our clients, with over \$90**
3 **million of debt settled in the past 12 months – and over \$800**
4 **million since our inception. Nelson Gamble & Associates**
5 **offers a proven debt settlement process** which has helped
6 thousands of people eliminate their debt while avoiding
7 bankruptcy or lengthy debt consolidation programs. We take
8 the hassle out of debt settlement by working directly with your
9 creditors and collection agencies to settle your debt for a
10 fraction of what you owe, providing you with peace of mind.

11 **c. Nelson Gamble & Associates employs proven tactical**
12 **methods to settle debt** by 50% to 80% of your total
13 outstanding balances. Our process is extremely effective and
14 has helped nearly seventy thousand people resolve their
15 unsecured debts.

16 **d. Typically, you can be free from debt in three years or less.**

17 **e. Typically, we attempt to reduce your debts by at least 60% of**
18 **the originally enrolled balance of the debt.**

19 **f. Nelson Gamble may SETTLE YOUR DEBTS in as little as 12-**
20 **36 months.**

1 16. Defendants' jhmklaw.com and jhmklaw.org websites (which are
2 substantially similar) make the following statements regarding their ability to
3 reduce consumers' unsecured debt:
4

5 a. Highlights:

- 6 • Over one billion dollars of unsecured debt under
7 management
- 8 • Record breaking history cutting clients[sic] debt by more
9 than half of their total debt
- 10 • Management Team with a combined total of over 75
11 years of experience in the debt reduction industry
- 12 • \$1 million Fidelity Bond
- 13 • \$100,000 Surety Bond

14 b. Once your evaluation is complete, we work with you to design
15 an action plan developed to have your unsecured debt paid off
16 in approximately 1-3 years with an affordable monthly payment
17 that works within your budget. Together we will determine the
18 appropriate monthly dollar amount that you will allocate
19 towards your program. Your personalized plan will typically be
20 structured to give you immediate relief from your current
21 monthly payments. Our firm will immediately contact your
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1 creditors to advise them that we are representing you, and of
2 our intention with regards to your account.

- 3
4 c. Typically we attempt to reduce your debts by at least 50% of
5 your original balances.

6
7 17. Defendants' blackrocklaw.com website makes the following
8 statements regarding their ability to reduce consumers' unsecured debt:

- 9 a. BlackRock Professional Corporation is committed to remaining
10 one of the largest providers of Consumer and Business Debt
11 related Legal Services in the nation by:

- 12
13 • Providing world-class customer service and support;
14
15 • Leveraging its size, experience and proven track record
16 to ensure our Clients achieve the greatest savings
17 possible for each and every debt enrolled;
18
19 • Providing solid financial guidance, education, innovative
20 tools and resources to each and every Client;
21
22 • Paving the roadway to debt free and stress free living for
23 each and every Client

- 24 b. Corporate Highlights:

- 25
26 • Over one billion dollars of unsecured debt under
27 management
28

- Record breaking history cutting clients debt by more than half of their total debt
- Management Team with a combined total of over 75 years of experience in the debt reduction industry

c. Typically we attempt to reduce your debts by at least 50% of your original balances

d. Business Debt Settlement Services:

- Payment Reductions of up to 85%
- At Black Rock Law, while working within your company's available budget, we negotiate on your behalf to achieve payment reductions, extended payouts and discounted debt settlements with your company's creditors, suppliers and vendors or the collection agencies and attorneys who represent them.
- In fact, the typical savings we've consistently provided clients average savings of 74% and often up to 85% (plus, your payments are interest-free). Best of all, our corporate debt negotiation services are most often provided on a risk-free, results-only basis.

- For nearly eighty years, our clients have been afforded settlements that regularly average \$.26 cents on the dollar, and frequently less. We guarantee your satisfaction – and we never lock you or your company into any unreasonable or one-way agreements.

18. Defendants tout their experience to further their claim that they will reduce consumers' debt, including by claiming to be a law firm or to have lawyers on staff. For example, Defendants use names such as "Nelson Gamble & Associates," "Jackson, Hunter, Morris & Knight LLP," "Debt Relief Law Group P.C.," "BlackRock Professional Corporation," and "blackrocklaw.com" that mimic those of law firms. Defendants' websites further state:

- a. Why not be represented by a team of legal professionals? **Our team of Legal Professionals will work with you every step of the way** to custom tailor a program that fits within your budget as well as your overall financial situation.... *A Certified Debt Specialist from our legal team will discuss with you the options available and work with you to formulate a program that will lower your current monthly burden and convert it into one single monthly payment!* (emphasis in original)

- 1 b. *With our attorney's [sic] at your side, our years of experience*
2 *and our proven negotiating tactics; You're sure to come out on*
3 *Top! (emphasis in original)*
4
5 c. Our team of Attorney's [sic], Certified Debt Specialists, and
6 Negotiators are dedicated to helping you settle your outstanding
7 debt by helping you make informed choices.
8
9 d. Our services and attorneys have been featured on: Fox News,
10 CBS, ABC, MSNBC, NBC, ESPN, and Fox.
11
12 e. BlackRock Professional Corporation is committed to remaining
13 one of the largest providers of Consumer and Business Debt
14 related Legal Services in the nation[.]
15

16 19. Defendants' websites display charts that contain various settlement
17 examples Defendants have purportedly achieved for their clients with the heading:
18 "Please review a few of our recent settlements to see the results of our past
19 performance." The chart displays information about the settlements including the
20 creditor involved, the debt balance, the settlement achieved, the amount of money
21 saved, and the percentage of the debt balance saved. For example, one purported
22 settlement displayed on the chart shows a credit card debt of \$10,277.31 that was
23 purportedly settled for \$1,325.00, for a savings of \$8,952.31, or 87.11%. The
24 settlement examples in the chart portray savings of between 50.01% and 89.94%.
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1 In addition, Defendants' websites attach a number of documents that purport to be
2 letters from creditors to Defendants' clients that confirm settlement agreements and
3 describe the amount of debt, the settlement amount, and the schedule for payment
4 of the settled amount.
5

6 20. Defendants' websites invite consumers to call one of several toll-free
7 telephone numbers — 888-835-4465 (on the nelsongamble.com website), 888-
8 328-5530 and 800-676-9940 (on the jhmklaw.com and jhmklaw.org websites), and
9 866- 815-2995 (on the blackrocklaw.com website).
10

11
12 21. Defendants' toll-free numbers are registered to Defendant Nelson,
13 with Nelson being listed as the contact person and his personal address as the
14 contact address.
15

16 **Defendants' Telemarketing Activities**

17
18 22. In addition to responding to inbound calls from consumers visiting
19 one of Defendants' websites, Defendants engage in outbound telemarketing to
20 offer their debt relief services. Defendants' outbound telemarketing campaign
21 consists of three phases: a robocall, a prequalification sales pitch, and an
22 enrollment sales pitch.
23

24 **The Robocall**

25
26 23. In numerous instances, when consumers answer the telemarketing
27 calls, Defendants, or intermediaries acting on behalf of Defendants, do not connect
28

1 the call to a live sales representative, but play prerecorded messages, known as
2 “voice broadcasting” or “robocalling.” In numerous instances, the prerecorded
3 messages tell consumers that they are a “public service announcement” and that
4 President Obama wants to help consumers get out of debt and can settle their debts
5 for 50% or less of what consumers owe. The prerecorded messages typically
6 instruct consumers to press 1 on their phone if they would like to hear more.
7

8
9 24. To induce the purchase of Defendants’ goods or services, Defendants,
10 directly or through their agents or intermediaries, have made numerous calls to
11 telephone numbers on the National Do Not Call Registry (“Registry”). Defendant
12 Nelson has instructed Defendants to call consumers on the Registry on a regular
13 basis.
14
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16 25. To induce the purchase of Defendants’ goods or services, Defendants,
17 directly or through their agents or intermediaries, have initiated telephone calls to
18 the telephone numbers of consumers who have previously stated that they do not
19 wish to receive calls by or on behalf of Defendants.
20

21
22 26. In numerous instances, Defendants have initiated telephone calls to
23 consumers several times per day, continuing for days or weeks.
24

25 27. In numerous instances, Defendants have initiated outbound
26 telemarketing calls with prerecorded messages that failed to disclose truthfully,
27 promptly, and in a clear and conspicuous manner to the person receiving the call:
28

1 the identity of the seller; that the purpose of the call is to sell goods or services; and
2 the nature of the goods or services.

3
4 28 In the course of telemarketing described above, since September 1,
5 2009, Defendants or intermediaries acting on behalf of Defendants have initiated
6 outbound telephone calls that delivered prerecorded messages to induce the sale of
7 goods or services when the persons to whom those telephone calls were made had
8 not signed an express agreement, in writing, authorizing the delivery of
9 prerecorded messages by or on behalf of Defendants.
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11

12 29. In the course of telemarketing described above, Defendants “spoof”
13 their calls by transmitting phony caller ID information, consisting of a phony
14 business name and/or telephone number, so that call recipients do not know the
15 source of the calls. Defendants do not transmit or cause to be transmitted to caller
16 identification services the telephone number and name of Defendants.
17
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19 **The Prequalification Sales Pitch**

20 30. Those consumers who press 1 on their phone after hearing
21 Defendants’ robocall or who call one of the toll free numbers listed on one of
22 Defendants’ websites are connected to one of Defendants’ representatives. In
23 numerous instances, Defendants’ representatives identify themselves during the
24 telemarketing calls using the phrase “Debt Relief Services” or some similar generic
25 phrase that does not identify the seller of the services by name.
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1 social security numbers, bank account numbers, and security information such as
2 maiden name or sibling's middle name, all under the pretext of needing the
3 information to obtain consumers' credit reports or to confirm consumers' debt-to-
4 income ratio.
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7 36. In numerous instances, Defendants' representatives tell consumers
8 that Defendants can settle consumers' debts for 50% or less of the amount
9 consumers owe. In numerous instances, Defendants' representatives provide
10 consumers with an estimated monthly payment amount, which they calculate by
11 taking the amount of debt a consumer has, dividing it by a number of months, and
12 multiplying it by 50%. In numerous instances, Defendants' representatives tell
13 consumers that Defendants will charge a fee for their services. The amount and
14 timing of the fee varies depending on the representative, although typically the fee
15 is 15% of the settlement amount.
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18

19 37. In numerous instances, Defendants' representatives tell consumers
20 that Defendants are a law firm or have attorneys on staff who will be working with
21 consumers.
22

23 **Defendants' "Services"**

24 38. Defendant Nelson instructs the telemarketers to send to him the
25 security and bank account information provided by consumers during the
26 telemarketing calls at the end of each day. For consumers who agree to enroll in
27
28

1 Defendants' services, Defendant Nelson uses this information to begin debiting
2 money from consumers' bank accounts.
3

4 39. In numerous instances, even when consumers decline to enroll in
5 Defendants' services, Defendant Nelson nevertheless uses consumers' security
6 information provided by consumers during the telemarketing call to begin debiting
7 money from their bank accounts.
8

9 40. In numerous instances, Defendants do not obtain a written
10 authorization signed or authenticated by the consumers to have their bank accounts
11 debited. Furthermore, Defendants do not provide to consumers a copy of such
12 written authorizations.
13

14 41. In numerous instances, Defendants begin debiting monthly payments
15 from consumers' bank accounts within a few days of the initial phone call.
16

17 42. In numerous instances, Defendants debit an up-front fee of \$200 or
18 more from consumers' bank accounts within a few days of the initial phone call
19 and before they settle any of the consumers' debts.
20

21 43. In numerous instances, Defendants debit consumers' bank accounts
22 for additional fees before they settle any of the consumers' debts.
23

24 44. In numerous instances, Defendants do not settle consumers' debts.
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1 45. In numerous instances, when consumers attempt to cancel
2 Defendants' services and discontinue the monthly debits, Defendants fail to honor
3 such requests and continue debiting consumers' bank accounts.
4

5 46. In numerous instances, when consumers request a refund of the fees
6 they have paid, Defendants refuse to provide a refund.
7

8 47. Defendant Nelson is not a lawyer. Defendants are not a law firm nor
9 do they employ attorneys to perform debt relief services.
10

11 VIOLATIONS OF THE FTC ACT

12 48. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or
13 deceptive acts or practices in or affecting commerce."
14

15 49. Misrepresentations or deceptive omissions of material fact constitute
16 deceptive acts or practices prohibited by Section 5(a) of the FTC Act. Acts or
17 practices are unfair under Section 5 of the FTC Act if they cause substantial injury
18 to consumers that consumers cannot reasonably avoid themselves and that is not
19 outweighed by countervailing benefits to consumers or competition. 15 U.S.C. §
20 45(n).
21
22

23 Count I

24 50. In numerous instances, in connection with the advertising, marketing,
25 promotion, offering for sale, or sale of debt relief services, Defendants have
26 represented, directly or indirectly, expressly or by implication, that consumers who
27
28

1 purchase Defendants' services will have their debts reduced substantially,
2 including by 50- 89%, as stated by Defendants in their telemarketing and on their
3 websites.
4

5 51. In truth and in fact, the representation set forth in paragraph 50 is false
6 or was not substantiated at the time the representation was made.
7

8 52. Therefore, Defendants' representation as set forth in paragraph 50 is
9 false and misleading and constitutes a deceptive act or practice in violation of
10 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
11

12 **Count II**

13 53. In numerous instances, in connection with the advertising, marketing,
14 promotion, offering for sale, or sale of debt relief services, Defendants have
15 represented, directly or indirectly, expressly or by implication, that they are a law
16 firm or employ lawyers for the purpose of providing the debt relief services.
17
18

19 54. In truth and in fact, Defendants are not a law firm and do not employ
20 lawyers for the purpose of providing debt settlement services.
21

22 55. Therefore, Defendants' representation as set forth in paragraph 53 is
23 false and misleading and constitutes a deceptive act or practice in violation of
24 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
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Count III

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

57. 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.

58. Therefore, Defendants' practices as described in paragraph 56 constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

VIOLATIONS OF THE TELEMARKETING SALES RULE

59. 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.

60. 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

1 Registry without charge either through a toll-free telephone call or over the Internet
2 at www.donotcall.gov.

3
4 61. Defendants are “seller[s]” or “telemarketer[s]” engaged in
5 “telemarketing” as those terms are defined in the TSR, 16 C.F.R. § 310.2 (aa), (cc),
6 and (dd).

7
8 62. Under the TSR, a “telemarketer” means any person who, in
9 connection with telemarketing, initiates or receives telephone calls to or from a
10 customer or donor. 16 C.F.R. § 310.2(cc). A “seller” means any person who, in
11 connection with a telemarketing transaction, provides, offers to provide, or
12 arranges for others to provide goods or services to the customer in exchange for
13 consideration. Id. § 301.2(aa).

14
15
16 63. Under the TSR, an “outbound telephone call” means a telephone call
17 initiated by a telemarketer to induce the purchase of goods or services or to solicit
18 a charitable contribution. 16 C.F.R. § 310.2(v). Defendants have initiated, or have
19 caused telemarketers to initiate, “outbound telephone calls” to consumers.

20
21
22 64. The TSR prohibits sellers and telemarketers from misrepresenting,
23 directly or by implication, in the sale of goods or services, any material aspect of
24 the performance, efficacy, nature, or central characteristics of the goods or services
25 that are the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(iii).

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

4
5 66. The TSR also requires sellers and telemarketers to transmit or cause to
6 be transmitted the telephone number, and, when made available by the
7 telemarketer's carrier, the name of the telemarketer, to any caller identification
8 service in use by a recipient of a telemarketing call, or transmit the customer
9 service number of the seller on whose behalf the call is made and, when made
10 available by the telemarketer's seller, the name of the seller. 16 C.F.R.
11 § 310.4(a)(8).

12
13 67. The TSR also prohibits sellers and telemarketers from initiating an
14 outbound telephone call to any person when that person previously has stated that
15 he or she does not wish to receive an outbound telephone call made by or on behalf
16 of the seller whose goods or services are being offered. 16 C.F.R. §
17 310.4(b)(1)(iii)(A).

18
19 68. The TSR prohibits sellers and telemarketers from initiating an
20 outbound telephone call to numbers on the Registry. 16 C.F.R. §
21 310.4(b)(1)(iii)(B).

22
23 69. The TSR also prohibits sellers and telemarketers from causing any
24 telephone to ring, or engaging any person in telephone conversation, repeatedly or
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1 continuously with intent to annoy, abuse, or harass any person at the called
2 number. 16 C.F.R. § 310.4(b)(1)(i).

3
4 70. The TSR also requires telemarketers in an outbound telephone call to
5 disclose truthfully, promptly, and in a clear and conspicuous manner the following
6 information:

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

10
11
12 16 C.F.R. § 310.4(d).

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

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

19
20
21 16 C.F.R. § 310.4(b)(1)(v)(B)(ii).

22 72. As amended, effective September 1, 2009, the TSR prohibits initiating
23 a telephone call that delivers a prerecorded message to induce the purchase of any
24 good or service unless the seller has obtained from the recipient of the call an
25 express agreement, in writing, that evidences the willingness of the recipient of the
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1 call to receive calls that deliver prerecorded messages by or on behalf of a specific
2 seller. The express agreement must include the recipient's telephone number and
3 signature, must be obtained after a clear and conspicuous disclosure that the
4 purpose of the agreement is to authorize the seller to place prerecorded calls to
5 such person, and must be obtained without requiring, directly or indirectly, that the
6 agreement be executed as a condition of purchasing any good or service. 16 C.F.R.
7 § 310.4(b)(1)(v)(A).
8

9
10
11 73. As amended, effective September 27, 2010, the TSR prohibits sellers
12 and telemarketers from misrepresenting, directly or by implication, in the sale of
13 goods or services, any material aspect of any debt relief service, including, but not
14 limited to, the amount of money or the percentage of the debt amount that a
15 customer may save by using such service. 16 C.F.R. § 310.3(a)(2)(x).
16

17
18 74. As amended, effective October 27, 2010, the TSR prohibits sellers and
19 telemarketers from requesting or receiving payment of any fees or consideration
20 for any debt relief service until and unless:
21

22 A. the seller or telemarketer has renegotiated, settled, reduced, or
23 otherwise altered the terms of at least one debt pursuant to a settlement agreement,
24 debt management plan, or other such valid contractual agreement executed by the
25 customer;
26
27
28

1 B. the customer has made at least one payment pursuant to that
2 settlement agreement, debt management plan, or other valid contractual agreement
3 between the customer and the creditor or debt collector; and
4

5 C. to the extent that debts enrolled in a service are renegotiated,
6 settled, reduced, or otherwise altered individually, the fee or consideration either:
7

8 1. bears the same proportional relationship to the total fee
9 for renegotiating, settling, reducing, or altering the terms of the entire debt balance
10 as the individual debt amount bears to the entire debt amount. The individual debt
11 amount and the entire debt amount are those owed at the time the debt was enrolled
12 in the service; or
13

14 2. is a percentage of the amount saved as a result of the
15 renegotiation, settlement, reduction, or alteration. The percentage charged cannot
16 change from one individual debt to another. The amount saved is the difference
17 between the amount owed at the time the debt was enrolled in the service and the
18 amount actually paid to satisfy the debt.
19

20
21
22 16 C.F.R. § 310.4(a)(5)(i).

23 75. Defendants are “sellers” or “telemarketers” of “debt relief services,”
24 as defined by the TSR, 16 C.F.R. § 310.2(aa), (cc), and (m).
25

26 76. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. §
27 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of
28

1 the TSR constitutes an unfair or deceptive act or practice in or affecting commerce,
2 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
3

4 **Count IV**

5 77. In numerous instances, in connection with the telemarketing of goods
6 or services, Defendants have misrepresented, directly or indirectly, expressly or by
7 implication, material aspects of the performance, efficacy, nature, or central
8 characteristics of such goods and services, including, but not limited to:
9

- 10
- 11 A. The amount of money or the percentage of the debt amount that
 - 12 customers will save by using Defendants' services; and
 - 13 B. That Defendants are law firms or employ lawyers for the
 - 14 purpose of providing debt relief services.
 - 15

16 78. Defendants' acts or practices, as described in paragraph 77, constitute
17 deceptive telemarketing acts or practices that violate Section 310.3(a)(2)(iii) of the
18 TSR, 16 C.F.R. § 310.3(a)(2)(iii).
19

20 **Count V**

21

22 79. In numerous instances on or after September 27, 2010, in connection
23 with the telemarketing of debt relief services, Defendants have misrepresented,
24 directly or indirectly, expressly or by implication, material aspects of the debt relief
25 services, including, but not limited to:
26
27
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1 debt management plan, or other such valid contractual agreement executed by the
2 customer; and (B) the customer has made at least one payment pursuant to that
3 agreement; and/or
4

5 (2) when, to the extent that debts enrolled in a service are
6 renegotiated, settled, reduced, or otherwise altered individually, the fee or
7 consideration either (A) does not bear the same proportional relationship to the
8 total fee for renegotiating, settling, reducing, or altering the terms of the entire debt
9 balance as the individual debt amount bears to the entire debt amount, or (B) is not
10 a percentage of the amount saved as a result of the renegotiation, settlement,
11 reduction, or alteration and that percentage does not change from one individual
12 debt to another.
13
14
15

16 84. Defendants' acts or practices, as described in paragraph 83, are
17 abusive telemarketing acts or practices that violate Section 310.4(a)(5)(i) of the
18 TSR, 16 C.F.R. § 310.4(a)(5)(i).
19

20 **Count VIII**

21
22 85. In numerous instances, in connection with telemarketing, Defendants
23 have initiated, or caused others to initiate, an outbound telephone call to a person's
24 telephone number on the National Do Not Call Registry in violation of the TSR, 16
25 C.F.R. § 310.4(b)(1)(iii)(B).
26
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1 **Count IX**

2 86. In numerous instances, in connection with telemarketing, Defendants
3 have initiated, or caused others to initiate, an outbound telephone call to a person
4 who previously has stated that he or she does not wish to receive such a call made
5 by or on behalf of the seller whose goods or services are being offered, in violation
6 of the TSR, 16 C.F.R. § 310.4(b)(1)(iii)(A).
7

8 **Count X**

9 87. In numerous instances, in connection with telemarketing, the
10 Defendants have initiated, or have caused others to initiate, outbound telephone
11 calls that fail to transmit the telephone number and name of the telemarketer or
12 seller to any caller identification service in use by a recipient of a telemarketing
13 call, in violation of the TSR, 16 C.F.R. § 310.4(a)(8).
14
15
16

17 **Count XI**

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

89. In numerous instances on or after December 1, 2008, in connection with 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).

Count XIII

90. In numerous instances, in the course of telemarketing goods or services, Defendants have caused a telephone to ring, or engaged a person in telephone conversation, repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.

91. Defendants' acts or practices, as described in paragraph 90, constitute abusive telemarketing acts or practices that violate Section 310.4(b)(1)(i) of the TSR, 16 C.F.R. § 310.4(b)(1)(i).

1 **THE ELECTRONIC FUND TRANSFER ACT AND REGULATION E**

2 92. Section 907(a) of the EFTA, 15 U.S.C. § 1693e(a), provides that a
3
4 “preauthorized electronic fund transfer from a consumer’s account may be
5 authorized by the consumer only in writing, and a copy of such authorization shall
6 be provided to the consumer when made.” Pursuant to the EFTA, the Federal
7 Reserve Board promulgated Regulation E, 12 C.F.R. Part 205 (“Federal Reserve
8 Board’s Regulation E”).
9

10 93. The Dodd-Frank Wall Street Reform and Consumer Protection Act
11 (“Dodd-Frank Act”), P.L. 111-203, 124 Stat. 1376 (2010), amended a number of
12 consumer financial protection laws, including the EFTA. In addition to various
13 substantive amendments, the Dodd-Frank Act generally transferred the Federal
14 Reserve Board’s rulemaking authority for the EFTA to the Bureau of Consumer
15 Financial Protection (“Bureau”), effective July 21, 2011. Pursuant to the Dodd-
16 Frank Act and the EFTA, as amended, the Bureau promulgated a new Regulation E
17 (Electronic Fund Transfers), 12 C.F.R. Part 1005, implementing the EFTA,
18 effective December 30, 2011 (“Bureau Regulation E”).
19
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23 94. Section 205.10(b) of the Federal Reserve Board’s Regulation E, 12
24 C.F.R. § 205.10(b), and Section 1005.10(b) of the Bureau’s Regulation E, 12
25 C.F.R. § 1005.10(b), provide that “[p]reauthorized electronic fund transfers from a
26 consumer’s account may be authorized only by a writing signed or similarly
27
28

1 authenticated by the consumer. The person that obtains the authorization shall
2 provide a copy to the consumer.”

3
4 95. Comment 5 to Section 205.10(b) of the Federal Reserve Board’s
5 Official Staff Commentary to Regulation E, 12 C.F.R. Part 205 Supp. I at ¶ 10(b),
6 cmt. 5, and Comment 5 to Section 1005.10(b) of the Bureau’s Official
7 Interpretations of Regulation E, 12 C.F.R. Part 1005 Supp. I at ¶ 10(b), cmt. 5,
8 provide that “[t]he authorization process should evidence the consumer’s identity
9 and assent to the authorization.”
10
11

12 **Count XIV**

13 96. In numerous instances, Defendants have debited consumers’ bank
14 accounts on a recurring basis without:
15

- 16 a. obtaining a written authorization signed or similarly
17 authenticated from consumers for preauthorized electronic fund
18 transfers from the accounts; and
- 19 b. providing to the consumers a copy of a written authorization
20 signed or similarly authenticated by the consumers for
21 preauthorized electronic fund transfers from the consumers’
22 accounts
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1 thereby violating Section 907(a) of the EFTA, 15 U.S.C. § 1693e(a), Section
2 205.10(b) of the Federal Reserve Board's Regulation E, 12 C.F.R. § 205.10(b), and
3
4 Section 1005.10(b) of the Bureau's Regulation E, 12 C.F.R. § 1005.10(b).

5 97. Pursuant to Section 917(c) of the EFTA, 15 U.S.C. § 1693o(c), every
6
7 violation of the EFTA, the Federal Reserve Board's Regulation E, and the
8 Bureau's Regulation E constitutes a violation of the FTC Act.

9 98. By engaging in violations of the EFTA, the Federal Reserve Board's
10
11 Regulation E, and the Bureau's Regulation E, as alleged in paragraph 96,
12 Defendants have engaged in violations of the FTC Act, 15 U.S.C. § 1693o(c).

13 **CONSUMER INJURY**

14
15 99. Consumers have suffered and will continue to suffer substantial injury
16 as a result of Defendants' violations of the FTC Act, the TSR, the EFTA, the
17 Federal Reserve Board's Regulation E, and the Bureau's Regulation E. In
18
19 addition, Defendants have been unjustly enriched as a result of their unlawful acts
20 or practices. Absent injunctive relief by this Court, Defendants are likely to
21
22 continue to injure consumers, reap unjust enrichment, and harm the public interest.

23 **THIS COURT'S POWER TO GRANT RELIEF**

24 100. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
25
26 to grant injunctive and such other relief as the Court may deem appropriate to halt
27
28 and redress violations of any provision of law enforced by the FTC. The Court, in

1 the exercise of its equitable jurisdiction, may award ancillary relief, including
2 rescission or reformation of contracts, restitution, the refund of monies paid, and
3 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any
4 provision of law enforced by the FTC.
5

6
7 101. Section 19 of the FTC Act, 15 U.S.C. § 57b, Section 6(b) of the
8 Telemarketing Act, 15 U.S.C. § 6105(b) authorize this Court to grant such relief as
9 the Court finds necessary to redress injury to consumers resulting from
10 Defendants' violations of the TSR, including the rescission or reformation of
11 contracts, and the refund of money.
12

13 **PRAYER FOR RELIEF**

14
15 Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act,
16 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. §
17 6105(b), Section 917(c) of the EFTA, 15 U.S.C. § 1693o(c), and the Court's own
18 equitable powers, requests that the Court:
19

20 A. Award Plaintiff such preliminary injunctive and ancillary relief as
21 may be necessary to avert the likelihood of consumer injury during the pendency
22 of this action and to preserve the possibility of effective final relief, including but
23 not limited to, temporary and preliminary injunctions, an order freezing assets,
24 immediate access, and appointment of a receiver;
25
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1 B. Enter a permanent injunction to prevent future violations of the FTC
2 Act, the TSR, the EFTA, the Federal Reserve Board's Regulation E, and the
3 Bureau's Regulation E by Defendants;
4

5 C. Award such relief as the Court finds necessary to redress injury to
6 consumers resulting from Defendants' violations of the FTC Act, the TSR, the
7 EFTA, the Federal Reserve Board's Regulation E, and the Bureau's Regulation E,
8 including but not limited to, rescission or reformation of contracts, restitution, the
9 refund of monies paid, and the disgorgement of ill-gotten monies; and
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1 D. Award Plaintiff the costs of bringing this action, as well as such other
2 and additional relief as the Court may determine to be just and proper.
3

4 Dated: September 10, 2012

Respectfully submitted,

5 WILLARD K. TOM
6 General Counsel

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Attorneys for Plaintiff

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Josephine Tucker and the assigned discovery Magistrate Judge is Jean P. Rosenbluth.

The case number on all documents filed with the Court should read as follows:

SACV12- 1504 JST (JPRx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

Western Division
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

Southern Division
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

Eastern Division
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

BY _____
 CLERK U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SANTA ANA, CA
 2012 SEP 10 PM 2:44
 FILED

SEAL

PLAINTIFF(S)

CASE NUMBER

SACV12- 1504 JSE (JPRx)

V.

SEAL

DEFENDANT(S)

**NOTICE TO PARTIES OF
COURT-DIRECTED ADR PROGRAM**

NOTICE TO PARTIES:

It is the policy of this Court to encourage settlement of civil litigation when such is in the best interest of the parties. The Court favors any reasonable means, including alternative dispute resolution (ADR), to accomplish this goal. See Civil L.R. 16-15. Unless exempted by the trial judge, parties in all civil cases must participate in an ADR process before trial. See Civil L.R. 16-15.1.

The district judge to whom the above-referenced case has been assigned is participating in an ADR Program that presumptively directs this case to either the Court Mediation Panel or to private mediation. See General Order No. 11-10, §5. For more information about the Mediation Panel, visit the Court website, www.cacd.uscourts.gov, under "ADR."

Pursuant to Civil L.R. 26-1(c), counsel are directed to furnish and discuss with their clients the attached ADR Notice To Parties before the conference of the parties mandated by Fed.R.Civ.P. 26(f). Based upon the consultation with their clients and discussion with opposing counsel, counsel must indicate the following in their Joint 26(f) Report: 1) whether the case is best suited for mediation with a neutral from the Court Mediation Panel or private mediation; and 2) when the mediation should occur. See Civil L.R. 26-1(c).

At the initial scheduling conference, counsel should be fully prepared to discuss their preference for referral to the Court Mediation Panel or to private mediation and when the mediation should occur. The Court will enter an Order/Referral to ADR at or around the time of the scheduling conference.

Clerk, U.S. District Court

Dated: Monday, September 10, 2012

By: DLAGMAN

Deputy Clerk

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE TO PARTIES: COURT POLICY ON SETTLEMENT
AND USE OF ALTERNATIVE DISPUTE RESOLUTION (ADR)**
Counsel are required to furnish and discuss this Notice with their clients.

Despite the efforts of the courts to achieve a fair, timely and just outcome in all cases, litigation has become an often lengthy and expensive process. For this reason, it is this Court's policy to encourage parties to attempt to settle their disputes, whenever possible, through alternative dispute resolution (ADR).

ADR can reduce both the time it takes to resolve a case and the costs of litigation, which can be substantial. ADR options include mediation, arbitration (binding or non-binding), neutral evaluation (NE), conciliation, mini-trial and fact-finding. ADR can be either Court-directed or privately conducted.

The Court's ADR Program offers mediation through a panel of qualified and impartial attorneys who will encourage the fair, speedy and economic resolution of civil actions. Panel Mediators each have at least ten years legal experience and are appointed by the Court. They volunteer their preparation time and the first three hours of a mediation session. This is a cost-effective way for parties to explore potential avenues of resolution.

This Court requires that counsel discuss with their clients the ADR options available and instructs them to come prepared to discuss the parties' choice of ADR option (settlement conference before a magistrate judge; Court Mediation Panel; private mediation) at the initial scheduling conference. Counsel are also required to indicate the client's choice of ADR option in advance of that conference. See Civil L.R. 26-1(c) and Fed.R.Civ.P. 26(f).

Clients and their counsel should carefully consider the anticipated expense of litigation, the uncertainties as to outcome, the time it will take to get to trial, the time an appeal will take if a decision is appealed, the burdens on a client's time, and the costs and expenses of litigation in relation to the amounts or stakes involved.

Of the more than 9,000 civil cases filed in the District annually, less than 2 percent actually go to trial. The remaining cases are, for the most part: settled between the parties; voluntarily dismissed; resolved through Court-directed or other forms of ADR; or dismissed by the Court as lacking in merit or for other reasons provided by law.

For more information about the Court's ADR Program, the Mediation Panel, and the profiles of mediators, visit the Court website, www.cacd.uscourts.gov, under "ADR."

Name & Address:
Gregory A. Ashe
Federal Trade Commission
600 Pennsylvania Avenue NW, NJ-3158
Washington, DC 20580

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission

CASE NUMBER

PLAINTIFF(S)

SACV12 - 1504 JST (JPRx)

v.

Nelson Gamble & Associates LLC
(see attached)

SUMMONS

DEFENDANT(S).

TO: DEFENDANT(S):

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint _____ amended complaint counterclaim cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Gregory A. Ashe, whose address is FTC, 600 Pennsylvania Ave. NW, NJ-3158, Washington, DC 20580. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

DS Lagman
DODJIE LAGMAN

Dated: SEP 10 2012

By: _____

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself)
Federal Trade Commission

DEFENDANTS
Nelson Gamble & Associates, LLC, Jackson Hunter Morris & Knight LLP,
Blackrock Professional Corporation, Mekhia Capital, LLC, and Jeremy R. Nelson

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

Gregory Ashe, Lisa Rothfard, Jason Adler, FTC, 600 Pennsylvania Ave NW,
NJ3158, Washington, DC 20580, 202-326-3719
Ray McKown, FTC, 10877 Wilshire Blvd, Ste 700, LA, CA 9002, 3108244325

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party)
 2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only
(Place an X in one box for plaintiff and one for defendant.)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or 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 and 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. 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 Multi-District Litigation 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No

MONEY DEMANDED IN COMPLAINT: \$

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

15 U.S.C. Sections 45, 53(b), 57b; 15 U.S.C. Section 6101 et seq; 15 U.S.C. Section 1693o(c); 16 C.F.R. Part 310 - violation of FTC Act, Telemarketing Sales Rule, EFTA

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	TORTS	TORTS	PRISONER	LABOR
<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <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 Act <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 Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State 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 Loan (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 REAL PROPERTY <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	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. 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 IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	PERSONAL PROPERTY <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 BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <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 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<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 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 RSI (405(g)) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

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FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes

If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.

Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.

Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
All defendants reside or are located in Orange County	Blackrock Professional Corp maintains a mailing address in San Diego

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Orange	Nationwide

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____ Date _____

Notice to Counsel/Parties: The CV-71 (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. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))