

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

FMC Counseling Services, Inc., a Florida
corporation;

FDC Assoc Group Inc, a Florida corporation;

FDC Business, Inc., a Florida corporation;

FMC Review Corporation, a Florida corporation;

NDR Group Inc., a Florida corporation;

FMC Consultants Group, Inc., a Florida
corporation;

JONATHAN L. HERBERT, individually and d/b/a
Federal Debt Commission Inc., FDC Financial, Inc.,
and FDC Consultants Inc.;

Defendants.

Case No. 14-61545-Civ-Zloch/Hant

[FILED UNDER SEAL]

**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 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), 12 U.S.C. § 5538, to obtain temporary, preliminary, and permanent injunctive relief,

rescission or reformation of contracts, restitution, the refund of monies paid, 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), the Mortgage Assistance Relief Services Rule ("MARS Rule"), 16 C.F.R. Part 322, recodified as Mortgage Assistance Relief Services ("Regulation O"), 12 C.F.R. Part 1015, in connection with the marketing and sale of mortgage assistance relief services.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345; 15 U.S.C. §§ 45(a), 53(b), and 57b; and Section 626 of the Omnibus Act, as clarified by Section 511 of the Credit Card Act, and amended by Section 1097 of the Dodd-Frank Act, 12 U.S.C. § 5538.

3. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(1), (c)(2), and (d), 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. §§ 41-58. The FTC enforces 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. In addition, pursuant to 12 U.S.C. § 5538, the FTC also enforces the MARS Rule, which requires mortgage assistance relief services ("MARS") providers to make certain disclosures, prohibits certain representations, and generally prohibits the collection of an advance fee.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act; the MARS Rule; and Regulation O; and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of

contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A)-(B), and 57b; § 626, 123 Stat. at 678, as clarified by § 511, 123 Stat. at 1763-64, and amended by § 1097, 124 Stat. at 2102-03, 12 U.S.C. § 5538.

DEFENDANTS

6. Defendant FMC Counseling Services, Inc. is a Florida corporation with its principal place of business at 1220 L Street N.W. 100-170, Washington, D.C. At times material to this Complaint, acting alone as part of the common enterprise described in paragraph 13, FMC Counseling Services advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. FMC Counseling Services transacts or has transacted business in this District and throughout the United States.

7. Defendant FDC Assoc Group Inc is a Florida corporation with its principal place of business at 2020 Pennsylvania Avenue 677, Washington, D.C. At times material to this Complaint, acting alone or as part of the common enterprise described in paragraph 13, FDC Assoc Group Inc advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. FDC Assoc Group Inc transacts or has transacted business in this District and throughout the United States.

8. Defendant FDC Business, Inc. is a Florida corporation with its principal place of business at 4737 N. Ocean Drive 230, Ft. Lauderdale, Florida. At times material to this Complaint, acting alone or as part of the common enterprise described in paragraph 13, FDC Business, Inc. advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. FDC Business, Inc. transacts or has transacted business in this District and throughout the United States.

9. Defendant FMC Review Corporation is a Florida corporation with its principal place of business at 1220 L Street N.W. 100-170, Washington, D.C. At times material to this Complaint, acting alone or as part of the common enterprise described in paragraph 13, FMC Review Corporation advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. FMC Review Corporation transacts or has transacted business in this District and throughout the United States.

10. Defendant NDR Group Inc. is a Florida corporation with its principal place of business at 4737 N. Ocean Drive 230, Ft. Lauderdale, Florida. At times material to this Complaint, acting alone or as part of the common enterprise described in paragraph 13, NDR Group Inc. advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. NDR Group Inc. transacts or has transacted business in this District and throughout the United States.

11. Defendant FMC Consultants Group, Inc. is a Florida corporation with its principal place of business at 1220 L Street N.W. 100-170, Washington, D.C. At times material to this Complaint, acting alone or as part of the common enterprise described in paragraph 13, FMC Consultants Group advertises, markets, provides, offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. FMC Consultants Group transacts or has transacted business in this District and throughout the United States.

12. Defendant Jonathan L. Herbert does business as Federal Debt Commission Inc., FDC Financial, Inc., and FDC Consultants Inc. At times material to this complaint, acting alone or in concert with others, and through interrelated entities described in paragraphs 6 through 11, he has formulated, directed, controlled, had the authority to control, or participated in the acts

and practices set forth in this Complaint. Herbert, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

13. Defendants FMC Counseling Services, Inc., FDC Assoc Group Inc, FDC Business, Inc., FMC Review Corporation, NDR Group Inc., and FMC Consultants Group, Inc. (“Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. The Corporate Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, business functions, employees, office locations and that have commingled funds and have shared one another’s marketing materials. Defendants have used the following business names in operating the common enterprise: Federal Debt Commission, Federal Modification Assistance, Federal Assistance Program, Federal Mortgage Counseling, Federal Mortgage Marketplace, Federal Enrollment Center, and National Center of Debt. Because the Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendant Herbert has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

COMMERCE

14. At all times material to this complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS PRACTICES

Overview

15. From at least February 2011 to the present, Defendants, through operation of the common enterprise, have engaged in a course of conduct to advertise, market, sell, provide, offer to provide, or arrange for others to provide MARS, including, but not limited to, mortgage loan modification services.

16. Defendants market their services in a variety of ways, including through telemarketing and Internet websites.

17. Defendants prey on financially distressed homeowners with promises that their mortgage will be refinanced through a free program sponsored by the United States government that will significantly lower consumers' monthly payments through reductions in loan principal and/or interest rates. Defendants claim that consumers qualify for this service as a result of financial hardship and predatory lending practices engaged in by their banks.

18. Defendants deceive consumers into making one or more mortgage payments directly to Defendants while failing to obtain any relief for consumers.

The Sales Pitch

19. Defendants initiate contact with consumers in multiple ways, including through unsolicited outbound telemarketing calls, inbound telephone calls from consumers responding to Defendants' websites or other marketing materials, and outbound calls to consumers in response to information consumers submit on Defendants' websites.

20. To create a false sense of legitimacy, Defendants purport to be affiliated with, or representatives of, a non-existent United States government entity, which they variously identify as the "Federal Debt Commission," "Federal Mortgage Marketplace," "Federal Enrollment

Center,” or “National Center of Debt” (collectively, “Federal Debt Commission”). Similarly, Defendants brand their purported mortgage assistance relief program with names calculated to further the hoax that Defendants are affiliated with, or representatives of, the federal government. These names include “Federal Assistance Program,” “Federal Modification Assistance,” and “Federal Mortgage Counseling” (collectively, “Federal Assistance Program”).

21. Defendants claim there are no costs associated with participation in the Federal Assistance Program, which they represent to be “a critical part of the Obama Administration’s broad strategy to help homeowners avoid foreclosure, stabilize the country’s housing market, and improve the nation’s economy.” This statement is taken verbatim from the website for Making Home Affordable (www.makinghomeaffordable.gov), an official program of the U.S. Departments of the Treasury and Housing and Urban Development.

22. Defendants also use other tactics to perpetuate the falsehood that they are affiliated with, or representatives of, the United States government. For example, Defendants use Washington, D.C. mailing addresses, logos of the Federal Deposit Insurance Corporation and Department of Treasury, and telephone numbers ending in ‘1468’ or ‘1GOV’. Defendants also identify themselves to consumers as “federal loan officers.”

23. In numerous instances, Defendants have told consumers that they will conduct various audits and reviews of the consumers’ loan documents and transactions, that the majority of audits and reviews reveal fraud, errors, or predatory acts committed by the lender, and that these deficiencies entitle consumers to obtain refinancing of their mortgages through the Federal Debt Commission.

24. In numerous instances, Defendants forcefully dissuade consumers from attempting to obtain mortgage assistance relief on their own from their existing lenders.

Defendants assure consumers that such attempts will be unsuccessful because lenders are overwhelmed by applicants, will deceive consumers, or will simply invent excuses not to approve applications.

25. In numerous instances, after confirming that consumers are interested in obtaining mortgage assistance relief, Defendants inform consumers that they are accepted into the Federal Assistance Program, either because of financial hardship and/or as a result of the findings from a forensic audit or loan review conducted by Defendants. Defendants claim that acceptance into this program will result in the Federal Debt Commission refinancing consumers' mortgages on terms that will significantly lower consumers' monthly mortgage payments through reductions in loan principal and/or interest rates. Defendants represent that at the conclusion of this process the Federal Debt Commission will take over the homeowner's mortgage from the existing lender.

26. In numerous instances, Defendants boost their credibility by impersonating consumers' lenders. Specifically, Defendants purport to arrange a telephone call between consumers and a representative from consumers' lender. Defendants instruct consumers to verify that the telephone number on their caller ID display matches the telephone number on their lender's website. Shortly thereafter, consumers receive a telephone call from an individual purporting to represent consumers' lender who congratulates the consumer on acceptance into the Federal Assistance Program and instructs the consumer to cease all further communication with the lender.

Post-Sales Pitch Communications

27. In numerous instances, after the initial sales pitch, Defendants have provided consumers with additional materials via email and postal mail to bolster Defendants' claims about the outcomes that consumers who participate in the Federal Assistance Program can expect

to achieve. These materials identify the new monthly mortgage payment amount for which consumers purportedly qualify as a result of their acceptance into the Federal Assistance Program. This new monthly payment is significantly lower, typically hundreds of dollars less, than the amount consumers pay to their existing lender. Moreover, Defendants represent that any delinquent payments or late fees will be forgiven for consumers who participate in the Federal Assistance Program.

28. Prior to the promised closing or refinancing of their new mortgages, Defendants instruct consumers to stop paying their lenders and, instead, to send their monthly mortgage payments to the Federal Debt Commission. Defendants ask for and receive these payments from consumers before consumers have executed a written agreement with their loan holder or servicer incorporating an offer obtained by Defendants. Defendants claim that all payments sent by consumers will be applied toward their mortgage balances. Defendants direct consumers to send these payments to one of two street addresses in Washington, D.C. These locations are commercial mail receiving agencies, or “mail drops,” hired by Defendants to receive and forward mail on their behalf. Checks sent by consumers to Defendants’ Washington, D.C. mail drops are forwarded to Post Office boxes or other mail drops maintained by Defendants in south Florida, where these checks are deposited into Defendants’ bank accounts.

29. After the initial sales pitch, Defendants instruct consumers to cease all communications with their lender and to disregard any warnings concerning delinquency or potential foreclosure. Defendants assure consumers that these are merely “scare tactics” commonly engaged in by lenders to avoid losing clients.

30. In numerous instances, Defendants invent bureaucratic and administrative delays that have supposedly postponed the closing of consumers’ new mortgages with the Federal Debt

Commission. Strung along by these lies, consumers continue sending their monthly mortgage payments to Defendants, who reassure consumers that closing is imminent. In some instances, Defendants even convince consumers to double their monthly payment by claiming that doing so will help to expedite the closing of their mortgages.

31. Defendants do not apply any portion of the payments received from consumers to consumers' mortgages. As a result, consumers enrolled in Defendants' Federal Assistance Program have suffered significant economic injury, including: paying hundreds or thousands of dollars to Defendants and receiving no service in return; going into foreclosure; and even losing their homes.

32. After consumers have enrolled in Defendants' Federal Assistance Program and paid the requested advance fees, Defendants have provided no services whatsoever. Defendants have failed to obtain a loan modification, principal reduction, or other relief to stop foreclosure or make consumers' mortgage payments affordable.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

(Deceptive Representations Regarding Substantially More Affordable Loan Payments or Foreclosure Avoidance)

35. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale or sale of mortgage assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers qualify for a federal mortgage

loan modification program that will make their payments substantially more affordable or will help them avoid foreclosure.

36. In truth and in fact, Defendants do not obtain mortgage loan modifications for consumers that will make their payments substantially more affordable or help them avoid foreclosure.

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).

COUNT II

(Deceptive Representations Regarding Loan Modifications Services or Loan Audits)

38. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale or sale of mortgage assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication:

- (a) Defendants are affiliated with, endorsed or approved by, or otherwise associated with:
 - (i) the United States government,
 - (ii) any governmental homeowner assistance plan, or
 - (iii) any Federal, State, or local government agency, unit, or department;
- (b) that the consumer is not obligated to, or should not, make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan; and

- (c) that as a result of various loan audits, research, and reviews provided by Defendants, including a forensic loan audit, they will obtain mortgage loan modifications for consumers that will make their payments substantially more affordable or will help them avoid foreclosure.

39. In truth and in fact:

- (a) Defendants are not affiliated with, endorsed or approved by, or otherwise associated with:
 - (i) the United States government,
 - (ii) any governmental homeowner assistance plan, or
 - (iii) any Federal, State, or local government agency, unit, or department;
- (b) the consumer is obligated to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan; and
- (c) Defendants do not obtain mortgage loan modifications for consumers that will make their mortgage payments substantially more affordable or help them avoid foreclosure as a result of the various loan audits, research, and reviews provided by Defendants, if at all provided.

40. Therefore, Defendants' representations as set forth in Paragraph 38 are false and misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE MARS RULE

41. In 2009, Congress directed the FTC to prescribe rules prohibiting unfair or deceptive acts or practices with respect to mortgage loans. Omnibus Act, § 626, 123 Stat. at 678, as clarified by Credit Card Act, § 511, 123 Stat. at 1763-64. Pursuant to that direction, the FTC promulgated the MARS Rule, 16 C.F.R. Part 322, all but one of the provisions of which became effective on December 29, 2010. The remaining provision, Section 322.5, became effective on January 31, 2011.

42. The MARS Rule and Regulation O define “mortgage assistance relief service provider” as “any person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service” other than the dwelling loan holder, the servicer of a dwelling loan, or any agent or contractor of such individual or entity. 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2.

43. Since January 31, 2011, the MARS Rule and Regulation O prohibit any mortgage assistance relief service provider from requesting or receiving payment of any fee or other consideration until the consumer has executed a written agreement between the consumer and the consumer’s loan holder or servicer that incorporates the offer that the provider obtained from the loan holder or servicer. 16 C.F.R. § 322.5(a), recodified as 12 C.F.R. § 1015.5(a).

44. The MARS Rule and Regulation O prohibit any mortgage assistance relief service provider from representing, expressly or by implication, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any mortgage assistance relief service, that a consumer cannot or should not contact or communicate with his or her lender or servicer. 16 C.F.R. § 322.3(a), recodified as 12 C.F.R. § 1015.3(a).

45. The MARS Rule and Regulation O prohibit any mortgage assistance relief service provider from misrepresenting, expressly or by implication, any material aspect of any mortgage assistance relief service, including but not limited to:

- (a) the likelihood of negotiating, obtaining, or arranging any represented service or result. 16 C.F.R. § 322.3(b)(1), recodified as 12 C.F.R. § 1015.3(b)(1);
- (b) the amount of time it will take the mortgage assistance relief service provider to accomplish any represented service or result. 16 C.F.R. § 322.3(b)(2), recodified as 12 C.F.R. § 1015.3(b)(2);
- (c) that a mortgage assistance relief service is affiliated with, endorsed or approved by, or otherwise associated with (i) the United States government, (ii) any governmental homeowner assistance plan (iii) any Federal, State, or local government agency, unit, or department, (iv) any nonprofit housing counselor agency or program, (v) the maker, holder, or servicer of the consumer's dwelling loan, or (vi) any other individual, entity, or program. 16 C.F.R. § 322.3(b)(3)(i)-(vi), recodified as 12 C.F.R. § 1015.3(b)(3)(i)-(vi); and
- (d) the consumer's obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan. 16 C.F.R. § 322.3(b)(4), recodified as 12 C.F.R. § 1015.3(b)(4).

46. The MARS Rule and Regulation O prohibit any mortgage assistance relief service provider from failing to place a statement in every general commercial communication disclosing that (i) the provider is not associated with the government and its service is not

approved by the government or any lender, and (ii) in certain cases, a statement disclosing that the lender may not agree to modify a loan, even if the consumer uses the provider's service. 16 C.F.R. §§ 322.4(a)(1)-(2), recodified as 12 C.F.R. §§ 1015.4(a)(1)-(2).

47. The MARS Rule and Regulation O prohibit any mortgage assistance relief service provider from failing to place a statement in every consumer-specific commercial communication (i) confirming that the consumer may stop doing business with the provider or reject an offer of mortgage assistance without having to pay for the services, (ii) disclosing that the provider is not associated with the government and its service is not approved by the government or any lender, and (iii) in certain cases, a statement disclosing that the lender may not agree to modify a loan, even if the consumer uses the provider's service, and (iv) in certain cases, a statement disclosing that if they stop paying their mortgage, consumers may lose their home or damage their credit. 16 C.F.R. §§ 322.4(b)(1)-(3) and (c), recodified as 12 C.F.R. §§ 1015.4(b)(1)-(3) and (c).

48. Pursuant to the Omnibus Act, § 626, 123 Stat. at 678, as clarified by the Credit Card Act, § 511, 123 Stat. at 1763-64 and amended by the Dodd-Frank Act, § 1097, 124 Stat. at 2102-03, 12 U.S.C. § 5538, and pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the MARS Rule or Regulation O constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III

(Collection of Advance Payments)

49. In numerous instances, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants ask for or receive

payment before consumers have executed a written agreement between the consumer and the loan holder or servicer that incorporates the offer obtained by Defendants, in violation of the MARS Rule, 16 C.F.R. § 322.5(a) and Regulation O, 12 C.F.R. § 1015.5(a).

COUNT IV

(Prohibited Representation)

50. In numerous instances, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants, in violation of the MARS Rule, 16 C.F.R. § 322.3(a), and Regulation O, 12 C.F.R. § 1015.3(a), have represented, expressly or by implication, that a consumer cannot or should not contact or communicate with his or her lender or servicer.

COUNT V

(Material Misrepresentations)

51. In numerous instances, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants, in violation of the MARS Rule, 16 C.F.R. § 322.3(b)(1), (b)(3) and (b)(4), and Regulation O, 12 C.F.R. § 1015.3(b)(1), (b)(3) and (b)(4), have misrepresented, expressly or by implication, material aspects of their services, including, but not limited to:

- (a) Defendants' likelihood of obtaining mortgage loan modifications for consumers that will make their payments substantially more affordable;
- (b) Defendants' likelihood of obtaining mortgage loan modifications for consumers that will make their payments substantially more affordable as a result of a loan audit provided by Defendants;

- (c) Defendants are affiliated with, endorsed or approved by, or otherwise associated with:
 - (i) the United States government,
 - (ii) any governmental homeowner assistance plan, or
 - (iii) any Federal, State, or local government agency, unit, or department; and
- (d) The consumer's obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan.

COUNT VI

(Failure to Disclose)

52. In numerous instances, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants have failed to make the following disclosures:

- (a) in all general commercial communications –
 - (1) “[Name of Company] is not associated with the government, and our service is not approved by the government or your lender,” in violation of the MARS Rule, 16 C.F.R. § 322.4(a)(1), and Regulation O, 12 C.F.R. § 1015.4(a)(1); and
 - (2) “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of the MARS Rule, 16 C.F.R. § 322.4(a)(2), and Regulation O, 12 C.F.R. § 1015.4(a)(2);
- (b) in all consumer-specific commercial communications –

- (1) “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert amount or method for calculating the amount] for our services,” in violation of the MARS Rule, 16 C.F.R. § 322.4(b)(1), and Regulation O, 12 C.F.R. § 1015.4(b)(1);
- (2) “[Name of company] is not associated with the government, and our service is not approved by the government or your lender,” in violation of the MARS Rule, 16 C.F.R. § 322.4(b)(2), and Regulation O, 12 C.F.R. § 1015.4(b)(2);
- (3) “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of the MARS Rule, 16 C.F.R. § 322.4(b)(3), and Regulation O, 12 C.F.R. § 1015.4(b)(3); and
- (4) “If you stop paying your mortgage, you could lose your home and damage your credit,” in violation of the MARS Rule, 16 C.F.R. § 322.4(c), and Regulation O, 12 C.F.R. § 1015.4(c).

CONSUMER INJURY

53. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act, the MARS Rule and Regulation O. 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

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

55. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 626 of the Omnibus Act authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the MARS Rule, including rescission and reformation of contracts and the refund of money.

PRAYER FOR RELIEF

Wherefore, Plaintiff Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, the Omnibus Act, and the Court's own equitable powers, requests that the Court:

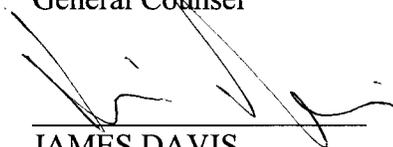
- A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action, and to preserve the possibility of effective final relief, including but not limited to a temporary and preliminary injunction, an order freezing assets, immediate access, and appointment of a receiver;

- B. Enter a permanent injunction to prevent future violations of the FTC Act and the MARS Rule and Regulation O by Defendants;
- C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the MARS Rule and Regulation O, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- 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: July 7, 2014

Respectfully submitted,

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