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18 CENTRAL DISTRICT OF CALIFORNIA
BY: _____ ER DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

19 FEDERAL TRADE)
20 COMMISSION,)
21 Plaintiff,)
22 v.)
23 A1 DOCPREP INC., et al.,)
24 Defendants.)
25)
26)

Case No. LA17CV07044-SJO(JCx)
MEMORANDUM IN SUPPORT OF
PLAINTIFF'S APPLICATION FOR A
TEMPORARY RESTRAINING
ORDER AND AN ORDER TO SHOW
CAUSE WHY A PRELIMINARY
INJUNCTION SHOULD NOT ISSUE
FILED UNDER SEAL

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1 **I. INTRODUCTION**

2 Plaintiff, the Federal Trade Commission (“FTC”), brings this action to halt a
3 pernicious debt relief scheme that has preyed on consumers with student loan debt
4 and homeowners struggling to make mortgage payments. Defendants induce
5 consumers to sign up for their purported services by misrepresenting their identity
6 and making false promises to reduce or eliminate consumers’ debt—all while
7 reaping millions of dollars in illegal advance fees.

8 Since at least May 2016, Defendants have claimed to be from the U.S.
9 Department of Education in telemarketing calls and text messages to consumers
10 with student loan debt. Defendants promise consumers that their monthly
11 payments will be reduced and their loans forgiven, in whole or in part, if the
12 consumers sign up for Defendants’ services. Defendants have also preyed on
13 distressed homeowners since at least October 2015 with false promises to obtain
14 loan modifications and prevent foreclosures. Defendants fail to obtain the
15 promised debt relief for consumers and have instead pocketed at least \$6 million in
16 unlawful fees.

17 Defendants’ actions violate Section 5 of the Federal Trade Commission Act
18 (“FTC Act”), 15 U.S.C. § 45, the Telemarketing Sales Rule (“TSR”), 16 C.F.R.
19 Part 310, and the Mortgage Assistance Relief Services Rule (“MARS Rule” or
20 “Regulation O”), 12 C.F.R. Part 1015, formerly codified as 16 C.F.R. Part 322.

21 To put an immediate stop to Defendants’ unlawful conduct, the FTC seeks a
22 non-noticed *ex parte* temporary restraining order (“TRO”) with an order to show
23 cause why a preliminary injunction should not issue, pursuant to Section 13(b) of
24 the FTC Act, 15 U.S.C. §53(b). The proposed TRO would enjoin Defendants’
25 illegal practices, freeze their assets, appoint a temporary receiver, allow the FTC
26 immediate access to Defendants’ business premises to inspect and preserve
27 documents, and impose other relief. These measures are necessary to prevent
28

1 continued consumer injury, dissipation of assets, and destruction of evidence,
2 thereby preserving this Court’s ability to provide effective final relief.

3 **II. THE PARTIES**

4 **A. Plaintiff**

5 Plaintiff FTC is an independent agency of the United States Government
6 created by statute. 15 U.S.C. §§ 41-58. The FTC’s responsibilities include
7 enforcing the FTC Act’s prohibitions of unfair or deceptive practices, 15 U.S.C.
8 § 45(a), as well as enforcing the Rules it has promulgated under its rulemaking
9 authority, including the TSR, 16 C.F.R. Part 310, and the MARS Rule, 12 C.F.R.
10 Part 1015.

11 **B. Defendants**

12 A1 DocPrep, Inc. (“A1”) is a Wyoming corporation that is registered as a
13 foreign corporation in California.¹ Defendants’ California Foreign Corporation
14 Statement of Information for A1 lists an office suite that does not appear to exist,
15 5455 Wilshire Boulevard, Suite 201, Los Angeles, California 90036, as the
16 corporation’s principal and mailing address.² There is no Suite 201 at that address,
17 but copies of rent checks from the A1 bank account suggest A1 is actually
18 operating out of another office building at 3699 Wilshire Blvd.³

19 Bloom Law Group P.C., also d/b/a Home Shield Network and Keep Your
20 Home USA, (“Bloom Law”) is a California professional corporation that has stated
21 in Secretary of State filings that 21900 Burbank Blvd., Woodland Hills, CA 91317
22
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25 ¹ PX 22, p. 345, ¶¶ 34-35, Att. G, pp. 411-15.

26 ² PX 22, p. 345, ¶ 35, Att. G, p. 415.

27 ³ PX 22, pp. 345-46, ¶ 36; PX 22, p. 368, ¶ 115.

1 is its principal executive office and principal business office.⁴ This address
2 appears to be a Regus virtual office.⁵

3 Stream Lined Marketing, also d/b/a Project Uplift Students and Project
4 Uplift America, (“Stream Lined”) is a Wyoming corporation that lists 21900
5 Burbank Blvd., Woodland Hills, CA 91317 as its principal address.⁶ Bank record
6 statements and an office building directory sign suggest Stream Lined may actually
7 be operating from an address in Encino, CA.⁷ Stream Lined is owned by
8 individual defendant Homan Ardalan and receives substantial transfers (often
9 \$20,000 or more) from A1 and Bloom Law accounts.⁸ Stream Lined is the
10 registrar for websites associated with A1 and Bloom Law, including
11 A1docprep.com and thebloomlawgroup.com.⁹

12 Individual defendant Homan Ardalan has held himself out as the CEO,
13 Secretary, and CFO of A1, and the CEO, Secretary, CFO, Director, and Registered
14 Agent of Stream Lined until at least January 2017.¹⁰ Ardalan paid for several
15 websites associated with A1 and Bloom Law, including but not limited to
16 A1docprep.com, Projectupliftstudents.org, Projectupliftamerica.org,
17
18

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20 ⁴ PX 22, pp. 353-54, ¶¶ 68-69, Att. R, pp. 469-70.

⁵ PX 22, p. 353, ¶ 68, Att. B, p. 389.

21 ⁶ Stream Lined was first incorporated in California in November 2012. Ardalan
22 dissolved the corporation in California in April 2016 and filed Articles of
23 Continuance in Wyoming in October 2016, establishing the company as a
24 Wyoming corporation. PX 22, pp. 340-41, ¶¶ 15-18, Att. A, pp. 380-87.

⁷ PX 22, p. 342, ¶¶ 23-24, Att. D, p. 402.

⁸ PX 22, p. 341, ¶18, Att. A, p. 385; PX 22, p. 370, Table 4.

⁹ PX 22, pp. 342-43, ¶¶ 25-27, Att. E, pp. 405-06.

26 ¹⁰ See Summary Tables, PX 22, pp. 344-45, Table 1, (Stream Lined); PX 22, p.
27 353, Table 2 (A1).

1 Thebloomlawgroup.com, Keepyourhomeusa.org, Rodeolawgroup.com,
 2 Westfieldlawgroup.com, and Homeshieldnetwork.org.¹¹ Ardalan is a signatory on
 3 A1, Stream Lined, and Bloom Law Group's depository bank accounts.¹² Ardalan
 4 obtained A1's merchant account for processing credit card payments and serves as
 5 the company contact for A1 and Bloom Law Group's telecommunications
 6 providers.¹³

7 **C. Common Enterprise**

8 The corporate defendants, A1, Bloom Law, and Stream Lined, have operated
 9 as a common enterprise to defraud consumers with their student loan debt relief
 10 and mortgage relief schemes. Defendants have conducted the business practices
 11 through an interrelated network of companies that, as described above, are
 12 commonly owned or managed by Homan Ardalan. As described in more detail
 13 below, A1 and Bloom Law share a similar business method of using purported
 14 government affiliates controlled by Ardalan (Project Uplift Students, Home Shield
 15 Network, and Keep Your Home USA) to funnel consumers to A1 and Bloom Law,
 16 which also are owned or controlled by Ardalan.¹⁴ Ardalan uses the Stream Lined
 17 corporate name when registering websites and phone numbers for the other
 18 corporate defendants.¹⁵ The companies have commingled funds.¹⁶ Ardalan
 19

20
 21 ¹¹ PX 22, pp. 342-43, ¶¶ 25-27, Att. E, p. 406.

22 ¹² PX 22, p. 346, ¶ 37, Att. H, pp. 417-20 (A1); PX 22, p. 342, ¶ 22, Att. C, pp.
 23 392-400 (Stream Lined); PX 22, p. 355, ¶¶ 73-75, Att. S, pp. 472-84 (Bloom Law
 24 Group).

25 ¹³ PX 22, pp. 346-47, ¶¶ 39-40, Att. I, pp. 422-28; PX 22, p. 349, ¶¶ 49-50, Att. M,
 26 p. 443; PX 22, p. 355, ¶ 76, Att. T, pp. 486-87.

27 ¹⁴ See PX 22, p. 373, ¶¶ 143-44; PX 22, p. 375, ¶¶ 149-51.

28 ¹⁵ See PX 22, p. 342, ¶¶ 25-27, Att. E, pp. 405-06 (Ardalan used Stream Lined
 marketing account to register websites for A1docprep.com and

1 controls funds in each of the corporate defendants' bank accounts, and bank
 2 records obtained through Commission CIDs show consistent, substantial payments
 3 from both A1 and Bloom Law Group accounts to Stream Lined's corporate
 4 account.¹⁷ As detailed below, Ardalan appears to operate the Stream Lined
 5 account as his personal fund, which shows dissipation of over \$230,000 for high-
 6 end cars, nightclub expenses and luxury personal items like Cartier jewelry.¹⁸ He
 7 also made approximately \$850,000 in payments for an American Express card in
 8 his name, and transferred over \$280,000 to personal accounts.¹⁹

9 **III. DEFENDANTS' DECEPTIVE AND UNLAWFUL BUSINESS** 10 **PRACTICES**

11 **A. Defendants' Deceptive Marketing of Student Loan Debt Relief** 12 **Services**

13 Defendants induce consumers to enroll in their student loan debt relief
 14 program by making false or unsubstantiated claims: (1) that they are or are
 15 affiliated with the government, government loan programs, or the Department of
 16 Education; and (2) that consumers who purchase Defendants' debt relief services
 17

18
 19 BloomLawGroup.com); PX 22, p. 343, ¶¶ 29-32, Att. F, p. 408 (RingCentral
 20 records show "Streamlined Relief" as company for phone numbers used for A1
 21 and Bloom Law Group telemarketing and text messages); *see also* PX 22, p. 352,
 22 ¶¶ 62-64, Att. Q, p. 465 (Stream Lined paid \$3,000 to individual who registered
 projectupliftamerica.org, four days before that website was registered).

23 ¹⁶ PX 22, pp. 368-70, ¶¶ 112, 115, 117, 120; *see also* PX 22, p. 370 (Table 4).

24 ¹⁷ Signatory: PX 22, p. 346, ¶ 37, Att. H, pp. 417-20 (A1); PX 22, p. 342, ¶ 22,
 25 Att. C, pp. 392-400 (Stream Lined); PX 22, p. 355, ¶¶ 73-75, Att. S, pp. 472-84
 (Bloom Law Group). Bank transfers: PX 22, pp. 368-70, ¶¶ 112, 115, 117, 120.

26 ¹⁸ PX 22, p. 370, ¶ 124.

27 ¹⁹ PX 22, p. 370, ¶¶ 122-23.

1 generally will have their monthly payments reduced or their loan balances forgiven
2 in whole or in part.

3 **1. Defendants’ Government Affiliation Claims**

4 Defendants make outbound telemarketing calls and send text messages to
5 consumers touting their services and encouraging student loan borrowers to sign up
6 with the company.²⁰ These calls and text messages purport to be from or affiliated
7 with the federal government.²¹ For example, in a voicemail recording left with
8 consumers, Defendants stated:²²

9 This message is from the Department of Education. In
10 regards to Donald Trump becoming President, all
11 programs for student loan forgiveness will be stopped
12 immediately as soon as he takes office in January. In
13 order for you to qualify, you must apply within the next
14 24 hours or you will not be able to have your student loan

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17 ²⁰ PX 22, pp. 373-74, ¶¶ 140-43; PX 1, p. 1, ¶¶ 2-3 (Stuart); PX 2, p. 2, ¶¶ 2-3
18 (Albion Benton); PX 3, p. 13, ¶¶ 2-3 (Hamm); PX 4, p. 29, ¶¶ 2-5 (Elliot); PX 5, p.
19 41, ¶¶ 2-3 (Mendez); PX 6, p. 55, ¶ 2 (Riccio); PX 7, p. 82, ¶ 2 (Sharkey); PX 8, p.
20 96, ¶ 2 (Siuda); PX 9, p. 117, ¶ 2 (Sarah Frank); PX 10, p. 139, ¶ 2 (Scott Frank);
21 PX 11, p. 149, ¶ 2 (Whitaker-Knight); PX 12, p. 153, ¶¶ 2-3 (Baum). Although
22 victims typically describe Defendants’ first contact being a text message or phone
23 call, consumers could view A1’s website and call Defendants for more
24 information. On its website, A1 purports to be a “document preparation service”
25 for those who are “seeking to consolidate their federal student loans.” PX 22, Att.
26 N, p. 447.

27 ²¹ PX 11, p.149, ¶ 2 (Whitaker-Knight); PX 12, p. 153, ¶ 2, Att. A, p. 158 (Baum);
28 PX 4, p. 29, ¶ 2, Atts. A, B, pp. 34, 39 (Elliot); PX 9, p.117, ¶ 3 (Sarah Frank); PX
13, p. 160, ¶ 3 (Bouziden); PX 10, p. 139, ¶ 2 (Scott Frank); PX 7, p. 82, ¶ 3
(Sharkey).

²² PX 4, p. 29, ¶ 2, Atts. A, B, pp. 34, 39 (Elliot).

1 payment reduced. Please contact us at [toll free number].
2 The number again is [toll free number]. Once again, you
3 must get involved within the next 24 hours. Thank you.²³

4 Defendants also claim affiliation with the William D. Ford Federal Direct
5 Loans Program (“Direct Loans”), which is a large student loan program funded by
6 the Department of Education.²⁴ For example, one of Defendants’ email
7 communications to a consumer bears the header: “William D. Ford Federal Direcr
8 (sic) Loans.”²⁵ And Defendants claimed to be “underwriters” for Direct Loans
9 during an undercover call.²⁶ Contrary to these representations, Defendants are not
10 the Department of Education or vetted, approved, or affiliated with the federal
11 government or any government program.²⁷ Indeed, there are no “underwriters” in
12 the Direct Loans application process.²⁸

13 2. Debt Reduction and Forgiveness Claims

14 Defendants’ advertisements also invite consumers to contact them for
15 payment reductions and loan forgiveness. For example, Defendants claimed in a
16 text message that, “Your Student Loan may be forgiven today, but Donald Trump
17 may stop that. Call now...”²⁹

21 ²³ PX 4, p. 29, ¶ 2, Att. A, p. 34 (Elliot).

22 ²⁴ PX 23, pp. 589-90, ¶¶ 5-8, Atts. A, pp. 594-95; B p. 615, lns. 11-15; PX 26, pp.
23 659-60, ¶ 14.

24 ²⁵ PX 9, p.116, ¶ 6, Att. B, p. 124 (Sarah Frank); PX 23, Att. A, pp. 593-95.

25 ²⁶ PX 23, Att. B, p. 614, ln. 20.

26 ²⁷ PX 26, pp. 659-60, ¶ 14.

27 ²⁸ *Id.*

28 ²⁹ PX 9, p. 116, ¶ 2, Att. A, p. 122 (Sarah Frank).

1 Consumers who talk to Defendants' telemarketers are told that Defendants
 2 can reduce or eliminate consumers' loan balances. They typically have claimed
 3 that consumers' loan balances would be forgiven after making significantly lower
 4 monthly payments.³⁰ In one recorded call, Defendants stated to an undercover
 5 paralegal posing as a consumer with \$40,000 in student loan debts that "you're
 6 going to pay back \$21,019.20 and you're going to be forgiven for the rest."³¹

7 Defendants fail to deliver on these promises. In numerous instances,
 8 consumers did not receive the promised loan forgiveness or payment reduction.
 9 For example, one consumer recalls learning from her loan servicer that the terms
 10 promised by A1 were wildly at odds with what was available: "[Consumer's loan
 11 servicer] told me that the repayment plan would be 25 years, not 7. They also told
 12 me that interest would continue to accrue, and that I might end up owing more
 13 money." PX 11, p. 151, ¶ 20 (Whitaker-Knight). Other consumers were similarly
 14 deceived:

- 15 • "They never took over my loans or changed [my] payments. I received
 16 nothing for the \$900 I paid them." PX 6, p. 57, ¶ 14 (Riccio);
- 17 • "A1 DocPrep's actions also made me accrue interest charges and I owed
 18 more on my student loans after enrolling with A1 than I had beforehand."
 19 PX 10, p. 140, ¶ 10 (Scott Frank);

20
 21
 22 ³⁰ See PX 11, p. 149, ¶ 3 (Whitaker-Knight) ("He told me I qualify for zero dollar
 23 payments, and unless I made \$30,000 a year in seven years, I would never have to
 24 make a payment and the loan would be wiped away after the seven years;" *see also*
 25 PX 9, p. 116, ¶¶ 3-7 (Sarah Frank); PX 6, p. 55, ¶ 4 (Riccio); PX 13, p. 160, ¶ 4
 26 (Bouziden); PX 10, p. 139, ¶ 3 (Scott Frank); PX 7, p. 83, ¶¶ 8-9 (Sharkey); PX , p.
 27 2, ¶ 3 (Albion Benton); PX 5, p. 41, ¶¶ 4-5 (Mendez); PX 8, p. 96, ¶ 4 (Siuda).

³¹ PX 23, Att. B, p. 605, lns. 13-15.

- 1 • “A1 did not reduce my student loan balance like they promised. I wasted
2 \$900 paying them for help they did not provide.” PX 5, p. 41, ¶ 6
3 (Mendez).³²

4 In fact, consumers often learned from their servicer that they had never been
5 eligible for the terms promised by A1.³³

6 3. Fees and Enrollment in the A1 Program

7 After deceiving consumers into signing up for their services, Defendants
8 charge hundreds or thousands of dollars in illegal upfront fees. Defendants collect
9 payment information for their fees during the initial telemarketing call with
10 consumers. They loosely refer to their fees as installments. For example, in one
11 recorded call, Defendants claimed: “Now, your first five installments, we spread
12 into five different months consecutively for \$300. After that, you’re going to drop
13 down to \$82.58 for the remainder of your term.”³⁴ Some consumers did not
14 understand these payment were fees, but rather were led to believe the payments
15 would be applied to their loans.³⁵ Consumers have typically paid A1 fees in the
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19 ³² See also PX 9, pp. 119-20, ¶¶ 23, 25 (Sarah Frank); PX 13, p. 163, ¶ 19
20 (Bouziden); PX 7, pp. 84-85, ¶¶ 19-23 (Sharkey); PX 2, p. 2, ¶¶ 13-14 (Albion
21 Benton); PX 8, p. 98, ¶¶ 14-15 (Siuda).

22 ³³ See, e.g., PX 11, p. 151, ¶ 20 (Whitaker-Knight); PX 2, p. 3, ¶ 12 (Albion
23 Benton).

24 ³⁴ PX 23, Att. B, p. 604, lns. 6-9 (total fee \$1,500); see also PX 11, p. 149, ¶ 4
25 (Whitaker-Knight) (total \$900 fee payments); PX 9, p. 117, ¶ 7 (Sarah Frank)
26 (\$1,200); PX 6, p. 55, ¶ 5 (Ricchio) (\$900); PX 13, p. 160, ¶¶ 4-5 (Bouziden)
27 (\$1,200); PX 10, p. 139, ¶ 4 (Scott Frank) (\$500); PX 7, p. 83, ¶ 8 (Sharkey)
28 (\$1,200); PX 2, p. 2, ¶ 3 (Albion Benton) (\$900); PX 5, p. 41, ¶ 6 (Mendez)
(\$900); PX 8, p. 96, ¶ 6 (Siuda) (\$900).

³⁵ PX 6, p. 55, ¶ 5 (Ricchio).

1 range of \$900-\$1,500, which were collected before Defendants performed any
2 work on consumers' loan accounts.³⁶

3 Defendants e-mail consumers a link to an electronic contract and typically
4 pressure consumers into quickly electronically signing the contract while the
5 telemarketer is still on the phone.³⁷ Buried in the contract document is language at
6 odds with the statements in A1 advertisements and telephone communications with
7 consumers: "Client understands and acknowledges the fact that A1 DocPrep is
8 only a document preparation company and is in no way guaranteeing or promising
9 consolidation;" and "A1 DocPrep is NOT affiliated in any manner with the
10 Department of Education or any other academic or governmental entity."³⁸ In
11 those rare instances where consumers read and asked Defendants about the
12 contract's statements that A1 is not the Department of Education, A1 provided
13 multiple reassurances over the telephone, for example, stating that they were
14 "legitimate" and that consumers should "take a deep breath and trust us."³⁹

15 Months later, after paying A1's fees, consumers typically learn that the
16 company is not affiliated with the government, did not obtain for them the
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20 ³⁶ PX 11, p. 149, ¶ 4 (Whitaker-Knight); PX 9, p. 117, ¶ 7 (Sarah Frank); PX 6, p.
21 55, ¶ 5 (Riccio); PX 13, p. 160, ¶¶ 4-5 (Bouziden); PX 10, p. 139, ¶ 4 (Scott
22 Frank); PX 7, p. 83, ¶ 8 (Sharkey); PX 2, p. 2, ¶ 3 (Albion Benton); PX 5, p. 41, ¶
23 6 (Mendez); PX 8, p. 96, ¶ 6 (Siuda).

24 ³⁷ PX 9, p. 118, ¶ 10 (Sarah Frank) ("He walked me through [the contract] and he
25 added my electronic signature. I felt he rushed me through it and I didn't have
26 time to read it properly."); *see also* PX 6, p. 55, ¶ 3, Atts. A, B, pp. 59, 61-70
27 (Riccio); PX 13, pp. 160-61, ¶¶ 6-7, Att. A, p. 165-66 (Bouziden); PX 7, p. 83, ¶¶
28 10-11, Att. B, pp. 89-90 (Sharkey); PX 5, p. 41, ¶ 7, Att. A, pp. 45-54 (Mendez).

³⁸ *See, e.g.*, PX 11, Att. B, pp. 156-63 (Whitaker-Knight contract).

³⁹ PX 9, p. 118, ¶ 16 (Sarah Frank); PX 11, p. 150, ¶¶ 10, 12 (Whitaker-Knight).

1 promised payment reduction and forgiveness, and that the consumer could have
2 applied for loan payment programs cited by A1 at any time, for free, through their
3 servicer or the Department of Education’s website, studentaid.gov.⁴⁰

4 **B. Defendants’ Illegal Mortgage Relief Scheme**

5 Defendants also run a mortgage relief operation that lures consumers with
6 false or unsubstantiated claims: (1) that Defendants are affiliated with the
7 government, and (2) that Defendants will obtain for consumers loan modifications
8 with substantially more affordable payments or help them avoid foreclosure.

9 **1. Defendants’ Government Affiliation Claims**

10 In internet advertisements and telemarketing calls with distressed
11 homeowners, Defendants often claim they work for a government program or a
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15 ⁴⁰ PX 11, p. 151, ¶ 20 (Whitaker-Knight) (consumer learned from servicer that her
16 repayment term would be 25 years, rather than the seven years A1 promised and
17 that, because of the accrual of interest, she might end up owing more on her loans
18 with the repayment plan than she currently owed); PX 8, p. 97, ¶ 13 (Siuda)
19 (“FAFSA informed me that A1 DocPrep was a fraud. FAFSA told me that
20 anything A1 could do for me, I could do on my own.”); PX 7, pp. 84-85, ¶¶ 21-22
21 (Sharkey) (after paying \$1,200, consumer learned from Department of Education
22 that she was scammed); PX 2, p. 3, ¶ 12 (Albion Benton) (consumer learned from
23 his servicer that he “could not reduce the payments at all because the program I
24 was in was already taking into account my income and family size.”); PX 10, p.
25 140, ¶ 10 (Scott Frank) (“A1 DocPrep did not provide me the services they
26 promised...A1 DocPrep’s actions also made me accrue interest charges and I owed
27 more on my student loans after enrolling with A1 than beforehand.”); PX 13, p.
28 162, ¶ 14 (Bouziden) (consumer learned after paying \$1,200 that A1 is not
affiliated with the Department of Education and her payments would not go
towards her loans); PX 6, p. 57, ¶ 14 (Riccio) (“[A1] never sent me any documents
other than the agreement for services, they never took over my loans or changed
by(sic) payments. I received nothing for the \$900 I paid them.”).

1 state funded program.⁴¹ For example, Defendants’ representative stated in a call
 2 with one consumer that “he would not get paid for anything for referring” the
 3 consumer to a mortgage assistance relief company “because he was an advocate
 4 for the state.”⁴² Indeed, Defendant Ardalan registered a website named
 5 keepyourhomeusa.org that is highly similar to one belonging to an actual state-
 6 funded homeowner assistance program in California,
 7 “keepyourhomecalifornia.org.”⁴³

8 Unsurprisingly, Defendants do not make the disclosures required by the
 9 MARS Rule for general commercial communications, including that the company
 10 is not affiliated with the government or consumers’ lenders and that, even if
 11 consumers use their services, their lenders may not agree to change their loans.⁴⁴

12 **2. Defendants’ False or Unsubstantiated Promises to Save** 13 **Consumers’ Homes**

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19 ⁴¹ PX 18, p. 226, ¶ 4 (Lappe); PX 19, p. 259, ¶ 4 (Gainey); PX 17, pp. 223-24, ¶ 7
 20 (Valentine).

21 ⁴² PX 18, p. 226, ¶ 4 (Gainey).

22 ⁴³ PX 22, p. 358, ¶ 88; PX 22, p. 375, ¶ 147, Att. E, p. 406 (showing Homan
 23 Ardalan as the billing contact); *see also* PX 21, p. 317, ¶ 9 (Gillibrand) (“It also
 24 appeared to me that the name Keep Your Home USA was trying to copy Keep
 25 Your Home California, a federally funded program.”).

26 ⁴⁴ *See* PX 21, p. 317, ¶¶ 10-12, Att. A, p. 130 (Gillibrand email does not contain
 27 disclosures); PX 19, p. 263, ¶¶ 28-31, Atts. A-B, pp. 265-66, 268 (Gainey); PX
 28 14, pp. 177-78, ¶¶ 20-22, Att. A, pp. 180-82 (Desjardins); PX 15, p. 193, ¶¶ 23-25,
 Att. A, p. 196-99 (Daffin); PX 20, p. 314, ¶¶ 14-17 (Fitl); PX 16, p. 217, ¶¶ 16-19
 (Katherine Benton).

1 In their guise as a government-affiliated public program, Defendants offer to
 2 “match” consumers with the right program or law firm to meet their needs.⁴⁵ In
 3 reality, consumers are simply funneled to Defendant Bloom Law.⁴⁶ Defendants’
 4 core misrepresentation is that they will obtain a substantially more affordable loan
 5 modification or save consumers’ homes from foreclosure, e.g., “Joseph also told
 6 me that Home Shield Network had a high success rate of around 90-95% for
 7 obtaining modifications that made people’s mortgages more affordable.”⁴⁷ The
 8 home page of keepyourhomeusa.org lists a number of mortgage assistance relief
 9 benefits under “What We Have Achieved:”

- 10 • Principle (sic) Balance Reduction
- 11 • Past Payment Forgiveness
- 12 • Capitalization of Arrears
- 13 • 2% Interest Rates

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 16 ⁴⁵ See, e.g., PX 19, p. 259, ¶ 5, Att. A, pp. 265-66 (Gainey) (In an email from
 17 Defendants to consumer, under “Benefits of Home Shield Network”...(4) Research:
 18 “we have already done the research on which companies are actually legitimate.
 19 We can place you with the right company to fit your specific situation and ensure
 20 that they are following the letter of the law...”); PX 23, Att. C, p. 628, Ins. 10-18;
 21 Att. D, p. 639, Ins. 2-12 (“this is Keep Your Home USA. What we are, we’re a
 22 referral agency. We’re an advocacy group. What we do is we go over your
 23 numbers over the phone and we find out exactly what programs that you are
 24 eligible for”).

25 ⁴⁶ PX 22, p. 375, ¶¶ 149-50. See generally, PX 14 (Desjardins); PX 21
 26 (Gillibrand); PX 19 (Gainey); PX 16 (Katherine Benton).

27 ⁴⁷ PX 14, p. 175, ¶ 4 (Desjardins); see also PX 18, p. 226, ¶ 5 (Lappe); PX 16, pp.
 28 215-16, ¶¶ 7-8 (Katherine Benton); PX 19, p. 260, ¶ 8 (Gainey) (“they have 98%
 success rate on modifications”); PX 17, p. 224, ¶ 9 (Valentine); PX 21, p. 317, ¶ 8
 (Gillibrand); PX 20, pp. 312-13, ¶¶ 4-6 (Fitl); PX 15, p. 190, ¶¶ 4-5 (Daffin); PX
 18, p. 226, ¶ 5 (Lappe).

- 1 • House Free And Clear
- 2 • Settlements

3 This homepage further states: “Contact Us For a Free Consultation.”⁴⁸

4 Defendants also operate a website at thebloomlawgroup.com that states
5 “Bloom Law Group assists homeowners in their struggle against predatory
6 mortgage lending and wrongful foreclosures.”⁴⁹ This website has promoted a
7 “Litigation Preparation Program” where “a homeowner can get relief through a
8 change in interest rate and/or principal balance.”⁵⁰

9 Defendants repeat their loan modification and foreclosure rescue promises in
10 calls with consumers. Defendants have told consumers not to speak to their lender
11 or servicer or that they do not have to make mortgage payments while the
12 modification is pending.⁵¹ As in their general commercial communications,
13 Defendants’ emails and calls with consumers omit the consumer-specific
14 disclosures required by the MARS Rule.⁵²

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19 ⁴⁸ PX 22, p. 358, ¶ 89, Att. Y, p. 505.

20 ⁴⁹ PX 22, p. 357, ¶ 86, Att. W, p. 493.

21 ⁵⁰ PX 22, p. 357, ¶ 86, Att. W, p. 494; *see also*, PX 14, p. 176, ¶ 7, Att. A, p. 180
22 (Desjardins) (“The Litigation Preparation Program is a great way for you to get the
23 mortgage assistance you deserve.”); PX 15, p. 191, ¶ 9, Att. A, p. 196 (Daffin); PX
24 21, p. 317, ¶ 8, Att. B, p. 322 (Gillibrand).

25 ⁵¹ PX 14, p. 175, ¶ 6 (Desjardins); PX 18, p. 226, ¶ 6 (Lappe); PX 16, p. 216, ¶ 10
26 (Katherine Benton); PX 20, p. 313, ¶ 7 (Fitl).

27 ⁵² PX 19, p. 263, ¶¶ 28-31, Atts. A-B, pp. 265-66, 268 (Gainey); PX 14, pp. 177-
28 78, ¶¶ 20-22, Att. A, pp. 180-82 (Desjardins); PX 15, p. 193, ¶¶ 23-25, Att. A, p.
196-199 (Daffin); PX 20, p. 314, ¶¶ 14-17 (Fitl); PX 16, p. 217, ¶¶ 16-19
(Katherine Benton).

1 In numerous instances, Defendants fail to provide the mortgage assistance
2 they promised consumers.⁵³ Some consumers have become further in default and
3 have lost their homes in foreclosure after enrolling with Defendants.⁵⁴ One
4 consumer reports her house was sold, without her knowledge, after hiring Bloom
5 Law:

6 The [Bloom Law representative] called me back a little
7 later that day and confirmed that my house was sold. She
8 then repeatedly told me it was just a house, and at least I
9 have my health. Finally, she told me it was purchased by
10 a private party and there was nothing they could do.⁵⁵

11
12 **3. Unlawful Advance Fees**

13 Consumers who are persuaded to “retain” Bloom Law are required to make
14 an initial payment of typically \$800 to \$1,000.⁵⁶ In numerous instances,
15 consumers are strung along for a series of months and asked for additional
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20 ⁵³ PX 19, p. 262, ¶ 25 (Gainey); PX 14, p. 177, ¶ 19 (Desjardins); PX 15, p. 93, ¶¶
21 20-21 (Daffin); PX 20, pp. 313-14, ¶¶ 11-13 (Fitl); PX 16, pp. 216-17, ¶¶ 12, 15
(Katherine Benton).

22 ⁵⁴ PX 20, pp. 313-14, ¶¶ 12-13 (Fitl); PX 19, p. 262, ¶ 25 (Gainey); PX 14, p. 177,
23 ¶ 19 (Desjardins).

24 ⁵⁵ PX 19, p. 262, ¶ 25 (Gainey).

25 ⁵⁶ *See* PX 19, p. 260, ¶ 9 (Gainey) (“He told me it would be \$4,500 that can be paid
26 in installments of \$900 each. But they wouldn’t touch my file until I gave them at
27 least one payment.”); *see also* PX 15, p. Att. C, p. 207 (Daffin) (payment schedule
28 showing four payments of \$1,000); PX 16, Att. A, p. 220 (Katherine Benton)
(payment schedule showing five payments of \$800).

1 payments of up to \$4,500.⁵⁷ As discussed above, Defendants fail to obtain loan
 2 modifications, principal reductions, or other relief to stop foreclosure or make
 3 consumers' mortgage payments more affordable.⁵⁸

4 **C. Defendants' Unlawful Telemarketing Campaigns**

5 Defendants have placed numerous outbound telemarketing calls to
 6 consumers who are listed on the National Do Not Call Registry, and they have
 7 failed to pay the required annual fee for access to the National Do Not Call
 8 Registry.⁵⁹ A comparison of call logs to the National Do Not Call Registry shows
 9 that, during one telemarketing campaign, Defendants placed calls to more than
 10 150,000 phone numbers on the Registry, roughly one third of their calls.⁶⁰

11 **IV. A TEMPORARY RESTRAINING ORDER SHOULD ISSUE** 12 **AGAINST DEFENDANTS**

13 **A. This Court Has the Authority to Grant the Requested Relief**

14 This Court has the authority to grant temporary, preliminary, and permanent
 15 relief pursuant to the second proviso of Section 13(b) of the FTC Act, 15 U.S.C.
 16 § 53(b), which states, "in proper cases the Commission may seek, and after proper
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 20 ⁵⁷ PX 19, p. 260, ¶ 9 (Gainey); PX 14, p. 176, ¶ 11 (Desjardins); PX 15, p. 192, ¶
 21 14 (Daffin); PX 20, p. 313, ¶ 10 (Fitl); PX 16, p. 216, ¶ 12 (Katherine Benton); PX
 22 18, p. 227, ¶ 11 (Lappe).

23 ⁵⁸ PX 19, p. 262, ¶ 25 (Gainey); PX 14, p. 177, ¶ 19 (Desjardins); PX 15, p. 193, ¶¶
 24 20-21 (Daffin); PX 20, pp. 313-14, ¶¶ 11-13 (Fitl); PX 16, pp. 216-17, ¶¶ 12, 15
 25 (Katherine Benton).

26 ⁵⁹ PX 22, pp. 361-62, ¶¶ 101-04 (failure to pay for Registry); PX 24, pp. 644-45, ¶¶
 27 3-4 (chain of custody of call records for analysis); PX 25, p. 648, ¶ 11, *see also* PX
 28 2, p. 4, ¶ 16 (Albion Benton); PX 6, p. 29, ¶ 6 (Elliot); PX 12, p. 153, ¶¶ 2-4
 (Baum).

⁶⁰ *Id.*

1 proof, the court may issue, a permanent injunction.”⁶¹ The Ninth Circuit has
2 recognized that any case alleging violations of a law enforced by the FTC
3 constitutes a proper case for which the FTC may seek injunctive relief.⁶²
4 Moreover, Section 13(b) preserves the Court’s inherent authority to order not only
5 permanent relief, restitution, and disgorgement of ill-gotten gains but also to grant
6 ancillary and preliminary equitable relief.⁶³ The Ninth Circuit has held that a court
7 may exercise the full breadth of its equitable authority in a Section 13(b) action
8 because Congress “did not limit that traditional equitable power” when enacting
9 the FTC Act.⁶⁴ Here, where the public interest is at stake, exercise of the Court’s
10 broad equitable power is particularly appropriate.⁶⁵ Numerous courts in this
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15 ⁶¹ *FTC v. H.N. Singer, Inc.*, 668 F.2d 1107, 1110 (9th Cir. 1982). *See FTC v. Gem*
16 *Merch. Corp.*, 87 F.3d 466, 469 (11th Cir. 1996); *FTC v. U.S. Oil & Gas Corp.*,
17 748 F.2d 1431, 1434 (11th Cir. 1984). This action is not brought pursuant to the
18 first proviso of Section 13(b), which addresses the circumstances under which the
19 FTC can seek preliminary injunctive relief before or during the pendency of an
20 administrative proceeding. Because the FTC brings this case pursuant to the
21 second proviso of Section 13(b), its complaint is not subject to the procedural and
22 notice requirements in the first proviso. *H.N. Singer, Inc.*, 668 F.2d at 1111; *U.S.*
23 *Oil & Gas Corp.* 748 F.2d at 1434.

24 ⁶² *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1233 (9th Cir. 1999). Congress
25 granted the FTC authority to enforce the Bureau of Consumer Financial
26 Protection’s Regulation O. 12 U.S.C. § 5538(a)(1) & (a)(3).

27 ⁶³ *FTC v. Stefanichik*, 559 F.3d 924, 931 (9th Cir. 2009); *FTC v. Pantron I Corp.*,
28 33 F.3d 1088, 1102 (9th Cir. 1994); *FTC v. World Wide Factors, Ltd.*, 882 F.2d
344, 346-47 (9th Cir. 1989).

⁶⁴ *H.N. Singer, Inc.*, 668 F.2d at 1113.

⁶⁵ *United States v. Laerdal Mfg. Corp.*, 73 F.3d 852, 857 (9th Cir. 1995); *Pantron*
ICorp., 33 F.3d at 1102; *World Wide Factors*, 882 F.2d at 347.

1 district and throughout the 9th Circuit have granted or affirmed injunctive relief
2 similar to that requested here.⁶⁶

3 **B. The FTC Meets the Standard for Preliminary Injunctive Relief**

4 In determining whether to grant a preliminary injunction under Section
5 13(b), a court “must 1) determine the likelihood that the Commission will
6 ultimately succeed on the merits and 2) balance the equities.” *Affordable*
7 *Media*, 179 F.3d at 1233 (quoting *FTC v. Warner Commc’ns, Inc.*, 742 F.2d 1156,
8 1160 (9th Cir. 1984)); see also *FTC v. World Wide Factors, Ltd.*, 882 F.2d 344,
9 346-47 (9th Cir. 1989). Unlike private litigants, the FTC need not prove
10 irreparable injury. *Affordable Media*, 179 F.3d at 1233.⁶⁷ Moreover, in balancing
11 the equities, the public interest should receive greater weight than private interests.
12 *World Wide Factors*, 882 F. 2d at 347. As set forth below, the FTC has amply
13 demonstrated that it will ultimately succeed on the merits of its claims and that the
14 balance of equities favors injunctive relief.

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18 ⁶⁶ See, e.g., *Affordable Media*, 179 F.3d at 1232 & n. 2; *FTC v. BAM Financial,*
19 *LLC*, SACV15-01672 (C.D. Cal. Oct. 21, 2015); *FTC v. Wealth Educators, LLC*,
20 *SACV15-2357* (C.D. Cal. Apr. 6, 2015); *FTC v. Forensic Case Mgmt. Servs., Inc.*,
21 *No. 2:11-cv-07484-RGK-SS* (C.D. Cal. Sept. 13, 2011); *FTC v. Am. Mortg.*
22 *Consulting Group, LLC*, No. SACV12-01561 DOC (JPRx), 2012 WL 4718927
23 (C.D. Cal. Oct. 1, 2012); *FTC v. Health Care One LLC*, No. SACV 10-1161 JVS
24 (RNBx) (C.D. Cal. Aug. 3, 2010); *FTC v. Lucas Law Center, Inc.*, No SACV 09-
25 0770 DCO (ANx) (C.D. Cal. July 9, 2009); *FTC v. EDebitpay, LLC*, 07-cv-4880-
26 QDW (AJWx) (C.D. Cal. July 30, 2007).

27 ⁶⁷ Although not required to do so to obtain injunctive relief, the FTC can also show
28 irreparable injury. As discussed above, some consumers have lost their homes, and
all Defendants’ victims are at risk of delinquency, default, penalties and late fees,
and legal action by their lenders, and continue to lose significant funds from their
payments to Defendants.

1 **1. The FTC Has Demonstrated It Is Likely to Succeed on the**
2 **Merits**

3 To demonstrate likelihood of success on the merits, the FTC must make a
4 “prima facie showing of illegality.”⁶⁸ Further, “the district court need only . . . find
5 some chance of probable success on the merits” to grant an injunction.⁶⁹ The FTC
6 has shown that it is likely to succeed in establishing several law violations.
7 Defendants violate Section 5 of the FTC Act, the TSR, and the MARS Rule by
8 flagrantly misrepresenting their government affiliation and purported student debt
9 relief and mortgage assistance relief services. Defendants also blatantly violate the
10 TSR and the MARS Rule by collecting advance fees and omitting required MARS
11 disclosures. Defendants do not even comply with the basic requirement of paying
12 the registration fee for access to the National Do Not Call Registry and, indeed,
13 further violate the TSR by placing telemarketing calls to numerous phone numbers
14 on the Registry. The evidence before the Court meets the standard for
15 establishing: (1) violations of the FTC Act; (2) violations of the TSR and MARS
16 Rule; and (3) the liability of the individual Defendants.

17 **a. Defendants Violate Section 5 of the FTC Act.**

18 Section 5 of the FTC Act prohibits any material representation or omission
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23 ⁶⁸ *FTC v. GTP Marketing, Inc.*, Civ. A. No. 4-90-123-K, 1990 WL 54788, at *4
24 (N.D. Tex. Mar. 15, 1990).

25 ⁶⁹ *United States v. Odessa Union Warehouse Co-op*, 833 F.2d 172, 176 (9th Cir.
26 1987); *FTC v. City West Advantage, Inc.*, No. 2:08-cv-00609-BES-GWF, 2008
27 WL 2844696, at *2 (D. Nev. Jul. 22, 2008) (“[T]he district court need only to find
28 some chance of a probable success on the merits.”).

1 that would likely mislead consumers acting reasonably under the circumstances.⁷⁰
2 Both representations that are false and those that lack a reasonable basis violate
3 Section 5 of the FTC Act.⁷¹ A claim is considered material if it “involves
4 information that is important to consumers and, hence, is likely to affect their
5 choice of, or conduct regarding, a product.”⁷² The Court is not confined to
6 analyzing isolated words and phrases, but must consider the overall “net
7 impression” that Defendants’ representations make upon consumers.⁷³ A
8 solicitation “capable of being interpreted in a misleading way” is construed against
9 the maker of the solicitation.⁷⁴ Moreover, courts have held that an unqualified
10 results claim implies that consumers generally will receive the claimed results and
11 that the benefit is a significant one.⁷⁵ Express claims and deliberate implied claims
12 are presumed to be material, so consumers are not required to question their
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16 ⁷⁰ *FTC v. Stefanchik*, 559 F.3d at 928; *FTC v. Cyberspace.com, LLC*, 453 F.3d
17 1196, 1199 (9th Cir. 2006); *FTC v. Gill*, 265 F.3d. 944, 950 (9th Cir. 2001);
18 *Pantron I Corp.*, 33 F. 3d at 1095 (quoting *In re Cliffdale Assocs., Inc.*, 103 F.T.C.
110, 164-65 (1984)).

19 ⁷¹ FTC Policy Statement Regarding Advertising Substantiation, 104 F.T.C. 648,
20 839 (1984) (appended to *Thompson Med. Co.*, 104 F.T.C. 648); *see also FTC v.*
21 *John Beck Amazing Profits, LLC*, 865 F. Supp 2d. 1052, 1067 (C.D. Cal. 2012).

22 ⁷² *Cyberspace.com*, 453 F. 3d at 1201.

23 ⁷³ *Id.* at 1200 (solicitation can be deceptive by virtue of its net impression even if it
contains truthful disclosures), *cited in Stefanchik*, 559 F.3d at 928; *FTC v. Gill*, 71
F. Supp. 2d 1030, 1043 (C.D. Cal. 1999).

24 ⁷⁴ *Simeon Mgmt. Corp. v. FTC*, 579 F.2d 1137, 1146 (9th Cir. 1978) (quoting
Resort CarRental Sys., Inc. v. FTC, 518 F.2d 962, 964 (9th Cir. 1975)).

25 ⁷⁵ *FTC v. Five-Star Auto Club*, 97 F. Supp. 2d 502, 528 (S.D.N.Y. 2000) (“At the
26 very least it would have been reasonable for consumers to have assumed that the
27 promised rewards were achieved by the typical Five Star participant.”).
28

1 veracity to be deemed reasonable.⁷⁶

2 Here, Defendants violate Section 5(a) by making false or unsubstantiated
3 claims to induce consumers to purchase student loan debt relief services and
4 mortgage assistance relief services. Defendants make at least four
5 misrepresentations that violate Section 5 of the FTC Act: (1) in connection with
6 their student loan debt relief services, Defendants are part of or affiliated with the
7 government, government loan programs, or the Department of Education; (2)
8 consumers who purchase Defendants' student loan debt relief services generally
9 will have their monthly payments reduced or their loan balances forgiven in whole
10 or in part; (3) in connection with their mortgage assistance relief services,
11 Defendants are part of or affiliated with the government, or government programs;
12 and (4) Defendants will generally obtain a loan modification for consumers that
13 would make their payments substantially more affordable or help them avoid
14 foreclosure.

15 Each of these representations violates the FTC Act because it is material,
16 and likely to mislead consumers who were acting reasonably under the
17 circumstances. The first and third representations above, concerning government
18 affiliation, are clearly material because they pertain to the identity and nature of the
19 entity offering the services, and they attempt to confer legitimacy on what are, in
20 reality, scams. And these express representations are material as a matter of law.
21 *Pantron I Corp.*, 33 F.3d at 1095-96; *FTC v. Thompson Medical Co.*, 104 F.T.C.
22 648, 816 (1984), *aff'd*, 791 F.2d 189 (D.C. Cir. 1986). They were likely to and
23 did, in fact, mislead reasonable consumers. Consumer victims of both the student
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26 ⁷⁶ *Pantron I Corp.*, 33 F.3d at 1095-96; *FTC v. Thompson Medical Co.*, 104 F.T.C.
27 648, 816 (1984), *aff'd*, 791 F.2d 189 (D.C. Cir. 1986).
28

1 loan and the MARS schemes describe believing Defendants were from the
2 Department of Education or affiliated with a government or public assistance
3 program.⁷⁷

4 Defendants' representation that consumers who purchase their student loan
5 debt relief services generally will have their monthly payments reduced or their
6 loan balances forgiven in whole or in part also violates Section 5 of the FTC Act.
7 These material claims are express representations that go to the heart of the
8 services promised by Defendants. As described above, Defendants' promises to
9 obtain payment reductions and forgiveness were false or unsubstantiated. They
10 sometimes offered benefits that are not even available to consumers, and they
11 failed to provide the promised debt relief to many other consumers.⁷⁸

12 Similarly, Defendants' representation that they would generally obtain a
13 loan modification for consumers that would make their payments substantially
14 more affordable or help them avoid foreclosure violates the FTC Act. In addition
15 to being an express claim that is presumptively material, this representation
16 directly conveys the purported results of enrolling in Defendants' mortgage
17 assistance program. As described above, Defendants' loan modification promises
18 were false or unsubstantiated,⁷⁹ and some consumers ended up losing their
19 homes.⁸⁰

20 Thus the FTC is likely to prevail in showing that each of the four
21 misrepresentations are false or were unsubstantiated at the time they were made

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24 ⁷⁷ *Supra*, at pp. 6-7, 11-12, §§ III.A.(1), III.B.(1).

25 ⁷⁸ *Supra*, at pp. 7-9, § III.A.(2).

26 ⁷⁹ *Supra*, at pp. 12-15 (§ III.B.(2)); PX 20, p. 313, ¶ 11 (Fitl).

27 ⁸⁰ PX 20, pp. 313-14, ¶¶ 12-13 (Fitl); PX 19, p. 262, ¶ 25 (Gainey); PX 14, p. 177,
28 ¶ 19 (Desjardins).

1 because Defendants are not affiliated with the government, and they do not obtain
2 the promised relief for consumers or have a reasonable basis to promise the relief.⁸¹

3 **b. Defendants Violate the TSR and MARS Rules**

4 **i. Defendants Violate the TSR**

5 Defendants violate five provisions of the TSR, which prohibits abusive and
6 deceptive telemarketing acts or practices. 16 C.F.R Part 310. In particular, the
7 TSR prohibits: 1) collecting advance fees for debt relief services
8 (§ 310.4(a)(5)(i)); 2) misrepresenting affiliation with the government
9 (§ 310.3(a)(2)(vii)); and 3) making material misrepresentations about debt relief
10 services (§ 310.3(a)(2)(x)). The TSR also prohibits telemarketers from placing
11 calls to phone numbers on the National Do Not Call Registry
12 (§ 310.4(b)(1)(iii)(B)), and requires them to pay for Registry access to remove
13 listed numbers from their call lists (§ 310.8).

14 Here, as discussed above, Defendants collect three to five installments of fee
15 payments from consumers, totaling between \$900-\$1,500 in advance of providing
16 the promised debt relief services. *Supra*, at n. 36. They misrepresent their
17 affiliation with the government and government programs, for example, by
18 claiming to be the Department of Education in telemarketing calls and claiming to
19 be affiliated with the William D. Ford Federal Direct Loans Program in telephonic
20 and email correspondence.⁸² Defendants misrepresent that consumers who
21 purchase their student loan debt relief services generally will have their monthly
22 payments reduced or their loan balances forgiven in whole or in part. And
23 Defendants violate the Do Not Call provisions of the TSR by failing to pay for
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26 ⁸¹ *Supra*, at pp. 5-16 (§ III).

27 ⁸² *Supra*, at pp. 6-7 (§ III.A.(1)).

1 access to the National Do Not Call Registry, and calling numerous phone numbers
2 listed on the Registry.⁸³

3 **ii. Defendants Violate the MARS Rule**

4 Defendants’ mortgage assistance scheme violates multiple provisions of the
5 MARS Rule (Reg O). 12 C.F.R. Part 1015, formerly codified as 16 C.F.R. Part
6 322. Similar to the TSR, the MARS Rule prohibits: (1) asking for or collecting
7 fees in advance of obtaining the promised mortgage assistance for consumers (§
8 1015.5(a)); (2) the representation that a consumer cannot or should not contact or
9 communicate with his or her lender or servicer (§ 1015.3(a)); and (3) material
10 misrepresentations about the mortgage assistance relief services including the
11 likelihood of obtaining loan modifications for consumers and government or
12 homeowner assistance program affiliation (§ 1015.3(b)(1)-(4)).⁸⁴

13 The MARS Rule also requires disclosures in general commercial
14 communications as well as in consumer-specific commercial communications.
15 General communications must include that “[Name of Company] is not associated
16 with the government, and our service is not approved by the government or your
17 _____

18
19 ⁸³ *Supra*, at p. 16 (§ III.C.).

20 ⁸⁴ The MARS Rule includes an exemption for attorneys under certain, narrow
21 circumstances. 12 C.F.R. §1015.7. However, the exemption does not apply to any
22 Defendant in this action. The individual defendant is not an attorney, and the
23 corporate defendants cannot avail themselves of the exemption because, under the
24 plain language of the Rule, only individual attorneys can be exempted. 12 C.F.R.
25 §1015.7(a) (“An attorney is exempt from this part . . . if the attorney . . .”); *see also*
26 *FTC v. Kutzner*, 8:16-cv-00999-BRO-AFM, at 14 (C.D. Cal. Sept. 5, 2017)
27 (quoting *FTC v. A to Z Mktg., Inc.*, No. 13-00919-DOC (RNBx), 2014 WL
28 12479617, at *4 (C.D. Cal. Sept. 17, 2014)) (finding law firm defendants and non-
attorney defendant associated with the mortgage assistance law firms are liable for
violations under the MARS Rule),.

1 lender,” and “Even if you accept this offer and use our service, your lender may
 2 not agree to change your loan.” § 1015.4(a)(1)-(2). Consumer specific commercial
 3 communications must disclose: “You may stop doing business with us at any time.
 4 You may accept or reject the offer of mortgage assistance we obtain from your
 5 lender [or servicer]. If you reject the offer, you do not have to pay us. If you
 6 accept the offer, you will have to pay us [insert amount or method for calculating
 7 the amount] for our services,” “[Name of company] is not associated with the
 8 government, and our service is not approved by the government or your lender,”
 9 “Even if you accept this offer and use our service, your lender may not agree to
 10 change your loan,” and “If you stop paying your mortgage, you could lose your
 11 home and damage your credit.” § 1015.4(b)(1)-(3) and (c).

12 Defendants repeatedly violate multiple provisions of the MARS Rule. They
 13 collect up to \$4,500 in fees prior to obtaining the promised loan modifications.⁸⁵
 14 They tell consumers not to contact their lenders during the modification process.⁸⁶
 15 Defendants misrepresent the likelihood of obtaining loan modifications for
 16 consumers and their affiliation with the government and governmental programs
 17 such as Keep Your Home California.⁸⁷ And Defendants fail to make required
 18 disclosures -- several of which address the unscrupulous practices at hand.

19
 20 **c. Defendant Ardalan Is Liable for Both Injunctive**
 21 **and Monetary Relief.**
 22
 23
 24

25 ⁸⁵ *Supra*, pp. 15-16, § III.B.(3).

26 ⁸⁶ *Supra*, p. 14, n. 51.

27 ⁸⁷ *Supra*, pp. 11-12, § III.B.(1).

1 An individual defendant may be held liable not only for his or her own
2 unlawful conduct but may also be subject to injunctive and monetary relief for
3 violations the corporations have committed. To establish individual liability for
4 injunctive relief based on corporate violations of Section 5 of the FTC Act, the
5 FTC must show that the individual participated directly in the violative acts or
6 practices or had authority to control them.⁸⁸ In general, an individual's status as an
7 officer, or as someone with the authority to sign documents on the corporation's
8 behalf, gives rise to a presumption of authority to control a small closely held
9 corporation.⁸⁹ Assuming the duties of a corporate officer is probative of an
10 individual's participation or authority.⁹⁰

11 Ardalan is liable for injunctive relief based on his participation in the debt
12 relief and mortgage assistance schemes. He is an officer of two of the corporate
13 defendants (A1 and Stream Lined), and a bank signatory on accounts for all three
14 of the corporate defendants (A1, Stream Lined, and Bloom Law Group).⁹¹ Ardalan
15 signed documents establishing the merchant account used to process consumers'
16 payments.⁹² Ardalan pays for the internet-related services and telecommunications
17 services used by Defendants to market mortgage assistance and debt relief
18 services.⁹³

21
22 ⁸⁸ *FTC v. Network Servs. Depot, Inc.*, 617 F.3d 1127, 1138 n. 9 (9th Cir. 2010)
(quoting *FTC v. Publ'g Clearing House, Inc.*, 104 F.3d 924, 1170 (9th Cir. 1997))
23 (no mental state requirement for individual liability for injunctive relief).

24 ⁸⁹ *Publ'g Clearing House*, 104 F.3d at 1170-71.

25 ⁹⁰ *FTC v. Amy Travel Servs., Inc.*, 875 F.2d 564, 573 (7th Cir. 1989).

26 ⁹¹ *Supra*, pp. 3-4, n. 10, 12.

27 ⁹² *Supra*, p. 4, n. 13.

28 ⁹³ *Supra*, p. 4, n. 11, 13.

1 An individual subject to injunctive liability is further liable for monetary
 2 redress for corporate practices if the individual had, or should have had, knowledge
 3 or awareness of the corporate defendant's misrepresentations.⁹⁴ This knowledge
 4 element, however, need not rise to the level of subjective intent to defraud
 5 consumers.⁹⁵ Instead, the FTC need only demonstrate that the individual had
 6 actual knowledge of material misrepresentations, reckless indifference to the truth
 7 or falsity of such representations, or an awareness of a high probability of fraud,
 8 coupled with an intentional avoidance of the truth.⁹⁶ An individual's "degree of
 9 participation in business affairs is probative of knowledge."⁹⁷

10 Ardalan is liable for monetary relief, in addition to the injunctive relief
 11 discussed above, based on his actual or constructive knowledge of the wrongdoing.
 12 It is flatly implausible that he could not know about the unlawful conduct at issue.
 13 Not only did Ardalan control the very websites and telephone lines through which
 14 the scams occurred, but he was the contact for the scam's bank and merchant
 15 processing accounts. Defendants' ACH returns alone, which far exceeded industry
 16 norms, should have provided Ardalan knowledge of the corporate defendants'

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 19 ⁹⁴ *Network Servs. Depot*, 617 F.3d at 1138-39 (9th Cir. 2010); *FTC v. Stefanich*,
 20 559 F.3d at 931.

21 ⁹⁵ *FTC v. Affordable Media*, 179 F.3d at 1234; *Amy Travel Servs.*, 875 F.2d at 574.

22 ⁹⁶ *Network Servs. Depot*, 617 F.3d at 1138-39; *Stefanich*, 559 F.3d at 931; *FTC v.*
 23 *Cyberspace.com, LLC*, 453 F.3d at 1202.

24 ⁹⁷ *Affordable Media*, 179 F.3d at 1235 (quoting *Amy Travel*, 875 F.2d at 574)
 25 (control of telemarketing company was "strong evidence of . . . knowledge"). *See,*
 26 *e.g., Network Servs. Depot*, 617 F.3d at 1138-40 (distribution of deceptive
 27 promotional materials was evidence of knowledge); *Publ'g Clearing House*, 104
 28 F.3d at 1171 (company president's work as telephone solicitor was evidence of her
 knowledge).

1 wrongdoing.⁹⁸ Thus, Ardalan had at least constructive, if not actual, knowledge of
 2 the unlawful conduct alleged in the complaint, and the FTC is likely to succeed in
 3 establishing his individual monetary liability.

4 **2. The Equities Weigh in Favor of Granting Injunctive Relief**

5 The public interest in halting Defendants' unlawful conduct outweighs any
 6 interest Defendants may have in continuing to unlawfully market their services. In
 7 balancing the equities between the public and private interest, "public equities
 8 receive far greater weight."⁹⁹ Because Defendants "can have no vested interest in
 9 business activity found to be illegal,"¹⁰⁰ a balance of equities tips definitively
 10 toward granting the requested relief.¹⁰¹

11 The evidence demonstrates that the public equities, protection of consumers
 12 from Defendants' unlawful student debt relief and MARS practices, effective
 13 enforcement of the law, and the preservation of assets weigh in favor of granting
 14 the requested injunctive relief. Granting such relief is also necessary because
 15 Defendants' conduct indicates that they will likely continue to deceive the
 16
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19 ⁹⁸ PX 22, pp. 371-72, ¶¶ 131, 133 (A1 DocPrep's ACH returns for six months
 20 averaged 30.7%, which is significantly higher than the 1.31% overall industry
 21 rate).

22 ⁹⁹ *FTC v. Warner Commc'ns., Inc.*, 179 F.2d 1156, 1165 (9th Cir. 1984). *See also*
 23 *Affordable Media*, 179 F.3d at 1236 (quoting *FTC v. World Wide Factors, Ltd.*,
 882 F.2d 344, 347 (9th Cir. 1989)).

24 ¹⁰⁰ *United States v. Diapulse Corp. of Am.*, 457 F.2d 25, 29 (2d Cir. 1972).

25 ¹⁰¹ *CFTC v. British Am. Commodity Options Corp.*, 560 F.2d 135, 143 (2d Cir.
 26 1977) ("A court of equity is under no duty 'to protect illegitimate profits or
 27 advance business which is conducted illegally.'") (citing *FTC v. Thomsen-King &*
 28 *Co.*, 109 F.2d 516, 519 (7th Cir. 1940)).

1 public.¹⁰² In contrast, “there is no oppressive hardship to defendants in requiring
 2 them to comply with the FTC Act, refrain from fraudulent representation or
 3 preserve their assets from dissipation or concealment.”¹⁰³ Because the injunction
 4 will preclude only harmful, illegal behavior, the public equities supporting the
 5 proposed injunctive relief outweigh any burden imposed by such relief on
 6 Defendants and the public interest is served by stopping the illegal behavior.¹⁰⁴

7
 8 **C. The Scope of the Proposed *Ex Parte* TRO Is Necessary and
 Appropriate**

9 As the evidence shows, the FTC is likely to succeed in proving that
 10 Defendants have been engaging in deceptive and unfair practices in violation of the
 11 FTC Act, the TSR, and the MARS Rule, and that the balance of the equities
 12 strongly favors the public. Preliminary injunctive relief is thus justified and the
 13 Court should grant a TRO that includes conduct relief, asset preservation, a
 14 temporary receiver, and immediate access to the business locations. Courts in this
 15 district and throughout the 9th Circuit have routinely granted this relief in similar
 16 cases.¹⁰⁵

17 **1. Conduct Relief**

18 To prevent ongoing consumer injury, the proposed TRO prohibits
 19 Defendants from: making deceptive debt relief or mortgage assistance relief
 20 representations (Paragraph I), collecting unlawful advance fees (Paragraph II),
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 23 ¹⁰² *FTC v. Five-Star Auto Club*, 97 F. Supp. 2d 502, 536 (S.D.N.Y. 2000) (“[P]ast
 24 illegal conduct is highly suggestive of the likelihood of future violations”).

25 ¹⁰³ *World Wide Factors*, 882 F.2d at 347.

26 ¹⁰⁴ *See, e.g., Nat’l Soc’y of Prof’l Eng’rs. v. United States*, 435 U.S. 679, 697
 (1978).

27 ¹⁰⁵ *Infra*, p. 35, n. 123.

1 failing to make the disclosures required by the MARS Rule (Paragraph III); and
 2 failing to register and placing calls to telephone numbers on the National Do Not
 3 Call Registry (Paragraph IV). These measures simply require Defendants to
 4 comply with the law and are squarely within the Court's broad equitable authority
 5 under Section 13(b) of the FTC Act to grant ancillary relief necessary to
 6 accomplish complete justice. *H.N. Singer, Inc.*, 668 F.2d at 1113.

7
 8 **2. Asset Preservation Is Necessary to Preserve the Possibility
 of Final Relief**

9 An asset freeze is appropriate once the Court determines that the FTC is
 10 likely to prevail on the merits and restitution would be an appropriate final
 11 remedy.¹⁰⁶ A request for *ex parte* asset relief is justified, for example, by a
 12 showing that it is likely that the defendants will dissipate assets in the absence of
 13 such relief.¹⁰⁷ "A party seeking an asset freeze must show a likelihood of
 14 dissipation of the claimed assets, or other inability to recover monetary damages, if
 15 relief is not granted."¹⁰⁸ Courts have found a strong likelihood that a defendant's
 16 assets will be dissipated during the pendency of a case where the business is
 17 permeated by fraud.¹⁰⁹ As the Ninth Circuit has observed in upholding an asset
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 20 ¹⁰⁶ *FTC v. World Travel Vacation Brokers, Inc.*, 861 F.2d 1020, 1031 (7th Cir.
 21 1988); *FTC v. Southwest Sunsites, Inc.*, 665 F.2d 711, 717-19 (5th Cir. 1982); *see*
 22 *also FTC v. IAB Mktg. Assocs., LP*, 972 F. Supp. 2d 1307, 1313-15 (S.D. Fla.
 23 2013); *SEC v. ETS Payphones, Inc.*, 408 F.3d 727, 734 (11th Cir. 2005) ("[T]he
 24 asset freeze is justified as a means of preserving funds for the equitable remedy of
 disgorgement.").

25 ¹⁰⁷ *See Affordable Media*, 179 F.3d at 1236-37.

26 ¹⁰⁸ *Johnson v. Couturier*, 572 F.3d 1067, 1085 (9th Cir. 2009).

27 ¹⁰⁹ *Int'l Controls Corp. v. Vesco*, 490 F.2d 1334, 1347 (2d Cir. 1974); *SEC v.*
 28 *Manor Nursing Ctr., Inc.*, 458 F.2d 1082, 1106 (2d Cir. 1972); *see also FTC v.*

1 freeze, an individual who has “impermissibly awarded himself” funds that are not
2 rightfully his, “is presumably more than capable of placing assets in his personal
3 possession beyond the reach of a judgment.”¹¹⁰

4 Here, an asset freeze (Paragraph VI) is necessary to preserve the status quo,
5 ensure that funds do not disappear during the course of this action, and preserve
6 Defendants’ assets for final relief. Both Defendants’ student loan and mortgage
7 assistance schemes are wholly premised on collecting illegal advance fees from
8 consumers for services they fail to deliver. Although the FTC would need
9 discovery to determine the total gross revenues from Defendants’ unlawful
10 activities, an analysis of Defendants’ bank records for the period of April 2016
11 through June 2017 suggests Defendants collected approximately \$2,596,944 from
12 consumers for their student loan debt relief scheme and \$3,416,749 for their
13 mortgage assistance scheme, totaling approximately \$6,013,693.¹¹¹ From those
14 funds, in eighteen months, Defendants transferred \$3,420,014 from the A1 and
15 Bloom Law Group bank accounts to a Stream Lined bank account controlled by
16 Ardalan.¹¹²

17 Without an asset freeze, the dissipation and misuse of assets is likely.
18 Ardalan has already spent substantial revenues scammed from cash-strapped
19 consumers to fund his luxury lifestyle of Cartier jewelry, sports cars, and visits to
20

21
22 *H.N. Singer, Inc.* 668 F.2d at 1113; *FTC v. Willms*, Case No. C11-828 MJP, 2011
23 WL 4103542, at *11 (W.D. Wash. Sept. 13, 2011); *FTC v. Int’l Computer*
24 *Concepts, Inc.*, No. 5:94CV1678, 1994 WL 730144, at *16-17 (N.D. Ohio Oct. 24,
25 1994).

26 ¹¹⁰ *Johnson*, 572 F.3d at 1085.

27 ¹¹¹ PX 22, pp. 367-68, ¶¶ 111, 116.

28 ¹¹² PX 22, p. 370, Table 4.

1 gentlemen's clubs. Out of one A1 bank account, Defendants withdrew \$131,109 in
 2 cash, and also made payments of \$21,521 to Cartier Jewelers in Las Vegas, \$4,102
 3 to Ghost Mortorsports, and \$3,177 for various restaurants and gentlemen's
 4 clubs.¹¹³ Ardalan also appears to use a Stream Lined account as his personal slush
 5 fund – with transfers of \$853,005 to his American Express account and transfers of
 6 \$286,830 to various accounts he holds at Scottrade, Logix Federal Credit Union,
 7 and Ally Bank.¹¹⁴ Approximately \$230,000 from the Stream Lined account was
 8 also spent on a variety of nightclubs, gentlemen's clubs, Cartier Jewelers, auto
 9 payments, auto accessories, traffic court fines, and traffic ticket defense.¹¹⁵

10 Absent a court order, Ardalan is likely to continue to use and spend
 11 corporate funds obtained from consumers for his personal expenses. An individual
 12 Defendant has no right to dissipate or conceal funds that the Court may later
 13 determine were wrongfully gained. Freezing individual assets is warranted where
 14 the individual defendant controls the business that perpetrated the unfair and
 15 deceptive acts alleged.¹¹⁶ A freeze is particularly appropriate where, as is the case
 16 here, giving notice could result in an inability to provide any relief at all.¹¹⁷

17 **3. A Receiver Is Necessary to Halt the Injury and Locate and** 18 **Preserve Business Assets and Records**

19 The FTC seeks appointment of a temporary receiver over the three corporate
 20 Defendants (Paragraph XIV). This Court has inherent power to appoint a receiver
 21

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 23
 24 ¹¹³ PX 22, p. 368, ¶ 114.

25 ¹¹⁴ PX 22, p. 370, ¶¶ 122-23.

26 ¹¹⁵ PX 22, p. 370, ¶ 124.

27 ¹¹⁶ *World Travel*, 861 F.2d at 1031.

28 ¹¹⁷ *In re Vuitton et Fils S.A.*, 606 F.2d 1, 4-5 (2nd Cir. 1979).

1 incident to its statutory authority to issue permanent injunctions under Section
2 13(b) of the FTC Act.¹¹⁸ A receiver is necessary when a corporate defendant has
3 defrauded the public.¹¹⁹

4 With Defendants in control of their business, they are likely to destroy
5 evidence and dissipate the fruits of their fraud. A neutral receiver would prevent
6 further harm to consumers and would locate and secure assets and records without
7 disrupting any legitimate business activity. A receiver would also help assess the
8 extent of the fraud, trace its proceeds, prepare an accounting, and make an
9 independent report of Defendants' activities to the Court.

10 **4. Immediate Access and Limited Expedited Discovery Are**
11 **Appropriate**

12 The proposed TRO directs Defendants to provide both the temporary
13 receiver and the FTC with immediate access to the corporate Defendants' business
14 premises (Paragraph XV(P)). This will enable the receiver and the FTC to quickly
15 and efficiently locate assets Defendants have wrongfully taken from consumers,
16 identify possible additional defendants, and locate and secure documents
17 pertaining to Defendants' business. The business premises to which the receiver
18 and the FTC would have immediate access include offices located at 16200
19 Ventura Boulevard, Encino, California and 3699 Wilshire Boulevard, Suite 601,
20 Los Angeles, California, as well as additional business locations if they are
21

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23 ¹¹⁸ *U.S. Oil & Gas*, 748 F.2d at 1432. *See, e.g., FTC v. Advanced Mgmt. Servs.*
24 *NW, LLC*, CV-10-148-LR (E.D. Wash. May 10, 2010).

25 ¹¹⁹ *SEC v. First Fin. Grp. of Texas*, 645 F.2d 429, 438 (5th Cir. 1981) (it was
26 "hardly conceivable that the trial court should have permitted those who were
27 enjoined from fraudulent misconduct to continue in control of [the corporate
28 defendant]").

1 discovered during the immediate access.¹²⁰ In addition, the FTC seeks permission
2 to conduct limited expedited discovery to locate and identify documents and assets
3 (Paragraph XXV). District courts may depart from normal discovery procedures to
4 meet discovery needs in particular cases,¹²¹ especially as preliminary relief in a
5 case involving the public interest.¹²²

6 **D. The TRO Should Be Issued Without Notice to Defendants to**
7 **Preserve the Court’s Ability to Fashion Meaningful Relief**

8 The substantial risk of asset dissipation and document destruction in this
9 case, coupled with Defendants’ ongoing and deliberate statutory violations,
10 justifies non-noticed relief. Federal Rule of Civil Procedure 65(b) permits this
11 Court to grant a TRO without notice if it appears notice will result in “irreparable
12 injury, loss, or damage” and the applicant certifies the reason why. *See also* L.R.
13 7-19.2. Issuing the *ex parte* TRO without notice in this case is indispensable to
14 preserving the status quo, including securing assets needed to provide full and
15 effective relief, pending a hearing on the preliminary injunction.

16 As discussed above, Defendants’ business operations are permeated by, and
17 reliant upon, unlawful practices. The FTC’s experience shows that defendants
18 engaged in fraudulent schemes similar to Defendants’ often withdraw funds from
19 bank accounts and move or shred documents upon learning of impending legal
20 action. *See* Rule 65 Declaration of K. Michelle Grajales, pp. 5-11, ¶¶ 10(a)-(x)
21 (citing numerous instances where FTC defendants have dissipated assets or
22

23
24 ¹²⁰ PX 22, p. 342 ¶ 24; PX 22, p. 368 ¶ 115.

25 ¹²¹ *See* Fed. R. Civ. P. 26(d), 30(a)(2), 33(a), and 34(b).

26 ¹²² Equitable powers are broader if the public interest is involved. *Porter v.*
27 *Warner Holding Co.*, 328 U.S. 395, 398 (1946).
28

1 destroyed evidence when given notice of the FTC action). Defendants’ conduct –
2 including moving large sums from corporate accounts to the Individual
3 Defendant’s accounts – and the nature of Defendants’ illegal scheme provide
4 ample evidence that it is highly likely that Defendants would conceal or dissipate
5 assets absent non-noticed relief. District courts, including courts in this district,
6 therefore have regularly granted the FTC relief without notice to Defendants in
7 similar cases.¹²³ Non-noticed TROs are granted to serve the “underlying purpose
8 of preserving the status quo and preventing irreparable harm just so long as is
9 necessary to hold a hearing, and no longer.”¹²⁴

10 V. CONCLUSION

11 Defendants have caused and likely will continue to cause substantial public
12 injury through their unlawful student loan debt relief and mortgage assistance relief
13 schemes. The FTC respectfully requests the proposed *ex parte* TRO be issued
14 without notice to Defendants to protect the public from further harm and help
15 ensure effective relief for those already harmed.

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20 ¹²³ See, e.g., *Affordable Media*, 179 F.3d at 1232 & n. 2; *FTC v. BAM Fin., LLC*,
21 SACV15-01672 (C.D. Cal. Oct. 21, 2015); *FTC v. Wealth Educators, LLC*,
22 SACV15-2357 (C.D. Cal. Apr. 6, 2015); *FTC v. Forensic Case Mgmt. Servs., Inc.*,
23 No. 2:11-cv-07484-RGK-SS (C.D. Cal. Sept. 13, 2011); *FTC v. Am. Mortg.*
24 *Consulting Grp., LLC*, No. SACV12-01561 DOC (JPRx), 2012 WL 4718927 (C.D.
25 Cal. Oct. 1, 2012); *FTC v. Health Care One LLC*, No. SACV 10-1161 JVS
26 (RNBx) (C.D. Cal. Aug. 3, 2010); *FTC v. Lucas Law Ctr., Inc.*, No. SACV 09-
27 0770 DCO (ANx) (C.D. Cal. July 9, 2009); *FTC v. EDebitpay, LLC*, 07-cv-4880-
28 QDW (AJWx) (C.D. Cal. July 30, 2007).

¹²⁴ *Reno Air Racing Ass’n, Inc. v. McCord*, 452 F.3d 1126, 1131 (9th Cir. 2006)
(quoting *Granny Goose Foods, Inc. v. Teamsters*, 415 U.S. 423, 438-39 (1974)).

1 Respectfully submitted,

2

3 Dated: September 25, 2017

4

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FEDERAL TRADE COMMISSION

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