

1 ALDEN F. ABBOTT  
2 General Counsel

3 RHONDA P. PERKINS  
4 VA Bar No. 75300, rperkins@ftc.gov  
5 AMANDA R. GRIER  
6 VA Bar No. 78531, agrier@ftc.gov  
7 FEDERAL TRADE COMMISSION  
8 600 Pennsylvania Ave., NW, CC-8528  
9 Washington, DC 20580  
10 Tel: 202-326-3222 (Perkins), 202-326-3745 (Grier)  
11 Fax: 202-326-3395

12 STACY R. PROCTER (Local Counsel)  
13 CA Bar No. 221078, sprocter@ftc.gov  
14 FEDERAL TRADE COMMISSION  
15 10990 Wilshire Blvd., Suite 400  
16 Los Angeles, CA 90024  
17 Tel: 310-824-4343, Fax: 310-824-4380

18 Attorneys for Plaintiff  
19 FEDERAL TRADE COMMISSION

20 UNITED STATES DISTRICT COURT  
21 CENTRAL DISTRICT OF CALIFORNIA

22 FEDERAL TRADE COMMISSION,  
23 Plaintiff,

24 v.

25 APARTMENT HUNTERS, INC., a  
26 corporation, also d/b/a  
27 WeTakeSection8.com,  
28 ApartmentHunterz.com, and  
29 FeaturedRentals.com,  
30 REAL ESTATE DATA SOLUTIONS,  
31 INC., a corporation,  
32 RENTAL HOME LISTINGS INC., a  
33 corporation,  
34 UAB APARTMENT HUNTERS LT, a  
35 limited liability company,

No. 8:18-CV-1636

COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF

1 STEVEN SHAYAN, individually and  
2 as an officer of Apartment Hunters,  
3 Inc., Real Estate Data Solutions, Inc.,  
4 Rental Home Listings Inc., and UAB  
5 Apartment Hunters LT, and  
6 KEVIN SHAYAN, a/k/a Kaveh Shayan,  
7 individually and as a manager or *de*  
8 *facto* officer of Apartment Hunters,  
9 Inc., Real Estate Data Solutions, Inc.,  
10 Rental Home Listings Inc., and UAB  
11 Apartment Hunters LT,  
12 Defendants.

13 Plaintiff, the Federal Trade Commission (the “FTC” or “Commission”) for  
14 its Complaint alleges as follows:

15 1. The FTC brings this action under Section 13(b) of the Federal Trade  
16 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary,  
17 preliminary, and permanent injunctive relief, rescission or reformation of contracts,  
18 restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other  
19 equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the  
20 FTC Act, 15 U.S.C. § 45(a), in connection with the sale of access to listings of  
21 purportedly available rental units.

### 22 **SUMMARY OF THE CASE**

23 2. Defendants operate several prepaid rental listing websites, including  
24 WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com. The  
25 first website specifically targets individuals seeking Section 8 housing; the other  
26 websites purport to offer general-access rental units. Defendants charge consumers  
27 a fee to access contact information for property managers of rental units listed on  
28 their websites. Defendants represent to consumers that the listings on their  
websites are accurate, up-to-date, and available, that consumers are likely to find  
suitable housing within a short time, and that consumers cannot find these listings  
on free websites. These representations are misleading, false, or unsubstantiated.

1 For example, the majority of the listings on WeTakeSection8.com are not available  
2 for rent, and most of those units that are available for rent do not accept Section 8  
3 payments. Consumers lose money and valuable time because of Defendants’  
4 deceptive marketing.

5 **JURISDICTION AND VENUE**

6 3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,  
7 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

8 4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2),  
9 (c)(1), (c)(2), and (d), and 15 U.S.C. § 53(b).

10 **PLAINTIFF**

11 5. The FTC is an independent agency of the United States Government  
12 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC  
13 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or  
14 affecting commerce.

15 6. FTC is authorized to initiate federal district court proceedings, by its own  
16 attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as  
17 may be appropriate in each case, including rescission or reformation of contracts,  
18 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies.  
19 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

20 **DEFENDANTS**

21 7. Defendant Apartment Hunters, Inc., (“Apartment Hunters”), also doing  
22 business as WeTakeSection8.com, ApartmentHunterz.com, and  
23 FeaturedRentals.com, is a California corporation with its principal place of  
24 business at 13 Stern St., Laguna Niguel, CA 92677. Apartment Hunters transacts  
25 or has transacted business in this district and throughout the United States. At all  
26 times material to this Complaint, acting alone or in concert with others, Apartment  
27 Hunters has advertised, marketed, distributed, or sold access to rental listings to  
28 consumers throughout the United States.

1           8. Defendant Real Estate Data Solutions, Inc. is a California corporation  
2 with its principal place of business at 13 Stern St., Laguna Niguel, CA 92677.  
3 Real Estate Data Solutions, Inc. opens merchant accounts for Apartment Hunters.  
4 Real Estate Data Solutions, Inc. transacts or has transacted business in this district  
5 and throughout the United States.

6           9. Defendant Rental Home Listings Inc. is a California corporation with its  
7 principal place of business at 13 Stern St., Laguna Niguel, CA 92677. Rental  
8 Home Listings Inc. opens merchant accounts for Apartment Hunters. Rental Home  
9 Listings, Inc. transacts or has transacted business in this district and throughout the  
10 United States.

11           10. Defendant UAB Apartment Hunters LT is a foreign limited liability  
12 company with its principal place of business at Savanoriu pr. 363, 49425, Kaunas,  
13 Lithuania. At all times material to this Complaint, acting alone or in concert with  
14 others, UAB Apartment Hunters LT purposefully directed its activities to the  
15 United States by: (1) designing and creating the content, computer code, and  
16 search algorithms for Apartment Hunters' interactive websites targeted solely to  
17 the U.S. rental market; (2) responding to inquiries from U.S. consumers relating to  
18 Apartment Hunters' websites by telephone, email, and through online chat offered  
19 on the websites; (3) updating and removing rental listings on Apartment Hunters'  
20 websites; and (4) carrying out the design, content-creation, and maintenance of  
21 Apartment Hunters' websites at the direction of the U.S.-based Defendants, who  
22 incorporated UAB Apartment Hunters LT in Lithuania to take advantage of  
23 cheaper operating expenses. UAB Apartment Hunters LT transacts or has  
24 transacted business in this district and throughout the United States.

25           11. Defendant Steven Shayan is the owner and chief executive officer of  
26 Apartment Hunters, Real Estate Data Solutions, Inc., Rental Home Listings Inc.,  
27 and UAB Apartment Hunters LT. At all times material to this Complaint, acting  
28 alone or in concert with others, he has formulated, directed, controlled, had the

1 authority to control, or participated in the acts and practices of Apartment Hunters,  
2 Real Estate Data Solutions, Inc., Rental Home Listings Inc., and UAB Apartment  
3 Hunters LT, including the acts and practices set forth in this Complaint. Defendant  
4 Steven Shayan resides in this district and, in connection with the matters alleged  
5 herein, transacts or has transacted business in this district and throughout the  
6 United States.

7 12. Defendant Kevin Shayan, also known as Kaveh Shayan, is a manager or  
8 *de facto* officer of Apartment Hunters, Real Estate Data Solutions, Inc., Rental  
9 Home Listings Inc., and UAB Apartment Hunters LT, the administrator of  
10 Apartment Hunters' websites, and Steven Shayan's brother. At all times material  
11 to this Complaint, acting alone or in concert with others, he has formulated,  
12 directed, controlled, had the authority to control, or participated in the acts and  
13 practices of Apartment Hunters, Real Estate Data Solutions, Inc., Rental Home  
14 Listings Inc., and UAB Apartment Hunters LT, including the acts and practices set  
15 forth in this Complaint. Defendant Kevin Shayan resides in this district and, in  
16 connection with the matters alleged herein, transacts or has transacted business in  
17 this district and throughout the United States.

#### 18 **COMMON ENTERPRISE**

19 13. Defendants Apartment Hunters, Real Estate Data Solutions, Inc., Rental  
20 Home Listings Inc., and UAB Apartment Hunters LT (collectively, "Corporate  
21 Defendants") have operated as a common enterprise while engaging in the  
22 deceptive acts and practices alleged below. Defendants have conducted the  
23 business practices described below through an interrelated network of companies  
24 that have common ownership, officers, managers, business functions, and that  
25 commingled funds. Because these Corporate Defendants have operated as a  
26 common enterprise, each of them is jointly and severally liable for the acts and  
27 practices alleged below. Defendants Steven Shayan and Kevin Shayan have  
28 formulated, directed, controlled, had the authority to control, or participated in the

1 acts and practices of the Corporate Defendants that constitute the common  
2 enterprise.

3 **COMMERCE**

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

7 **DEFENDANTS’ BUSINESS ACTIVITIES**

8 15. Defendants’ prepaid rental listing websites – including  
9 WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com –  
10 purportedly offer hundreds of thousands of available rental listings throughout the  
11 United States. The rental listings appear to be largely similar across Defendants’  
12 websites. Defendants have represented to consumers that the listings are accurate,  
13 up-to-date, and available, and that consumers are likely to find suitable housing  
14 within seven business days or less. Defendants have also represented that they  
15 have exclusive rights to list thousands of rental listings on their websites, and  
16 exclusive rights to list Section 8 rental listings, and that consumers cannot find  
17 these listings on free websites. These representations are false, misleading, or  
18 unsubstantiated because: (1) many of the rental listings on Defendants’ websites  
19 are inaccurate or unavailable for rent; (2) Defendants cannot show how quickly  
20 subscribers to Defendants’ rental-listing websites might obtain housing using  
21 Defendants’ listings; and (3) Defendants do not have exclusive rights to list  
22 thousands of rental listings on their websites, including Section 8 rental listings,  
23 that consumers cannot find on free websites.

24 16. As a California corporation that offers prepaid rental listing services  
25 (“PRLS”) to consumers, Apartment Hunters is required to have a license from the  
26 California Department of Real Estate, formerly known as the Bureau of Real Estate  
27 (“DRE”). Apartment Hunters received its PRLS license from the DRE in 2007.

28

1           17. In 2011, Apartment Hunters was the subject of a disciplinary action by  
2 the DRE in part because the company did not confirm the availability of listings in  
3 a timely manner as required by California real estate law. Following this action, in  
4 2012, the DRE issued a restricted PRLS license to Apartment Hunters, which was  
5 suspended in 2014 after the DRE charged the company with providing false,  
6 misleading, or deceptive advertisements to prospective tenants. In 2015, the DRE  
7 adopted an administrative law judge's ("ALJ") decision to revoke Apartment  
8 Hunters' PRLS license because Apartment Hunters willfully and deliberately  
9 violated California real estate law and a legal order from the Real Estate  
10 Commissioner by operating a PRLS business while its license was suspended. The  
11 ALJ also found that Apartment Hunters advertised properties in a false,  
12 misleading, or deceptive way. *See* Decision, Case No. H-39494 LA (July 1, 2015)  
13 (available at [www.dre.ca.gov](http://www.dre.ca.gov)).

14           18. The revocation of its license has not deterred Apartment Hunters, which  
15 has continued to operate a PRLS business in California without a license.

16           19. Apartment Hunters has engaged in the unlawful practices alleged in this  
17 Complaint since at least 2013.

#### 18                           **Defendants' WeTakeSection8.com Website**

19           20. The Section 8 Tenant-Based Assistance: Housing Choice Voucher  
20 Program ("Section 8"), 24 CFR Part 982, is a federal government program for  
21 assisting very low-income families, the elderly, and the disabled to afford decent,  
22 safe, and sanitary housing in the private market.

23           21. The U.S. Department of Housing and Urban Development ("HUD")  
24 provides funds to local housing authorities to administer the Section 8 voucher  
25 program. The demand for housing assistance often exceeds the limited resources  
26 available to HUD and local housing authorities. Many local housing authorities,  
27 particularly in metropolitan areas, have long waitlists such that families may wait  
28 several years before receiving a voucher. Once they receive a voucher, families

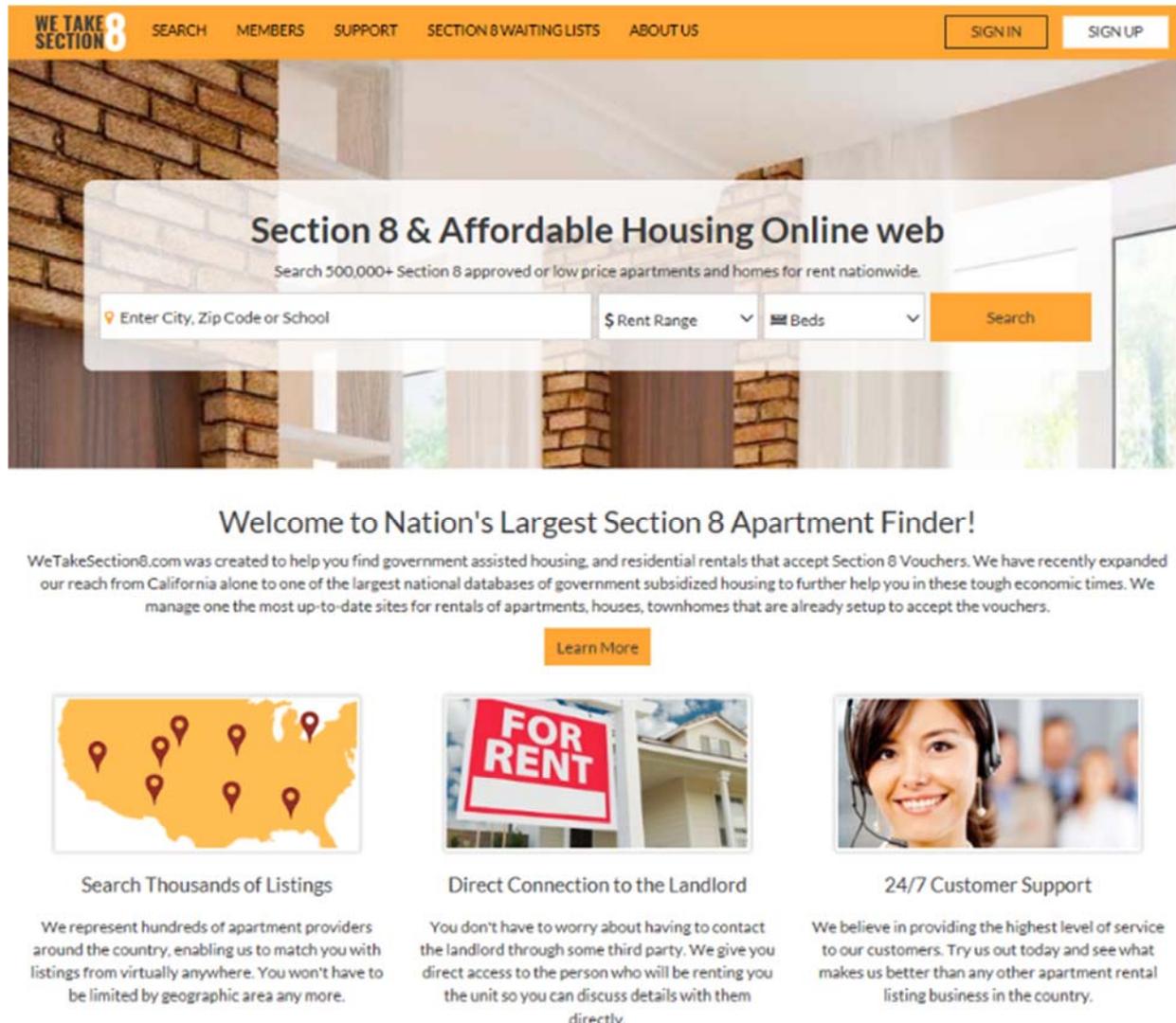
1 typically have 60 to 90 days to find housing, with the possibility of an extension of  
2 up to 120 days. A family that is unable to find housing within that time risks  
3 losing the voucher.

4 22. Defendants' website WeTakeSection8.com purports to list thousands of  
5 rental properties that accept Section 8 vouchers in full or partial payment of rent.  
6 Consumers who visit the website can see the listed properties, but cannot access  
7 the contact information of the property managers for the listings unless they pay a  
8 subscription fee. The fee and the length of the subscription vary. Typically,  
9 consumers have paid \$49 for two months of access to the property managers'  
10 contact information. Defendants have also charged consumers \$14.99 for a weekly  
11 subscription.

12 **Misrepresentations about the Availability and Accuracy of Listings**

13 23. To induce consumers to purchase subscriptions to  
14 WeTakeSection8.com, Defendants represent that the website has the most accurate  
15 and up-to-date listings of Section 8 housing on the Internet. As the following  
16 screenshot of the WeTakeSection8.com homepage shows, the website welcomes  
17 consumers to "the Nation's Largest Section 8 Apartment Finder" and claims to  
18 help consumers find government assisted housing and rentals that accept Section 8  
19 vouchers.

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24. The homepage of WeTakeSection8.com touts “one of the largest national databases of government subsidized housing” and “one the most [sic] up-to-date sites for rentals of apartments, houses, townhomes that are already setup to accept the vouchers.” It promises a “direct connection to the landlord” who is making the rental available and that consumers may search “500,000+ Section 8 approved or low price apartments and homes for rent nationwide.”

25. Defendants make numerous claims throughout WeTakeSection8.com about the availability and accuracy of the listings on the website. For example, on the “About Us” webpage, Defendants have claimed to be the leading rental search service for government-subsidized housing and to update listings on a daily basis,

1 as depicted below:

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The screenshot shows the website www.wetakesection8.com/info/company/about. The header is orange with the logo 'WE TAKE SECTION 8' and navigation links: SEARCH, MEMBERS, SUPPORT, ABOUT US, FEATURED RENTALS. There are 'SIGN IN' and 'SIGN UP' buttons. Below the header is a search bar with fields for 'City or Zip', 'Min. Price', 'Max. Price', and 'Beds', along with a 'More' button and a 'Search' button. The main content area has the heading 'Nation`s Leading Apartment Rental Search Service for Government Subsidized Housing'. The text below reads: 'At WeTakeSection8.com , we understand that moving is a difficult process, particularly if you have special needs and searching for Section 8 Approved Housing. So we make it as easy as possible.' It lists services: 'Our Comprehensive, Convenient Consulting Service', 'Our Track Record', and 'Why We Have the Most Complete and Accurate Listings'. The footer is dark grey with copyright information: '© 2001 - 2017 WeTakeSection8.com' and links for 'Terms of Use', 'Privacy Policy', and 'Fair Housing'.

16 26. In another version of the About Us webpage, Defendants have claimed  
17 to have “the most complete and accurate apartment search service for section 8 and  
18 government subsidized housing.” They represent that the advantage of using their  
19 website is “[w]e aggregate all government housing databases, our unique, date-  
20 sensitive, rental software updates the listings on a daily basis...

21 WeTakeSection8.com works hard to maintain one of the largest and most updated  
22 databases of voucher program rentals that are currently available in the U.S.”

23 27. Defendants represent that they validate the availability of rentals and  
24 landlord contact information. For example, in the “Support” section of the  
25 website, in response to a question about why there are not enough pictures of the  
26 properties, Defendants claim, “Since we only assist with the search process, we  
27 cannot be responsible for the information that the landlords post, except in that we  
28 validate phone number, email addresses and availability.”

1           28. In the Support section of WeTakeSection8.com, Defendants have  
2 represented that the website is superior to other websites that have “old listings that  
3 have long since been rented” because Defendants’ database is updated in real time  
4 and they “routinely call the landlords and update [the] listings to make sure that  
5 you won’t waste time calling on an apartment that has already been occupied.”

6           29. On the Search tab of WeTakeSection8.com, consumers are able to view  
7 the rental listings. The listings for properties that accept Section 8 vouchers  
8 indicate that “[e]very effort is taken to verify the availability of the home of your  
9 choice.” Each of those listings also advises that the consumer must call to check  
10 availability because “the listings rent fast.” Consumers must subscribe to  
11 WeTakeSection8.com to obtain the landlord’s or property manager’s contact  
12 information.

13           30. In the Support section of WeTakeSection8.com, in response to a  
14 question about whether someone may search specifically for Section 8 rentals,  
15 Defendants have claimed that if a consumer types “Section 8” in the search bar,  
16 “the results are available properties for immediate occupancy that accept [S]ection  
17 8 HUD program.”

18           31. In the Support section of the website, in response to the question, “Does  
19 your company provide me with anything that I couldn’t do myself,” Defendants  
20 have encouraged consumers to pay the subscription fee for WeTakeSection8.com  
21 instead of wasting their time on other websites. Defendants claim, “[T]here are  
22 also many free services available on the Internet and through free publication  
23 services, but those establishments do not list actual vacancies. We take steps to  
24 make sure that the information is accurate and up to date on current available  
25 rentals.” In addition, the sign-up page of WeTakeSection8.com has promised  
26 consumers “thousands of updated and verified listings including *exclusive listings*  
27 **not found on free websites.**” (Emphasis in original.)  
28

1           32. Defendants make similar claims on mobile apps that consumers may  
2 download in order to access and subscribe to the WeTakeSection8.com website.  
3 Defendants represent that they provide “current data on more than 500,000+  
4 Section 8 approved or low priced apartments, homes.” They claim to have  
5 “complete and accurate details and descriptions of current relevant vacant  
6 properties....” Defendants further represent that they have “designed the App of  
7 We Take Section 8, through exhaustive hours of programming, and then expanded  
8 it by adding the most extensive national database of America’s affordable rental  
9 housing, and Senior housing, and largest inventory of available open waiting lists  
10 in the nation. We have made sure our data are from valid property management  
11 companies that have active affordable rentals that are safe and decent for families  
12 of our clients.”

13           33. Defendants’ claims are false or unsubstantiated. While Defendants  
14 promise that the information on WeTakeSection8.com is up-to-date, most of the  
15 properties listed as available for rent on WeTakeSection8.com are unavailable and  
16 those that are available for rent generally do not accept Section 8 vouchers.

17           34. While Defendants promise that WeTakeSection8.com lists 500,000+  
18 Section 8 approved or low price properties available for rent, Defendants cannot  
19 verify that they have this many listings in their database.

20           35. Similarly, Defendants have claimed to have exclusive rights to list rental  
21 listings on WeTakeSection8.com. Defendants have claimed that consumers cannot  
22 find these listings on free websites. In truth and in fact, Defendants do not have an  
23 exclusive right to list properties on WeTakeSection8.com and do not know  
24 whether those listings are advertised on free websites.

25           36. While Defendants promise that the information on WeTakeSection8.com  
26 is accurate and that they will connect consumers directly to landlords, they do very  
27 little, if anything, to verify that the landlord’s information is accurate.

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1 **Misrepresentations about How Quickly Consumers Find Rental Housing**

2 37. Defendants have represented that consumers who subscribe to  
3 WeTakeSection8.com find housing within seven business days or less. On the  
4 About Us page, as depicted above in paragraph 25, Defendants claim, “Our Track  
5 Record” – “**Our clients find a place within 5-7 business days.**” (Emphasis in  
6 original.) The Support section of the website has stated that consumers would  
7 likely find a suitable listing within four days, as depicted below:

8 **How long will it take for me to find an**  
9 **apartment?**

10 The amount of time that it takes to locate an apartment, of course, depends on  
11 the availability of the market which changes throughout the course of the year,  
12 but almost every one of our clients meets with success within just four days of  
13 searching. We guarantee that within one week you will have located one (if not  
more) viable rental.

14 38. Defendants have made these additional claims in the Support section of  
15 WeTakeSection8.com about how quickly consumers find suitable housing:

- 16 a. “The minimum duration of the membership is 2 months, but most  
17 of our clients are able to find a rental within one week”; and  
18 b. “When you subscribe to our services you will receive complete  
19 access to our extensive database, which we guarantee will be  
20 enough time for you to find an apartment. In fact, most people  
21 find an apartment within a week!”

22 39. Defendants’ representations about how quickly consumers find suitable  
23 listings on WeTakeSection8.com are false or unsubstantiated. Indeed, Defendant  
24 Kevin Shayan knows and has admitted that these representations are inaccurate.

25 **Defendants’ ApartmentHunterz.com Website**

26 40. As with WeTakeSection8.com, Defendants claim that their other  
27 websites have accurate and up-to-date rental listings that will help consumers  
28 locate other kinds of rental housing quickly. On the homepage of

1 ApartmentHunterz.com, Defendants have represented that the website has rental  
2 listings for more than one million apartments, condominiums, and homes  
3 throughout the United States that are updated daily and even hourly. As depicted  
4 below, Defendants have represented that users are likely to find suitable housing  
5 within 3-5 days:



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13 41. On the About Us page, Defendants represent that  
14 ApartmentHunterz.com has “the most complete and accurate listings” because  
15 Defendants purportedly work closely with managers of the listed properties, and  
16 because Defendants’ “unique, date-sensitive, rental software updates the listings on  
17 a daily basis, so that the data you receive from us is the most accurate and up-to-  
18 date information available on the Web today.”

19 42. The fee and the length of the subscription to ApartmentHunterz.com  
20 vary. Typically, consumers have paid \$49 for 30 days’ access to the website.  
21 Defendants have also charged consumers \$14.99 for a weekly subscription.

22 43. Defendants encourage consumers to pay the subscription fee to access  
23 ApartmentHunterz.com rather than use a free rental service because their service is  
24 faster. On the About Us page, Defendants claim that their “Track Record” is that  
25 “[a]s a general rule, we **find your place within 3-5 days**. This is many times  
26 faster than you are likely to find a place through a self-serve rental agency.” In the  
27 Support section of the website, Defendants have represented that this “nominal”  
28 fee will actually “save time and money” because consumers will have access to

1 “verified vacant properties” that meet their criteria and the listings provide direct  
2 access to property managers.

3 44. Defendants reiterate these claims throughout ApartmentHunterz.com on  
4 the homepage, the About Us page, and in the Support section. Defendants “assure  
5 [consumers] complete satisfaction” by representing that they gather thousands of  
6 rentals from management companies directly and update listings on an hourly  
7 basis.

8 45. Defendants make similar claims on mobile apps that consumers may  
9 download in order to access and subscribe to the ApartmentHunterz.com website.  
10 Defendants claim to have five times more listings than other websites. They  
11 represent that “[t]hrough our relationships we gather listings on a daily basis from  
12 all rental websites and management companies and present them to you in one easy  
13 app.” Defendants represent that some of the key features of  
14 ApartmentHunterz.com are: (1) “[c]omplete and accurate details and descriptions  
15 of current relevant vacant properties...”; (2) “[n]ew listings posted and rented ones  
16 removed by our staff”; and (3) “[p]hone and email verification to remove rented  
17 listings and verify price changes as well as post new rentals hourly as they become  
18 available.”

19 46. Defendants’ representations that consumers who subscribe to the  
20 ApartmentHunterz.com website find rental housing within a few days and that the  
21 listings therein are accurate and up-to-date are false or unsubstantiated. Numerous  
22 consumers have complained to Defendants that many of the listings on  
23 ApartmentHunterz.com are not accurate and not available to rent.

24 **Defendants’ FeaturedRentals.com Website**

25 47. According to the homepage of FeaturedRentals.com, this “[o]ne site  
26 **does it all**” by providing access to “thousands of listings not on free rental  
27 websites.” The homepage of the website has touted over one million rental listings  
28 throughout the United States. In the Support section of FeaturedRentals.com,

1 Defendants have boasted that consumers with a good rental history will find rental  
2 housing within three days.

3 48. Similar to WeTakeSection8.com and ApartmentHunterz.com, on the  
4 About Us page of FeaturedRentals.com, Defendants claim to “update [the]  
5 databases constantly, so you are always guaranteed of the most up-to-date listings  
6 for the area.” Defendants further represent on the About Us page that consumers  
7 will save money by accessing listings from dozens of rental databases at a single  
8 site.

9 49. The fee and the length of the subscription vary. Typically, consumers  
10 have paid Defendants \$49 for 30 days access to FeaturedRentals.com.

11 50. Similar to ApartmentHunterz.com, in the Support section of  
12 FeaturedRentals.com, Defendants represent that they charge a “nominal fee to  
13 access the database and provide detailed verified vacant results... Save time and  
14 money by calling verified vacant results matching your criteria.” Defendants claim  
15 that they “verify the availability of the properties as opposed to free sites or yellow  
16 pages that just lists the community that might not have a vacancy.”

17 51. In the Support section of FeaturedRentals.com, Defendants emphasize  
18 the quality of the listings by claiming to gather thousands of listings directly from  
19 landlords and management companies and update the search engine on a daily and  
20 hourly basis. Defendants claim to operate “a reputable rental site” that provides  
21 “the most up-to-date information” on all of their listings.

22 52. Defendants make similar claims on mobile apps that consumers may  
23 download in order to access and subscribe to the FeaturedRentals.com website.  
24 Defendants claim that consumers will “[g]et instant access to over 700,000 Real-  
25 Time Updated listings” and receive “vacant listings not found on free rental  
26 websites.” They represent that “[t]hrough our relationships we gather listings on a  
27 daily basis from all rental websites and management companies and present them  
28 to you in one easy app.” Defendants make some of the same representations as on

1 the ApartmentHunterz.com mobile app, indicating that some of the key features of  
2 FeaturedRentals.com are complete and accurate details of current relevant vacant  
3 properties, that staff remove rented listings, and that staff post new rentals hourly  
4 as they become available.

5 53. Defendants' representations that consumers who subscribe to the  
6 FeaturedRentals.com website find rental housing within a few days and that the  
7 listings therein are accurate, verified, and up-to-date are false or unsubstantiated.  
8 Numerous consumers have complained to Defendants that many of the listings on  
9 FeaturedRentals.com are not accurate and not available to rent.

10 54. Defendants' claims that consumers cannot find the same rental listings  
11 on free websites are false or unsubstantiated. Defendants do not have an exclusive  
12 right to list properties on their websites and do not know whether those listings are  
13 advertised on free websites.

14 **Defendants Receive Many Complaints About Unavailable Listings on**  
15 **WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com**

16 55. Consumers and property managers have complained directly to  
17 Defendants that WeTakeSection8.com, ApartmentHunterz.com, and  
18 FeaturedRentals.com contain inaccurate or unavailable rental listings. In 2017  
19 alone, hundreds of consumers complained directly to Defendants that landlords'  
20 phone numbers were disconnected or incorrect, the price of the unit had changed,  
21 the property already had been rented for months or years earlier, the listing was  
22 available on other websites for free, and the property owner did not accept Section  
23 8 vouchers.

24 56. Consumers and property managers also have filed complaints with third  
25 parties, such as the Better Business Bureau, to report that properties listed as  
26 available for rent on WeTakeSection8.com, ApartmentHunterz.com, and  
27 FeaturedRentals.com are not available and that these websites are scams. These  
28 third parties have forwarded complaints from consumers and property managers to

1 Defendant Apartment Hunters and in some instances, Apartment Hunters has  
2 responded to these complaints. For example, after a property manager complained  
3 that a property listing that was not available for rent appeared on  
4 WeTakeSection8.com, Apartment Hunters responded that it received listings from  
5 data partners that sometimes contained inaccuracies in the listing description,  
6 price, availability, or address.

### 7 **VIOLATIONS OF THE FTC ACT**

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

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

### 12 **COUNT I**

13 59. Through the means described in Paragraphs 15 through 56, Defendants  
14 have represented, directly or indirectly, expressly or by implication, that the rental  
15 listings, including Section 8 listings, on Defendants’ websites are accurate, up-to-  
16 date, and available for consumers to rent.

17 60. Defendants’ representations set forth in Paragraph 59 of this Complaint  
18 are false or misleading, or were not substantiated at the time the representations  
19 were made.

20 61. Therefore, the making of the representations as set forth in Paragraph 59  
21 of this Complaint constitutes a deceptive act or practice, in or affecting commerce  
22 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 23 **COUNT II**

24 62. Through the means described in Paragraphs 15 through 56, Defendants  
25 have represented, directly or indirectly, expressly or by implication, that consumers  
26 who subscribe to Defendants’ websites find rental housing, including Section 8  
27 housing, within seven business days or less.

28

1 63. Defendants' representation set forth in Paragraph 62 of this Complaint is  
2 false or misleading, or was not substantiated at the time the representation was  
3 made.

4 64. Therefore, the making of the representation as set forth in Paragraph 62  
5 of this Complaint constitutes a deceptive act or practice, in or affecting commerce  
6 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 7 **COUNT III**

8 65. Through the means described in Paragraphs 15 through 56, Defendants  
9 have represented, directly or indirectly, expressly or by implication, that  
10 Defendants have exclusive rights to list thousands of rental listings on their  
11 websites, exclusive rights to list Section 8 rental listings, and that consumers  
12 cannot find these listings on free websites.

13 66. Defendants' representations set forth in Paragraph 65 of this Complaint  
14 are false or misleading, or were not substantiated at the time the representations  
15 were made.

16 67. Therefore, the making of the representations as set forth in Paragraph 65  
17 of this Complaint constitutes a deceptive act or practice, in or affecting commerce  
18 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 19 **CONSUMER INJURY**

20 68. Consumers have suffered and will continue to suffer substantial injury  
21 as a result of Defendants' violations of the FTC Act. In addition, Defendants have  
22 been unjustly enriched as a result of their unlawful acts or practices. Absent  
23 injunctive relief by this Court, Defendants are likely to continue to injure  
24 consumers, reap unjust enrichment, and harm the public interest.

### 25 **THIS COURT'S POWER TO GRANT RELIEF**

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

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

5 **PRAYER FOR RELIEF**

6 Wherefore, the FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C.  
7 §§ 53(b), and the Court's own equitable powers, requests that the Court:

8 A. Award the Commission such preliminary injunctive and ancillary relief  
9 as may be necessary to avert the likelihood of consumer injury during the  
10 pendency of this action and to preserve the possibility of effective final relief,  
11 including but not limited to, temporary and preliminary injunctions;

12 B. Enter a permanent injunction to prevent future violations of the FTC Act  
13 by Defendants;

14 C. Award such relief as the Court finds necessary to redress injury to  
15 consumers resulting from Defendants' violations of the FTC Act, including but not  
16 limited to, rescission or reformation of contracts, restitution, the refund of monies  
17 paid, and the disgorgement of ill-gotten monies; and

18 D. Award the Commission the costs of bringing this action, as well as such  
19 other and additional relief as the Court may determine to be just and proper.

20  
21 Respectfully submitted,

22 ALDEN F. ABBOTT  
23 General Counsel

24 

25 Rhonda P. Perkins

26 Amanda R. Grier

27 Stacy R. Procter (Local Counsel)

28 Attorneys for Plaintiff

FEDERAL TRADE COMMISSION