

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MICHAEL RANDO, a/k/a Mike Singles,
individually and as a principal of Prosperity
Training Technology LLC, Elite Customer
Services, LLC, Digital Business Scaling
LLC, First Coast Matchmakers Inc., First
Coast Matchmakers LLC, and Financial
Consulting Management Group LLC,

VALERIE RANDO, a/k/a Valerie Payton,
Val Rando, and Val Singles, individually
and as a principal of Prosperity Training
Technology LLC, Elite Customer Services,
LLC, Digital Business Scaling LLC, First
Coast Matchmakers Inc., First Coast
Matchmakers LLC, and Financial
Consulting Management Group LLC,

PROSPERITY TRAINING
TECHNOLOGY LLC, a Florida limited
liability company, also d/b/a The Credit
Game, The Credit Game University, and
Elite Deletions,

ELITE CUSTOMER SERVICES, LLC, a
Florida limited liability company,

DIGITAL BUSINESS SCALING LLC, a
Florida limited liability company,

FIRST COAST MATCHMAKERS INC., a
Florida corporation, also d/b/a Wholesale
Tradelines,

Case No. _____

**COMPLAINT FOR
PERMANENT INJUNCTION,
MONETARY RELIEF, AND
OTHER RELIEF**

**(DOCUMENT SUBMITTED
UNDER SEAL)**

FIRST COAST MATCHMAKERS LLC, a
Florida limited liability company, also
d/b/a Wholesale Tradelines,

FINANCIAL CONSULTING
MANAGEMENT GROUP LLC, a Florida
limited liability company, and

RESOURCE MANAGEMENT
INVESTMENTS, LLC, a Florida limited
liability company,

Defendants.

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

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b; Section 410(b) of the Credit Repair Organizations Act (“CROA”), 15 U.S.C. § 1679h(b); Section 6(b) of the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6105(b); Section 1401(c)(1) of the COVID-19 Consumer Protection Act of the 2021 Consolidated Appropriations Act (“COVID-19 Consumer Protection Act” or “CCPA”), 15 U.S.C. § 45 note (Prohibiting Deceptive Acts or Practices in Connection With the Novel Coronavirus (“CCPA”) § 1401(c)(1)); and the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule” or “BOR”), 16 C.F.R. Part 437; which authorizes the FTC to seek, and the Court to order, temporary, preliminary, and permanent injunctive relief, an asset freeze, the

appointment of a receiver, immediate access to the Defendants' business premises and documents, an accounting of assets, monetary relief, and other relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); multiple provisions of CROA, 15 U.S.C. §§ 1679-1679j; multiple provisions of the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310; Section 1401(b)(2) of the COVID-19 Consumer Protection Act, 15 U.S.C. § 45 note (CCPA § 1401(b)(2)); and multiple provisions of the BOR, 16 C.F.R. Part 437. Defendants' violations are in connection with the marketing and sale of credit repair services and the marketing and sale of business or investment opportunities.

SUMMARY OF CASE

2. Since at least 2019, Defendants have operated an unlawful credit repair business that has deceived consumers across the country. Through YouTube videos, websites, email marketing, and telemarketing, Defendants claim they can quickly and legally improve consumers' credit scores to over 780, remove most or all negative items on a consumer's credit report, and cause a third party's credit history to appear on the consumer's credit report. Defendants strengthen these representations with a money-back guarantee.

3. Defendants' claims, however, are false or unsubstantiated. Defendants have also filed, or caused to be filed, fake identity theft reports on the FTC's identitytheft.gov website as part of their credit repair scheme. In addition, Defendants routinely take prohibited advanced fees of hundreds, or even thousands,

of dollars for their credit repair services and do not make required disclosures regarding their credit repair services.

4. Defendants have also sold deceptive business or investment opportunities. Through YouTube videos, websites, and telemarketing, Defendants claim consumers can profitably and legally operate a business selling credit repair services and education, including advising consumers they can or should manipulate the appearance of true information on credit reports and add false positive information on credit reports. These claims are false or unsubstantiated. In addition, Defendants do not make required disclosures regarding their business opportunity.

5. Defendants have also sold their products and services by instructing consumers to spend or otherwise “invest” their various tax credit benefits issued under separate COVID-19 relief laws on Defendants’ deceptive credit repair scheme.

6. Defendants claim to have generated more than \$15,000,000 in revenue from their unlawful credit repair and education, and business or investment opportunity practices.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

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

PLAINTIFF

9. The FTC is an independent agency of the United States Government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces CROA, 15 U.S.C. §§ 1679-1679j, which prohibits, among other things, untrue or misleading representations to induce the purchase of credit repair services, requires certain affirmative disclosures in the offering or sale of credit repair services, and prohibits credit service organizations from charging or receiving money or other valuable consideration for the performance of credit repair services before such services are fully performed. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-08. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices. The FTC also enforces the COVID-19 Consumer Protection Act, 15 U.S.C. § 45 note (CCPA § 1401), which prohibits, among other things, deceptive acts or practices associated with a government benefit related to COVID-19 for the duration of the COVID-19 public health emergency. The FTC also enforces the BOR, 16 C.F.R. Part 437, which prohibits certain misrepresentations and requires specific disclosures in connection with the sale of a business opportunity.

DEFENDANTS

10. Defendant **Prosperity Training Technology LLC** (“Prosperity”), also doing business as The Credit Game, The Credit Game University, and Elite Deletions, is a Florida limited liability company with its principal place of business at 14286 Beach Blvd., Suite 19-207, Jacksonville, FL 32250. It also does business at 13107 Atlantic Blvd., Suite 201, Jacksonville, FL 32225. Prosperity transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Prosperity has advertised, marketed, distributed, or sold credit repair services and business or investment opportunities to consumers throughout the United States.

11. Defendant **Elite Customer Services, LLC** (“Elite Services”) is a Florida limited liability company with its principal place of business at 12527 Charles Cove Road, Jacksonville, FL 32246. It also does business at 13107 Atlantic Blvd., Suite 201, Jacksonville, FL 32225. Elite Services consults with and onboards consumers that purchase Defendants’ credit repair services. Elite Services transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Elite Services has advertised, marketed, distributed, or sold credit repair services and business or investment opportunities to consumers throughout the United States.

12. Defendant **Digital Business Scaling LLC** (“Digital Scaling”) is a Florida limited liability company with its principal place of business at 14286 Beach

Blvd., 19-190, Jacksonville, FL 32250. Digital Scaling transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Digital Scaling has advertised, marketed, distributed, or sold credit repair services and business or investment opportunities to consumers throughout the United States.

13. Defendant **First Coast Matchmakers Inc.** (“First Coast Inc.”), also doing business as Wholesale Tradelines, is a Florida corporation with its principal place of business at 13245 Atlantic Blvd., Suite 4-307, Jacksonville, FL 32225. First Coast Inc. transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, First Coast Inc. has advertised, marketed, distributed, or sold credit repair services to consumers throughout the United States.

14. Defendant **First Coast Matchmakers LLC** (“First Coast LLC”), also doing business as Wholesale Tradelines, is a Florida limited liability company with its principal place of business at 13810 Sutton Park Drive, #524, Jacksonville, FL 32224. It also does business at 13245 Atlantic Blvd., Suite 4-307, Jacksonville, FL 32225. First Coast LLC transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, First Coast LLC has advertised, marketed, distributed, or sold credit repair services to consumers throughout the United States.

15. Defendant **Financial Consulting Management Group LLC**

(“Financial Consulting”) is a Florida limited liability company with its principal place of business at 1015 Atlantic Blvd., Unit 86, Atlantic Beach, FL 32233.

Financial Consulting was the “holding company” for Defendants’ enterprise while operating as Wholesale Tradeline. Financial Consulting transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Financial Consulting has advertised, marketed, distributed, or sold credit repair services to consumers throughout the United States.

16. Defendant **Resource Management Investments, LLC** (“Resource

Management”) is a Florida limited liability company with its principal place of business at 12770 Lochren Road, Jacksonville, FL 32246. It also does business at 12527 Charles Cove Road, Jacksonville, FL 32246. Resource Management transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Resource Management has advertised, marketed, distributed, or sold credit repair services to consumers throughout the United States.

17. Defendant **Michael Rando**, also known as Mike Singles (“Mr.

Rando”), is the manager, member, and registered agent of Prosperity. He is also the registered agent and manager of Financial Consulting. In addition, he owns or controls Elite Services, Digital Scaling, First Coast Inc., First Coast LLC, and

Resource Management. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in, and had at least some knowledge of, the acts and practices set forth in this Complaint. Mr. Rando resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

18. Defendant **Valerie Rando**, also known as Valerie Payton, Val Rando, and Val Singles (“Ms. Rando,” together with Mr. Rando “the Randos”), was the CEO of Wholesale Tradelines and was a registered officer and registered agent of Prosperity. She is a registered manager and a member of Digital Scaling. In addition, she is the President of First Coast Inc. and the registered agent and manager of First Coast LLC. Ms. Rando also owns or controls Elite Services, Financial Consulting, and Resource Management. At all times material to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, had the authority to control, or participated in, and had at least some knowledge of, the acts and practices set forth in this Complaint. Ms. Rando resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

COMMON ENTERPRISE

19. Defendants Prosperity, Elite Services, Digital Scaling, First Coast Inc., First Coast LLC, Financial Consulting, and Resource Management (collectively,

“Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive and unlawful acts and practices and other violations of law alleged below. Corporate Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, officers, managers, business functions, employees, and office locations, and that commingled funds. Because the Corporate Defendants have operated as a common enterprise, each is liable for the acts and practices alleged below.

COMMERCE

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

DEFENDANTS’ BUSINESS PRACTICES

Background on Credit Scores and Reports

21. A credit score is a number used to predict the likelihood a consumer will repay a loan. Prospective creditors use credit scores as part of an underwriting process to assess whether to offer a consumer credit and to determine key terms of any such credit, including the interest rate and the credit limit. Credit scores are calculated using statistically-based credit risk evaluation systems, commonly known as credit scoring systems. Consumers do not have just one credit score: there are multiple different credit score providers and models, each of which may rely on different sources for credit file data and may use otherwise similar data in different ways. Credit score providers generally do not publicly disclose the weight they

assign to individual changes in credit history, or how their scoring models differ from those of other providers.

22. Fair Isaac Corporation (“FICO”) is one of the largest providers of consumer credit scores. A consumer’s FICO score is a number between 300 and 850, with higher scores indicating greater creditworthiness. Consumers with higher FICO scores are more likely to receive credit, and on better terms, than consumers with lower scores. FICO uses payment history, outstanding debts, length of credit history, pursuit of new credit, and the different types of credit a consumer has on file to determine a consumer’s FICO score.

23. An “inquiry” occurs when a consumer’s credit score is checked. A “hard inquiry” occurs when a prospective creditor checks a consumer’s credit score or report after the consumer applies for new credit. Hard inquiries within one year are generally considered by FICO, but minimally impact a consumer’s credit score. A “soft inquiry” occurs when a consumer’s credit report or score is pulled without the consumer applying for credit, or when a consumer pulls his or her own credit report or score. Soft inquiries have no impact on a consumer’s FICO credit score.

24. A “tradeline” is any credit account that is reported on a consumer’s credit report.

25. Normally, an “authorized user tradeline” is a credit account reported on a consumer’s credit report indicating the credit account is held by another

individual, typically the account holder's spouse, but, in any event, where the consumer has been authorized to use the account.

26. "Credit piggybacking" is a term used to describe a tradeline held by a credit account holder with positive account characteristics, such as a low utilization rate or a longstanding account, on which an unrelated consumer pays to become an "additional authorized user," but without gaining access or having the ability to use the credit account. For clarity, this Complaint uses the terms "authorized user tradeline" and "credit piggybacking" synonymously.

Defendants' Marketing Platforms

27. To induce consumers to purchase their credit repair services, Defendants primarily rely on posting near-daily videos to YouTube, where Defendants have 475,000 subscribers. Defendants also advertise through various websites, marketing emails, and in-bound telemarketing phone calls. Beginning in 2020, Defendants began selling credit repair business or investment opportunities using the same marketing platforms.

Defendants Acquired Tradelines From a Prior FTC Defendant

28. In December of 2019, Defendants purchased a "Cardholder Database" of 220 cardholders, controlling 524 credit accounts, who were willing, for a fee, to add unrelated authorized users to their accounts from William Airy, CEO of BoostMyScore LLC, and BMS, Inc. (Airy and these companies, collectively, "BMS"). The Randos, through First Coast Inc., purchased the Cardholder Database for \$152,500.

29. At the time of the sale, the FTC and BMS were engaged in non-public settlement negotiations to resolve allegations that BMS violated various laws enforced by the FTC, including by selling authorized user tradelines.

30. The FTC filed a complaint against BMS on March 6, 2020, alleging violations of the FTC Act, the CROA, and the TSR, for among other things, selling authorized user tradelines. *FTC v. BoostMyScore LLC*, No. 20-cv-00641-PAB-STV (D. Colo.) [D.E. #1]. Simultaneously, the FTC and BMS submitted a proposed stipulated order to resolve the lawsuit, which that court entered on April 17, 2020. [D.E #14].

31. Before BMS sold the Cardholder Database to the Randos, both sides agreed to a Letter of Intent.

32. Pursuant to the Letter of Intent, Mr. Airy agreed that he would not voluntarily disclose the transaction to the FTC and both BMS and the Randos disclaimed the legality of operating a business selling authorized user tradelines, stating:

First Coast Matchmakers [Inc.] is aware of BMS' situation with the FTC and understands the risks of operating a tradeline business. Particularly that at any time, a regulator can investigate the operations of any business and force it to cease operations, rendering the assets of this sale unusable. BMS makes no warranty or guarantee regarding any kind of merchantability of these assets, particularly should something like that ever happen to First Coast Matchmakers [Inc].

33. During negotiations, the Randos requested that Mr. Rando's name be removed from the contract, but Mr. Rando's email address is listed as a point of contact for First Coast Inc. BMS and the Randos ultimately completed the

agreement, with Ms. Rando entering into the agreement on behalf of First Coast Inc. The Randos then used Resource Management to pay BMS for the Cardholder Database on December 30, 2019.

Defendants Deceive Consumers Regarding Credit Repair Services and Products

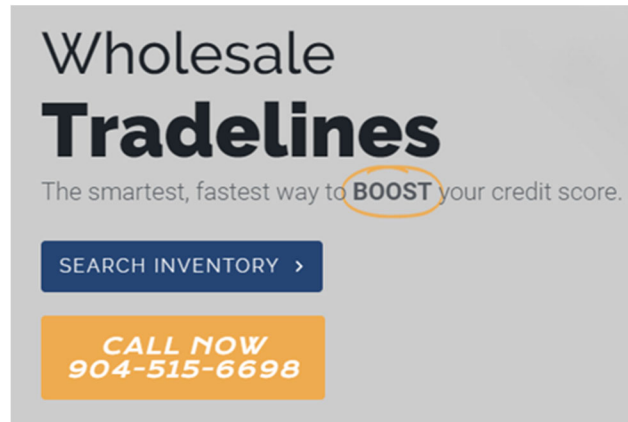
34. Defendants, in YouTube Videos, on their websites, in marketing emails, and in telemarketing calls, claim they will increase a consumer's credit score "fast," including in as little as 45 days from as low as the 500s to the 700s or higher. They claim they achieve such dramatic results by removing negative information and adding positive information to a consumer's credit report.

35. For example, prior to 2020 while operating as Wholesale Tradelines, Defendants claimed on their website that they could improve a consumer's credit score by removing negative information from a consumer's credit report by offering services such as "Credit Sweeps" and "Inquiry Removal":



36. In another example, Defendants claimed they will increase a consumer's credit score by causing a third party's credit history to appear on the consumer's credit report, typically through credit piggybacking. Wholesale

Tradeline's website claimed that tradelines are the "smartest, fastest way to **BOOST** your credit score":



37. The website further claimed that credit piggybacking, helps consumers because:

Broad regulations and legal loopholes allow for you to benefit from being an authorized user on another person's tradeline (also known as 'credit piggybacking'). . . . In other words, once you are added as an authorized user to an account, the history of that account appears on 'your' credit report and will be treated as if it was 'your' credit history.

38. Defendants announced in a February 14, 2020 YouTube video titled "ANNOUNCEMENT: Moving Forward With The Credit Game," that they were closing the "portion of the company" known as Wholesale Tradelines, which "add[s] authorized users and credit repair" because they were shifting into the "education space."

39. In the video, Mr. Rando told consumers: "[y]ou might have dealt with people before that were scams, but I can assure I won't be one of those. Any previous order before February 10th will be handled. I'm not running off with money. I'm not not going to add tradelines. I'm not gonna not finish out the credit

repair.” He continued saying that Defendants still had “major staff” operating to fulfill “every single order.”

40. Mr. Rando further reassured his viewers “we’re not going anywhere, okay. I’m staying in the same office, all the employees are staying for the most part, and we’re gonna continue to grow this education space.”

41. In fact, Defendants’ move from Wholesale Tradelines to The Credit Game was nothing more than a rebranding. Defendants continue to provide credit repair services, ostensibly for free when consumers purchase their “education services.” This rebranding also saw Defendants expand into selling business or investment opportunities for consumers to create their own tradeline and credit repair companies – as set forth in Paragraphs 122-138, below.

42. Now operating as The Credit Game, Defendants currently offer variously named credit repair and business or investment opportunity packages, including “Maserati,” “Lambo” (*i.e.*, short for Lamborghini), “Associates,” and “Masters,” which cost consumers thousands of dollars, depending on the type of package purchased. Most of these packages come with direct credit repair services in which Defendants claim they will “fix” a consumer’s credit and otherwise include the following features: (1) access to heavily discounted authorized user tradelines; (2) video and written materials describing how to fix one’s credit; and (3) coaching or counseling on how to use the videos and written materials.

43. Defendants continue making claims of “fast” credit repair, in as little as 45 days, by removing negative information.

44. For example, during a phone call, Defendants’ representatives told an undercover FTC investigator he will “start seeing [credit repair] results in as little as 90 days and that at least 70 percent of your negatives will be removed. However, right now, our clients are seeing anywhere between 80 to 95 percent removal rate.” The representative continued, claiming a consumer would see results in “as little as 45 days” for a more expensive package because it is “more of an expedited process.”

45. Defendants routinely claim that they will remove at least 70% of negative items and all credit inquiries from a credit report.

46. Defendants’ YouTube video titles also make express credit repair claims, such as:

- a. “How These 3 Hacks Put Me Over 800 Credit Score Fast!” – Sept. 25, 2021;
- b. “This is the Fastest, Most Effective Way to Remove Negatives and Boost Your Credit Score” – Sept. 13, 2021;
- c. “72 Hour ‘Credit Repair’ Blueprint” – Aug. 18, 2021;
- d. “How Tradelines Are The Single Fastest Way to Raise Your Credit Score” – May 20, 2021;
- e. “How to Get to a 781 Credit Score in 15 Seconds” – May 19, 2021; and

f. “How I went from 505 to 814 credit score SO FAST!” – June 19, 2020.

47. The contents of the YouTube Videos reiterate these claims. For example, in an August 5, 2021 YouTube video titled “Clean Up Your Credit Score With This Simple Method,” Mr. Rando states: “I can remove anything from your credit report.”

48. Defendants also claim to have “proprietary software” that can remove negative accounts from a consumer’s credit report.

49. For example, one of Defendants’ representatives told an undercover FTC investigator “there’s even people [in Defendants’ program] that have gotten 12 collections removed and it’s all their collections, it’s just the proprietary software gets them the fastest results.”

50. Defendants, as The Credit Game, also continue to sell credit piggybacking services to add positive information to consumers’ credit reports to quickly increase consumers’ credit scores.

51. For example, in a May 20, 2021 YouTube video titled “How Tradelines Are The Single Fastest Way to Raise Your Credit Score,” Mr. Rando explains how authorized user tradelines work, claiming that credit piggybacking:

is the absolute fastest way to raise your credit score. In fact, there's nothing even faster. I don't care if you pay down your utilization. I don't care if you remove negatives. I don't care if you remove inquiries. There is nothing, if you time this correctly, that can raise your score as fast as a tradeline. In fact, I've seen tradelines, 150 to 180 points in three days, I had a client that raised this credit score 174 points in under three days. There is nothing that can raise your score that fast. And I'm going to show you guys how to do it.

52. In the video, Mr. Rando explains credit piggybacking is a way to add positive information to consumers' credit report that they did not obtain themselves so the consumer's credit report "shows lenders perfect payment history" when trying to "buy a house," "get a car," or "get credit cards."

53. Defendants' YouTube videos, websites, and other promotional materials invite consumers to sign up for their services by purchasing through their webpages or by calling Defendants directly.

54. For example, in an April 12, 2021 YouTube video titled "Do you know how to get \$10,000 added on Your Credit Report," Mr. Rando entreats consumers to "click the link below" in the video description. Upon clicking the link, consumers visit a website operated by Digital Scaling, where Defendants sell one of their cheaper packages that includes entry into a raffle for a \$10,000 tradeline and credit coaching sessions with Mr. Rando. When consumers enter their payment information, Defendants then upsell them with an offer for a more expensive package and invite consumers to one of Defendants' business or investment opportunity webinars.

55. When consumers call the number provided by Defendants, they speak with Defendants' representatives who reiterate Defendants' credit repair and tradeline claims and offers.

56. Defendants' products and services are often touted as "educational" in nature, but many of Defendants' offered packages also come with credit repair services and access to Defendants' database of authorized user tradelines.

57. For example, in an April 6, 2021 YouTube video titled "How To Get A Free Lambo Edition Credit Repair TODAY ONLY," Mr. Rando explains

Defendants:

created a system called The Credit Game. I designed a system that works. Most people, they're BS, okay? First of all, the only, one and only [system] in the United States right now that encompasses three things in one program. And you know what that is? It's called The Credit Game. Not only do you get 75% off of aged tradelines through my vendor. 75% off. Literally you could start a business right there just by that discount. You get access to the fastest credit repair on planet Earth, through my vendor. Not letters, not sending out letters, snail mail, old school 2014 style, okay, that most of these companies do. 99.9% of them do because they don't have the software. My vendor has the software, does it electronically. And number three, nobody teaches you what to do when you get that score.

58. Defendants' routinely fail to deliver their promised credit repair services either within the time promised, or at all.

59. Defendants generally do not review consumers' credit scores during their customer intake process. Without detailed information about a consumer's current score and accurate credit history, as well as access to the credit scoring model itself, no credit repair organization can guarantee that the addition of a tradeline will improve the consumer's score by a specific amount within a specific time period.

60. Furthermore, Defendants' claim they have "software" or other proprietary "electronic" methods to challenge and remove information from a consumer's credit report are false.

Defendants' Course of Business Attempts to Mislead Credit Reporting Agencies and Creditors

61. Defendants claim to be able to remove negative information from consumers' credit reports. To achieve these results, Defendants represent to credit reporting agencies and prospective credit lenders that any identifying information, such as names, addresses, phone numbers, and employment history, associated with a negative account, regardless of the information's accuracy, is incorrect. Defendants advise consumers to do the same.

62. In a further attempt to remove accurate negative information from consumers' credit reports, Defendants provide false identifying information to credit reporting agencies. Defendants advise consumers to do the same.

63. Before manipulating information on credit reports, Defendants instruct consumers to "freeze" the "sub-bureaus," such as Lexis Nexis and Corelogic. Defendants claim the "freeze" will stop credit reporting agencies from verifying the accuracy of information on the account.

64. Defendants then direct consumers to dispute the identifying information associated with a negative account, regardless of its accuracy.

65. For example, in a January 4, 2022 YouTube video titled "DO THIS before you dispute any negatives or your [sic] COMPLETELY wasting your TIME!," Mr. Rando, in discussing how to "stage" a credit report to remove negative information, directs consumers to:

remove every address and every phone number that is attached to any of the negative accounts. So if you live at 123 Lala Street, and that's where your

living currently, and you have collections or charge offs or anything negative on your credit report that's attached to 675 Hard Road Drive then you need to remove 67[5] Hard Road Drive from your credit report. You no longer live there. You're going to contact the credit bureaus and you're going to tell them you want this address off your credit report now. I know with all the identity theft that's going on right now, I don't want my address on my credit report. I don't want this address, don't say "my", I don't want this address on my credit report anymore. It's not mine, I want it off. Get the address that's associated with the negative account off. And remove the phone numbers that you had during the time [of] that negative account.

66. Another YouTube Video from January 12, 2022 titled "Collections and Charge Offs Will Not Be Removed Until You Do This First!" makes similar directives, telling consumers to:

remove any address and any name and any phone number that you have that was associated to a negative account. You've got a collection or charge off and you have 123 Lala Street, get that off your credit report. If you're living in the house where the negative is associated to and you don't have any other address, then use an address of a friend or a family member. Leave that in your credit report.

67. Defendants also sell consumers "proprietary letters" with instructions advising consumers to use the letters to dispute the consumer's identifying information.

68. For example, in a November 16, 2021 YouTube Video titled "INCREASE Your Credit Score In 30 Days | How to Increase Your Credit," discussing the credit repair "help," "coaching," and "mentorship" Defendants sell to consumers, Mr. Rando states:

I'm your Mike Tyson. I'm your, I'm your Tiger Woods. I'm your Michael Jordan, right. I'm your Arnold Schwarzenegger in the gym. I'm that guy that's going to be able to help you get to the next level fast because I know exactly where the shortcuts are and how to pivot around them.

69. Additionally, in numerous instances, unbeknownst to the consumers, Defendants have filed, or caused to be filed on the FTC's identitytheft.gov website, identity theft reports asserting that negative information on consumers' credit reports resulted from identity theft.

70. In fact, in numerous instances, consumers on whose behalf Defendants filed, or caused to be filed, identity theft reports were not victims of identity theft nor was the negative information in question the result of identity theft. Defendants then submit these false identity theft reports to credit reporting agencies and prospective credit lenders to remove negative accounts from a consumers' credit report.

71. The filing of an identity theft report, however, does not automatically result in the removal of negative information from a consumer's credit report. Upon receiving an identity theft report, credit reporting agencies typically review the reports to determine whether those reports were wrongfully filed, in which case the credit reporting agency may decline to block the requested negative information.

72. As set forth above, Defendants claim they will improve consumers' credit score by adding them as "authorized users" to the credit accounts of other unrelated individuals with positive payment histories.

73. Consumers who purchase Defendants' services and are added as "authorized users" are not, in fact, authorized to use the credit accounts to which

they have been added. These consumers do not receive a card for the account and do not have access to the credit account.

74. For example, in a May 20, 2021 YouTube video titled “How Tradelines Are The Single Fastest Way to Raise Your Credit Score,” Mr. Rando explains how authorized user tradelines work, claiming the third party holder of a credit card will “share their good payment history with you” but “you never get access to the card.”

75. Despite informing consumers they do not receive access to the account, Defendants represent to credit reporting agencies and prospective credit lenders the consumers are, in fact, authorized users of those accounts. Defendants advise consumers to do the same.

Defendants Make Deceptive Refund Claims

76. Defendants claim their credit repair services are “guaranteed” or otherwise claim consumers are entitled to a refund if they do not see the promised results.

77. For example, in a December 9, 2020 YouTube video titled “The Top 10 Fastest Ways to Get an 800 Credit Score,” Mr. Rando states:

I'm tell[ing] you something, with the elite credit repair, which I'm covering for you guys today, the fastest credit repair in the nation, results in 60 days. Okay, and a guarantee to help you guys out, guaranteed, money back, 100 percent money back guarantee if there's not results in 60 days. I can't do much more than that. This vendor is the absolute best on the planet.

78. Another example appears in a December 29, 2020 YouTube video titled “How to Remove Charge Offs and Collections From Your Credit Report,” where Mr. Rando states: “Believe me, if you get in my program, and

you don't see a difference in your credit score, and you don't see a difference in your finances, I'll refund the whole thing back to you. You have nothing to lose.”

79. Another example appears in a June 8, 2021 YouTube video titled “3 credit hacks about to go away fast (CFPB),” where Mr. Rando states:

I promise you one thing. My vendor for the credit repair and the education you're gonna get on credit, will increase your credit score 100 percent. I guarantee results, and my vendor guarantees results. In guess what? 45 days. 45 days to guarantee results, there is nothing faster on the planet when it comes to credit repair. So if you want to raise your credit score over 100 points, get in the game. Have the vendor start working, you're busy, you have no time to worry about credit, let them do what they're good at.

80. Additionally, one of The Credit Game's websites claims that The Credit Game has a 365-day “refund policy” stating:

REFUND POLICY

Refund Policy for Prosperity Training Technology LLC

Last Updated on March 19th, 2021

Refund Policy of www.creditgameuniversity.com

Welcome to the Prosperity Training Technology LLC website (the “Website”).

Our policy lasts 365 days. If 365 days have gone by since your purchase, unfortunately, we can't offer you a refund or exchange.

To complete your return, we require a receipt or proof of purchase and an email to Support@CreditGameU.com with the subject line “Refund Request”.

81. In numerous instances, consumers have been unable to obtain a refund from Defendants when consumers do not receive Defendants' promised results or services, even when consumers request the refund within 3 business days of purchase.

82. Ms. Rando told the Better Business Bureau Defendants' rise in consumer complaints seeking refunds was due to Defendants' poor communication with consumers during Defendants' transition from Wholesale Tradelines to The Credit Game.

83. Defendants also often respond to refund requests by telling consumers they only purchased digital educational materials, not credit repair services, and they have a no refund policy for those materials.

84. Defendants also deny refunds because they claim the credit repair services are provided by a "vendor," usually Elite Deletions, and that the "vendor" is a separate company.

85. However, a representative for Elite Deletions told an undercover FTC investigator they do not sell services to the public, instead solely servicing The Credit Game consumers.

86. Ms. Rando is the account holder for Elite Deletions' phone number.

87. Elite Deletions has no corporate form.

88. Instead, Elite Deletions is wholly controlled by Defendants. Indeed, Elite Deletions' employees report, ultimately, to the Randos or their subordinates.

Defendants Deceive Consumers Regarding the Legality of Their Credit Repair Services

89. Defendants represent to consumers that their credit repair services, including their credit piggybacking practices, are legal.

90. For example, in a January 3, 2022 YouTube video titled “How to Hack the Credit Bureaus Out Of An 800 Credit Score!,” Mr. Rando, in discussing Defendants’ piggybacking practices, stated: “this should be illegal it’s not though, there’s a thing called authorized user.” Mr. Rando further explains: “that would be like me adding you to my credit card as an authorized user. You’re going to take over the payment history, you’re going to take over the age of that account.”

91. Additionally, throughout many of Defendants’ YouTube videos, Mr. Rando claims consumers have the “legal right” to challenge anything on their credit report. Defendants’ YouTube video titles and descriptions reiterate Defendants’ claims of legality, such as: “5 Credit Score Building Tricks That Should be Illegal (But Are not)” – January 3, 2022; “4 Credit Hacks That Should Be Illegal But Are Not” – July 6, 2021; and “Credit Repair Hack That Should Be ‘ILLEGAL’ Buts [sic] It’s NOT!” – June 15, 2021.

92. For example, in an August 5, 2021 YouTube video titled “Clean Up Your Credit Score With This Simple Method,” Mr. Rando states:

You have the legal right to challenge anything on your credit report that you feel is unfair, incorrect, outdated, unduly uh erroneous, negative. Right, the onus is put on the credit bureaus, not you. So, they can’t say ‘well you didn’t believe that wasn’t yours.’ . . . It’s [the credit reporting agencies’] job to either verify or come back and say, ‘guess what, it is being removed.’ So, understand that first, you have the legal right to challenge anything on your credit report that you feel is not supposed to be there.”

93. In a November 16, 2021 YouTube Video titled “INCREASE Your Credit Score In 30 Days | How to Increase Your Credit,” Mr. Rando states:

[G]et rid of the whole account. I would challenge the whole validity of the account and say, 'you know what, I challenge the whole validity [of the] account because I believe it's inaccurate, obsolete, unfair, erroneous, or incorrect, and I want the whole account removed off my credit.' Remember, you have the legal right of 1974 to say guess what, 'I challenge everything that I want on my credit report, nobody can tell me that it's not mine, or it is mine.' That is your legal right, and the onus has [been] put on the credit bureaus to come back and verify it from the creditor to say it is yours or not. If you don't like it, or you don't want it on your credit report, challenge that bad boy.

94. However, as detailed in Counts III-IX, Defendants' conduct violates CROA, including by making false or misleading statements to credit reporting agencies and potential creditors regarding consumers' credit history or credit worthiness or otherwise to prevent the display of adverse information that is accurate and not obsolete.

95. Furthermore, when Defendants purchased the Cardholder Database from BMS, they acknowledged, in the Letter of Intent, that they "underst[ood] the risks of operating a tradeline business," and that a "regulator" could investigate such a business and "force it to cease operations, rendering [the Cardholder Database] unusable." Nonetheless, Defendants have continued to market access to authorized user tradelines, and other credit repair services, while claiming that these services are legal.

Defendants' Unlawful Enrollment Process for Their Credit Repair Services

96. Defendants require consumers to make an upfront payment, often thousands of dollars, before any of their credit repair services have been performed.

97. For example, Defendants' representatives told an undercover FTC investigator that payment was due "today."

98. Defendants instruct consumers to complete and sign a contract or agreement, often through an online document signature platform, such as DocuSign.

99. In numerous instances, these contracts fail to be accompanied by or include certain disclosures, as specified in 15 U.S.C. § 1679d. For instance, although Defendants make performance claims to induce consumers to purchase their services, the contracts do not identify these performance claims or specify the services that will be performed or the amount of time it will take for completion.

100. In numerous instances, these contracts also fail to contain, as specified in 15 U.S.C. § 1679d(b), the full terms and conditions of payment, a full and detailed description of the services to be performed, the name and principal address of each organization that will perform the services, and a disclosure stating:

You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.

101. In numerous instances, Defendants also fail to provide consumers with a written statement containing prescribed language concerning “Consumer Credit File Rights Under State and Federal Law,” as specified in 15 U.S.C. § 1679c, before consumers execute the contract or agreement.

102. In numerous instances, Defendants also fail to provide consumers with a “Notice of Cancellation” form, in duplicate, containing prescribed language concerning consumers’ three-day right to cancel that consumers can use to cancel the contract or agreement, as specified in 15 U.S.C. § 1679e.

Defendants Associated Their Deceptive Credit Repair Services with a Government Benefit Related to COVID-19

103. In an effort to defray the economic impact of COVID-19 on consumers, Congress passed the COVID Related Tax Relief Act of 2020, Public Law 116-260, 134 Stat 1182, § 272, and the American Rescue Plan Act of 2021, Public Law 117-2, 135 Stat 138, § 9601.

104. The COVID Related Tax Relief Act of 2020 included a December 2020 tax rebate payment. 26 U.S.C. § 6428A.

105. The December 2020 tax rebate payment issued to consumers pursuant to the COVID Related Tax Relief Act of 2020 is a government benefit related to COVID-19.

106. The American Rescue Plan Act of 2021 included a March 2021 tax rebate payment. 26 U.S.C. § 6428B.

107. The March 2021 tax rebate payment issued to consumers pursuant to the American Rescue Plan Act of 2021 is a government benefit related to COVID-19.

108. The American Rescue Plan Act of 2021 also included child tax credit payments, which began in July 2021. 24 U.S.C. § 24.

109. The child tax credit payments issued to consumers pursuant to the American Rescue Plan Act of 2021 is a government benefit related to COVID-19.

110. Defendants requested consumers spend their December 2020 and March 2021 tax rebate payments , often called “stimulus checks” by Defendants, on their credit repair services.

111. Additionally, in July 2021, Defendants urged consumers to spend the increased child tax credit on their credit repair services.

112. For instance, on December 30, 2020, Defendants published a video titled “How to Use the Government to Boost Your Credit Score ASAP” with the following thumbnail image:



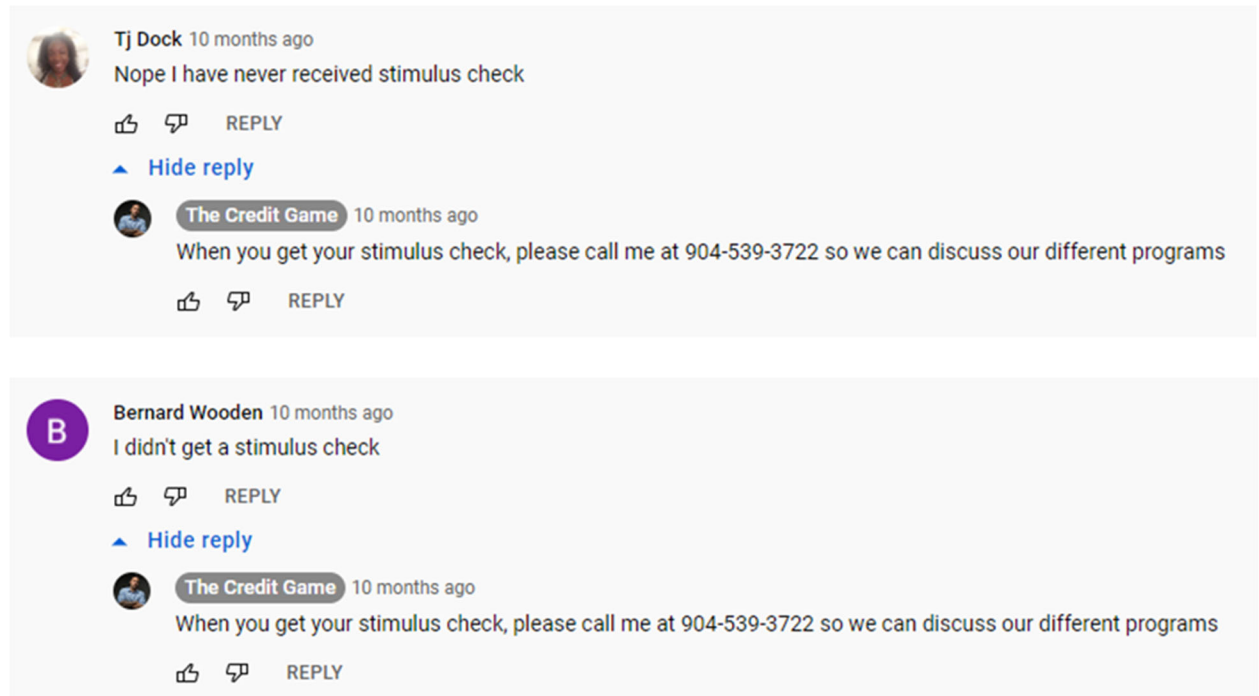
113. In the video, Mr. Rando urges consumers to take the stimulus money from the then recent COVID Related Tax Relief Act of 2020 and “invest in yourself” by buying one of Defendants’ credit repair packages.

114. In a March 17, 2021 YouTube video titled “No Money Out Of Pocket For Life Changing Credit Results,” in which Defendants urge consumers to spend stimulus payments from the then recent American Rescue Plan Act of 2021, Mr. Rando states:

There is no, absolutely, no risk. No risk. You're investing free money into a program that has helped so many people change their life and absolutely no risk to you. No risk, zero. You didn't work for the money [the] government gave it to you. \$1.3 trillion across America. Every family got \$1,400 per person in their household. It's free money. Take the money and invest into something smart, not dumb, and watch the results and I guarantee you'll be one of these people that call me and go: “You know what Mike, you changed my life. Thank you for pushing me to do something that I knew I needed to do but maybe at the time I didn't have the money, but the government gave me the

money and now I can change my life.” Take advantage and change your life with free money. Not everybody gets this opportunity.

115. In the comments section for the video, Defendants told consumers to call them once the consumers received their stimulus check to enroll in Defendants’ services:



116. Defendants repeated their call for consumers to use their stimulus checks for their credit repair services in another March 17, 2021 YouTube video titled “How to Use the Government to Boost Your Credit Score” using the following thumbnail image:



117. Then, in July 2021, when consumers began receiving their COVID-19-related child tax credits, Defendants once again urged consumers to spend this money on their products and services, this time through a video titled: “The Government Just Boosted Your Credit Score.”

118. In the summary for that video, Defendants wrote, “The Government Just Boosted Your Credit Score by giving you the 2021 child tax credit check. The best way to invest it is in yourself. Find out how in today's video.”

119. In that video, Defendants make claims about their ability to fix consumers’ credit and urge consumers to use the child tax credit money to buy a credit repair package.

120. Email marketing sent in July 2021 made similar claims, with one email offering “Elite Credit Repair paid for by the government.”

121. As set forth above, Defendants’ credit repair services are misleading, false, or unsubstantiated.

Defendants Deceive Consumers Regarding Their Business or Investment Opportunities

122. Defendants claim consumers can earn income by starting their own credit repair companies, typically by reselling The Credit Game's credit repair services and education materials and leveraging access to the purportedly discounted tradelines available through The Credit Game.

123. In the February 14, 2020 YouTube video titled "ANNOUNCEMENT: Moving Forward With The Credit Game," Mr. Rando announced Defendants' "brokers," who had purchased authorized user tradelines from Wholesale Tradelines, would receive a "copy" of The Credit Game's "elite business program" for no charge, teaching them "every single thing you need to know about how to run a tradeline company. How to do a credit repair. The techniques, the tricks, the ins and outs. . . . [that] literally will lay out exactly what I did."

124. Defendants claim consumers can earn substantial profits by reselling The Credit Game's products and services.

125. For example, in a February 23, 2021 YouTube video titled "Turn Credit To Millions Of Cash! The Untold Secret Revealed Finally," Mr. Rando said a Credit Game member could purchase a tradeline from Defendants' vendor for a 10-year old credit card with a \$20,000 credit limit for \$300, but turn around and resell the same tradeline to another consumer for \$1,200, profiting from the difference. He continued, saying:

[T]his is a not a five-figure job. Not a six-figure job. This is a seven-figure income job. In my case, it was an eight-figure. Okay, nobody knows more

about the how to turn credit to cash game, than me. . . . I will help you make a lot of money and I'll show you how easy it is, if you want to make money.

126. Mr. Rando then makes a sales pitch, discussing the different credit repair and tradeline packages offered by The Credit Game, reiterating the income potential for consumers by saying “this is a very, very, very lucrative opportunity for you, if you want it. And I am the person to help you, I am the key to your financial success if you want it. . . . If anyone can mentor you in that space, I’m your guy.” The video ends with Mr. Rando asking consumers to call Defendants.

127. In another example, in a July 16, 2021 YouTube video titled “How To Make Cash From Your Credit,” when encouraging consumers to create their own credit piggybacking companies using consumers’ own credit cards, Mr. Rando stated:

You're going to add that person as an authorized user on your card. The client never gets access to the card, ever, because the card is mailed to you. Even if I added John Smith [to] my credit card, they can never have access to the credit card, they can never have access to my personal information, they can never have access to anything about me. Okay, so if I'm adding somebody it is completely safe for me to add somebody else. Okay, they make it safe, it's called adding an authorized user.

128. Defendants reiterated these income claims on a phone call with an undercover FTC investigator, stating: “[Mr. Rando] wants everybody making millions. So tens of thousands monthly . . . is the idea of what we’re trying to get you set up with.”

129. During the same call, Defendants claimed they would provide marketing advice and refer consumers to companies that can make personalized websites for consumers' businesses.

130. When the FTC's undercover investigator asked for additional materials to substantiate the earnings claims and explain the offering, he was referred to The Credit Game's website, which fails to provide any earnings claim substantiation or disclosures.

131. Defendants also ran an 8-hour in-person and online event called "Digital Millionaire" hosted by the Randos, Credit Game employees, and others. Defendants claimed the live event would show consumers how to make "8 figures" in a down economy.

132. At the live event, Defendants stated everyone attending was getting a course "in a box" and that "it's true, tried, and it works" because it "is the same one that [Mr. Rando] built a \$15 million business in 15 months with." Defendants also offered a new \$15,000 business coaching program, which included 2-3 coaching sessions per week with Mr. Rando.

133. Defendants also urge consumers to spend COVID-19-related benefits on these business or investment opportunities.

134. For instance, in a March 18, 2021 video titled, "How To Get Free Credit Repair Using Other People's Money," Mr. Rando urges consumers to spend their stimulus money on a package including credit repair as well as Defendants'

business opportunity, Mr. Rando claims he will teach consumers “how you set up a five-figure company in less than 21 days. This is a, like, this program is lights out for businesses who want to make money when they sleep.”

135. Contrary to Defendants’ representations, consumers who enroll in Defendants’ programs and attempt to deploy its strategies are unlikely to earn the income Defendants advertise and cannot do so legally.

136. Specifically, Defendants fail to tell consumers that it is impossible to make the promised earnings because operating a credit piggybacking company or reselling Defendants’ credit repair services and their other credit repair practices are unlawful.

Defendants’ Unlawful Enrollment Process for Their Business or Investment Opportunities

137. Defendants fail to provide any written disclosures prior to consumers’ purchase of Defendants’ business opportunity.

138. Although Defendants make claims to consumers about their likely earnings or income, they fail to provide consumers with any earnings claim statements or disclosures.

Defendants’ Practices Are Ongoing

139. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the FTC, including the FTC Act, CROA, the TSR, and the BOR.

VIOLATIONS OF THE FTC ACT

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

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

142. On January 31, 2020 the Secretary of Health and Human Services, pursuant to his authority under Section 319 of the Public Health Service Act, declared that COVID-19 had caused a public health emergency. As of the date of this filing, this public health emergency declaration remains in effect.

143. For the duration of the ongoing COVID-19 public health emergency, the COVID-19 Consumer Protection Act makes it unlawful for any person, partnership, or corporation to engage in a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a), that is associated with a government benefit related to COVID-19. 15 U.S.C. § 45 note (CCPA § 1401(b)(2)).

144. Pursuant to Section 1401(c)(1) of the CCPA, 15 U.S.C. § 45 note (CCPA § 1401(c)(1)), a deceptive act or practice in violation of Section 5(a) of the FTC Act, as described in Section 1401(b) of the CCPA is treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under Section 18(a)(1)(B) of the FTC Act, 15 U.S.C. § 57a(a)(1)(B). Section 1401(c)(2) of the CCPA, 15 U.S.C. § 45 note (CCPA § 1401(c)(2)), provides that the FTC “shall

enforce” the CCPA in “the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act.” Section 19(a)(1) of the FTC Act, 15 U.S.C. § 57b(a)(1), provides that the FTC may commence a civil action against “any person, partnership, or corporation” who “violates any rule . . . respecting unfair or deceptive acts or practices.”

145. On December 27, 2020 the President signed the Consolidated Appropriations Act, 2021, which, among other things, provides benefits directly to consumers to address the impact of COVID-19. Public Law 116-260, 134 Stat 1182. Included in this larger act is the COVID Related Tax Relief Act of 2020, which provides benefits to consumers to address the impact of COVID-19. *Id.* § 272.

146. On March 11, 2021 the President signed the American Rescue Plan Act of 2021 into law, which, among other things, provides benefits directly to consumers to address the impact of COVID-19. American Rescue Plan Act of 2021, Public Law 117-2, 135 Stat 138, §§ 9601 & 9611. One such benefit is a tax rebate, issued directly to consumers, often amounting to \$1,400 per consumer. 26 U.S.C. § 6428B. An additional benefit is the increased child tax credit, which resulted in monthly distributions to consumers beginning in July 2021. 26 U.S.C. § 24.

Count I – Misrepresentations Regarding Credit Repair Services

147. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of credit repair products and services, Defendants represent, directly or indirectly, expressly or by implication, that:

- a. Defendants can, or by following Defendants' advice consumers can: (1) significantly increase a credit score, including from as low as the 500s to the 700s or higher; (2) increase the credit score "fast," including in as little as 45 days; (3) remove any negative item from a credit report; (4) remove at least 70% of negative items on a consumer's credit report; (5) remove all credit inquiries from a credit report; or (6) increase a consumer's credit score by causing a third party's credit history to appear on the consumer's credit report;
- b. Defendants' credit repair products and services come with a money-back guarantee or that consumers are entitled to a refund if they do not see the promised results; and
- c. Defendants' methods of modifying credit reports, including manipulating the appearance of true information on credit reports and causing the inclusion of false information on credit reports, are legal practices.

148. On or after December 27, 2020 Defendants made the representations set forth in Paragraph 147, which are associated with a government benefit related to COVID-19.

149. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 147 of this Complaint, such representations were false or misleading or were not substantiated at the time Defendants made them.

150. Therefore, Defendants' representations as set forth in Paragraph 147 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15. U.S.C. § 45(a).

Count II – Misrepresentations Regarding Money-Making Opportunity

151. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of a money-making opportunity, Defendants have represented, directly or indirectly, expressly or by implication, that consumers can, using Defendants' products and services, profitably and legally operate a business selling credit repair services and education, including advising consumers that they can or should manipulate the appearance of true information on credit reports and cause the inclusion of false information on credit reports.

152. On or after December 27, 2020 Defendants made the representations set forth in Paragraph 151, which are associated with a government benefit related to COVID-19.

153. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 151 of this Complaint, such representations were false or misleading or were not substantiated at the time Defendants made them.

154. Therefore, Defendants' representations as set forth in Paragraph 151 constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT

155. The Credit Repair Organizations Act took effect on April 1, 1997 and has since that date remained in full force and effect.

156. The purposes of CROA, according to Congress, are: (1) to ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services; and (2) to protect the public from unfair or deceptive advertising and business practices by credit repair organizations. 15 U.S.C. § 1679(b).

157. CROA defines a "credit repair organization" as "any person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that they can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of (i) improving any consumers' credit record, credit history, or credit rating;

or (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).” 15 U.S.C. § 1679a(3)(A).

158. Defendants are a “credit repair organization.”

159. CROA prohibits all persons from making or using any untrue or misleading representation of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(3).

160. CROA prohibits credit repair organizations from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform before such service is fully performed. 15 U.S.C. § 1679b(b).

161. CROA prohibits all persons from making any statement, or counseling or advising any consumer to make any statement, which is untrue or misleading with respect to any consumer’s credit worthiness, credit standing, or credit capacity to: (1) any consumer reporting agency; or (2) any person who has extended credit to the consumer or to whom the consumer has applied or is applying for an extension of credit. 15 U.S.C. § 1679b(a)(1).

162. CROA prohibits all persons from engaging, directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(4).

163. CROA prohibits all persons from making any statement, or counseling or advising any consumer to make any statement, the intended effect of which is to alter the consumer's identification to prevent the display of the consumer's credit record, history, or rating for the purpose of concealing adverse information that is accurate and not obsolete to: (1) any consumer reporting agency; or (2) any person who has extended credit to the consumer or to whom the consumer has applied or is applying for an extension of credit. 15 U.S.C. § 1679b(a)(2).

164. CROA requires credit repair organizations to provide consumers with a written statement containing prescribed language concerning "Consumer Credit File Rights Under State and Federal Law" before any contract or agreement is executed. 15 U.S.C. § 1679c(a).

165. CROA provides that consumers may cancel any contract with a credit repair organization without penalty or obligation by notifying the credit repair organization within three business days after the date of the contract or agreement. 15 U.S.C § 1679e(a).

166. CROA requires credit repair organizations to include certain terms and conditions in any contract or agreement for services, including a conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, which reads as follows: "You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached

notice of cancellation form for an explanation of this right.” 15 U.S.C. § 1679d(b)(4).

167. CROA requires credit repair organizations to provide consumers with a “Notice of Cancellation” form, in duplicate, containing prescribed language concerning consumers’ three-day right to cancel that consumers can use to cancel the contract. 15 U.S.C. § 1679e(b).

168. Pursuant to Section 410(b)(1) of CROA, 15 U.S.C. § 1679h(b)(1), any violation of any requirement or prohibition of CROA constitutes an unfair or deceptive act or practice in commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Pursuant to Section 410(b)(2) of CROA, 15 U.S.C. § 1679h(b)(2), all functions and powers of the FTC under the FTC Act are available to the FTC to enforce compliance with CROA in the same manner as if the violation had been a violation of any FTC trade regulation rule. Section 19(a)(1) of the FTC Act, 15 U.S.C. § 57b(a)(1), provides that the FTC may commence a civil action against “any person, partnership, or corporation” who “violates any rule . . . respecting unfair or deceptive acts or practices.”

Count III – Misrepresentations Regarding Credit Repair Services

169. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. §

1679a(3), Defendants have made untrue or misleading representations to consumers, including that:

- a. Defendants can, or by following Defendants' counsel or advice consumers can: (1) significantly increase a credit score, including from as low as the 500s to the 700s or higher; (2) increase the credit score "fast," including as little as 45 days; (3) remove any negative item from a credit report; (4) remove at least 70% of negative items on a consumer's credit report; (5) remove all credit inquiries from a credit report; or (6) increase a consumer's credit score by causing a third party's credit history to appear on the consumer's credit report;
- b. Defendants' credit repair services come with a money-back guarantee or that consumers are entitled to a refund if they do not see the promised results; and
- c. Defendants' methods of modifying credit reports, including manipulating the appearance of true information on credit reports and causing the inclusion of false information on credit reports, are legal practices.

170. Defendants' acts or practices, as described in Paragraph 169 of this Complaint, violate CROA, 15 U.S.C. § 1679b(a)(3), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count IV – Violation of Prohibition against Charging Advanced Fees for Credit Repair Services

171. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendants have charged or received money or other valuable consideration for the performance of credit repair services that Defendants have agreed to perform before such services were fully performed.

172. Defendants' acts or practices, as described in Paragraph 171 of this Complaint, violate CROA, 15 U.S.C. § 1679b(b), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count V – Violation of Prohibition against Untrue or Misleading Statements

173. In numerous instances, Defendants have made statements, or counseled or advised consumers to make statements, which are untrue or misleading, or which upon the exercise or reasonable care Defendants should know to be untrue or misleading, with respect to their credit worthiness, credit standing, or credit capacity to consumer reporting agencies, creditors, and potential creditors by:

- a. Causing a third party's credit history to appear on the consumer's credit report through the sale or advice to purchase so-called "authorized user tradelines" when the consumer does not, in fact, gain access to the third party's credit account; and

b. Removing or advising consumers on how to remove true negative items from credit reports, including through: (1) the filing of false identity theft reports; (2) dishonest manipulation of identifying information associated with credit reports followed by false claims to credit reporting agencies that accounts with negative histories are not associated with the consumer; or (3) otherwise advising consumers to challenge accurate non-obsolete information on their credit reports.

174. Defendants' acts or practices, as described in Paragraph 173 of this Complaint, violate CROA, 15 U.S.C. § 1679b(a)(1), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count VI – Engaging in Fraudulent or Deceptive Credit Repair Practices

175. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendants have engaged, directly or indirectly, in acts, practices, or course of business that constitute or result in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization, by:

a. Causing a third party's credit history to appear on the consumer's credit report through the sale or advice to purchase so-called

“authorized user tradelines” when the consumer does not, in fact, gain access to the third party’s credit account; and

b. Removing or advising consumers on how to remove true negative items from credit reports, including through: (1) the filing of false identity theft reports; (2) dishonest manipulation of identifying information associated with credit reports followed by false claims to credit reporting agencies that accounts with negative histories are not associated with the consumer; or (3) otherwise advising consumers to challenge accurate non-obsolete information on their credit reports.

176. Defendants’ acts or practices, as described in Paragraph 175 of this Complaint, violate CROA, 15 U.S.C. § 1679b(a)(4), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count VII – Violation of Prohibition Against Altering Consumer’s Identification

177. Defendants have made statements, or counseled or advised consumers to make statements, intending to alter the consumer’s identification to prevent the display of the consumer’s credit record, history, or rating for the purpose of concealing adverse information that is accurate and not obsolete to consumer reporting agencies, creditors, and potential creditors by manipulating the identifying information on file with credit reporting agencies, including but not limited to past addresses and phone numbers, to suppress associated negative credit information.

178. Defendants' acts or practices, as described in Paragraph 177 of this Complaint, violate CROA, 15 U.S.C. § 1679b(a)(2), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count VIII – Failure to Provide Required Disclosures and Documents

179. In numerous instances, in connection with the sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendants have failed to provide consumers:

- a. A written statement of “Consumer Credit File Rights Under State and Federal Law,” in the prescribed manner required by CROA before any contract or agreement is executed;
- b. Contracts containing required terms and conditions, including:
 - i) The terms and conditions of payment;
 - ii) A full and detailed description of the services to be performed;
 - iii) The name and principal business address of each of the Defendants;
 - iv) A conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, regarding the consumers' right to cancel the contracts without penalty or obligation at any time before the

third business day after the date on which consumers signed the contracts; or

- c. A cancellation form in the prescribed manner required by CROA.

180. Defendants' acts or practices, as described in Paragraph 179 of this Complaint, violate CROA, 15 U.S.C. §§ 1679c(a), 1679c(b), 1679d(b), 1679e(b), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count IX – Failure to Honor Cancellation Requests

181. In numerous instances, in connection with the sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendants have failed to honor consumers' timely cancellation requests.

182. Defendants' acts or practices, as described in Paragraph 181 of this Complaint, violate CROA, 15 U.S.C. § 1679e(a), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE TELEMARKETING SALES RULE

183. In 1994, Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108. The FTC adopted the original Telemarketing Sales Rule in 1995, extensively amended it in 2003, and amended certain sections thereafter. 16 C.F.R. Part 310.

184. Under the TSR, a “telemarketer” means any person who, in connection with telemarketing, initiates or receives telephone calls to or from a consumer or donor. 16 C.F.R. § 310.2(ff). A “seller” means any person who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration. 16 C.F.R. § 310.2(dd).

185. Defendants are “seller[s]” or “telemarketer[s]” engaged in “telemarketing,” as those terms are defined in the TSR, 16 C.F.R. § 310.2(dd), (ff), and (gg).

186. Under the TSR, an “investment opportunity” means anything, tangible or intangible, that is offered, offered for sale, sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation. 16 C.F.R. § 310.2(s).

187. Defendants have sold investment opportunities, as that term is defined in the TSR, 16 C.F.R. § 310.2(s).

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

189. The TSR also prohibits sellers and telemarketers from misrepresenting, directly or by implication, any material aspect of the nature or terms of the seller's refund, cancellation, exchange, or repurchase policies. 16 C.F.R. § 310.3(a)(2)(iv).

190. The TSR also prohibits sellers and telemarketers from failing to disclose truthfully, in a clear and conspicuous manner, a statement informing the customer that its policy is to not make refunds, cancellations, exchanges, or repurchases; or, if the seller or telemarketer makes a representation about a refund, cancellation, exchange, or repurchase policy, failing to disclose truthfully, in a clear and conspicuous manner, a statement of all material terms and conditions of such policy. 16 C.F.R. § 310.3(a)(1)(iii).

191. The TSR also prohibits sellers and telemarketers from misrepresenting, directly or by implication, any material aspect of an investment opportunity. 16 C.F.R. § 310.3(a)(2)(vi).

192. The TSR also prohibits sellers or telemarketers from requesting or receiving payment of any fee or consideration for goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating until: (1) the time frame in which the seller has represented all of the goods or services will be provided to that person has expired; and (2) the seller has provided the person with documentation in the form of a consumer report from a consumer reporting agency demonstrating that the promised results have been

achieved, such report having been issued more than six months after the results were achieved. 16 C.F.R. § 310.4(a)(2).

193. Defendants have sold goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating.

194. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Section 19(a)(1) of the FTC Act, 15 U.S.C. § 57b(a)(1), provides that the FTC may commence a civil action against "any person, partnership, or corporation" who "violates any rule . . . respecting unfair or deceptive acts or practices."

Count X – Misrepresentations Regarding Credit Repair Services

195. In numerous instances, in connection with the telemarketing of credit repair services, Defendants have misrepresented, directly or by implication, material aspects of the performance, efficacy, nature, or central characteristics of their credit repair services, including that:

- a. Defendants can, or by following Defendants' counsel or advice consumers can: (1) significantly increase a credit score, including from as low as the 500s to the 700s or higher; (2) increase the credit score "fast," including as little as 45 days; (3) remove any negative item from

a credit report; (4) remove at least 70% of negative items on a consumer's credit report; (5) remove all credit inquiries from a credit report; or (6) increase a consumer's credit score by causing a third party's credit history to appear on the consumer's credit report; and

b. Defendants' credit repair products or services come with a money-back guarantee or that consumers are entitled to a refund if they do not see the promised results.

196. Defendants' acts or practices, as described in Paragraph 195 of this Complaint, violate the TSR, 16 C.F.R. § 310.3(a)(2)(iii), (iv), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count XI – Failure to Disclose Refund Policy

197. In numerous instances, in connection with the telemarketing of credit repair services, Defendants have failed to disclose truthfully, in a clear and conspicuous manner, a statement informing customers that Defendants do not provide refunds for their products or services.

198. Defendants' acts or practices, as described in Paragraph 197 of this Complaint, violate the TSR, 16 C.F.R. § 310.3(a)(1)(iii), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count XII – Misrepresentations Regarding Investment Opportunities

199. In numerous instances, in connection with the telemarketing of an investment opportunity, Defendants have misrepresented, directly or by implication,

that consumers can, using Defendants' products and services, profitably and legally sell credit repair services and education, including advising consumers they can or should manipulate the appearance of true information on credit reports and cause the inclusion of false information on credit reports.

200. Defendants' acts or practices, as described in Paragraph 199 of this Complaint, violate the TSR, 16 C.F.R. § 310.3(a)(2)(vi), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count XIII – Violation of Prohibition Against Charging Advance Fees for Credit Repair Services

201. In numerous instances, in connection with the telemarketing of credit repair products or services, Defendants have requested or received payment of a fee or consideration for credit repair services before: (1) the time frame in which Defendants have represented all of the credit repair products or services will be provided to consumers has expired; and (2) Defendants have provided consumers with documentation in the form of a consumer report from a consumer reporting agency demonstrating the promised results have been achieved, with such report having been issued more than six months after the results were achieved.

202. Defendants' acts or practices, as described in Paragraph 201 of this Complaint, violate the TSR, 16 C.F.R. § 310.4(a)(2), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE BUSINESS OPPORTUNITY RULE

203. The FTC brings this action under the amended Business Opportunity Rule, 16 C.F.R. Part 437, which was extended in scope to cover certain work-at-home-opportunities, became effective on March 1, 2012, and has since that date remained in full force and effect.

204. Defendants are “sellers” who have sold or offered to sell “business opportunities” as defined by the BOR, 16 C.F.R. §§ 437.1(c) and (q).

205. Under the BOR, a “seller” is a person who offers for sale or sells a business opportunity. 16 C.F.R. § 437.1(q). Under the BOR, a “business opportunity” means a “commercial arrangement” in which a “seller solicits a prospective purchaser to enter into a new business;” the “prospective purchaser makes a required payment;” and the “seller, expressly or by implication, orally or in writing, represents that the seller or one or more designated persons will . . . [p]rovide outlets, accounts, or customers, including, but not limited to, Internet outlets, accounts, or customers, for the purchaser’s goods or services.” 16 C.F.R. § 437.1(c). Under the BOR, a “designated person” means “any person, other than the seller, whose goods or services the seller suggests, recommends, or requires that the purchaser use in establishing a new business.”

206. Among other things, the BOR requires sellers to provide prospective purchasers with a disclosure document in the form and using the language set forth in the BOR and its Appendix A, and any required attachments, at least seven (7)

days before the prospective purchaser signs a contract or makes a payment. 16 C.F.R. § 437.2. In the disclosure document, the seller must disclose to prospective purchasers five categories of information, including basic identifying information about the seller, any earnings claims the seller makes, the seller's litigation history, any cancellation and refund policy the seller offers, and contact information of prior purchasers. 16 C.F.R. §§ 437.3(a)(1)-(5). The pre-sale disclosure of this information enables a prospective purchaser to contact prior purchasers and take other steps to assess the potential risks involved in the purchase of the business opportunity.

207. Defendants have made earnings claims in connection with the sale of their business opportunities, as defined by the BOR, 16 C.F.R. § 437.1(f). Under the BOR, an "earnings claim" means "any oral, written, or visual representation to a prospective purchaser that conveys, expressly or by implication, a specific level or range of actual or potential sales, or gross or net income or profits." 16 C.F.R. § 437.1(f).

208. The BOR prohibits sellers from making earnings claims unless the seller: (1) has a reasonable basis for the claim at the time it is made; (2) has in its possession written materials to substantiate the claim at the time it is made; (3) furnishes an earnings claim statement to prospective purchasers, in writing, containing, among other things, information regarding the time frame captured by the earnings claim, the characteristics of the purchasers, and the number and

percentage of all persons who purchased the business opportunity within the time frame who achieved at least the stated level of earnings; and (4) makes written substantiation of the earnings claim available to any prospective purchaser who requests it. 16 C.F.R. § 437.4(a).

209. Defendants have also made earnings claims in connection with the sale of their business opportunities in the general media, as defined by the BOR, 16 C.F.R. § 437.1(h). Under the BOR, “general media” means “any instrumentality through which a person may communicate with the public, including, but not limited to, television, radio, print, Internet, billboard, Web site, commercial bulk email, and mobile communications.” 16 C.F.R. § 437.1(h).

210. The Business Opportunity Rule also prohibits sellers from making earnings claims in the general media unless the seller: (1) has a reasonable basis for the claim at the time the claim is made; (2) has in its possession written materials that substantiates its claim at the time the claim is made; (3) states in immediate conjunction with the claim the time period in which the earnings were achieved and the number and percentage of purchasers who achieved at least the stated level of earnings in the claim. 16 C.F.R. § 437.4(b).

211. The Business Opportunity Rule also prohibits sellers, directly or indirectly through a third party, from, among other things: (1) misrepresenting the amount of sales, or gross or net income or profits a prospective purchaser may earn or that prior purchasers have earned; (2) misrepresenting the cost, or the

performance, efficacy, nature, or central characteristics of the business opportunity or the goods or services offered to a prospective purchaser; and (3) misrepresenting any material aspect of any assistance offered to a prospective purchaser. 16 C.F.R. §§ 437.6(d), (h), (i).

212. The BOR requires the retention of certain records “[t]o prevent the unfair and deceptive acts or practices specified in this Rule.” 16 C.F.R. § 437.7. Under the BOR, “business opportunity sellers and their principals must prepare, retain, and make available for inspection by [FTC] officials copies of the following documents for a period of three years: (a) each materially different version of all documents required by this Rule; (b) each purchaser's disclosure receipt; (c) each executed written contract with a purchaser; and (d) all substantiation upon which the seller relies for each earnings claim from the time each such claim is made.” 16 C.F.R. § 437.7.

213. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the BOR constitutes an unfair or deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Section 19(a)(1) of the FTC Act, 15 U.S.C. § 57b(a)(1), provides that the FTC may commence a civil action against “any person, partnership, or corporation” who “violates any rule . . . respecting unfair or deceptive acts or practices.”

Count XIV – Misrepresentations Regarding Business Opportunities

214. In numerous instances, in connection with the offer for sale, sale, or promotion of a business opportunity, Defendants have, directly or indirectly through a third party, misrepresented that consumers can, using Defendants' products and services, profitably and legally operate a business selling credit repair services and education, including by advising consumers that they can or should manipulate the appearance of true information on credit reports and cause the inclusion of false information on credit reports.

215. Defendants' acts or practices, as described in Paragraph 214 of this Complaint, violate the BOR, 16 C.F.R. §§ 437.6(d), (h), (i), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count XV – Failure to Provide Required Written Disclosures

216. In numerous instances, in connection with the offer for sale, sale, or promotion of business opportunities, Defendants have failed to furnish prospective purchasers with complete, accurate, and current disclosures required by the BOR.

217. Defendants' acts or practices, as described in Paragraph 216 of this Complaint, violate the BOR, 16 C.F.R. §§ 437.2 and 437.3, and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count XVI – Failure to Provide Required Earning Claim Disclosures

218. In numerous instances, in connection with the offer for sale, sale, or promotion of business opportunities in which Defendants have made earnings claims, including in the general media, Defendants have failed to furnish prospective purchasers with the earnings claim disclosures required by the BOR.

219. Defendants' acts or practices, as described in Paragraph 218 of this Complaint, violate the BOR, 16 C.F.R. §§ 437.4(a), (b), and therefore are deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

220. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act, CROA, the TSR, the CCPA, and the BOR. Absent injunctive and other relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

PRAYER FOR RELIEF

Wherefore, Plaintiff, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 410(b) of CROA, 15 U.S.C. § 1679h(b), Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), Section 1401(c)(1) of the CCPA, 15 U.S.C. § 45 note (CCPA § 1401(c)(1)), the BOR, and the Court's own equitable powers, requests that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act, CROA, the TSR, the CCPA, and the BOR by Defendants in accordance with Section 13(b) of the FTC Act, 15 U.S.C. § 53(b);

B. Grant preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to: temporary and preliminary injunctions, an order freezing Defendants' assets, the appointment of a receiver, immediate access to Defendants' business premises and documents, and an accounting of assets;

C. Award monetary and other relief, including rescission or reformation of contracts, the refund of money, the return of property, public notification, or other relief necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, CROA, the TSR, the CCPA, and the BOR in accordance with Section 19 of the FTC Act, 15 U.S.C. § 57b; and

D. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,

Dated: 5/2/2022

/s/ Hong Park

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Sana Chaudhry
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Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

FEDERAL TRADE COMMISSION

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Hong Park (202-326-2158); Brian M Welke (-2897); Sana Chaudry (-2679); Federal Trade Commission, 600 Penn Ave. NW CC-9528 Washington DC 20580

DEFENDANTS

Please see attached Complaint header

County of Residence of First Listed Defendant Duval County
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

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

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

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

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	PERSONAL INJURY	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 375 False Claims Act
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 376 Qui Tam (31 USC 3729(a))
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability		INTELLECTUAL PROPERTY RIGHTS	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander		<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability		<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine		<input type="checkbox"/> 835 Patent - Abbreviated New Drug Application	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans)	<input type="checkbox"/> 345 Marine Product Liability		<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	LABOR	<input type="checkbox"/> 880 Defend Trade Secrets Act of 2016	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 710 Fair Labor Standards Act	SOCIAL SECURITY	<input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692)
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 720 Labor/Management Relations	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 485 Telephone Consumer Protection Act
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 196 Franchise		<input type="checkbox"/> 751 Family and Medical Leave Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 850 Securities/Commodities/Exchange
REAL PROPERTY	CIVIL RIGHTS	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 864 SSID Title XVI	<input checked="" type="checkbox"/> 890 Other Statutory Actions
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 441 Voting		FEDERAL TAX SUITS	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 442 Employment	IMMIGRATION	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 462 Naturalization Application	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 896 Arbitration
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 445 Amer. w/Disabilities - Employment	<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 446 Amer. w/Disabilities - Other			<input type="checkbox"/> 950 Constitutionality of State Statutes
	<input type="checkbox"/> 448 Education			
	PRISONER PETITIONS			
	Habeas Corpus:			
	<input type="checkbox"/> 463 Alien Detainee			
	<input type="checkbox"/> 510 Motions to Vacate Sentence			
	<input type="checkbox"/> 530 General			
	<input type="checkbox"/> 535 Death Penalty			
	Other:			
	<input type="checkbox"/> 540 Mandamus & Other			
	<input type="checkbox"/> 550 Civil Rights			
	<input type="checkbox"/> 555 Prison Condition			
	<input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

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

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
FTC Act 15 USC §§ 53(b) and 57b; CROA 15 USC §§ 1679-1679j; CCPA 15 USC § 45 note; TSR 16 CFR Part 310; BOR 16 CFR Part 437

Brief description of cause:

Credit repair and money-making opportunity scheme engaged in illegal and deceptive practices.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

May 2, 2022

/s/ Hong Park

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

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

- I. (a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. **Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

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

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MICHAEL RANDO, a/k/a Mike Singles,
individually and as a principal of Prosperity
Training Technology LLC, Elite Customer
Services, LLC, Digital Business Scaling
LLC, First Coast Matchmakers Inc., First
Coast Matchmakers LLC, and Financial
Consulting Management Group LLC,

VALERIE RANDO, a/k/a Valerie Payton,
Val Rando, and Val Singles, individually
and as a principal of Prosperity Training
Technology LLC, Elite Customer Services,
LLC, Digital Business Scaling LLC, First
Coast Matchmakers Inc., First Coast
Matchmakers LLC, and Financial
Consulting Management Group LLC,

PROSPERITY TRAINING
TECHNOLOGY LLC, a Florida limited
liability company, also d/b/a The Credit
Game, The Credit Game University, and
Elite Deletions,

ELITE CUSTOMER SERVICES, LLC, a
Florida limited liability company,

DIGITAL BUSINESS SCALING LLC, a
Florida limited liability company,

FIRST COAST MATCHMAKERS INC., a
Florida corporation, also d/b/a Wholesale
Tradelines,

Case No. _____

**COMPLAINT FOR
PERMANENT INJUNCTION,
MONETARY RELIEF, AND
OTHER RELIEF**

**(DOCUMENT SUBMITTED
UNDER SEAL)**

FIRST COAST MATCHMAKERS LLC, a
Florida limited liability company, also
d/b/a Wholesale Tradelines,

FINANCIAL CONSULTING
MANAGEMENT GROUP LLC, a Florida
limited liability company, and

RESOURCE MANAGEMENT
INVESTMENTS, LLC, a Florida limited
liability company,

Defendants.