

JURISDICTION AND VENUE

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

3. Venue is proper in the United States District Court for the District of Maryland under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

PARTIES

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created and given statutory authority and responsibility by the FTC Act, as amended,

DEFENDANTS' BUSINESS PRACTICES

Since January 1, 2002, Ballenger Group has been the sole servicing company for

AmeriDebt, Inc. ("AmeriDebt"), a Maryland non-stock corporation that styles itself as a non-profit credit

Ballenger has handled communications with creditors and consumers, including setting up repayment terms with creditors, fielding incoming calls from consumers, making outgoing calls to consumers and creditors, updating consumers' information, collecting payments from consumers, and disbursing payments to creditors. Its customer service employees answer telephone calls identifying themselves as "AmeriDebt."

11. Ballenger Group took over the servicing operations formerly performed by DebtWorks Inc. ("DebtWorks"), a for-profit company wholly owned by Andris Pukke ("Pukke"), who also assisted in the founding of AmeriDebt. Since that time, Ballenger Group has provided all of the services that

Count I: Deceptive Omission That AmeriDebt Retains All or a Substantial

13. Plaintiff incorporates by reference all the foregoing paragraphs.

14. Defendants have represented, expressly or by implication, that consumers' payments will be disbursed to creditors. Defendants have failed to disclose that AmeriDebt keeps all or a substantial

consumer's first payment as a fee. This fact would be material to consumers. Defendants'

1. Enter judgment against Defendants and in favor of plaintiff for each violation charged in the Complaint;

2. Permanently enjoin and restrain Defendants from violating the FTC Act as alleged herein;

3. Award such relief as the Court finds necessary to redress injury to consumers

resulting from Defendants' violations of the FTC Act, including but not limited to the rescission of

4. Award Plaintiff such other and additional equitable relief as the Court may determine to

be just and proper.

Dated: November 19, 2003

Respectfully Submitted,
FEDERAL TRADE COMMISSION
WILLIAM E. KOVACIC
General Counsel

Mauphe R Branch

JEANNE-MARIE S. BURKE
MAIYSHA R. BRANCH
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room NJ-3158
Washington, DC 20580
(202) 326-2874 (telephone)
(202) 326-3768 (facsimile)

Robert S. Kaye
Local Counsel
ROBERT S. KAYE
MD.D.CT. # 09560
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room H-238
Washington, DC 20580
(202) 326-2215 (telephone)
(202) 326-3395 (facsimile)