UNITED STATES DISTRICT COURT JAN 1 8 2006
FOR THE NORTHERN DISTRICT OF ILLINOISibl:ba EASTERN DIVISION @SR#X@ U.S. DS

FEDERAL TRADE COMMISSION,)
Plaintiff,

v.

BAD CREDIT B GONE, LLC, and

) Case No.
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JOSEPH A. GRAZIOLA, m,)
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Defendants. 1

COMPLAINT FOR 1N.TUNCTIVE AND OTHER EQUITABLE RELIEF
Plaintiff, the Federal Trade Commission ("FTC" or "the Commission"), for its Complaint alleges as follows:
1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. $3 53(b) and 57b, and under Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. $ 1679h(b), to obtain preliminary and permanent injunctive relief, rescission of contracts, restitution, redress, disgorgement and other equitable relief for Defendants' deceptive acts or practices in connection with the sale and offering for sale of credit repair services in violation of Section 5(a) of the FTC Act, 15 U.S.C. $ 45(a), and the Credit Repair Organizations Act, 15 U.S.C. $ 1679 at seq.
JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 15 U.S.C. $5 45(a) and
53(b), and 28 U.S.C. $5 1331, 1337(a), and 1345.

3. Venue in the United States District Court for the Northern District of Illinois is
proper under 15 U.S.C. $ 53(b) and 28 U.S.C. $ 1391(b).
PLAINTIFF

4. Plaintiff FTC is an independent agency of the United States Government created
by statute. 15 U.S.C. $9 41-58. The FTC is charged, inter alia, with enforcing Section 5(a)

set forth in this Complaint. Defendant Graziola transacts or

At Bad Credit B Gone our team of specialists work around the clock erasing your bad
credit from your credit report. Your credit score will rise since we only remove the bad
credit and leave the good.
14. Before providing any of the promised services, Defendants request and obtain at
least partial payment for these services. The fee required by Defendants typically is $500 for an individual and $700 for a couple. Defendants require a payment of one-half the total amount up-front with the remaining balance due in 45 days.
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any untrue or misleading representation of the services of the credit repair organization. 15 U.S.C. 5 1679b(a)(3).
20. Pursuant to Section 410(b)(l) of the Credit Repair Organizations Act, 15 U.S.C.
5 1679h(b)(l), any violation of any requirement or prohibition of the Credit Repair Organizations Act constitutes an unfair or deceptive act or practice in commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. 5 45(a).

VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT
COUNT ONE
21. In numerous instances, in connection with the performance of services for
consumers by a credit repair organization, as that term is defined in Section 403(3) of the Credit Repair Organizations Act, 15 U.S.C. 5 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. Defendants have thereby violated Section 404(b) of the Credit Repair Organizations Act. 15 U.S .C. 5 1679b(b).

COUNT TWO
22. In numerous instances, in connection with the performance of services for
consumers by a credit repair organization, as that term is defined in Section 403(3) of the Credit Repair Organizations Act, 15 U.S.C. 5 1679a(3), Defendants have made untrue or misleading statements to induce consumers to purchase their credit repair services, including, but not limited to, the representation that Defendants can improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' oA,5vo

23. In truth and in fact, in numerous instances, Defendants cannot improve
substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.
24. Defendants have thereby violated Section 404(a)(3) of the Credit Repair
Organizations Act. 15 U.S.C. 5 1679b(a)(3).

VIOLATION OF SECTION 5 OF THE FTC ACT
25. Section 5(a) of the FTC Act, 15 U.S.C. $ 45(a), prohibits unfair or deceptive acts
or practices in or affecting commerce.
26. Misrepresentations or omissions of material fact constitute deceptive acts or
practices prohibited by Section 5(a) of the FTC Act.
COUNT THREE
27. In numerous instances, in connection with the advertising, marketing, promotion,
offering for sale, or sale of credit repair services, Defendants have represented that they can improve substantially most consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete.

28. In truth and in fact, in numerous instances, Defendants cannot improve
substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports where such information is accurate and not obsolete.
29. Therefore, the representations set forth in Paragraph 27 are false and misleading
and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act. 15 U.S.C. 8 45(a).

CONSUMER INJURY
30. Consumers have suffered, and continue to suffer, substantial monetary loss as a
result of Defendants' unlawful acts and practices. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.
THIS COURT'S POWER TO GRANT RELIEF

31. Sections 13(b) and 19 of the FTC Act, 15 U.S.C. $9 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. $ 1679h(b), empower this Court to grant injunctive and such other relief as the Court may deem appropriate to prevent and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including, but not limited to, rescission of contracts and restitution, and the disgorgernent of ill-gotten gains, to prevent and remedy injury caused by Defendants' law
violations.
PRAYER FOR RELIEF

WHEREFORE, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15
U.S.C. 94 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C.
5 1679h(b), and the Court's own equitable powers, requcau(U.S.Ctand)]TJ 2410(b) requc0 1g1iTd [(equitabl6j -0.0104 Tc :0215 Tc

disgorgement of ill-gotten gains by Defendants; and

3. Award Plaintiff the costs of bringing this action, as well as such other and

additional relief as the Court may determine to be just and proper.

Respectfully submitted,

WILLIAM BLUMENTHAL

General Counsel P

Dated: YhlL ~OOG;~

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