

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

[REDACTED]

HOUSTON DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ITD FINANCIAL SERVICES I P

Civil Action No. H-07-3741

TIMOTHY FELDMAN,

[REDACTED]

JOHN BREWSTER, and

DERREK DAVIS,

Defendants.

civil penalties, permanent injunction, consumer redress, disgorgement, and other equitable relief

2. This Court has jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337, 1345, and 1355, and under 15 U.S.C. §§ 45(m)(1)(A), 53(b), 57b, and 1692*l*. This action arises under 15 U.S.C. § 45(a)(1) and 15 U.S.C. § 1692*l*.

3. Venue is proper in the United States District Court for the Southern District of Texas under 28 U.S.C. §§ 1391(b-c) and 1395(a) and 15 U.S.C. § 53(b).

DEFENDANTS

4. Defendant LTD Financial Services, L.P. (“LTD” or “company”) is a Texas limited partnership with its principal office and place of business located within the Southern District of

Texas at 7372 Southwest Freeway, Suite 1600, Houston, Texas 77062. At all times relevant to

Chairman of the Board, Chief Executive Officer, and a 50% owner of LTD, formulated, directed,

controlled, or had the authority to control, the acts and practices of LTD, including the acts and practices alleged in this Complaint. At all times relevant to this Complaint, Defendant Pruzansky has resided or transacted business in the Southern District of Texas.

7. Defendant John Brewster was the Senior Vice President in charge of LTD's collection operations in Houston, Texas. Defendant Brewster played an active role in the management and/or supervision of LTD's debt collection activities. Defendant Brewster, in his capacity as Senior Vice President of LTD, formulated, directed, controlled, or had the authority to control, the acts and practices of LTD, including the acts and practices alleged in this

Complaint. At all times relevant to this Complaint, Defendant Brewster resided or transacted

COMMERCE

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

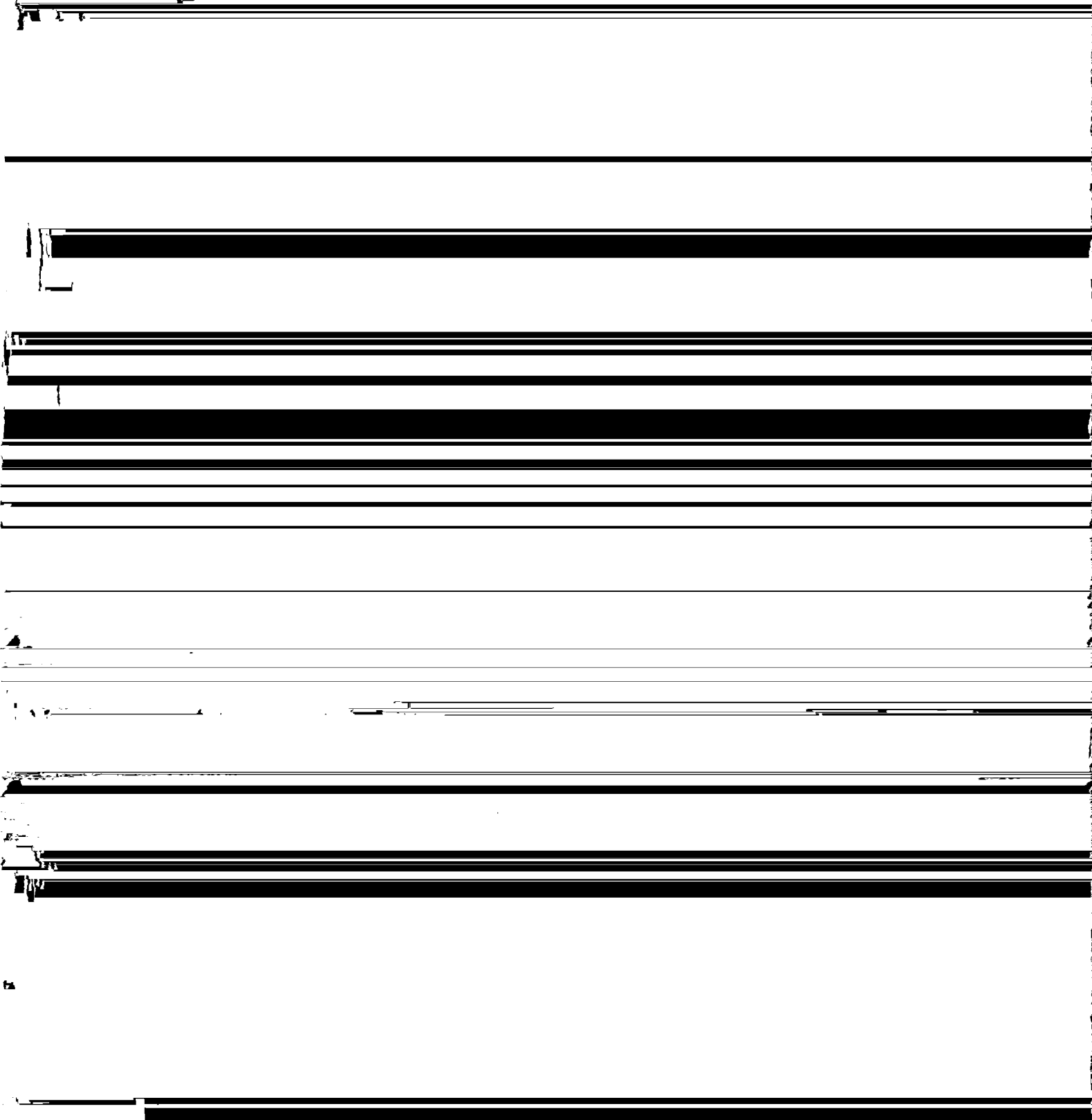
11. From its offices in Houston and San Antonio, Texas, LTD engages in consumer

debt collection activities in all 50 states. LTD collects on approximately 1,250,000 accounts a

year. The company collects debts in both English and Spanish.

after being hung up on by the consumers. In addition, some LTD collectors use abusive language, including racial slurs and profanity.

16 LTD's collection practices generated hundreds of complaints filed with the Federal



VIOLATIONS OF SECTION 5 OF THE FTC ACT

21. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.” Misrepresentations of material fact constitute deceptive acts or practices prohibited by the FTC Act.

COUNT I

22. On numerous occasions in connection with the collection of debts in both English

VIOLATIONS OF THE FAIR DEBT COLLECTION PRACTICES ACT

25. In 1977, Congress passed the FDCPA, 15 U.S.C. §1692 *et seq.*, which became effective on March 20, 1978, and has been in force since that date. Section 814 of the FDCPA,

15 U.S.C. § 1692i specifically empowers the Commission to enforce the FDCPA. Under its

provisions, for purpose of the exercise by the Commission of its functions and powers under the FTC Act, a violation of the FDCPA is deemed an unfair or deceptive act or practice in violation of the FTC Act. Further, the Commission is authorized to use all of its functions and powers under the FTC Act to enforce compliance with the FDCPA by any person, irrespective of

whether that person is engaged in commerce or meets any other jurisdictional tests set by the

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of the FDCPA, 15 U.S.C. § 1692c(b).

COUNT III

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[REDACTED]

INJUNCTION FOR VIOLATIONS OF THE FTC ACT AND THE FDCPA

31. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction to ensure that Defendants LTD Financial Services, L.P., Timothy Feldman, Leonard Pruzansky, John Brewster, and Derrek Davis will not continue to violate the

FTC Act, 15 U.S.C. § 53(b)

INJUNCTION FOR VIOLATIONS OF THE FTC ACT AND THE FDCPA

32. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court:

Court's own equitable powers, respectfully requests that the Court:

1. Enter a permanent injunction to prevent future violations of the FTC Act and the FDCPA by Defendants;
2. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the FDCPA, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;
3. Award Plaintiff monetary civil penalties for each violation of the FDCPA occurring within five years preceding the filing of this Complaint; and
4. Award Plaintiff the costs of bringing this action, as well as such other and

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/s/ Keith Edward Wyatt
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