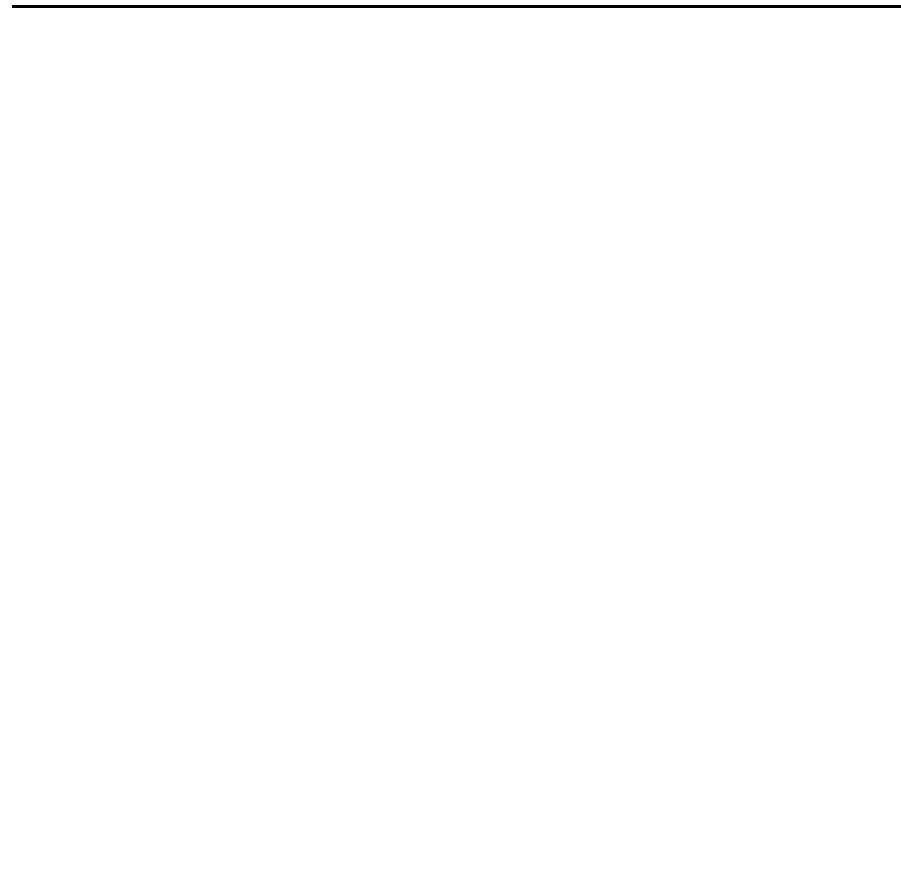


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1 Plaintiffs, the Federal Trade Commission (“FTC” or “Commission”), and the State of
2 Nevada, by and through its counsel and Attorney General, for their complaint allege:

3 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission
4 Act (“FTC Act”), 15 U.S.C. § 53(b), and the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1601-
5 1666j, as amended, to secure a permanent injunction, rescission of contracts and restitution,
6 disgorgement of ill-gotten monies, and other equitable relief against the defendants for engaging
7 in unfair and deceptive acts or practices in connection with the offering and extension of credit
8 in the form of high-fee, short-term “payday” loans, and the collection of those loans, in violation
9 of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and for violations of TILA and its
10 implementing Regulation Z, 12 C.F.R. § 226, as amended.

11 2. The State of Nevada, by and through the Office of the Attorney General,
12 Catherine Cortez Masto, and its Bureau of Consumer Protection (“BCP”), John R. McGlamery,
13 Deputy Attorney General, brings this action pursuant to the Deceptive Trade provisions of
14 Chapter 598 of the Nevada Revised Statutes, to secure permanent injunctive relief, restitution,
15 and other equitable relief.

16 JURISDICTION AND VENUE

17 3. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a),
18 53(b), and 1607(c), and 28 U.S.C. §§ 1331, 1337(a), and 1345 with respect to the federal law
19 claims, and by 28 U.S.C. § 1367 with respect to the supplemental state law claims of the State of
20 Nevada.

21 4. Venue in the District of Nevada is proper under 15 U.S.C. § 53(b) and 28 U.S.C.
22 §§ 1391(b) - (d).

23 PLAINTIFFS

24 5. Plaintiff Federal Trade Commission is an independent agency of the United States
25 Government created by statute. 15 U.S.C. §§ 41-58. The Commission enforces Section 5(a) of
26 the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
27 affecting commerce. The Commission also enforces TILA, 15 U.S.C. §§ 1601-1666j, which
28 establishes, *inter alia*, disclosure and calculation requirements for consumer credit transactions

1 and advertisements. The Commission may initiate federal district court proceedings by its own
2 attorneys to enjoin violations of the FTC Act and TILA and to secure such equitable relief as
3 may be appropriate in each case, including restitution for injured consumers and disgorgement of
4 ill-gotten monies. 15 U.S.C. § 53(b).

5 6. Plaintiff State of Nevada is one of the 50 sovereign states of the United States.
6 Plaintiff State of Nevada, by and through the Office of the Attorney General, Catherine Cortez
7 Masto, and its BCP, John R. McGlamery, Deputy Attorney General, brings this action under the
8 Deceptive Trade provisions of Chapter 598 of the Nevada Revised Statutes. This Court has
9 supplemental jurisdiction over plaintiff Nevada’s state claims under 28 U.S.C. § 1367.

10 **DEFENDANTS**

11 7. Defendant **Cash Today, Ltd.**, also doing business as Cash Today, Route 66
12 Funding, Global Financial Services International, Ltd., Interim Cash, Ltd., and BIG-INT, Ltd., is
13 organized under the laws of the United Kingdom with its registered address at Northway House,
14 1379 High Road, Whetstone, London N20 9LP. Cash Today, Ltd., participates with the other
15 defendants in the advertising and extension of credit to consumers in the form of high-fee, short-
16 term “payday” loans, and the collection of those loans. Cash Today, Ltd., is a wholly owned
17 subsidiary of The Harris Holdings, Ltd., a company organized under the laws of Guernsey, a
18 British Protectorate located in the Channel Islands. Cash Today, Ltd., engages in and transacts
19 business in this district.

20 8. Defendant **The Heathmill Village, Ltd.**, also doing business as CaTD(d)BJ4.6800 0.0000 126.0000u
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1 HBS Services, Inc., Rovinge International, Inc., Lotus Leads, Inc., and First4Leads, Inc.,
2 participate with the other defendants in the advertising and extension of credit to consumers in
3 the form of high-fee, short-term “payday” loans, and the collection of those loans. ACH Cash,
4 Inc., HBS Services, Inc., Rovinge International, Inc., Lotus Leads, Inc., and First4Leads, Inc.,
5 engage in and transact business in this district.

6 12. Defendant **The Harris Holdings, Ltd.**, also doing business as Cash Today, Route
7 66 Funding, Global Financial Services International, Ltd., Interim Cash, Ltd., and BIG-INT,
8 Ltd., is organized under the laws of Guernsey, with its registered address at 14 New Street, St.
9 Peter Port, Guernsey. The Harris Holdings, Ltd., participates with the other defendants in the
10 advertising and extension of credit to consumers in the form of high-fee, short-term “payday”
11 loans, and the collection of those loans. The Harris Holdings, Ltd., wholly owns Cash Today,
12 Ltd., and Waterfront Investments, Inc., and has over 50 percent ownership of The Heathmill
13 Village, Ltd. The Harris Holdings, Ltd., engages in and transacts business in this district through
14 and by its subsidiaries, Cash Today, Ltd., The Heathmill Village, Ltd., Waterfront Investments,
15 Inc., and Leads Global, Inc.

16 13. Defendant **Aaron Gershfield** was an officer and director of Cash Today, Ltd.,
17 until recently, and is an officer and director of The Heathmill Village, Ltd., and The Harris
18 Holdings, Ltd. He is also an officer and director of Northcrest Ventures, Ltd., a UK shell
19 corporation, which in turn, is a director of Cash Today, Ltd. At all times material to this
20 complaint, acting alone or in concert with others, he has formulated, directed, controlled, or
21 participated in the acts and practices of Cash Today, Ltd., The Heathmill Village, Ltd., Leads
22 Global, Inc., Waterfront Investments, Inc., ACH Cash, Inc., HBS Services, Inc., Rovinge
23 International, Inc., Lotus Leads, Inc., First4Leads, Inc., and The Harris Holdings, Ltd., including
24 the acts and practices set forth in this complaint. Aaron Gershfield resides in the United
25 Kingdom and engages in and transacts business in this district.

26 14. Defendant **Ivor Gershfield** was an officer and director of Cash Today, Ltd., until
27 recently, and is an officer and director of The Harris Holdings, Ltd. He is also an officer and
28 director of Northcrest Ventures, Ltd., a UK shell corporation, which in turn, is a director of Cash

1 Today, Ltd. At all times material to this complaint, acting alone or in concert with others, he has
2 formulated, directed, controlled, or participated in the acts and practices of Cash Today, Ltd.,
3 The Heathmill Village, Ltd., Leads Global, Inc., Waterfront Investments, Inc., ACH Cash, Inc.,
4 HBS Services, Inc., Rovinge International, Inc., Lotus Leads, Inc., First4Leads, Inc., and The
5 Harris Holdings, Ltd., including the acts and practices set forth in this complaint. Ivor
6 Gershfield resides in the United Kingdom and enga8.4400 0n9 p0 TD(ng)Tj11.8800 0.0000s.0000 T6l

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DEFENDANTS' BUSINESS PRACTICES

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2 18. Doing business as Cash Today, Route 66 Funding, Global Financial Services
3 International, Ltd., Interim Cash, Ltd., and BIG-INT, Ltd., and through Web sites such as
4 www.cash2day4u.com, defendants, operating primarily from the United Kingdom, offer United
5 States consumers payday loans of \$500.00 or less. “Payday” loans are the common name used
6 for short-term, high-fee unsecured loans, often made to consumers to provide needed funds in
7 anticipation of an upcoming paycheck. On the Web site, defendants represent that consumers
8 can borrow up to \$500.00 within 24 hours, with no credit check, proof of income, or
9 documentation required.

10 19. Consumers who applied for a loan with defendants were required to submit an
11 online application via defendants’ Web site. The online application required consumers to
12 submit nonpublic personal information, including their Social Security and bank a
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COUNT ONE

(By Plaintiff Federal Trade Commission)

(Deceptive Collection Practices)

27. In connection with collecting loans from consumers, defendants have represented to consumers, expressly or by implication, that:

A. Consumers can be arrested or imprisoned for failing to pay defendants;

B. Consumers have a legal obligation to pay defendants the full amount defendants claim they are owed; and

C. If consumers do not pay defendants, defendants can and will take formal legal action against consumers, such as filing suit, seizing or attaching property, or garnishing wages.

28. In truth and in fact:

A. Consumers cannot be arrested or imprisoned for failing to pay defendants;

B. In numerous instances, consumers do not have a legal obligation to pay defendants the full amount defendants claim they are owed; and

C. In numerous instances, if consumers do not pay defendants, defendants cannot and do not take formal legal action against the consumer, such as filing suit, seizing or attaching property, or garnishing wages.

29. Therefore, defendants' representations, as described in Paragraph 27 above, are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT TWO

(By Plaintiff Federal Trade Commission)

(Unfair Collection Practices)

30. In numerous instances, in connection with collecting loans from consumers, defendants have harassed consumers, their coworkers and employers, and other third parties, as described in Paragraphs 24-25 above, by:

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- A. Continuously and repeatedly calling consumers and others at consumers' places of employment;
- B. Using obscene, profane, threatening, or otherwise abusive language tow4o

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1 44. The Nevada Revised Statutes Chapter 675 and/or Nevada Revised Statutes
2 Chapter 604A require defendants to acquire licenses to sell loans in Nevada from the Nevada
3 Financial Institution.

4 45. Therefore, each of the defendants' acts or practices of selling loans without
5 acquiring the necessary licenses from the Nevada Financial Institution as required by Nevada
6 Revised Statutes Chapter 675 and/or Nevada Revised Statutes Chapter 604A is a violation of
7 Chapter 598 of the Nevada Revised Statutes, NRS § 598.0923(1).

8 **CONSUMER INJURY**

9 46. Consumers throughout the United States have suffered substantial monetary loss
10 as a result of the defendants' unlawful acts or practices. Absent injunctive relief by this Court,
11 defendants are likely to continue to injure consumers and harm the public interest.

12 **THIS COURT'S POWER TO GRANT RELIEF**

13 47. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant
14 injunctive and such other relief as the Court may deem appropriate to halt violations of the FTC
15 Act and the TILA and Regulation Z. The Court, in the exercise of its equitable jurisdiction, may
16 award other ancillary relief, including but not limited to, rescission of contracts and restitution,
17 and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by defendants' law
18 violations.

19 48. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow
20 plaintiff, the State of Nevada, to enforce its state law claims under the Deceptive Trade
21 provisions of the Nevada Revised Statutes, Chapter 598, against defendants in this Court.
22 Section 598.0963(3) of the Nevada Revised Statutes, NRS § 598.0963(3), empowers this Court
23 to grant injunctive and other equitable relief to prevent and remedy violations of that Act.
24 Pursuant to Nevada Revised Statutes § 598.0999(2), if this Court finds that any person has
25 willfully engaged in a deceptive trade practice, the Attorney General may recover a civil penalty
26 not to exceed \$5,000 for each violation and, in addition to any other relief or reimbursement, the
27 Court may award reasonable attorney's fees and costs.

1 **PRAYER FOR RELIEF**

2 Wherefore, plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC
3 Act, 15 U.S.C. § 53(b), and plaintiff State of Nevada, pursuant to Chapter 598 of the Nevada
4 Revised Statutes, and the Court’s own equitable powers, request that the Court:

- 5 1. Award plaintiffs such preliminary injunctive and ancillary relief as may be
6 necessary to avert the likelihood
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