1 DAVID C. SHONKA
Acting General Counsel

2 JOHN D. JACOBS, Cal. Bar No. 134154

3 BARBARA Y.K. CHUN, Cal. Bar No. 186907

disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

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

3. Venue is proper in this District under 28 U.S.C. § 1391(b) and (c), and

Stone has formulated, directed, controlled, or participated in the acts and practices of NFR, including the acts and practices set forth in this complaint.

8. Defendant Hugo Tapia has been a director of NFR since at least May 30, 2007. Tapia has been NFR's corporate treasurer since June 30, 2006, and its corporate secretary since November 26, 2007. Tapia is also a shareholder of NFR. At all times material to this complaint, acting alone or in concert with others, Tapia

1 bring their loan current. Using the Fresh Start Program, you will

2 be able to resume your mortgage payment, plus a small "catch-up"

wrapped into a new loan, with a minimum new loan amount of $100,000 and no maximum.

You have already been pre-approved for this loan program.

Please contact us immediately we are interested in helping you resolve this problem. Following final approval, our program may allow any foreclosure proceedings to be stopped.

14. Consumers speak to an NFR sales representative when they call the telephone number provided in NFR's mail solicitations.

1 consumers are able to speak with a live representative, consumers are told
2 negotiations with the consumer's lender are proceeding smoothly.

28. Therefore, Defendants' representation as set forth in Paragraph 26 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S. C. § 45(a).

Count 2

29. In numerous instances, Defendants represent to consumers, expressly or