

**UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND**

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)
 FEDERAL TRADE COMMISSION,)
)
 Plaintiff,)
)
 v.)
)
 MEDIA INNOVATIONS, LLC,)
 a Maryland limited liability company,)
)
 HERMOSA GROUP, LLC)
 a Maryland limited liability company,)
)
 FINANCIAL FUTURE NETWORK, LLC,)
 a Maryland limited liability company,)
 and)
)
 JONATHAN GREENBERG, individually and)
 as an officer of the companies,)
)
 Defendants.)

Case No. _____

**COMPLAINT FOR PRELIMINARY
AND PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges that:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, the 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).

7. Defendant Hermosa Group, LLC (“Hermosa Group”) is a Maryland limited liability company with its principal place of business at 10200 Daphney House Way, Rockville, Maryland 20850. Defendant Hermosa Group transacts or has transacted business in this District and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Hermosa Group has advertised or marketed debt settlement services to consumers throughout the United States.

8. Defendant Financial Future Network, LLC (“Financial Future Network”) is a Maryland limited liability company with its principal place of business at 10200 Daphney House Way, Rockville, Maryland 20850. Defendant Financial Future Network transacts or has transacted business in this District and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Financial Future Network has advertised or marketed debt settlement services to consumers throughout the United States.

9. Defendant Jonathan Greenberg (“Jonathan Greenberg”) is the president and sole officer of Defendants Media Innovations, Hermosa Group, and Financial Future Network. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Jonathan Greenberg resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

10. Defendants Media Innovations, Hermosa Group, and Financial Future Network (collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Defendants have conducted the business practices described

below through an interrelated network of companies that have common ownership, officers, managers, business functions, employees, and office locations, and have commingled funds. Because these Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Because Defendant Jonathan Greenberg has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise, he is also jointly and severally liable for the acts and practices alleged below.

COMMERCE

11. At all times material to this Complaint, Defendants have maintained a substantial course

reviewed, or approved the Hermosa Group and Financial Future Network advertisements. Defendants' advertisements direct consumers to call a toll-free telephone number for assistance with their credit card debt. Consumers who call the toll-free number are immediately and automatically routed to third-party companies as leads. The third-party companies that purchase Defendants' leads are typically debt settlement providers or other lead generators that re-sell the leads.

14. Defendants do not provide debt settlement services to consumers, do not enroll consumers in debt settlement programs, and do not collect any fees from consumers. Instead, Defendants collect fees exclusively from the third-party companies that purchase their leads. The third-party companies pay Defendants approximately \$50 to \$65 for each lead. Defendants have sold approximately 80% of the leads generated by their advertisements to an unrelated enterprise consisting of two companies, Debt Group, LLC and Epic Financial Management, Inc., that refers consumer leads to third-party debt settlement companies or law firms.

15. In a debt settlement program, the debt settlement provider typically purports to negotiate settlements with creditors to settle consumers' debts for less than they owe. Consumers who enroll in debt settlement programs usually stop making any payments to their creditors, often at the direction of the provider, and instead make monthly payments to the provider. During the period in which Defendants have advertised debt settlement services, consumers often have paid the provider's fees in advance of receiving any debt settlement services and frequently also paid the provider periodic maintenance and other charges.

16. Defendants' advertisements claim that Defendants provide debt settlement services to consumers. Defendants advertisements also claim that consumers who use the services promoted in

Defendants' advertisements will have their debts substantially reduced or eliminated, will obtain these results quickly or immediately, and will not receive calls from their creditors or debt collectors.

17. To induce consumers to purchase debt settlement services, Defendants have disseminated or caused to be disseminated advertisements that contain the following statements and depictions, among others:

- A. **With one simple call you can eliminate your debt in a fraction of the time and for less than you owe.**
- B. ***On Screen Graphic:*** A bar chart that shows a consumer's debt shrinking from "thousands" to "hundreds" with the words "**You Pay Less!**" or "**You Pay LESS with Hermosa!**"
- C. **Settle Your Debt For Less Than You Owe!**
- D. **Find out today how quickly and easily you can eliminate your debt.**
- E. **Legally reduce your debt. Lower your monthly payments.**
- F. **Call the [Financial Future Network] [Hermosa Group] to settle your accounts for less than you owe.**
- G. **Let the [Financial Future Network] [Hermosa Group] put you back on track.**
- H. **Let the professionals at the Financial Future Network help, and enjoy the freedom of debt-free living.**
- I. **Eliminate Debt**
- J. **It's quick! It's easy!**
- K. **It's simple, secure and proven.**
- L. **Save money now!**
- M. **Stop the harassing calls!**

18. Defendants do not provide debt settlement services. In addition, at the time

Defendants disseminated their advertisements, Defendants did not possess adequate substantiation for their representations that they (or any other company) will substantially reduce or eliminate consumers' debts, achieve these results quickly or immediately, or eliminate the calls consumers receive from creditors and debt collectors. In fact, Defendants did not obtain adequate substantiation from the third-party debt settlement providers or lead generators, including Debt Group, LLC and Epic Financial Management, Inc., to which they sold their leads, as to whether the ultimate debt settlement providers who receive those leads provide the services or results that Defendants represented.

VIOLATION OF SECTION 5 OF THE FTC ACT

19. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

20. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I

21. Through the means described in Paragraph 17, Defendants have represented, directly or

indirectly, expressly or by implication, that consumers who use the services promoted in Defendants' advertisements will have their debts substantially eliminated or reduced.

24. The representation set forth in Paragraph 23 was false or not substantiated at the time the representation was made. Therefore, the making of the representation as set forth in Paragraph 23 of this Complaint constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III

25. Through the means described in Paragraph 17, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who use the services promoted in Defendants' advertisements will have their debts settled quickly or immediately.

26. The representation set forth in Paragraph 25 was false or not substantiated at the time the representation was made. Therefore, the making of the representation as set forth in Paragraph 25 of this Complaint constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT IV

27. Through the means described in Paragraph 17, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who use the services promoted in Defendants' advertisements will not receive calls from their creditors or debt collectors.

28. The representation set forth in Paragraph 27 was false or not substantiated at the time the representation was made. Therefore, the making of the representation as set forth in Paragraph 27 of

this Complaint constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

29. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

30. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts and restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to a preliminary injunction;

B. Enter a permanent injunction to prevent future violations of the FTC Act by

Defendants;

relief as the Court finds necessary to redress injury to consumers resulting

Awards

of the Court's award of relief to consumers resulting from Defendants'

from Defendants'

of the Court's award of relief to consumers resulting from Defendants'

Awards

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

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Respectfully submitted,

WILLARD K. TOM

General Counsel

Dated: Jan 19, 2011

KARLA PETERSEN

K. MICHELLE GRAJALES
Attorneys

Division of Financial Practices
Bureau of Consumer Protection
Federal Trade Commission

Washington, D.C. 20580