

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

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UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No.
	)	
RMCN CREDIT SERVICES, INC.,	)	
a corporation,	)	
	)	
DOUG PARKER, Individually and as an	)	
officer of the corporation, and	)	
	)	
JULIE PARKER, Individually and as an	)	
officer of the corporation,	)	
	)	
Defendants.	)	

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COMPLAINT FOR CIVIL PENALTIES, INJUNCTIVE, AND OTHER RELIEF

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“Commission”), by its undersigned attorneys, for its Complaint alleges as follows:

JURISDICTION AND VENUE

1. This is an action arising under Sections 5(m)(1)(A), 13(b), 16(a), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45 (m)(1)(A), 53(b), 56(a), and 57b,

Defendants' violations of the Credit Repair Organizations Act, 15 U.S.C. §§ 1679-1679j.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a), 57b, and 1679h(b)(2).

3. Venue in this district is proper under 28 U.S.C. §§ 1391(b) and (c) and 1395(a).

### DEFENDANTS

4. Defendant RMCN Credit Services, Inc. ("RMCN"), is a Texas corporation with its principal place of business at 1611 Wilmeth Road, Suite B, McKinney, Texas 75069. RMCN, in connection with the matters alleged here, transacts or has transacted business in this district. Defendant RMCN is a "credit repair organization" as that term is defined in the Credit Repair Organizations Act, 15 U.S.C. § 1679(a)(3).

5. Defendant Doug Parker is the Chief Executive Officer of RMCN and one of two shareholders of the company. He supervised, directed, or participated in training RMCN's sales consultants. He drafted or approved all training materials for the sales department. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, participated in, controlled, or had the authority to control, the acts or practices of RMCN, including the acts or practices set forth in this Complaint. Defendant Doug Parker, in connection with the ss irectOrth

6. Defendant Julie Parker is the Vice President of Operations of RMCN and one of two shareholders of the company. She formulated or approved RMCN's strategy for repairing credit. She drafted or oversaw the drafting of form dispute letters RMCN sends to creditors and consumer reporting agencies. At all times material to this Complaint, acting alone or in concert with others, she has formulated, directed, participated in, controlled, or had the authority to control, the acts or practices of RMCN, including the acts or practices set forth in this Complaint. Defendant Julie Parker, in connection with the matters alleged here, transacts or has transacted business in this district.

#### COMMERCE

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

#### DEFENDANTS' BUSINESS ACTIVITIES

8. Since 2004, and continuing thereafter, Defendants have operated as a credit repair organization and advertised, marketed, promoted, offered for sale, and sold credit repair services to consumers across the country. RMCN advertises its services to consumers through radio advertisements and Web sites, such as [www.repairmycreditnow.com](http://www.repairmycreditnow.com), and by other means, including, but not limited to, billboards and pamphlets. Defendants offer a six-month credit repair program to improve

consumers' credit reports.

9. Defendants also market their credit repair services by seeking referrals from mortgage brok

Defendants' representatives often tell consumers that Texas law allows credit repair organizations that are registered and bonded to charge an advance fee. Defendants collect all or as much of the retainer fee as possible before providing any services to consumers.

13. Defendants also charge a monthlynda

("dispute letters") to creditors and consumer reporting agencies. These dispute letters challenge the accuracy of the negative information appearing on consumers' credit reports.

17. Defendants' representatives sign consumers' names and use consumers' return addresses in all dispute letters. The dispute letters do not indicate that they were created by RMCN and do not mention RMCN. The dispute letters appear as though they were sent by consumers. Consumers often do not know the reasons RMCN provides for the disputes because RMCN does not show or provide consumers with copies of the dispute letters.

18. Defendants' dispute letters to consumer reporting agencies typically dispute all negative credit information appearing on consumers' credit reports. These dispute letters often list specific reasons for disputing negative items on the credit reports. For example, if a credit report shows that an account was paid late, Defendants claim that it was "never late." If a credit report shows that an account was charged off or placed for collection, Defendants claim that the account was "inaccurate," "not my account," "paid prior to collection," or that the "creditor agreed to remove account." In numerous instances, Defendants make these claims without taking any steps to determine the truthfulness of the specific reasons used for disputing the negative credit information.

19. In other instances, Defendants continue to send dispute letters containing these claims to consumer reporting agencies even after receiving detailed billing histories

verifying the accuracy of the information or signed contracts from the original creditor proving the validity of the accounts. Defendants typically continue to send these dispute letters on behalf of consumers until the negative credit information is deleted or the consumers have completed RMCN's six-month credit repair program.

THE CREDIT REPAIR ORGANIZATIONS ACT

20. The Credit Repair Organizations Act took effect on April 1, 1997, and has since that date remained in full force and effect.

21. The Credit Repair Organizations Act defines a "credit repair organization" as:

[A]ny person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of . . . improving any consumer's credit record, credit history, or credit rating [.]

15 U.S.C. § 1679a(3).

22. The purposes of the Credit Repair Organizations Act, according to Congress, are:

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23. The Credit Repair Organizations Act prohibits credit repair organizations from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform before such service is fully performed. 15 U.S.C. § 1679b(b).

24. The Credit Repair Organizations Act prohibits all persons from making, or counseling or advising any consumer to make, any untrue or misleading statement, or any statement which, upon the exercise of reasonable care, should be known by the credit repair organization, officer, employee, agent, or other person to be untrue or misleading, with respect to any consumer's credit worthiness, credit standing, or credit capacity to any consumer reporting agency as defined in 15 U.S.C. § 1681(f). 15 U.S.C. § 1679b(a)(1)(A).

25. Pursuant to Section 410(b)(1) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b)(1), 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. § 45(a). Pursuant to Section 410(b)(2) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b)(2), all functions and powers of the Commission under the FTC Act are available to the Commission to enforce compliance with the Credit Repair Organizations Act in the same manner as if the violation had been a violation of any Commission trade regulation rule.









DATED: \_\_\_\_\_ Respectful

\_\_\_\_/s/ Philip M. Toomajian\_\_\_\_\_  
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