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8. Defendant

13. The Portfolio contained 2,335 records of purported debts owed by consumers, with each consumer record including, *inter alia*, the consumer's name, address, social security number, telephone number, email address, loan amount, amount due, bank name, and bank account number. The lender for each of these purported debts was identified as www.500fastcash.com. "500FastCash" is a registered trademark of Red Cedar Services, Inc. ("Red Cedar") used in advertising high-fee, short-term "payday" loans offered at various websites, including 500fastcash.com.

14. Immediately after their purchase of the Portfolio, Defendants began contacting consumers to collect on the purported debts. In numerous instances, consumers contacted by Defendants protested that they did not owe the debts for which Defendants demanded payment, and several provided specific evidence that they had never authorized a payday loan from 500FastCash or did not have an outstanding balance with 500FastCash. ACDI reported the high volume of complaints to UDH, the broker that arranged ACDI's purchase of the Portfolio from SQ Capital.

counterfeit debt portfolios purporting to identify consumers who defaulted on payday loans. The Portfolio bought by Defendants listed loans that the identified lender, 500FastCash, had not, in fact, made to the identified consumers. Furthermore, SQ Capital had not purchased, or otherwise obtained, any rights to collect loans originated by 500FastCash, nor had it engaged in any transaction that authorized them to collect, sell, distribute, or transfer any valid loans originated under the 500FastCash name. In fact, Red Cedar and the servicer of 500FastCash loans, AMG Services, Inc. (“AMG”), have never authorized any other person to collect, or sell rights to collect, loans made or serviced under the name 500FastCash.

18. Because many consumers in the Portfolio did not take the subject loans, and in anylle subj T

COUNT I

22. In numerous instances, during telephone calls with consumers, Defendants have represented, directly or indirectly, expressly or by implication, that consumers owe debts that Defendants have the authority to collect.

23. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 22 of this Complaint, these representations have been false
or

COUNT II

29. In numerous instances, in connection with the collection of debts, Defendants have used false, deceptive, or misleading representations or means, in violation of Section 807 of the FDCPA, 15 U.S .C. § 1692e, including falsely representing the character, amount, or legal status of any debt, in violation of Section 807(2)(A) of the FDCPA, 15 U.S.C. § 1692e(2)(A).

- B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
- C. Award equitable monetary relief, including but not limited to, restitution, refund of monies paid, and disgorgement of ill-gotten monies; and
- D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: - X Q H

Respectfully submitted,

DAVID SHONKA
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