

1 DAVID C. SHONKA  
2 Acting General Counsel  
3 CHARLES A. HARWOOD  
4 Regional Director  
5 ELEANOR DURHAM, MD Bar  
6 NADINE S. SAMTER, WA Bar # 23881  
7 Email: edurham@ftc.gov/nsamter@ftc.gov  
8 Federal Trade Commission  
9 915 2<sup>nd</sup> Ave., Suite 2896, Seattle, WA 98174  
10 (206) 220-4476 (Durham)/(206) 220-6366 (fax)  
11 MARICELA SEGURA, CA Bar #225999  
12 Email: msegura@ftc.gov  
13 10990 Wilshire Blvd., Los Angeles, CA 90024  
14 (310) 824-4343/(310) 824-4330 (fax)

11  
12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**

14 FEDERAL TRADE COMMISSION,

15  
16 Plaintiff,

17 vs.

18  
19 ALLIANCE DOCUMENT

) Civ. No.

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

) **FILED UNDER SEAL**

1 LLC, fka FIRST GRAD AID, LLC, also  
2 dba First Grad Aid and; GRADS DOC  
3 PREP, LLC, also dba Academic Aid  
4 Center, Academic Protection, Academy  
5 Doc Prep, and Academic Discharge;  
6 ELITE DOC PREP, LLC, also dba  
7 Premier Student Aid; BENJAMIN  
8 NADERI aka Benjamin Pournaderi and  
9 Benjamin Brooks; SHAWN GABBAIE  
10 aka Shawn Goodman; AVINADAV  
11 RUBENI aka Avi Rubeni; MICHAEL  
12 RATLIFF; RAMIAR REUVENI aka  
13 Rami Reuveni; and FARZAN  
14 AZINKHAN,

11 Defendants, and

13 DIRECT CONSULTING SERVICE,  
14 LLC; and CAPITAL DOC PREP, INC.,

15 Relief Defendants.

16  
17 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

18 1. The FTC brings this action under Section 13(b) of the Federal Trade  
19 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Telemarketing and  
20 Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”) 15 U.S.C. §§  
21 6101-6108, and to obtain temporary, preliminary, and permanent injunctive relief,  
22 rescission or reformation of contracts, restitution, the refund of monies paid,  
23 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
24 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the  
25 Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with their  
26 deceptive marketing and sale of student loan debt relief services.

**JURISDICTION AND VENUE**

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2. This Cour

1 7. SBS Capital Group, LLC (“SBS”), is a California corporation created March  
2 20, 2017. SBS has held itself out as doing business at 1575 Westwood Blvd, Ste.  
3 303, Los Angeles, CA 90024, an address affiliated with Grads United Discharge.  
4 At all times material to this Complaint, acting alone or in concert with others, SBS  
5 has engaged in the acts and practices set forth in this Complaint, in this district and  
6 throughout the United States.

7 8. SBB Holdings, LLC (“SBB”), is a California limited liability corporation  
8 created November 23, 2015. SBB has done business as EZ Doc Preps, Post Grad  
9 Aid, and Allied Doc Prep. SBB has held itself out as doing business at 9056 Santa  
10 Monica Blvd., #303, Los Angeles, CA 90069; PO Box 691004, Los Angeles, CA  
11 90069; and 1435 S. La Cienega Blvd., 2B, Los Angeles, CA 90035. At all times  
12 material to this Complaint, acting alone or in concert with others, SBB has engaged  
13 in the acts and practices set forth in this Complaint, in this district and throughout  
14 the United States.

15 9. First Student Aid, LLC (“FSA”), is a California limited liability corporation  
16 created on August 14, 2015. FSA has held itself out as doing business at 9056  
17 Santa Monica Blvd., #208, Los Angeles, CA 90069, and 1435 S. La Cienega Blvd.,  
18 2B, Los Angeles CA, 90035. At all times material to this Complaint, acting alone  
19 or in concert with others, FSA has engaged in the acts and practices set forth in this  
20 Complaint, in this district and throughout the United States.

21 10. United Legal Center, LLC (“ULC”), is a Nevada limited liability corporation  
22 created August 21, 2015. ULC has also done business as Post Grad Aid, Alumni  
23 Aid Assistance, and United Legal Discharge. ULC has held itself out as doing  
24 business at 1435 S. La Cienega Blvd., 2B, Los Angeles, CA 90035. At all times  
25 material to this Complaint, acting alone or in concert with others, ULC has  
26 engaged in the acts and practices set forth in this Complaint, in this district and  
27 throughout the United States.

1 11. United Legal Center, Inc. (“ULC, Inc.”), is a California corporation created  
2 on February 20, 2017. ULC, Inc., also has done business as United legal  
3 Discharge. ULC, Inc., has held itself out as doing business at 1435 S. La Cienega  
4 Blvd., 2A, Los Angeles, CA 90035. At all times material to this Complaint, acting  
5 alone or in concert with others, ULC, Inc. has engaged in the acts and practices set  
6 forth in this Complaint, in this district and throughout the United States.

7 12. Elite Consulting Service, LLC (“ECS”), is a California limited liability  
8 corporation created November 17, 2015, as First Grad Aid, LLC. On January 17,  
9 2017, First Grad Aid changed its name to ECS, which continues to do business  
10 under the name First Grad Aid. ECS has held itself out as doing business at 9056  
11 Santa Monica Blvd., #208, Los Angeles, CA 90035; 1875 Century Park East, Ste.  
12 700, Century Park, CA 90067; and 1435 S La Cienega Blvd., 2B, Los Angeles, CA  
13 90035. At all times material to this Complaint, acting alone or in concert with  
14 others, ECS has engaged in the acts and practices set forth in this Complaint, in  
15 this district and throughout the United States.

16 13. Elite Doc Prep, LLC (“Elite”), is a California limited liability corporation  
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1 this Complaint, acting alone or in concert with others, GDP has engaged in the acts  
2 and practices set forth in this Complaint, in this district and throughout the United  
3 States.

4 15. Benjamin Naderi (“Naderi”), aka Benjamin Pournaderi and Benjamin  
5 Brooks, is the sole owner of Defendants Alliance and SBS and co-owns defendant  
6 SBB with defendant Shawn Gabbaie. Naderi is a member or a manager of  
7 Defendant FSA. Naderi is responsible for multiple telephone lines used by  
8 Defendants to market their services, he has registered multiple Internet domain  
9 names on behalf of Defendants, and he is the signatory on merchant and bank  
10 accounts used by the Defendants. At all times material to this Complaint, acting  
11 alone or in concert with others, he has formulated, directed, controlled, had the  
12 authority to control, or participated in the acts and practices set forth in this  
13 Complaint. Defendant Naderi resides in this district and, in connection with the  
14 matters alleged herein, transacts or has transacted business in this district and  
15 throughout the United States.

16 16. Shawn Gabbaie (“Gabbaie”), aka Shawn Goodman, is a member or manager  
17 of defendant FSA, and co-owner with defendant Naderi of SBB. Gabbaie is  
18 responsible for multiple telephone lines used by Defendants to market their  
19 16.s t8.6(5(r)13.5( )8. U U)8(n0 -104 Tw 0 -3.615 )138516.

1 academicprotection.com, academic discharge, alumnaidassociation.org,  
2 unitedlegalcenter.com, and gradsuniteddischarge.com. At all times material to this  
3 Complaint, acting alone or in concert with others, he has formulated, directed,  
4 controlled, had the authority to control, or participated in the acts and practices set  
5 forth in this Complaint. Defendant Reuveni resides in this district and, in  
6 connection with the matters alleged herein, transacts or has transacted business in  
7 this district and throughout the United States.

8 18. Avinadav Rubeni (“Rubeni”), aka Avi Rubeni, is an owner and manager of  
9 ULC and owner and CEO of ULC, Inc. Rubeni is responsible for multiple  
10 telephone lines used by Defendants to market their services, he has registered  
11 multiple Internet domain names on behalf of Defendants, and he is the signatory on  
12 merchant and bank accounts used by the Defendants. At all times material to this  
13 Complaint, acting alone or in concert with others, he has formulated, directed,  
14 controlled, had the authority to control, or participated in the acts and practices set  
15 forth in this Complaint. Defendant Rubeni resides in this district and, in  
16 connection with the matters alleged herein, transacts or has transacted business in  
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1 alleged herein, transacts or has transacted business in this district and throughout  
2 the United States.

3 20. Michael Ratliff (“Ratliff”) is the sole owner of defendant ECS. He is  
4 signatory to the bank account for ECS and is the domain registrant for the URLs  
5 eliteconsultingservice.com and firstgradaid.com. At all times material to this  
6 Complaint, acting alone or in concert with others, he has formulated, directed,  
7 controlled, had the authority to control, or participated in the acts and practices set  
8 forth in this Complaint, in this district and throughout the United States.

9 Defendant Ratliff resides in this district and, in connection with the matters alleged  
10 herein, transacts or has transacted business in this district and throughout the  
11 United States.

### 12 **RELIEF DEFENDANTS**

13 21. Direct Consulting Service, LLC (“Direct”), is a California limited liability  
14 corporation created September 29, 2015, and fully owned by Defendant Naderi.  
15 Direct has held itself as doing business at 9056 Santa Monica Blvd., #208, Los  
16 Angeles, CA 90069. Direct has received assets that can be traced directly to  
17 Defendants’ deceptive acts or practices alleged below, and it has no legitimate  
18 claim to those assets. Direct transacts or has transacted business in this District.

19 22. Capital Doc Prep, Inc. (“Capital”), is a California corporation created March  
20 20, 2017, and fully owned by Defendant Naderi. Capital has held itself out as  
21 doing business at 369 S. Doheny Dr., Ste. 1124, Beverly Hills, CA 90211 and 1435  
22 S. La Cienega Blvd., 2B, Los Angeles, CA 90035. Capital has received assets that  
23 can be traced directly to Defendants’ deceptive acts or practices alleged below, and  
24 it has no legitimate claim to those assets. Capital transacts or has transacted  
25 business in this District.

### 26 **COMMON ENTERPRISE**

27 23. Defendants have engaged in the business practices described below through  
28 an interrelated network of companies that market, offer for sale, and sell the same



1 products or services, use identical contracts, provide access to online consumer  
2 accounts using the same online portal; maintain a shared customer database; share  
3 employees; use the same phone room and operate out of the same locations; and  
4 commingle funds. As a result, Defendants Alliance, SBS, SBB, FSA, ULC, ULC,  
5 Inc., ECS, Elite, and GDP (collectively, “Corporate Defendants”) have operated as  
6 a common enterprise while engaging in the unlawful acts and practices described  
7 below, and each of them is jointly and severally liable for the acts and practices  
8 alleged herein. Defendants Naderi, Gabbaie, Reuveni, Rubeni, Azinkhan, and  
9 Ratliff (collectively, “Individual Defendants”) have formulated, directed,  
10 controlled, had the authority to control, or participated in the acts and practices of  
11 Corporate Defendants that constitute the common enterprise.

## 12 **COMMERCE**

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

## 16 **DEFENDANTS’ DECEPTIVE STUDENT LOAN DEBT RELIEF** 17 **OPERATION**

18 25. Since at least April 2015, Defendants have targeted alumni of for-profit  
19 colleges who are struggling to repay, or are unable to repay, their federal student  
20 loans. They deceptively claim that they will qualify or approve consumers for, or  
21 enroll consumers in, programs that provide loan forgiveness, permanently reduced  
22 monthly payments, reduced or eliminated interest rates, or loan discharge.

23 Defendants often lead consumers to believe that they are affiliated with or work  
24 directly with the U.S. Department of Education (“ED”), the government, or the  
25 consumer’s loan servicer, or that they will assume the consumer’s student loans.

26 26. In exchange for the promised student loan debt relief, Defendants have  
27 charged illegal upfront fees of as much as \$1000. Consumers who already cannot  
28 afford their loan payments thereby lose substantial sums of money to Defendants,

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1 35. Defendants also cold call consumers sometimes using recorded voice  
2 messages stating, for example:

3 Hello, this is Alex with the Student Aid Help Department.

4 Your application just came across my desk and

5 you may be eligible for the Obama Student Loan Forgiveness

6 Program. This program is here for a limited time only

7 and subject to approval. Call me at my direct line now

8 to get more information. 310-589-4450. Have a nice day.

9 36. In telephone calls with consumers, Defendants make multiple  
10 misrepresentations regarding their services. For example, Defendants falsely tell  
11 consumers they have been qualified for, or approved for reduced monthly  
12 payments, often a zero or low monthly payment for the term of the loan, reduced or  
13 eliminated interest, loan forgiveness, or discharge. Defendants also falsely tell  
14 consumers that they must pay to receive reduced monthly payments, reduced or  
15 eliminated interest, loan forgiveness, or discharge. To enhance their credibility  
16 and persuade consumers that they are legitimate, Defendants often falsely state or  
17 imply that they work with or are affiliated with the ED, the government, or the  
18 consumer's loan servicer. In other instances, Defendants claim that they will  
19 assume responsibility for consumers' student loans, a claim bolstered when they  
20 provided consumers with access to a new online loan account maintained by  
21 Defendants. Only the ED can establish qualification for ED programs and third  
22 parties cannot take over an ED student loan.

23 37. Defendants promise to enroll consumers in these programs in exchange for  
24 an up-front fee that ranges from \$400 to \$1000. Defendants often allow a  
25 consumer to pay the fee in installments over a three-month period, but tell the  
26 consumer that they will not secure the promised relief until after the consumer has  
27 paid the full amount of the fee. Defendants often create a sense of urgency by  
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1 falsely claiming that the funding provided by the government or lawsuit settlement  
2 may not be available if the consumer does not agree to sign up immediately.

3 38. While Defendants are still speaking with the consumer on the phone, they  
4 email the consumer several pages of documents to sign, the last two pages of  
5 which are the purported agreement for Defendants' services. Defendants demand  
6 consumers sign the agreement quickly, in some instances, requiring consumers to  
7 sign the documents from their phones. Defendants often mislead consumers  
8 regarding the nature of the documents, telling them that the documents simply  
9 provided authorization for payment of the fee, authorization to act on behalf of the  
10 consumer with the lender, or that the documents simply reflect what was discussed  
11 in the sales call.

12 39. The agreement signed by the consumer, however, does not reflect the  
13 promises made during the sales call. Fine print at the top of the penultimate page  
14 of the agreement purports to limit Defendants' obligation to "provid[ing]  
15 preparation services to assist consumers who are applying for federal student loans  
16 programs using Department of Education (DOE) forms." Defendants never state  
17 or even imply during lengthy telephone sales pitches touting loan forgiveness and  
18 permanently reduced monthly payments that Defendants do nothing but fill out  
19 forms for ED programs. To the contrary, Defendants gear their entire sales pitch  
20 toward convincing often reluctant and financially struggling consumers that if they  
21 pay Defendants hundreds of dollars, they will obtain relief from unaffordable  
22 monthly loan payments.

23 40. In short, consumers pay Defendants for promised loan forgiveness or  
24 permanently reduced monthly payments, but in most instances, receive neither the  
25 promised loan forgiveness nor permanently reduced monthly payments. In many  
26 instances, consumers are in a worse position after doing business with Defendants  
27 than they were before. Consumers are generally unable to obtain a refund from  
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1 Defendants, who use the consumer’s signed agreement as an excuse for denying a  
2 refund request.

3 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

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

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

8 **COUNT I**

9 **(Deceptive Student Loan Debt Relief Representations)**

10 43. In numerous instances, in connection with the advertising, marketing,  
11 promoting, offering for sale, or sale of student loan debt relief services, Defendants  
12 have represented, directly or indirectly, expressly or by implication that:

13 a. Defendants are part of, affiliated with, or work directly with the  
14 government, government loan programs, the Department of Education, or  
15 consumers’ loan servicers;

16 b. Consumers who purchase Defendants’ debt relief services generally  
17 will have their monthly payments reduced or their loan balances forgiven in  
18 whole or in part; and

19 c. Consumers are qualified for, or are approved to receive loan  
20 forgiveness or other programs that will permanently lower or eliminate their  
21 loan payments or balances.

22 44. In truth and in fact, in numerous instances, in which Defendants have made  
23 the representations set forth in Paragraph 43, such representations were false or  
24 unsubstantiated at the time the representations were made.

25 45. Therefore, Defendants’ representations as set forth in Paragraph 43  
26 constitute deceptive acts or practice in violation of Section 5(a) of the FTC Act, 15  
27 U.S.C. § 45(a).



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c. To the extent that debts enrolled in a service are renegotiated, settled, reduced, or otherwise altered individually, the fee or consideration either:

i. Bears the same proportional relationship to the total fee for renegotiating, settling, reducing or altering the terms of the entire debt balance as the individual debt amount bears to the entire debt amount. The individual debt amount and the entire debt amount are those owed at the time the debt was enrolled in the service; or

ii. Is a percentage of the aal-26.7i3(g)8.25(3(g)8.25(3( se)12.1g)8.25()3.6(e)12



**VIOLATIONS OF THE TELEMARKETING SALES RULE**  
**COUNT II**  
**(Advance Fee for Debt Relief Services)**

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1 **COUNT IV**

2 **(Material Debt Relief Misrepresentations)**

3 57. In numerous instances, in connection with the telemarketing of student loan  
4 debt relief services, Defendants have misrepresented, directly or indirectly,  
5 expressly or by implication, material aspects of their debt relief services, including,  
6 but not limited to that:

7 a. Consumers who purchase Defendants' debt relief services generally  
8 will have their monthly payments reduced or their loan balances forgiven in  
9 whole or in part; and

10 b. Consumers are qualified for, or are approved to receive loan  
11 forgiveness or other programs that will permanently lower or eliminate their  
12 loan payments or balances.

13 58. Defendants' acts and practices, as described in Paragraph 57, are deceptive  
14 telemarketing acts or practices that violate Section 310.3(a)(2)(x) of the TSR, 16  
15 C.F.R. § 310.3(a)(2)(x).

16 **COUNT V**

17 **(Disgorgement of Ill-Gotten Gains of Relief Defendants)**

18 59. Relief Defendants Direct and Capital have received, directly or indirectly,  
19 funds and other assets from Defendants that are traceable to funds obtained from  
20 Defendants' customers through the unlawful acts or practices described herein.  
21 Relief Defendants Direct and Capital have no legitimate claim to Defendants'  
22 customers' funds or other assets and will be unjustly enriched if they are not  
23 required to disgorge the assets or the value of benefits received as a result of  
24 Defendants' unlawful acts or practices.

25 60. By reason of the foregoing, Relief Defendants Direct and Capital hold funds  
26 and assets in constructive trust for the benefit of Defendants' consumers.

**CONSUMER INJURY**

61. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the TSR. In addition,

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1 B. Enter into any agreement or contract in violation of the FTC  
2 Act and the TSR,

3 C. Award such relief as the Court finds necessary to redress injury to  
4 consumers resulting from Defendants' violations of the FTC Act and the TSR,  
5 including, but not limited to, rescission  
6 and

7 D. Award Plaintiff the costs of bringing this action  
8 and additional

9  
10 Dated: *September 25*, 2017

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13 Respectfully submitted,  
14 DAVID C. SHONKA  
15 Acting General Counsel  
16 CHARLES A. SAMIER  
17 Regional Director

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19 NADINE S. SAMIER  
20 Attorney  
21 FEDERAL TRADE COMMISSION  
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