

FILED by *[Signature]* D.C.
JAN 26 2015
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Sealed

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: **15-20270** *Cv- Gayles*

FEDERAL TRADE COMMISSION

Plaintiff,

vs.

**MAGISTRATE JUDGE
TURNOFF**

REGENCY FINANCIAL SERVICES, LLC,
a Florida corporation, and

FILED UNDER SEAL

IVAN LEVY, individually and as an officer
of Defendant Regency Financial Services,
LLC,

Defendants.

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Plaintiff Federal Trade Commission alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act, 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, to obtain permanent injunctive and other equitable relief for the Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales Rule, 16 C.F.R. Part 310.

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), 53(b), 57b, 6102(c), and 6105(b).

3. Venue is proper in this district under 28 U.S.C. § 1391(b), (c), and (d), and 15 U.S.C. § 53(b).

PLAINTIFF FEDERAL TRADE COMMISSION

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the Telemarketing Sales Rule, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the Telemarketing Sales Rule and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), 57b, 6102(c), and 6105(b).

DEFENDANTS

6. **Defendant Regency Financial Services, LLC (“Regency”)**, is a Florida limited liability corporation with its principal place of business in Lake Worth, Florida. Regency 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, Regency has advertised, marketed, distributed, or sold vehicle loan assistance relief services to consumers throughout the United States.

7. **Defendant Ivan Levy**, a Florida resident, is or has been an owner, officer, director, manager, or principal of Regency; and also is doing business or has done business as Fidelity Holdings, Levy Fidelity Holdings, Ivan Levy Regency Holdings, and Ivan Levy/BJI Enterprises. At all times material to this Complaint, acting alone or in concert with others, Levy has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Regency, including the acts and practices set forth in this Complaint. Levy, in connection with the matter alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

8. 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’ UNLAWFUL PRACTICES

A. Regency’s Vehicle Loan Assistance Relief Services Scam

9. Since at least 2009, Regency, acting primarily through co-defendant Ivan Levy, has perpetrated a vehicle loan assistance relief services scam. Regency preys on consumers who are struggling to pay their debts, baiting them with websites that promise help, including SaveCarUSA.com, Credit-Yogi.com, and CarPaymentHelpCenter.com.

10. Regency’s websites promise consumers that Regency will prevent creditors from repossessing their automobiles and also substantially reduce their loan interest rates and monthly payments. Regency’s websites also promise consumers that, if Regency fails to perform as promised, it will fully refund any payments made for its services.

11. For instance, Regency’s SaveCarUSA.com website promises consumers that Regency can lower their payments regardless of their credit score: “Lower your payments as much as 50% regardless of your credit score!” The website also promises consumers that Regency offers a “Money Back Guarantee.” In fact Regency references its “Money Back Guarantee” three times on its SaveCarUSA.com home page. The screenshot below, in which we have highlighted Regency’s promises with red boxes, demonstrates that Regency makes these promises prominently on the home page of its SaveCarUSA.com website:

REGENCY
Financial Services, LLC

561-251-4336
Call Us Today!

Home Privacy Policy **Money Back Guarantee** Contact Us

What We Modify How It Works Get Started

Take The First Step Now
LOWER YOUR MONTHLY VEHICLE PAYMENTS BY AS MUCH AS 50%
REGARDLESS OF YOUR CREDIT SCORE.

First Name
Last Name
Email
Home Phone
Mobile Phone
State

Privacy Policy | Money Back Guarantee

**Lower your payments as much as 50%
regardless of your credit score!**

12. Regency's other websites make similar promises. For instance, its Credit-Yogi.com website promises consumers that Regency can substantially reduce their monthly payments: "Debt & Credit customers save an average of \$293/month." The website also features before-and-after testimonials from Regency's purported clients that emphasize Regency's promises to substantially reduce consumers' loan interest rates and monthly payments. In fact the testimonials are summarized by Regency's representation that its customers' "total debt balances" and "monthly payments and interest rates" were "drastically reduce[d]." The screenshot below, in which we have highlighted Regency's promises with red and green boxes, demonstrates that Regency makes these promises prominently on its Credit-Yogi.com website:

Find out how much you can save

Debt / Credit Concern

Your State

Your Zip Code

 Privacy & Security Protected

START REQUEST





Debt & Credit customers save an average \$293/month (savings may vary)

Drastically reduce total debt balances

<p>Before our program:</p> <p>Debt Total: \$12,580</p> <p>Get Started Today</p>	<p>After Our Program:</p> <p>Debt Total: \$5,980</p> <p>Plus 1 low monthly payment and reduced interest rates.</p>
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** These results not always typical. Results will vary based on individual circumstances.*

Drastically Reduce Monthly Payments and Interest Rates

<p>After Our Program:</p> <p>Monthly Payment: \$189</p> <p>Interest Rate: 2%</p>	
<p>Before our program:</p> <p>Monthly Payment: \$429</p> <p>Interest Rate: 17%</p>	

Specializing in BAD CREDIT **Get Started Today**

13. Regency’s websites invite consumers to submit their contact information, including their telephone numbers, to Regency.

14. After consumers submit their contact information through one of Regency’s websites, Regency’s telemarketers—often, Levy personally—call consumers and reiterate and amplify the promises made on Regency’s websites, as the transcript of Regency’s telemarketing call to one of the FTC’s undercover investigators, Michael Liggins, who posed as a consumer, demonstrates.

15. After Investigator Liggins submitted undercover contact information and made-up auto loan information through one of Regency’s websites, Levy called Investigator Liggins. Dur-

ing the recorded call, Levy promised that Regency would prevent Investigator Liggins's creditor from repossessing his automobile and also substantially reduce his loan interest rate and monthly payment. Levy also promised Investigator Liggins that, if Regency failed to perform as promised, Regency would fully refund any payments made for its services. The transcript is unambiguous:

MR. LEVY: Okay. So, the objectives that we can achieve are, number one, to immediately get you out of repo. That's first and foremost. You have to do that because Ford will take the car.

MR. LIGGINS: Okay.

MR. LEVY: (Inaudible). Then we drop the interest rate, which drops your payment to 460 [from \$599]. So, you're saving 139 a month.

* * *

MR. LIGGINS: But what guarantees do I have that you guys – I mean, I've heard what you've said and I'm interested –

MR. LEVY: Yeah.

MR. LIGGINS: – but, you know, I have to be careful.

MR. LEVY: There's a money-back – you have to be very careful today. There's a money-back guarantee you get with the paperwork, one.

(Transcript at 9:14-21; 18:5-13.)

16. During its telemarketing calls, Regency also tells consumers they can safely stop making payments on their loans while Regency attempts to negotiate a loan modification with their lenders. By instructing consumers to temporarily stop making payments on their loans, Regency makes its promised services more attractive. But, for Regency, the instruction has an obviously self-serving purpose: Consumers can redirect a portion of their "savings" to Regency.

17. Regency generally demands a fee of \$499 paid upfront, although it sometimes accepts fees paid in installments. Regency instructs consumers to pay these fees by physically going to a local branch of a national bank used by Regency, directing the bank teller to call Regency to obtain its account information, whereby the bank directly deposits the consumers' funds into Regency's accounts.

18. Many consumers pay Regency's fees, relying on Regency's promises that it will prevent creditors from repossessing their automobiles and substantially reduce their loan interest rates and monthly payments or, if it fails to perform as promised, fully refund any payments made for its services. In fact Regency's promises are at the heart of many consumers' purchasing decisions.

19. After consumers have made their first payment, Regency generally sends them a contract, which they are instructed to sign and return to Regency. The contract, among other things, obligates the consumers to pay Regency additional installment payments, if its full fee is not paid up-front.

20. Despite its promises and substantial upfront fees, Regency, in numerous instances, does not prevent creditors from repossessing consumers' automobiles and does not substantially reduce consumers' loan interest rates and monthly payment. Instead Regency merely provides consumers valueless referrals and advice.

21. Moreover, when consumers seek refunds after Regency fails to prevent creditors from repossessing their automobiles and fails to substantially reduce their loan interest rates and monthly payments, Regency, in numerous instances, refuses to honor its money-back guarantee.

B. Ivan Levy's Knowledge and Participation

22. Ivan Levy is Regency's CEO and plays a principal role in Regency's vehicle loan assistance relief services scam. Among other things, he makes many of Regency's telemarketing calls and also has consumers deposit funds directly into bank accounts that he controls. Levy thus has knowledge of and also participates directly in and controls Regency's scam.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

25. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of vehicle loan assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants typically will obtain loan modifications for consumers that will prevent repossession and substantially reduce their loan interest rates and monthly payments.

26. In truth and in fact, Defendants typically do not obtain loan modifications for consumers that will prevent repossession and substantially reduce their loan interest rates and monthly payments.

27. Therefore, Defendants' representation as set forth in Paragraph 25 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 II

28. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of vehicle loan assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will give refunds to consumers if Defendants fail to obtain loan modifications for consumers that prevent repossession and substantially reduce their loan interest rates and monthly payments.

29. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 28, Defendants do not give refunds to consumers when Defendants fail to obtain loan modifications for consumers that prevent repossession and substantially reduce their loan interest rates and monthly payments.

30. Therefore, Defendants' representation as set forth in Paragraph 28 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).

VIOLATIONS OF THE TELEMARKETING SALES RULE

31. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108. The FTC adopted the original Telemarketing Sales Rule in 1995, extensively amended it in 2003, and amended certain sections thereafter.

32. The FTC's Telemarketing Sales Rule prohibits a "seller or telemarketer" from misrepresenting any material aspect of the "performance, efficacy, nature, or central characteristics of good or services" or of the "nature or terms of the seller's refund, cancellation, exchange, or repurchase policies." 16 C.F.R. § 310.3(a)(2)(iii)-(iv).

33. A "seller" is any person "who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration." 16 C.F.R. § 310.2(aa).

34. A "telemarketer" is any person "who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor." 16 C.F.R. § 310.2(cc).

35. "Telemarketing" is "a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones and which involves more than one interstate telephone call." 16 C.F.R. § 310.2(dd).

36. Defendants are "sellers" or "telemarketers" engaged in "telemarketing" as those terms are defined in the Telemarketing Sales Rule. 16 C.F.R. § 310.2 (aa), (cc), and (dd).

37. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310, constitutes an unfair or 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

38. In numerous instances, in connection with the telemarketing of vehicle loan assistance relief services, Defendants have misrepresented, directly or indirectly, material aspects of the performance, efficacy, nature, or central characteristics of the goods or services they sell, in-

cluding that Defendants typically will obtain loan modifications for consumers that will prevent repossession and substantially reduce their loan interest rates and monthly payments.

39. Defendants' practice as alleged in Paragraph 38 is a deceptive telemarketing practice that violates Section 310.3(a)(2)(iii) of the Telemarketing Sale Rule, 16 C.F.R. Part 310.

COUNT IV

40. In numerous instances, in connection with the telemarketing of vehicle loan assistance relief services, Defendants have misrepresented, directly or indirectly, material aspects of the nature and terms of the Defendant's refund policy, including that Defendants will give refunds to consumers if Defendants fail to obtain loan modifications for consumers that prevent repossession and substantially reduce their loan interest rates and monthly payments.

41. Defendants' practice as alleged in Paragraph 40 is a deceptive telemarketing practice that violates Section 310.3(a)(2)(iv) of the Telemarketing Sales Rule, 16 C.F.R. Part 310.

CONSUMER INJURY

42. Consumers have suffered and will continue to suffer substantial injury as a result of the Defendants' violations of the FTC Act and the Telemarketing Sales Rule. 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

43. 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, 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.

44. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as the Court finds neces-

sary to redress injury to consumers resulting from Defendants' violations of the Telemarketing Sales Rule, including the rescission or reformation of contracts, and the refund of money.

PRAYER FOR RELIEF

The FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, respectfully requests that the Court:

A. Award the FTC 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, temporary and preliminary injunctions and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act and the Telemarketing Sale Rule;

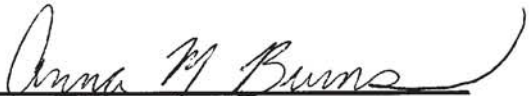
C. Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendants' violations of the FTC Act and the Telemarketing Sales Rule, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;

D. Award the FTC the cost of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: January 6 2015

Respectfully submitted,

FEDERAL TRADE COMMISSION
Jonathan E. Nuechterlein, General Counsel



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