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10 ATTORNEYS FOR PLAINTIFF
11 FEDERAL TRADE COMMISSION

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 vs.

17 ITMEDIA SOLUTIONS LLC,
18 DEV.XYZ LLC, TEAM.XYZ LLC,
19 123 LLC, XYZ LLC, GREAT LLC,
20 General LLC, MEDIA LLC,
21 ADV MARKET DIRECT LLC,
22 Direct Ad Sales LLC,
23 MARKETING SOLUTIONS 33 LLC,
24 DEC MKT LLC, Ads Full3 LLC,
Sunset Marketing Services LLC,
Arrow Eagle, LLC, Arrow Hawk, LLC,
Gen Ads, LLC, Michael Ambrose,
Daniel Negari, Jason Ramin, Grant
Carpenter, Anisha Hancock, and
Sione Kaufusi,

Defendants.

Case Number: 2:22-CV-00073

**COMPLAINT FOR CIVIL
PENALTIES, PERMANENT
INJUNCTION, AND OTHER
RELIEF**

1 Plaintiff, the Federal Trade Commission (“FTC”), for its complaint alleges:

2 1. Plaintiff brings this action under Sections 5(a), 13(b), and 16(a) of the
3 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b), and
4 56(a)(1), and Section 621(a) of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C.
5 § 1681s(a), to obtain civil penalties, preliminary and permanent injunctive relief,
6 and other equitable relief for Defendants’ acts or practices in violation of Section
7 5(a) of the FTC Act, 15 U.S.C. § 45(a), and Sections 604 and 607 of the FCRA, 15
8 U.S.C. §§ 1681b and 1681e.

9 **JURISDICTION AND VENUE**

10 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
11 §§ 1331, 1337(a), 1345, and 1355.

12 3. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) and 15
13 U.S.C. § 53(b).

14 **PLAINTIFF**

15 4. The FTC is an independent agency of the United States Government
16 created by statute, which authorizes the FTC to commence this district court civil
17 action by its own attorneys. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a)
18 of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or
19 practices in or affecting commerce. The FTC also enforces the FCRA, which
20 protects the privacy of consumer financial information by limiting the provision
21 and use of consumer credit reports. 15 U.S.C. §§ 1681-1681x.

22 **DEFENDANTS**

23 **Corporate Defendants**

24 5. Defendant ITMEDIA SOLUTIONS LLC (“ITMedia Solutions”) is a

1 California Limited Liability Company with its principal place of business at 2800
2 Olympic Blvd., Santa Monica, CA 90404. Defendant ITMedia Solutions is the
3 successor to California corporations IT Media, Inc., and Cash Now, Inc. IT Media,
4 Inc., absorbed Cash Now, Inc., by merger in December 2014, and ITMedia
5 Solutions took over the merged corporations when IT Media, Inc., was dissolved in
6 December 2018. ITMedia Solutions (through IT Media, Inc.) and co-Defendants
7 TEAM.XYZ LLC and DEV.XYZ, LLC, are successors to Cyber2Media, Inc., a
8 California corporation that was dissolved in September 2016.

9 6. Defendant DEV.XYZ LLC is a California Limited Liability Company
10 with its principal place of business at 2800 Olympic Blvd., Santa Monica, CA
11 90404.

12 7. Defendant TEAM.XYZ LLC is a California Limited Liability
13 Company with its principal place of business at 2800 Olympic Blvd., Santa
14 Monica, CA 90404.

15 8. Defendant 123 LLC is a Nevada Limited Liability Company with its
16 principal place of business at 2800 Olympic Blvd., Santa Monica, CA 90404, and a
17 registered address at 318 North Carson Street, Suite 208, Carson City, NV 89701.
18 Defendant 123 LLC is a holding company that is the sole owner of Defendants
19 ITMedia Solutions, DEV.XYZ LLC, and TEAM.XYZ LLC.

20 9. Defendant XYZ LLC is a Nevada Limited Liability Company with its
21 principal place of business at 2800 Olympic Blvd., Santa Monica, CA 90404 and a
22 registered address at 2121 E. Tropicana Ave, Suite 2, Las Vegas, NV 89119.
23 Defendant XYZ LLC is a holding company that is the sole owner Defendant 123
24 LLC.

1 10. Defendants ITMedia Solutions, DEV.XYZ LLC, TEAM.XYZ LLC,
2 123 LLC, and XYZ LLC are collectively referenced in this Complaint as
3 “ITMedia.” At all times material to this Complaint, Defendants XYZ LLC, 123
4 LLC, and their wholly owned subsidiaries, ITMedia Solutions, DEV.XYZ LLC,
5 and TEAM.XYZ LLC, or their predecessors, acting alone or in concert with others,
6 advertised online loan-finding services to consumers throughout the United States,
7 and marketed and sold lead generation services to businesses throughout the
8 United States.

9 11. In the course of the activities described in this Complaint, ITMedia
10 controlled and used the following twelve limited liability companies as
11 instrumentalities to acquire information about consumers, to market lead
12 generation services to businesses throughout the United States, and to collect
13 payments in exchange for leads and information about consumers: Defendants
14 GREAT LLC, General LLC, MEDIA LLC, ADV MARKET DIRECT LLC, Direct
15 Ad Sales LLC, MARKETING SOLUTIONS 33, LLC, DEC MKT LLC, Ads Full3
16 LLC, Sunset Marketing Services LLC, Arrow Eagle, LLC, Arrow Hawk, LLC, and
17 Gen Ads, LLC (referred to collectively herein as the “ITMedia-Controlled LLCs”).
18 All business performed in the name of the ITMedia-Controlled LLCs, including
19 website design, data transmission, and buying and selling consumer information,
20 has been conducted by ITMedia as agent of an ITMedia-Controlled LLC or of a
21 principal of an ITMedia-Controlled LLC.

- 22 a. Defendant GREAT LLC (“Great LLC”) is a Nevada Limited Liability
23 Company that has registered its address as 3315 Hwy 50, Silver Springs,
24 NV, 89429.

- 1 b. Defendant General LLC is a Nevada Limited Liability Company that has
2 registered its address as 560 East 200 North, Suite 18, Roosevelt, UT
3 84066.
- 4 c. Defendant MEDIA LLC (“Media LLC”) is a Nevada Limited Liability
5 Company that has registered its address as 560 East 200 North, Suite 18,
6 Roosevelt, UT 84066.
- 7 d. Defendant ADV MARKET DIRECT LLC (“Adv Market Direct LLC”) is
8 a Utah Limited Liability Company that has registered its address as 560
9 East 200 North, Suite 18, Roosevelt, UT 84066.
- 10 e. Defendant Direct Ad Sales LLC is a Utah Limited Liability Company
11 that has registered its address as 560 East 200 North, Suite 18, Roosevelt,
12 UT 84066.
- 13 f. Defendant MARKETING SOLUTIONS 33 LLC (“Marketing Solutions
14 33”) is a Utah Limited Liability Company that has registered its address
15 as 560 East 200 North, Suite 18, Roosevelt, UT 84066.
- 16 g. Defendant DEC MKT LLC (“Dec Mkt LLC”) is a Utah Limited Liability
17 Company that has registered its address as 72 North 300 East, Suite A,
18 Roosevelt, UT 84066.
- 19 h. Defendant Ads Full3 LLC is a Utah Limited Liability Company that has
20 registered its address as 72 North 300 East, Suite A, Roosevelt, UT
21 84066.
- 22 i. Defendant Sunset Marketing Services LLC is a Utah Limited Liability
23 Company that has registered its address as 72 North 300 East, Suite A,
24 Roosevelt, UT 84066.

1 j. Defendant Arrow Eagle, LLC, is a Limited Liability Company organized
2 under the laws of the Ute Indian Tribe and registered in Utah with the
3 address 278 East 1875 South, Roosevelt, UT 84066.

4 k. Defendant Arrow Hawk, LLC, is a Limited Liability Company organized
5 under the laws of the Ute Indian Tribe and registered in Utah with the
6 address 278 East 1875 South, Roosevelt, UT 84066.

7 l. Defendant Gen Ads, LLC, is a Limited Liability Company organized
8 under the laws of the Ute Indian Tribe and registered in Utah with the
9 address 278 East 1875 South, Roosevelt, UT 84066.

10 **Individuals**

11 12. Defendant Michael Ambrose, as owner of one-half interest in
12 Defendant XYZ LLC, owns a one-half interest in its subsidiaries, Defendants 123
13 LLC, ITMedia Solutions, DEV.XYZ LLC, and TEAM.XYZ LLC. He is co-owner
14 of Defendant Great LLC, was Chief Operating Officer of ITMedia Solutions and
15 its predecessor, ITMedia, Inc., and was a co-owner of ITMedia, Inc. Defendant
16 Ambrose was a founder, member, and managing officer of Defendants General
17 LLC and Media LLC, and, until 2015, a co-owner of these companies. At all times
18 material to this Complaint, acting alone or in concert with others, he has
19 formulated, directed, controlled, had the authority to control, or participated in the
20 acts and practices set forth in this Complaint. Defendant Ambrose, in connection
21 with the matters alleged herein, transacts or has transacted business in this District
22 and throughout the United States.

23 13. Defendant Daniel Negari, as owner of one-half interest in Defendant
24 XYZ LLC, owns a one-half interest in its subsidiaries Defendants 123 LLC,

1 ITMedia Solutions, DEV.XYZ LLC, and TEAM.XYZ LLC. He is co-owner of
2 Defendant Great LLC, was a co-owner and Chief Executive Officer of ITMedia
3 Solutions and its predecessor, ITMedia, Inc., and was a co-owner of ITMedia, Inc.
4 Defendant Negari was a founder, member, and managing officer of Defendants
5 General LLC and Media LLC, and, until 2015, a co-owner of these companies. At
6 all times material to this Complaint, acting alone or in concert with others, he has
7 formulated, directed, controlled, had the authority to control, or participated in the
8 acts and practices set forth in this Complaint. Defendant Negari, in connection
9 with the matters alleged herein, transacts or has transacted business in this District
10 and throughout the United States.

11 14. Defendant Jason Ramin has been Chief Executive Officer of
12 Defendant ITMedia Solutions since August 2019. Prior to August 2019,
13 Defendant Ramin was the Vice President for Business Operations of Defendant
14 ITMedia Solutions and its predecessor, IT Media, Inc. Defendant Ramin has also
15 acted as an officer of Defendant General LLC. At all times material to this
16 Complaint, acting alone or in concert with others, he has formulated, directed,
17 controlled, had the authority to control, or participated in the acts and practices set
18 forth in this Complaint. Defendant Ramin, in connection with the matters alleged
19 herein, transacts or has transacted business in this District and throughout the
20 United States.

21 15. Defendant Grant Carpenter is the sole manager of Defendant ITMedia
22 Solutions and, as its chief officer, is responsible for its day-to-day operations.
23 Defendant Carpenter is also general counsel and chief compliance officer for
24 Defendants ITMedia Solutions, DEV.XYZ LLC, TEAM.XYZ LLC, 123 LLC, and

1 XYZ LLC. Defendant Carpenter also manages Great LLC and is responsible for
2 authorizing ITMedia Solutions LLC to conduct business in the name of Great LLC.
3 Defendant Carpenter is responsible for approving lead sales contracts in the name
4 of Defendants Anisha Hancock and Sione Kaufusi for Defendants General LLC,
5 Media LLC, Ads Full3 LLC, Adv Market Direct LLC, Dec Mkt LLC, Direct Ad
6 Sales LLC and Gen Ads, LLC, including by executing agreements on their behalf.
7 At all times material to this Complaint, acting alone or in concert with others, he
8 has formulated, directed, controlled, had the authority to control, or participated in
9 the acts and practices set forth in this Complaint. Defendant Carpenter, in
10 connection with the matters alleged herein, transacts or has transacted business in
11 this District and throughout the United States.

12 16. Defendant Anisha Hancock is the owner of Defendants General LLC,
13 Media LLC, Ads Full3 LLC, Adv Market Direct LLC, Dec Mkt LLC, Direct Ad
14 Sales LLC, Marketing Solutions 33, and Sunset Marketing Services LLC.
15 Defendant Hancock has given ITMedia unqualified authority to conduct lead
16 generation operations in her name and the name of the limited liability companies
17 that she owns. Since 2015, acting alone or in concert with others, she has had the
18 authority to control the acts and practices set forth in this Complaint. Defendant
19 Hancock, in connection with the matters alleged herein, transacts or has transacted
20 business in this District and throughout the United States.

21 17. Defendant Sione Kaufusi is the owner of Arrow Eagle, LLC, Arrow
22 Hawk, LLC, and Gen Ads, LLC. Defendant Kaufusi has given ITMedia
23 unqualified authority to conduct lead generation operations in his name and the
24 name of Arrow Eagle, LLC, Arrow Hawk, LLC, and Gen Ads, LLC. Since 2016,

1 he has had the authority to control the acts and practices set forth in this
2 Complaint. Defendant Kaufusi, in connection with the matters alleged herein,
3 transacts or has transacted business in this District and throughout the United
4 States.

5 **Common Enterprise**

6 18. ITMedia and the ITMedia-Controlled LLCs (collectively, “Corporate
7 Defendants”) have operated as a common enterprise while engaging in the
8 deceptive, unfair, and unlawful acts and practices alleged below. Corporate
9 Defendants have conducted the business practices described below through an
10 interrelated network of companies. The companies that comprise ITMedia have
11 common ownership, managers, business functions, employees, and office
12 locations. The ITMedia-Controlled LLCs have common control, and have shared
13 contracting, business practices, funds, and assets. Because the Corporate
14 Defendants have operated as a common enterprise, each of them is liable for the
15 acts and practices alleged below.

16 **COMMERCE**

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

20 **DEFENDANTS’ BUSINESS ACTIVITIES**

21 20. ITMedia creates and operates websites that urge consumers to
22 complete detailed online loan applications, including social security information.
23 To induce consumers to submit their data, ITMedia has represented that the loan
24 applications it solicits from them will be circulated to a “trusted network of

1 lenders” to secure loan offers. In reality, ITMedia distributes and sells information
2 from these loan applications as “leads” to a variety of entities without regard to
3 whether these entities are lenders or use the consumers’ data to make loans.
4 ITMedia also has enticed loan applicants with misleading representations that its
5 service will provide loans that involve no consideration of credit history.
6 Additionally, ITMedia has used and has permitted others to use consumers’ credit
7 scores for impermissible purposes.

8 **ITMedia Solicits Consumer Loan Applications**

9 21. Since December 2012, ITMedia has operated at least 200 Internet
10 sites where it posts advertising that targets consumers seeking online payday loans,
11 consumers with poor credit, and consumers seeking personal and installment loans
12 for as much as \$35,000. The domains that ITMedia has used to operate these sites
13 include:

14 badcreditloans.com	borrowspot.com	mobileloans.com
15 personalloans.com	burstloans.com	mypaydayloans.com
16 cashadvance.com	cashnow.com	onlinepaydayloans.com
17 cashusa.com	cashtoday.com	paydayadvance.com
18 signatureloan.com	fast-loans.net	paydayloannow.com
19 badcredit.com	fastmoney.com	paydayloans.com.

20 22. ITMedia’s Internet sites represent that they find loans for consumers
21 who complete an online form that ITMedia has described as a loan application or
22 request. **Appendices 1-6** contain examples of ITMedia’s Internet sites.

1 **ITMedia Represents that the Information Consumers Provide Will Be Shared**
2 **With Trusted Lenders to Secure Loans**

3 23. To induce consumers to complete loan applications, ITMedia has
4 published websites that assure consumers that it will share the information
5 provided by each consumer with qualified and trustworthy loan providers, and that
6 it only shares consumers' information to find a loan for the consumer. ITMedia
7 has conveyed these messages through the following statements and similar
8 statements on its websites:

- 9
- 10 • We only share your information with our network of trusted
11 lenders, lending partners and financial service providers, in
12 an attempt to connect you with a lender or lending partner
13 that can offer you a loan. (*signatureloan.com, 2020*)
 - 14 • Customers simply fill out our secure online form, then hit the
15 SUBMIT button. From there, your protected data will only be
16 shared with qualified lenders. (*cashadvance.com, FAQ, 2017*)
 - 17 • [W]e serve as a connector between potential online loan
18 borrowers and the skilled members of our trusted nationwide
19 lending network. The PaydayAdvance.com affiliate lenders
20 have been carefully chosen on the basis of their reputability
21 and trustworthiness, as well as their ability to provide people
22 with quick and easy access to needed funds.
23 (*PaydayAdvance.com 2017, Rates & Fees*)
 - 24 • MobileLoans.com connects consumers with an entire
network of lenders who offer a variety of loans. We present
your information to our vast network of trusted lenders and
allow you to decide if the loan offer presented suits your
needs. (*Mobileloans.com 2020, How it Works*)
 - SignatureLoan.com only works with professional lenders and
lending partners who engage in responsible lending

1 practices and are authorized to lend money in the form of
2 signature loans to consumers. (*signatureloan.com 2020, best-*
3 *lending-practices*)

4 24. ITMedia's loan forms reinforce these website representations that
5 ITMedia conveys the details requested in its loan forms to loan providers only. For
6 example, personalloans.com contained the following representations next to the
7 boxes seeking detailed information from consumers regarding their application or
8 request for a loan:

9 **Why do we need this information?**

10 Don't worry - our lenders and lending partners review
11 requests for all credit and loan types. We simply ask for
12 this information to help ensure that you are connected
with a lender or lending partner that can work for you!

13 Providing us with accurate, up-to-date information is
14 essential to being considered for a loan.

15 **Contact Information**

16 We collect this information because, if you are approved,
17 lenders or lending partners will often reach out to you
quickly to confirm your loan.

18 **Employment Information**

19 Our lenders and lending partners require this information
20 to consider you for a loan.

21 **Identity and Bank Information**

22 Lenders and lending partners must be able to verify your
23 identity when reviewing your request.

1 **ITMedia Has Represented that Loans are Available**
2 **Regardless of Credit Rating or History**

3 25. At certain sites, ITMedia has also represented that loans are available
4 without regard for credit scores or history to consumers who complete ITMedia's
5 loan forms. For example, ITMedia has stated:

6 • **We're Here For You**

7 Every day, we help people like you secure loans regardless
8 of your credit rating. We're here to help you find solutions to
9 your financial needs.

10 *(badcreditloans.com, 2020;Burstloans.com, 2020)*

- 11 • In the past, gaining access to loan funds required a pile of
12 paperwork and a stellar credit history. Bad credit personal
13 loans, however, can now be obtained quickly and without
14 any credit score requirements. *(badcreditloans.com/personal-*

15 *loans, 2020)*

16 • MobileLoans.com [Burstloans.com/CashUSA.com] lenders
17 do not require credit scores and do not ask applicants to
18 provide credit score details. Your credit score will not affect
19 the fees and terms of your loan in any way. *(Mobileloans.com*
20 *2020, Rates and Fees; burstloans.com; Rates and Fees, 2020;*
21 *CashUSA.com 2020, Rates and Fees)*

- 22 • Your credit history will neither hurt you chances of getting a
23 cash advance nor have a negative effect on the interest
24 rates and fees that you are charged. If you have poor credit
or even no credit, then you still have the opportunity to get
the cash you need. *(DirectDepositLoans.com 2019, Why Cash*
Advance Payday Loans May Help with Your Emergency Cash
Needs)

Examples of advertising with these representations appear in **Appendices 5 and 6.**

1 **ITMedia’s Representations to Consumers About Its Use of Consumer**
2 **Information Are Deceptive**

3 26. At sites that have made the representations set forth above, ITMedia
4 has collected consumers’ Internet protocol address and online tracking data, and
5 urges consumers to complete loan forms that require the following information:

- 6 a) contact information, including names, residential addresses, email
7 addresses, and telephone numbers;
- 8 b) consumers’ birthdates, Social Security numbers, bank-routing and
9 account numbers, and driver’s license and state identification
10 numbers;
- 11 c) information regarding the consumers’ resources, including whether
12 and where consumers are employed, how long they have been
13 employed, whether they own a home or a car, monthly income, and
14 how frequently they are paid;
- 15 d) consumers’ job titles and whether they are active members of the
16 military; and
- 17 e) consumers’ credit score range and reason for borrowing.

18 27. ITMedia’s representations regarding the manner in which information
19 required by its online forms will be distributed and used are important to
20 consumers deciding whether to share their information because of concerns
21 regarding unwanted marketing, invasion of privacy, and identity theft.

22 28. Rather than connect consumers to lenders as promised, ITMedia
23 distributes the consumer information it collects on these loan forms to a variety of
24 entities in a lead marketplace in which the consumer data—including sensitive

1 personal and financial information—is transmitted to prospective buyers. Entities
2 participating in this marketplace bid against each other to purchase the opportunity
3 to use the consumer information.

4 29. Although ITMedia represents that it provides consumers’ information
5 to entities that will offer loans to consumers, ITMedia in fact does not require that
6 the entities that receive and bid to purchase consumer information, including
7 complete loan applications, be loan providers. Furthermore, ITMedia does not
8 require that these entities use the information they receive to offer loans.

9 30. When ITMedia does not succeed in selling consumer information to
10 prospective buyers in its lead marketplace, it offers information about such
11 “declined” consumers to other entities seeking leads, marketing lists, or other
12 compilations of consumer data from the loan applications. ITMedia also directs
13 some of these declined consumers to online advertising for loans and non-loan
14 product and services, in exchange for compensation from the entities advertising
15 those products and services.

16 31. ITMedia distributes leads, marketing information and other data with
17 consumer information to entities that are not loan providers. Furthermore,
18 ITMedia does not require that these entities use the information they receive to
19 offer loans.

20 32. Because ITMedia does not require that the recipients of the
21 information collected on its loan forms be lenders, it has provided consumer
22 information collected from loan applications to:

- 23 a. businesses that are not lenders but illegally market loan products,
24 including Lead Express, Inc., Camel Coins, Inc., and Sea Mirror, Inc., as

1 described in *Federal Trade Commission v. Lead Express, Inc.*, No. 20-
2 cv-00840 (D. Nev.);

- 3 b. debt negotiation and credit repair servicers that do not provide loans;
- 4 c. pre-paid debit card sellers;
- 5 d. marketers that license the information to advertise to consumers through
6 email, text messages and telemarketing, and are not required to use the
7 information to offer loans;
- 8 e. entities whose business and interest in the data is not known to ITMedia;
9 and
- 10 f. marketers and lead aggregators that share the consumer information with
11 other entities whose identity, business, and interest in the information is
12 not known to ITMedia.

13 33. ITMedia seldom sells the information consumers submit in their loan
14 applications to lenders. Since January 2016, for the overwhelming majority of
15 consumers (*i.e.*, more than 84%) who have submitted loan applications at an
16 ITMedia website, ITMedia has either (i) sold the consumers' information to
17 entities that are not lenders (including non-lender aggregators, marketers, and
18 companies whose use of the information is unspecified); (ii) used the consumers'
19 loan applications to create targeted marketing data for telemarketers, email
20 advertisers, and other entities, or (iii) directed the consumers to online
21 advertisements.

22 34. Even when ITMedia provides information from consumers' loan
23 applications to entities that are loan providers, ITMedia does not require that they
24 use the information to make loan offers. To the contrary, ITMedia permits and

1 sometimes expressly authorizes such entities to use the information ITMedia
2 collects through its loan forms to market non-loan products or services.

3 35. Additionally, although ITMedia has made representations that loans
4 are available without regard to credit history, ITMedia's contracts do not require
5 that the recipients of consumer information or downstream entities offer loans
6 regardless of consumers' credit history. ITMedia sells leads to entities without
7 regard for whether they or downstream entities check and evaluate consumers'
8 credit history.

9 36. Since at least 2012, the online lending trade organization to which
10 ITMedia belongs has warned that online lenders and advertisers promoting online
11 lending services should not represent to consumers that loans are available without
12 credit checks because doing so is misleading. Lenders considering an online loan
13 application may run credit checks through a major consumer reporting agency or a
14 specialized consumer reporting agency to check a consumer's background before
15 extending credit.

16 37. ITMedia has posted inconspicuous fine-print disclaimers, terms and
17 conditions, and privacy policies that are inconsistent with the representations they
18 have made to induce consumers to complete loan forms. For example, some
19 websites contain statements that application information might be shared with
20 entities that are not loan providers or that will offer products and services other
21 than loans and that credit history may be a factor in lending decisions. These
22 statements have not appeared on all the websites operated by ITMedia and, even
23 when they have appeared, have been buried in lengthy paragraphs at the bottom of
24 web pages or in online terms that are not as prominent as the advertising that they

1 contradict or qualify. Appendices 2–4 contain examples of paragraphs that
2 include such statements.

3 38. Similarly, ITMedia has published Internet pages that name non-lender
4 entities to which ITMedia gives consumer information, but ITMedia has kept this
5 information from consumers by not including links to these pages in most of its
6 Internet sites and by placing any links that do appear in locations where consumers
7 are unlikely to view them. On pages entitled “Third Parties,” ITMedia has listed
8 “marketing partners” to which it transmits information about consumers’ loan
9 requests. In some instances, these pages also state that additional, unnamed
10 entities may contact the consumer or pull the consumers’ credit information.

11 Appendix 7 is an example of one of these “Third Parties” pages. Most of
12 ITMedia’s sites have contained no link to these “Third Parties” lists. During
13 certain periods, some of ITMedia’s sites have contained a link to a “Third Parties”
14 list, but these links have not been displayed as consumers begin or proceed through
15 the multi-step loan forms, or on pages that describe how the service operates.
16 Instead, the links to the names of “Third Parties” have appeared, if at all, in places
17 where consumers are not likely to notice or open the link – in site maps for a given
18 domain or small print at the last step in completing ITMedia’s loan forms.

19 **ITMedia Indiscriminately Shares Sensitive Consumer Information**

20 39. When ITMedia distributes consumers’ loan application information to
21 prospective buyers in its lead marketplace, it does not mask or otherwise restrict
22 access to sensitive personal and financial information, such as social security
23 numbers and financial account information.

1 40. ITMedia transmits loan applications to entities that have not
2 purchased the consumers' information. ITMedia could selectively mask or
3 withhold information in the applications so that only entities that purchase an
4 application receive sensitive information, but it chooses not to do so. Indeed,
5 because of the way ITMedia distributes consumer information, it sends most loan
6 applications—unmasked—to multiple entities that have not committed to purchase
7 the information, much less offer a loan to the consumer.

8 41. Beginning in or about 2015, ITMedia authored a document described
9 as a policy for safeguarding sensitive information that it collects from consumers,
10 and it subsequently authored documents that purport to be revised or updated
11 policies for protecting such information.

12 42. ITMedia's policies and procedures do not require that an entity that
13 obtains leads from ITMedia certify that it uses such information solely to respond
14 to the consumer's loan request.

15 43. ITMedia's policies and procedures lack any provision for assessing
16 whether purchasers and prospective purchasers safeguard information they
17 received from ITMedia or use such information for purposes other than offering a
18 loan.

19 44. Additionally, ITMedia has no program for investigating whether
20 sensitive consumer information it furnishes to potential purchasers is safeguarded
21 or used for purposes other than offering a loan. For example, "seeding" data by
22 adding unique dummy data is a common technique to detect leaks or breaches in
23 data security, and to monitor how data is being used. ITMedia has the capability to
24 "seed" the consumer information it distributes. Nonetheless, ITMedia has not

1 implemented a program to regularly seed leads to test for security breaches, or to
2 detect how leads are being used by their direct and indirect recipients.

3 45. Some entities that receive consumer information from ITMedia
4 represent to ITMedia that they have policies and procedures to ensure that such
5 information is securely processed, stored, transmitted, and disposed. ITMedia has
6 no program for assessing the content of such policies and procedures, whether such
7 policies and procedures have been implemented, or whether such policies and
8 procedures are effective.

9 46. ITMedia has shared loan applications that include consumers'
10 sensitive information with entities that have not disclosed the physical location of
11 their business, whose business is unknown to ITMedia, that have contracted on
12 behalf of unnamed businesses, and that have not stated for what purpose, or with
13 whom, they share leads.

14 47. The types of personal, financial, and credit details about consumers
15 that ITMedia collects and disseminates are often used to commit identity theft and
16 fraud. For example, identity thieves use stolen names, addresses, and Social
17 Security numbers to apply for credit cards in the victim's name. When the identity
18 thief fails to pay credit card bills, the victim's credit suffers. Stolen personal
19 information is also used to create phantom debt records used by debt collectors to
20 harass consumers and demand payment for debts the consumers do not owe.
21 Misappropriated bank account information can be used for unauthorized billing or
22 fraudulent check scams. Identity thieves also use Social Security numbers and
23 bank account information to intercept consumers' tax refunds fraudulently.
24

1 48. ITMedia's practice of broadly disseminating consumer information,
2 including to entities that share information with others whose identities and use of
3 the information are unknown to ITMedia, exposes consumers to the risk of
4 substantial harm from identity theft, imposter scams, unauthorized billing,
5 phantom debt collection, and other misuse of the consumers' information. Some
6 consumers have complained that, shortly after submitting loan applications to
7 ITMedia, they have received communications using the names of ITMedia
8 websites to present sham loan offers or demands for repayment of counterfeit debt.

9 49. The harms from ITMedia's failure to assess and evaluate whether the
10 information that it disseminates is securely processed, stored, transmitted, and
11 disposed, and its practice of disseminating consumer's sensitive personal and
12 financial information to entities whose identities and use of the information are
13 unknown to ITMedia are not outweighed by benefits to consumers or competition
14 from these practices.

15 50. In most, if not all, instances, the consumers who have submitted
16 sensitive information on ITMedia's loan forms do not know about and have not
17 consented to ITMedia sharing their sensitive personal and financial information
18 with entities that are not using the information solely to respond to the consumer's
19 request for a loan. Consumers cannot reasonably avoid the harms and potential
20 harms that the disclosures of their information cause, including possible identity
21 theft and account fraud. Insofar as ITMedia has posted statements that consumers'
22 information is shared with entities that are not using the information to respond to
23 the consumer's request for a loan, it has done so in pages separate from its loan
24 forms, and has not required that consumers view such pages before submitting the

1 information. Even if consumers were to have clicked on the hyperlinks that lead to
2 such pages, they would be unlikely to have seen the statements regarding the use of
3 consumers' information because this information has been buried in dense text, in
4 small font, and in single space type.

5 **ITMedia Has Impermissibly Used Credit Scores for Marketing**

6 51. ITMedia has acquired additional data about consumers who submit
7 loan applications at personalloans.com by purchasing the credit scores of such
8 consumers from a national consumer reporting agency.

9 52. Since 2014, ITMedia has purchased credit score information on
10 millions of consumers. ITMedia has acquired these credit scores pursuant to a
11 contract in Defendant General LLC's name.

12 53. When disseminating leads to potential buyers, ITMedia has:

- 13 a. used credit scores as a factor in its strategy for maximizing sales, such as
14 evaluating which entities are most likely to purchase the leads;
- 15 b. set lead prices based on credit scores, demanding a higher price for the
16 ability to market to consumers with higher scores;
- 17 c. sent consumer information to potential buyers with codes that identify the
18 range into which each consumer's credit score – as reported by the
19 consumer reporting agency – falls, thereby communicating the score with
20 ranges as narrow as 10 to 20 points; and
- 21 d. used credit scores to filter consumer information transmitted for
22 evaluation based on credit score ranges selected by the potential buyers,
23 thereby selling targeted leads and communicating the consumer report
24

1 information ITMedia obtained from the consumer reporting agency to
2 potential buyers.

3 54. ITMedia has not required that each entity to which it sells credit
4 score-based leads certify that it will use such leads solely to respond to the
5 consumer's loan request. In particular, ITMedia has not required that each entity
6 to which credit score-based leads are sold (a) identify each recipient or end-user of
7 such leads, or (b) certify that the entity and anyone that receives leads through the
8 entity use such leads solely to respond to the consumer's loan application or
9 request.

10 55. ITMedia represents to the consumer reporting agency from which it
11 has procured credit scores that Defendant General LLC uses the scores to "pre-
12 qualify" the consumer to whom the report relates (*i.e.*, check to see if the consumer
13 qualifies for certain credit terms). But ITMedia does not (a) acknowledge that
14 ITMedia uses the scores to price and filter leads for marketing; (b) provide the
15 consumer reporting agency with the identities of the entities to which ITMedia has
16 furnished credit-score based consumer information by using credit scores to filter
17 or code leads; or (c) provide the consumer reporting agency with the purposes for
18 which such entities use such information.

19 **Participation and Knowledge of Individual Defendants**

20 56. Defendants Ambrose, Negari, Ramin, and Carpenter have reviewed
21 ITMedia's representations to consumers, negotiated or signed contracts for the sale
22 of consumer information, and participated in formulating and implementing
23 policies and practices for lead distribution. Among other activities:
24

- 1 a. Defendant Ambrose executed contracts in which Defendants agreed to
2 distribute consumers' sensitive personal and financial information to
3 entities that were not lenders, entities that were sharing information with
4 unidentified lead buyers, and entities whose business and interest in
5 obtaining sensitive information on consumers is unknown to Defendants.
6 Defendant Ambrose authorized the distribution of consumer information
7 to, among others, Lead Express, Inc., Camel Coins, Inc., and Sea Mirror,
8 Inc., debt negotiation marketers, and telemarketers, even though
9 distribution of consumers' information to these entities was contrary to
10 the representations ITMedia made to induce consumers to complete loan
11 forms. Defendant Ambrose also executed agreements to procure credit
12 scores of consumers who completed loan forms for use in marketing and
13 to sell credit-score based leads to entities purchasing leads from ITMedia.
- 14 b. Defendant Negari executed contracts in the name of Defendant General
15 LLC to distribute consumers' sensitive personal and financial
16 information to marketers and lead aggregators that do not offer loans, but
17 shop consumers' information to other entities whose identity, business,
18 and interest in the information is not known to ITMedia. Defendant
19 Negari also participated in securing and using consumer credit scores to
20 filter leads for sale and augment the marketing of information from
21 consumers' loan forms to participants in ITMedia's marketplace.
- 22 c. Defendant Ramin operated and supervised the operation of the ITMedia
23 marketplace in which loan applications are distributed to potential buyers
24 without withholding sensitive personal or financial information, and

1 negotiated and executed contracts in which Defendants agreed to
2 distribute such information to entities that were not lenders, entities that
3 were sharing information with unidentified lead buyers, and entities that
4 made no commitment to use the consumer information distributed by
5 ITMedia to make loans. Defendant Ramin also participated in the
6 purchase of credit scores of consumers who completed loan forms,
7 offered and distributed credit score information to potential buyers,
8 filtered leads based on credit scores to create marketing lists, and used
9 the credit scores in ITMedia's marketing to potential buyers.

10 d. Defendant Carpenter approves potential buyers participating in
11 ITMedia's lead marketplace, including approving entities that are not
12 lenders, but debt relief services, pre-paid debit card sellers, marketers,
13 lead aggregators, and other entities whose identity, business, and interest
14 in the information is not known to ITMedia. He is the sole manager of
15 ITMedia Solutions, is the chief officer of the company, and has full
16 power to direct and manage the business affairs of the company. He is
17 responsible for day-to-day operations, and the negotiation and
18 performance of all contracts of ITMedia Solutions. Defendant Carpenter
19 also reviewed and approved ITMedia's purchase of credit scores, all the
20 contracts under which ITMedia has disseminated consumers'
21 information, and supervised the representations made on ITMedia's
22 websites to induce consumers to submit sensitive information.

23 Through these activities and their positions as officers or managers of various
24 Defendants, these individuals have actual knowledge of ITMedia's deceptive,

1 unfair, and unlawful conduct, have been recklessly indifferent to such conduct, or
2 intentionally avoid knowledge or such conduct.

3 57. Defendants Hancock and Kaufusi intentionally avoid knowledge of
4 ITMedia's conduct and the truth of its representations, and are aware that it is
5 highly probable that ITMedia, when conducting business in their names, is
6 engaged in deceptive, unfair, and unlawful conduct, including making
7 misrepresentations to consumers or misusing information obtained from consumers
8 for profit.

9 58. Based on the facts and violations of law alleged in this Complaint, the
10 FTC has reason to believe that Defendants are violating or are about to violate laws
11 enforced by the Commission because, among other things: the websites operated
12 by ITMedia continue to convey misleading representations that consumers'
13 information is used only for the purpose of obtaining the loans requested and that
14 such information is shared only with loan providers. Moreover, ITMedia continues
15 to distribute consumers' loan application information indiscriminately to the types
16 of entities described above without policies and procedures to assure that these
17 entities safeguard information they receive from ITMedia and use such information
18 only to offer loans. Finally, Defendants' business relationships, contracts, and
19 experience in collecting and selling consumer data for profit give them the means,
20 ability and incentive to continue the unlawful conduct described in this Complaint.

21 VIOLATIONS OF THE FTC ACT

22 59. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or
23 deceptive acts or practices in or affecting commerce."
24

1 60. Misrepresentations or deceptive omissions of material fact are
2 deceptive acts or practices prohibited by Section 5(a) of the FTC Act. Acts or
3 practices are unfair under Section 5 of the FTC Act if they cause or are likely to
4 cause substantial injury to consumers that consumers cannot reasonably avoid
5 themselves and that is not outweighed by countervailing benefits to consumers or
6 competition. 15 U.S.C. § 45(n).

7 **Count I**
8 **Deceptive Representations**

9 61. In numerous instances in connection with soliciting consumers for
10 information, Defendants, through ITMedia’s actions, represent or have
11 represented, directly or indirectly, expressly or by implication, that:

- 12 a. They will only share information consumers submit on loan forms to
13 connect the consumer with a loan offer;
- 14 b. Information consumers submit on loan forms will be given to loan
15 providers only; and
- 16 c. Consumers who submit loan forms will be able to receive a loan without
17 regard for their credit score or history.

18 62. The representations set forth in Paragraph 61 are false and misleading,
19 or were not substantiated at the time the representations were made.

20 63. Therefore, the making of the representations as set forth in
21 Paragraph 61 constitute deceptive acts or practices in violation of Section 5(a) of
22 the FTC Act, 15 U.S.C. § 45(a).

Count II

Unfair Distribution of Sensitive Information

1
2 64. In numerous instances, Defendants, through ITMedia’s actions, have
3 shared and sold sensitive personal and financial information from consumers’ loan
4 forms—including consumers’ full names, addresses, email addresses, phone
5 numbers, birthdates, Social Security numbers, bank routing and account numbers,
6 driver’s license and state identification numbers, income, status and place of
7 employment, military status, homeownership status, and approximate credit
8 scores—without consumers’ knowledge or consent and without regard for whether
9 the recipients are lenders or otherwise had a legitimate need for the information.

10 65. The acts or practices as set forth in Paragraph 64 cause or are likely to
11 cause substantial injury to consumers that consumers could not reasonably avoid
12 themselves and that are not outweighed by countervailing benefits to consumers or
13 competition.

14 66. Therefore, the acts or practices as set forth in Paragraph 64 constitute
15 unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a)
16 and 45(n).

VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

17
18 67. The FCRA was enacted in 1970, became effective on April 25, 1971,
19 and has been in force since that date. The Fair and Accurate Credit Transactions
20 Act (“FACT Act”) amended the FCRA in December 2003, and the Dodd-Frank
21 Act amended the FCRA in July 2010.

22 68. Section 621 of the FCRA provides that, for the purpose of the exercise
23 by the FTC of its functions and powers under the FTC Act, a violation of any
24 requirement or prohibition imposed under the FCRA shall constitute an unfair or

1 deceptive act or practice in commerce, in violation of Section 5(a) of the FTC Act,
2 15 U.S.C. § 45(a). 15 U.S.C. § 1681s(a).

3 69. Section 621 of the FCRA, 15 U.S.C. § 1681s, authorizes the
4 Commission to use all of its functions and powers under the FTC Act to enforce
5 compliance with the FCRA by all persons subject thereto except to the extent that
6 enforcement specifically is committed to some other governmental agency under
7 subparagraphs (A) through (G) of 15 U.S.C. § 1681s(b)(1), irrespective of whether
8 the person is engaged in commerce or meets any other jurisdictional tests set forth
9 by the FTC Act. In the event of a knowing violation of the FCRA, the FTC may
10 commence an action to recover civil penalties. *Id.* § 1681s(a)(2).

11 70. Enforcement of the FCRA with respect to Defendants is not
12 specifically committed to a governmental agency under subparagraphs (A) through
13 (G) of 15 U.S.C. § 1681s(b)(1).

14 71. Section 603(d) of the FCRA, 15 U.S.C. § 1681a(d), defines a
15 “consumer report” as:

16 any written, oral, or other communication of any information by a
17 consumer reporting agency bearing on a consumer’s creditworthiness,
18 credit standing, credit capacity, character, general reputation, personal
19 characteristics, or mode of living which is used or expected to be used
20 or collected in whole or in part for the purpose of serving as a factor
21 in establishing the consumer’s eligibility for (A) credit or insurance to
be used primarily for personal, family, or household purposes;
(B) employment purposes; or (C) any other purpose authorized under
Section 604.

22 72. Credit scores—numerical scores or categorizations that are assigned
23 to consumers based on risk models designed to predict the likelihood of certain
24

1 credit behaviors—are “consumer reports” as defined in Section 603(d) of the
2 FCRA.

3 73. Marketing data or lists that identify consumers with a specified credit
4 score, credit score range, or other credit-related characteristics are “consumer
5 reports” as defined in Section 603(d) of the FCRA.

6 **FCRA Restrictions on Permissible Use (§ 604)**

7 74. Section 604(f)(1) of the FCRA, 15 U.S.C. § 1681b(f)(1), prohibits
8 persons from using or obtaining a consumer report for any purpose unless it is for a
9 purpose authorized under Section 604. The circumstances enumerated in Section
10 604 are referred to as the “permissible purposes” of consumer reports.

11 75. Section 604(f)(2), 15 U.S.C. § 1681b(f)(2), further provides that a
12 person shall not use or obtain a consumer report unless the prospective user has
13 certified the purpose for which the report will be used in accordance with
14 Section 607, 15 U.S.C. § 1681e. To fulfill this requirement, a prospective user
15 must identify themselves and certify both the purposes for which the information is
16 sought and that the information will be used for no other purpose. 15 U.S.C.
17 § 1681e(a).

18 76. Obtaining or using a credit score or other consumer report to filter,
19 price, market, or evaluate leads for marketing is not a permissible purpose under
20 Section 604 of the FCRA.

21 77. Obtaining or using a credit score or other consumer report to solicit
22 consumers to initiate a transaction, outside the context of a credit or insurance
23 transaction that satisfies Section 604(c), 15 U.S.C. § 1681b(c), is not a permissible
24 purpose under Section 604 of the FCRA.

1 78. As described in Paragraph 53.a through 53.d, ITMedia obtains and
2 uses credit scores for purposes that are not permissible purposes under Section 604
3 of the FCRA.

4 79. Since at least 2013, Defendants, directly or through Defendant
5 Carpenter or other agents, have known of the requirements of the FCRA, that the
6 FCRA permits the use of consumer report information solely for a permissible
7 purpose, and that it is unlawful to use credit scores procured from a consumer
8 reporting agency for any reason other than the permissible purpose certified to the
9 consumer reporting agency.

10 80. Section 621(a)(2)(A) of the FCRA, 15 U.S.C. § 1681s(a)(2)(A), as
11 adjusted by 16 C.F.R. § 1.98(m), authorizes the Court to award monetary civil
12 penalties of not more than \$4,111 for each knowing violation of the FCRA that
13 constitutes a pattern or practice of violations of the statute.

14 81. Each instance in which Defendants have violated Section 604(f) of the
15 FCRA, 15 U.S.C. § 1681b(f), constitutes a separate violation of the FCRA for the
16 purpose of assessing monetary civil penalties.

17 **Count III**

18 **Obtaining and Using Consumer Reports without a Permissible Purpose**

19 82. As described in Paragraphs 51 through 53 and 76 through 79,
20 Defendants, through ITMedia's actions, have obtained and used consumer reports
21 without a permissible purpose.

22 83. By and through the acts and practices described in Paragraphs 51
23 through 53 and 76 through 79, Defendants have violated Section 604(f) of the
24 FCRA, 15 U.S.C. § 1681b(f).

1 84. Pursuant to Section 621(a)(1) of the FCRA, 15 U.S.C. § 1681s(a)(1),
2 the acts and practices alleged in Paragraphs 51 through 53 and 76 through 79, also
3 constitute unfair or deceptive acts or practices in violation of Section 5(a) of the
4 FTC Act, 15 U.S.C. § 45(a).

5 85. The acts and practices described in Paragraphs 51 through 53 and 76
6 through 79, constitute a pattern or practice of knowing violations of the FCRA
7 under Section 621(a)(2)(A) of the FCRA, 15 U.S.C. § 1681s(a)(2)(A).

8 **FCRA Requirements for Persons Reselling (§ 607(e))**

9 86. Section 607(e)(2)(A), of the FCRA, 15 U.S.C. § 1681e(e)(2)(A),
10 requires persons who procure consumer reports for purposes of reselling the
11 reports (or any information in the reports) to “establish and comply with
12 reasonable procedures designed to ensure that the report (or information) is resold
13 by the person only for a purpose for which the report may be furnished under
14 Section 604.” These procedures must include requirements that each person to
15 which the report (or information) is resold identify each user of the resold report
16 (or information), certify the purposes for which the report (or information) is
17 sought, and certify that the report (or information) will be used for no other
18 purpose.

19 87. Section 607(e)(2)(B) of the FCRA, 15 U.S.C. § 1681e(e)(2)(B),
20 requires that persons who procure consumer reports for purposes of reselling the
21 report (or information in the report) must, before reselling the report, make
22 reasonable efforts to verify the identifications and certifications made by end-users
23 to demonstrate that the report (or information in the report) will be used for a
24 permissible purpose, and used for no other purpose.

1 88. Section 607(e)(1) of the FCRA, 15 U.S.C. § 1681e(e)(1), requires
2 persons who procure consumer reports for purposes of reselling the reports (or any
3 information in the report) to disclose to the credit reporting agency that originally
4 furnishes the report the identity of the end-user of the report and the permissible
5 purpose for which the report is furnished.

6 89. ITMedia has procured credit scores for the purpose of selling
7 consumer information that includes information from credit scores. ITMedia has
8 conveyed information from credit scores to prospective purchasers when it has
9 filtered consumer loan applications by credit score or has tagged the information it
10 sells with price codes based on credit scores.

11 90. ITMedia has not instituted or maintained procedures to identify the
12 persons that use information from the consumer reports that it has procured for
13 resale. In particular, ITMedia's lead sale contracts do not identify all the entities
14 that may receive leads pursuant to the agreement, and explicitly or implicitly
15 contemplate that leads will be shared with unnamed entities. Furthermore,
16 ITMedia has sold leads that convey consumer report information to entities that
17 seek information for the use of others, without requiring that the user or users of
18 the report information be identified.

19 91. ITMedia has not established or complied with procedures to limit
20 prospective purchasers' use of information from the consumer reports that it has
21 procured for resale. In particular, ITMedia does not require that recipients of such
22 information provide any certification specifying the purposes for which the
23 recipients use consumer report information, or certify that information will be used
24 for specified purposes and no other. In numerous instances, ITMedia does not

1 require recipients to identify the purposes for which they use the consumer
2 information, accepts vague descriptions of the purpose, and/or accepts
3 representations that do not state that the consumer information will not be used for
4 other purposes.

5 92. ITMedia has not instituted or maintained procedures to verify
6 prospective purchasers' representations regarding their use of information from
7 consumer reports it has furnished. In particular, ITMedia has sold consumer report
8 information without making a reasonable effort to verify the identity of a recipient
9 or the purposes for which a recipient is using the consumer report information.

10 93. Each instance in which Defendants have procured credit scores for
11 resale without establishing and complying with procedures to limit the use of
12 consumer report information to the end users and purposes permitted by the FCRA,
13 or did not disclose to the consumer reporting agency that furnishes the scores the
14 identity of the end-user of consumer report information and each purpose for
15 which consumer report information will be used, constitutes a separate violation of
16 the FCRA for the purpose of assessing monetary civil penalties.

17 **Count IV**

18 **Failure to Establish and Comply with Procedures to Avoid Impermissible 19 Use of Consumer Report Information Obtained for Resale**

20 94. As described in Paragraphs 54 and 89 through 92, Defendants have
21 failed to establish or comply with reasonable procedures designed to limit the sale
22 of consumer report information purchased for resale to the users and purposes
23 permitted by the FCRA, and no other. For example, they have failed to require
24 that purchasers and end-users identify themselves, certify the purposes for which
the information is sought, and certify that the information will be used for no other

1 purpose. Defendants have also failed to make reasonable efforts to verify the
2 identity of each purchaser and the purposes for which each purchaser or end-user is
3 using consumer report information sold by ITMedia.

4 95. By and through the acts and practices described in Paragraphs 54 and
5 89 through 92, Defendants have violated Section 607(e)(2) of the FCRA, 15 U.S.C.
6 § 1681e(e)(2).

7 96. Pursuant to Section 621(a)(1) of the FCRA, 15 U.S.C. § 1681s(a)(1),
8 the acts and practices alleged in Paragraphs 54 and 89 through 92, also constitute
9 unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act,
10 15 U.S.C. § 45(a).

11 97. The acts and practices described in Paragraphs 54 and 89 through 92
12 constitute a pattern or practice of knowing violations of the FCRA under Section
13 621(a)(2)(A) of the FCRA, 15 U.S.C. § 1681s(a)(2)(A).

14 **Count V**

15 **Reselling Consumer Reports to Unidentified Users**

16 98. As described in Paragraphs 51 through 55, Defendants, through
17 ITMedia's actions, have procured credit scores for the purpose of selling leads
18 filtered by credit score but have not disclosed to the consumer reporting agency
19 that furnishes the consumer report the identity of the end-users to which
20 Defendants furnish credit score information or the purposes for which these end-
21 users use such information.

22 99. By and through the acts and practices described in Paragraphs 51
23 through 55, Defendants have violated Section 607(e)(1) of the FCRA, 15 U.S.C.
24 § 1681e(e)(1).

1 Dated: January 5, 2022

Respectfully submitted,

2 **FEDERAL TRADE COMMISSION**

3
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Appendix 1

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The screenshot shows the Signature Loan website's 'Request A Loan Today' form. At the top, the 'SIGNATURELOAN' logo is on the left, and a circular logo with 'OLA' is on the right. A navigation bar contains links for 'About', 'Lending Policy', 'Loan Rates', 'Privacy', and 'Request A Loan'. The main content area features a blurred background image of a person's hand. On the left, a blue box contains the text: 'Request A Loan Today. You may qualify for a loan of anywhere between \$1,000 and \$35,000 for just about any reason, whether it be to pay for a home improvement expense, a vacation or a relocation.' On the right, a white form titled 'Request A Loan Today' includes fields for 'Loan Amount' (set to '\$ Up to 35k'), 'Zip Code', 'Credit Type' (a dropdown menu set to 'Select'), and 'Monthly Income' (a dropdown menu set to 'Select'). Below these are fields for 'First Name' and 'Last Name', and an 'E-Mail Address' field with the example 'example@signatureloan.com' and a note 'Needs to be valid'. A green 'GET STARTED' button with a play icon is at the bottom of the form. Below the button, a small disclaimer reads: 'I consent and agree to the Terms of Use, Privacy Policy, Rates & Fees, Lending Policy and E-Consent'. At the bottom of the page, three columns of text describe features: 'Safe & Secure' (fully encrypted website), 'Today Is The Day' (fast loan request process), and 'Pay Over Time' (flexible repayment terms from 90 days to 72 months).

Appendix 2

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With just a steady income and a signature, you can obtain assistance through our service.

Request a Signature Loan

Loan Information

Tell us a little about the loan you'd like

Amount Requested

Credit Type

Loan Reason

Introduction

Providing accurate information gives you the best chance of being approved.

Your Full Name

Birthday

Are you Active Duty Military

[Continue to Step 2](#)

We use data encryption to protect your information when you submit your loan request on our website.

Fast Online Approval

Loan Funds for Almost Any Purpose!

Repayment Over Time



[Home](#) [About SignatureLoan.com](#) [Connect With Us](#) [Loan Rates](#) [Request A Loan](#)
[Best Lending Practices](#) [Privacy Statement](#) [Terms & Conditions](#) [E-Consent](#)
[Unsubscribe](#) [Account Center](#)

Customer Notice: A signature loan is an online installment loan with loan sizes between \$1,000 and \$35,000. A signature loan can be a great option for those customers looking to borrow money for a wedding, home improvement, or family vacation. The online process is designed with customer convenience in mind.


Legal Disclaimer: SignatureLoan.com's Terms & Conditions and Privacy Policy apply to the use of this website and its services. SignatureLoan.com connects borrowers with lenders or lending partners and the specific terms and conditions of the specific lender or lending partner will apply to any loan a borrower takes out. SignatureLoan is compensated by these lenders or lending partners for connecting you with them, and the compensation received may affect which offer you are presented with. Any display of APR, loan amounts, interest or other loan details are only estimations, and actual amounts will vary by borrower and by lender or lending partner. In addition, you may be connected with a tribal lender. Tribal lenders' rates and fees may be higher than state-licensed lenders, and are subject to federal and tribal laws, not state laws. Please note that some lenders or lending partners may perform credit checks as part of their credit transaction approval process.

Availability: Every state has its own set of rules and regulations that govern signature loan lenders, and loans may not be available in all states. Your loan amount, APR and repayment term will vary based on your credit worthiness, state and lender or lending partner.

THE OWNERS AND OPERATORS OF THIS WEBSITE ARE NOT LENDERS, they do not broker loans or make credit decisions, and nothing on this website is an offer or a solicitation to lend. SignatureLoan.com only helps borrowers find lenders or lending partners for signature loans. SignatureLoan.com's mission is to inform users of possible lenders or lending partners who may be able to satisfy the needs of a particular consumer. Any information you submit to this site will be provided to a lender or lending partner. The operator of this website is not an agent or representative of any lender or lending partner and does not charge you for any service or product.

Appendix 3

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With just a steady income and a signature, you can obtain assistance through our service.

Request a Signature Loan

Contact Information

We collect this information because, if you are approved, lenders or lending partners will often reach out to you quickly to confirm your loan.

Do you own your home?

Employment Information

Our lenders and lending partners require this information to consider you for a loan.

Identity and Bank Information

Lenders and lending partners must be able to verify your identity when reviewing your request.

By selecting "Yes", you agree and consent to the [Privacy Policy](#), [Terms and Conditions](#) and [E-Consent](#). Also (1) you are providing written consent under the Fair Credit Reporting Act for www.signatureloan.com and its [lenders or lending partners](#) to obtain consumer report information from your credit profile or other information from Credit Bureaus, which may be done by conducting a "soft pull" or a "hard pull" on your credit, depending on the lender or lending partner you are connected with; (2) you understand and agree that you are submitting a request for credit, and are consenting to the use of your information to conduct anti-fraud security checks and evaluate your request for credit; (3) you understand that your request may be shared with [multiple lenders, lend non-lender, third-party, loan connecting services](#), each of whom may obtain consumer report information from your credit profile; and (4) you agree by electronic signature to be contacted by www.signatureloan.com or [third parties](#) regarding this loan request, additional services such as financial services, and/or credit related offers and services, including by phone/SMS, automatic dialing system and/or prerecorded messages; (5) You agree that lenders and lending partners may share your personal information with www.signatureloan.com, including approval and funded status.

[ENTER YOUR PHONE NUMBER TO RECEIVE AN SMS LINK TO YOUR MOBILE PASS AND LOAN-RELATED SMS ALERTS](#)

Cell Phone

By entering your mobile phone number, you agree to receive text messages, telephone calls, and prerecorded voice messaging for marketing purposes using an autodialer from www.signatureloan.com, DollarConnect, Marketing Solutions33 LLC, and Sunset Marketing Services LLC at the number you provide. Consent is not required to purchase goods or services. Message and data rates may apply. Receive recurring monthly messages. Follow the instructions on the text message to opt-out. [Web Site Use](#), [Privacy Policy](#).

We use data encryption to protect your information when you submit your loan request on our website.

Fast Online Approval

Loan Funds for Almost Any Purpose!

Repayment Over Time



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[Request A Loan](#)
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Customer Notice: A signature loan is an online installment loan with loan sizes between \$1,000 and \$35,000. A signature loan can be a great option for those customers looking to borrow money for a wedding, home improvement, or family vacation. The online process is designed with customer convenience in mind.

Legal Disclaimer: SignatureLoan.com's Terms & Conditions and Privacy Policy apply to the use of this website and its services. SignatureLoan.com connects borrowers with lenders or lending partners and the specific terms and conditions of the specific lender or lending partner will apply to any loan a borrower takes out. SignatureLoan is compensated by these lenders or lending partners for connecting you with them, and the compensation received may affect which offer you are presented with. Any display of APR, loan amounts, interest or other loan details are only estimations, and actual amounts will vary by borrower and by lender or lending partner. In addition, you may be connected with a tribal lender. Tribal lenders' rates and fees may be higher than state-licensed lenders, and are subject to federal and tribal laws, not state laws. Please note that some lenders or lending partners may perform credit checks as part of their credit transaction approval process.

Availability: Every state has its own set of rules and regulations that govern signature loan lenders, and loans may not be available in all states. Your loan amount, APR and repayment term will vary based on your creditworthiness, rate and lender or lending partner.

THE OWNERS AND OPERATORS OF THIS WEBSITE ARE NOT LENDERS. they do not broker loans or make credit decisions, and nothing on this website is an offer or solicitation to lend. SignatureLoan.com only helps borrowers find lenders or lending partners for signature loans. SignatureLoan.com's mission is to inform users of possible lenders or lending partners who may be able to satisfy the needs of a particular consumer. Any information you submit to this site will be provided to a lender or lending partner. The operator of this website is not an agent or representative of any lender or lending partner and does not charge you for any service or product.

Appendix 4

PersonalLoans.com

Step 1

The Basics: Your loan details and intro


Step 2

Contact info, employment info, and identity verification

We're here to help, and your satisfaction matters.

Positive Reviews ★★★★★

- ✓ Large network of lenders and lending partners means a better chance of getting a loan
- ✓ Trusted by over 500,000 people



Loan Information

Tell us a little about the loan you'd like.

Amount Requested

Credit Type

Loan Reason

Introduction

Providing accurate information gives you the best chance of being approved.

Your Full Name

Birthday (MM/DD/YYYY)

Are You Active Duty Military?


Continue to Step 2


Why do we need this information?

Don't worry - our lenders and lending partners review requests for all credit and loan types. We simply ask for this information to help ensure that you are connected with a lender or lending partner that can work for you!


Providing us with accurate, up-to-date information is essential to being considered for a loan.

We use data encryption to protect your information when you submit your loan request on our website.






Our Online Form is Encrypted



Quick Online Process



Pay Your Loan Over Time

PersonalLoans.com

Important information about procedures for opening a new account: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, the lender or lending partner will ask for your name, address, date of birth, and other information that will allow them to identify you. They may also ask to see your driver's license or other identifying documents.

Customer Notice: A personal loan is an online installment loan with loans sizes between \$1,000 and \$35,000. A personal loan can be a great option for those customers looking to borrow money for a wedding, home improvement, or family vacation. The online process is designed with customer convenience in mind.

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Availability: Every state has its own set of rules and regulations that govern personal loan lenders. Your loan amount, APR and repayment term will vary based on your credit worthiness, state and lender or lending partner.

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Appendix 5

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Bad Credit Loans
We Can Help When Others Can't

Home About Us How It Works Get Started Login

Do You Have Bad Credit? We're Here to Help!

Helping People With Bad Credit Since 1998
We are America's go to place for bad credit loans.

Free To Try
There is no cost to request a loan on our site.
Rates

Responsible Lending
We are committed to educating our Customers.
Learn more in our Responsibility Pledge and How it Works.

Privacy and Security
We protect your information with advanced encryption technology. Learn more in our Privacy Policy.

Get Started Today

ZIP Code

Birth Year

Last 4 digits of SSN

Get Started

I consent and agree to the [Privacy Policy](#), [Terms of Use](#), [Rates & Fees](#), and [E-Consent](#).

We Are Here For You Anytime, We're Open 24/7

You can access our site 24/7

We're Here For You
Every day, we help people like you secure loans regardless of your credit rating. We're here to help you find solutions to your financial needs.

Security
We protect your information with data encryption technology.

Your Time, Your Terms
Request a loan any time, day or night. Request the funds you need, and review the offer presented to you before accepting. No fees or obligations.

Today Is The Day
We'll help you access funds to pay off past-due bills, fix the car, or take care of whatever is holding you back.

Appendix 6

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CASH NOW[®] **LOG IN**
at the click of a mouse

START HERE How It Works Questions Resources

START NOW!
REQUEST TODAY

Loan Amount: \$500

First Name:

Last Name:

Email:

Zip Code:

Request Now!

Cash Now
Fast Payday Loans
GET STARTED TODAY!

→ **Online Payday Loans - Get Started Now**

By entering and submitting your info you are agreeing

 At Cash Now online requests for payday loans are available to customers at the click of a mouse. Whether there is an emergency situation or you just need some extra funds and cannot wait until your next payday, an online payday loan is the perfect solution for you. Submitting a request for an online payday loan is fast, easy and painless. Knowing if you are approved for a loan happens quickly. If approved, money is transferred to your checking account as soon as the next business day.

You may qualify for cash advance loans regardless of your credit history, so you can submit a request even with bad credit. Cash Now is the premier provider of online payday loans to US residents. You can get money deposited to your bank account as soon as the next business day, if approved!

Appendix 7



Get Started

Third Parties

By submitting your information on this website, you may be contacted by one or more lenders or other third party marketing partners in our network about your loan request or about other financial/credit-related offers or services. These network participants may also obtain information from your credit profile and/or other information from credit bureaus. Below is a list that contains some of the members in our network. You may also be contacted or have your credit information pulled by other lenders and third party marketing partners in our network not listed below. We are compensated by these network participants for the right to offer you a loan or to otherwise market to you. How much these network members are willing to pay our network to offer you a loan or to advertise to you is an important factor in determining which network participants you are connected with.

- Lexington Law
- CreditRepair.com
- OneMain Financial Services, Inc.
- Credit.com
- OneMain Financial Group, LLC
- OneMain Consumer Loan, Inc.
- FreedomPlus
- Freedom Debt Relief
- Monevo, Inc.
- Findcredit.org
- Gerber Life Insurance



- | | |
|--------------------|---------------------|
| Home | Emergency Loan Help |
| About Us | Home Improvement |
| How It Works | Affiliate Program |
| FAQs | Unsubscribe |
| Contact Us | Sitemap |
| Blog | Privacy Policy |
| Get Started | Terms Of Use |
| Bad Credit | E-Consent |
| Online Loans | Rates & Fees |
| Fast Cash | Responsible Lending |
| Tax Loans | Scam Alerts |
| Payday Loans | Account Center |
| Debt Consolidation | |

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