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 13 Consumer Financial Protection Bureau

14 **UNITED STATES DISTRICT COURT**
 15 **CENTRAL DISTRICT OF CALIFORNIA**

16 Consumer Financial Protection Bureau,

17 Plaintiff,

18 v.

19 Prime Marketing Holdings, L.L.C.,
 (d.b.a. Park View Credit, National
 Credit Advisor, and Credit Experts)

20 Defendant.

Case No. 2:16-cv-07111-BRO (JEM)

**SECOND AMENDED COMPLAINT
 FOR PERMANENT INJUNCTION
 AND OTHER RELIEF**

1 Plaintiff, the Consumer Financial Protection Bureau (“Bureau”), alleges the
2 following against Prime Marketing Holdings, L.L.C. (“PMH”).

3 **INTRODUCTION**

4 1. The Bureau brings this action under Sections 1031(a), 1036(a), and
5 1054(a) of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C.
6 §§ 5531(a), 5536(a), 5564(a); and the Telemarketing and Consumer Fraud and
7 Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and its
8 implementing regulation, the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part
9 310, in connection with Defendant’s offer and sale of credit repair services.

10 2. Defendant engages in an ongoing, unlawful credit repair business that
11 harms consumers nationwide by charging consumers unlawful advance fees and
12 misrepresenting both the costs and the benefits of its services.

13 **JURISDICTION AND VENUE**

14 3. This Court has subject-matter jurisdiction over this action because it is
15 “brought under Federal consumer financial law,” 12 U.S.C. § 5565(a)(1), presents
16 a federal question, 28 U.S.C. § 1331, and is brought by an agency of the United
17 States, 28 U.S.C. § 1345.

18 4. Venue is proper in this District under 28 U.S.C. § 1391(b)(1) because
19 Defendant resides in this District, 28 U.S.C. § 1391(b)(2), because a substantial
20 part of the events or omissions giving rise to the claims herein occurred in this

1 District, and under 12 U.S.C. § 5564(f), because Defendant is located in and does
2 business in this District.

3 **PARTIES**

4 5. The Bureau is an independent agency of the United States. 12 U.S.C.
5 § 5491. The Bureau is charged with enforcing Federal consumer financial laws. 12
6 U.S.C. §§ 5563, 5564. The Bureau has independent litigating authority, 12 U.S.C.
7 § 5564(a)-(b), including the authority to enforce the TSR as it applies to persons
8 subject to the CFPB, 15 U.S.C. § 6105(d).

9 6. PMH is a Delaware company organized in 2014 that has a place of
10 business at 15350 Sherman Way, #255, Van Nuys, CA.

11 7. PMH purchased the assets of several credit repair companies on
12 September 30, 2014.

13 8. Beginning on or about October 1, 2014, PMH offered and provided
14 credit repair services to consumers.

15 9. Since that time, PMH has used several different names in offering,
16 selling and providing credit repair services to consumers.

17 10. On or about September 29, 2014, PMH entered into an agreement
18 with Park View Law, Inc.

19 11. Park View Law is a California company that was registered as a credit
20 services organization (“CSO”) with the California Department of Justice.

1 12. Park View Law has also done business as Park View Legal
2 (collectively referred to herein as “PVL”).

3 13. A California attorney was the sole owner, officer, and employee of
4 PVL.

5 14. Pursuant to its agreement with PVL, PMH handled marketing and
6 performed all credit repair services for consumers who entered into contracts with
7 PVL.

8 15. This agreement enabled PMH to offer credit repair services using
9 PVL’s name.

10 16. PMH began marketing its services on the website
11 www.parkviewcredit.com as early as October 2014, even though it continued to do
12 business as Park View Legal after that time.

13 17. As early as September 2015, PMH began doing business in the name
14 Park View Credit.

15 18. As early as November 2015, PMH began doing business in the name
16 National Credit Advisors.

17 19. As early as November 2015, PMH began doing business in the name
18 Credit Experts.

19 20. PMH offered or provided credit repair to consumers, which is a
20 consumer financial product or service covered by the CFPA, 12 U.S.C.

1 § 5481(15)(A)(viii),(ix), and it therefore is a covered person within the meaning of
2 the CFPA, id. § 5481(6).

3 21. PMH is a seller, as defined by the TSR, 16 C.F.R. § 310.2(dd),
4 because, in connection with a telemarketing transaction, it provides, offers to
5 provide, or arranges for others to provide goods or services to customers in
6 exchange for consideration.

7 22. PMH is a telemarketer, as defined by the TSR, 16 C.F.R. § 310.2(ff),
8 because, in connection with telemarketing, it initiates or receives telephone calls to
9 or from customers.

10 **THE CREDIT REPAIR OPERATION**

11 23. PMH has offered, sold and provided credit repair services to
12 consumers beginning on or about October 1, 2014.

13 24. PMH has offered, sold and provided credit repair services using
14 several different names, including, but not limited to, Park View Law, Park View
15 Legal, Park View Credit, National Credit Advisors, and Credit Experts.

16 25. PMH has marketed its services to consumers nationwide through
17 telemarketing.

18 26. Consumers have called PMH after seeing its online advertising.

19 27. PMH has called consumers shortly after the consumers have inquired
20 about a loan on a lending website.

1 28. PMH's customers include individuals who were seeking to obtain a
2 mortgage, loan, refinancing or other extension of credit when they were first
3 contacted by PMH.

4 29. During sales calls and in its online advertising, PMH has made
5 deceptive representations to potential consumers about the efficacy and cost of its
6 services and the terms of its "guarantee."

7 30. During sales calls, PMH has stated that it helps consumers increase
8 their credit scores.

9 31. During sales calls, PMH has misrepresented its ability to get negative
10 items removed from consumers' credit reports by failing to make clear that the Fair
11 Credit Reporting Act ("FCRA"), 15 U.S.C. §§ 1681-1681x, only requires the
12 removal of negative information from consumers' credit reports in limited
13 circumstances.

14 32. At times, PMH has represented during calls to consumers that it is a
15 "mortgage affiliate" or otherwise represented that it can help consumers get a
16 mortgage.

17 33. For example, during a call with a Bureau investigator on February 22,
18 2016, PMH stated that it was a "mortgage affiliate."

19
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1 34. PMH also has marketed its services online through several websites,
2 including www.parkviewlegal.com, www.parkviewcredit.com and
3 www.nationalcreditadvisors.com.

4 35. PMH also has marketed its services through the use of Google
5 AdWords.

6 36. Google AdWords enable advertisers to display advertisements under
7 the heading “Sponsored Links,” which appear when certain keywords are entered
8 into a search engine.

9 37. PMH submitted a list of Google AdWords to the California
10 Department of Justice on November 2, 2015, including, for example:

11 “We Repair Bad Credit Fast
12 Trusted by Over 100k Customers.
13 87% Success Rate – Free Consult!
14 ParkViewCredit.com/Bad-Credit”

15 38. During sales calls, PMH has rushed consumers through the process of
16 signing its online contract.

17 39. The terms of these contracts have differed in material ways from
18 PMH’s representations to consumers during sales calls and through its online
19 marketing.

20

1 40. After consumers have signed up for PMH's services, PMH has sent
2 letters to consumer reporting agencies disputing items on the consumers' credit
3 reports.

4 41. Any responses to such dispute letters typically have been sent directly
5 to the consumers, not to PMH.

6 42. Pursuant to the FCRA, a consumer reporting agency must follow
7 "reasonable procedures to assure maximum possible accuracy" when preparing
8 consumers' credit reports. 15 U.S.C § 1681e(b).

9 43. A consumer reporting agency typically may not report negative items
10 that are more than seven years old, or bankruptcies that are more than ten years
11 old. 15 U.S.C. § 1681c.

12 44. If a consumer identifies something incomplete or inaccurate in his or
13 her file and notifies the consumer reporting agency, then the agency must
14 reinvestigate that issue. 15 U.S.C. § 1681i(a)(1).

15 45. A consumer reporting agency may continue reporting a disputed item
16 unless after an investigation the disputed item is found to be inaccurate,
17 incomplete, or cannot be verified. 15 U.S.C. § 1681i(a)(5)(A).

18 46. The FCRA does not require consumer reporting agencies to
19 investigate frivolous disputes, however. 15 U.S.C. § 1681i(a)(3).

20

1 47. PMH typically has not obtained credit reports or credit scores after
2 consumers completed services to determine whether negative items had been
3 removed from consumers' credit reports or if consumers' credit scores had
4 increased.

5 **PMH HAS CHARGED UNLAWFUL ADVANCE FEES**

6 48. PMH has requested and received payment for services represented to
7 remove derogatory information from, or to improve, consumers' credit histories,
8 credit records, or credit ratings.

9 49. During the initial sales call, PMH has told some consumers that they
10 must pay an initial fee in order to proceed with the consultation.

11 50. PMH has told some consumers that this initial fee was for a credit
12 report.

13 51. PMH has represented that this consultation is the first step in the
14 credit repair process.

15 52. PMH has marketed this consultation as "free."

16 53. Typically, PMH has charged a fee in connection with this
17 consultation.

18 54. PMH has claimed that the initial fee is for a special credit report or
19 "lender report."

20

1 55. PMH has provided consumers with a “Credit Authorization &
2 Signature Verification Form” which states that this initial fee will appear on the
3 consumer’s bank statement as “Credit Repair Services.”

4 56. PMH has refused to provide consumers with a copy of the contract
5 until after they have consented to pay and or paid the initial fee.

6 57. During the initial consultation, an analyst purportedly reviews and
7 discusses the credit report with the consumer and identifies how PMH can help the
8 consumer increase his or her credit score.

9 58. If consumers agree to continue the services during the consultation
10 call, then PMH has directed them to sign a lengthy online contract.

11 59. Consumers have been hurried through the signature process by a
12 salesperson working on behalf of PMH.

13 60. PMH has charged consumers monthly fees after the initial
14 consultation.

15 61. PMH has charged a monthly fee of \$89.99.

16 62. PMH continues to charge the monthly fee until consumers
17 affirmatively cancel their contracts.

18 63. PMH has charged a separate set-up fee of several hundred dollars for
19 the first two months, and then charged the monthly fee in later months.

20

1 mean, if you have damage to your credit no matter what you may have done in the
2 past or what was done to you, we can help you fix it. It's very simple.”

3 69. For example, during an initial sales call on February 22, 2016, PMH
4 stated the following to a Bureau investigator: “But I can tell you that no matter
5 what it is—I mean, unless—realistically, unless we're talking about like a
6 bankruptcy that you just had discharged like last month or if we're talking about an
7 unpaid judgment or an unpaid tax lien . . . there's really nothing that we can't
8 dispute on your credit history.”

9 70. For example, on April 20, 2016, one consumer who was looking for a
10 mortgage completed information on an online lending website.

11 71. The consumer complained that she immediately received several calls,
12 including from a company representing itself as Park View Credit.

13 72. The consumer complained that the woman with whom she spoke
14 assured her that she could “get rid of” things on the consumer's credit report so
15 that the consumer could get a mortgage.

16 73. For example, scripts that PMH provided to the California Department
17 of Justice on November 2, 2015, included the following language: “We use the
18 Fair Credit Reporting Act to dispute negative accounts that may be appearing on
19 your credit report for removal. Naturally, anytime one or more of these items are
20 taken off your reports your scores will increase. On average, we have about a 73%

1 deletion rate of the negative items that are found on most client's [sic] credit
2 reports."

3 74. On October 7, 2015, the website www.parkviewcredit.com included
4 the following question on the "Frequently Asked Questions" page: "What can be
5 deleted?"

6 75. If the consumer clicked on that link, the following language would
7 appear: "We have successfully deleted every type of negative item throughout our
8 years of service. Be sure to ask one of our Customer Service representatives for a
9 list of these items, or refer to our results page to see actual result letters from our
10 customers."

11 76. PMH has misrepresented its ability to remove negative items through
12 including alleged testimonials or descriptions of individual consumers' results on
13 its websites.

14 77. These testimonials or descriptions of individual consumers' results
15 have implied that such results were representative of what consumers would
16 experience through using PMH's services.

17 78. For example, on October 10, 2014, the homepage for PMH's website,
18 www.parkviewcredit.com included the following image and text prominently at the
19 top of the page:

20

Remove Multiple Charge Off's from Your Credit Report!

TransUnion.

Investigation Results

ITEM	DESCRIPTION	RESULTS
PERSONAL INFORMATION		NEW INFORMATION BELOW
STATE TAX LIEN		NEW INFORMATION BELOW
STATE TAX LIEN		NEW INFORMATION BELOW
STATE TAX LIEN		NEW INFORMATION BELOW
KEYSTONE CREDIT COLLECTI		DELETED
KEYSTONE CREDIT COLLECTI		DELETED
MEDICAL DATA SYSTEM INC		DELETED
MEDICAL DATA SYSTEM INC		DELETED
GRAC		NEW INFORMATION BELOW
AMERICREDIT FINCL SERV		NEW INFORMATION BELOW
W & T BANK		DELETED
JERSEY SHORE STATE BANK		DELETED
GRAC		NEW INFORMATION BELOW
JERSEY SHORE STATE BANK		VERIFIED, NO CHANGE
SUNOCO CITIBANK SD NA		NEW INFORMATION BELOW

Most Items Removed in 90 Days.

5 stars
Customer Service

79. This webpage included, in prominent type at the top, “Remove Multiple Charge Off’s [sic] from Your Credit Report!” and an image of what appears to be a document from TransUnion listing several highlighted items with the words “DELETED” to the right of each item.

80. Directly below appeared a testimonial from “*Tom Brewster, Real Customer,*” describing how the consumer stopped paying most of his debts, which were then sent to collection agencies as charge-offs, and how he ultimately filed for bankruptcy.

1 81. Under the heading in bold, **“Park View Legal changed my life**
2 **forever,”** the alleged testimonial explained that he received letters from credit
3 bureaus stating his negative items had been deleted and that his credit score
4 improved.

5 82. The alleged testimonial from Mr. Brewster also appeared on the
6 website www.parkviewcredit.com on April 25, 2015.

7 83. The alleged testimonial from Mr. Brewster did not indicate that any
8 of the items on his credit report were inaccurate or obsolete.

9 84. The page containing the alleged testimonial from Mr. Brewster did
10 not make clear that the FCRA only requires consumer reporting agencies to
11 remove charge-offs and bankruptcies from consumers’ credit reports in limited
12 circumstances.

13 85. For example, on September 2, 2015 the “Results” page of the website
14 www.parkviewcredit.com included a description of results purportedly obtained
15 for Richard Dunn, who had three judgments removed within one month of working
16 with PMH.

17 86. This description did not indicate that any of the judgments on Mr.
18 Dunn’s credit report were inaccurate or obsolete.

19
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1 87. The page containing the description of Mr. Dunn's results did not
2 make clear that the FCRA only requires consumer reporting agencies to remove
3 judgments from consumers' credit reports in limited circumstances.

4 88. PMH has misrepresented its ability to get certain items removed from
5 individual consumers' credit reports.

6 89. For example, a consumer complained on May 16, 2015, that PMH
7 assured her it could get rid of her four-year old bankruptcy on her credit report.

8 90. The consumer complained that her four-year old bankruptcy was still
9 on her credit report and her credit score had not changed as a result of PMH's
10 services.

11 91. For example, a consumer who started PMH's services on May 24,
12 2015, complained that PMH told her that it could get rid of medical collections on
13 her credit report because those items could not be reported due to "HIPAA laws."

14 92. The consumer complained that her score actually decreased after
15 using PMH's services.

16 93. PMH did not have a basis for making statements to consumers
17 regarding its ability to remove negative items from consumers' credit reports
18 without appropriate qualifications.

19

20

1 **PMH HAS MISREPRESENTED ITS ABILITY TO IMPROVE**
2 **CONSUMERS' CREDIT SCORES**

3 94. PMH has misrepresented, explicitly and implicitly, its ability to
4 increase consumers' credit scores.

5 95. PMH has misrepresented to consumers that its credit repair services
6 resulted in an average credit score increase of over 100 points.

7 96. PMH typically has not obtained credit reports or credit scores after
8 consumers have used its services.

9 97. PMH typically has not reviewed consumers' credit scores to
10 determine whether their credit scores increased after utilizing PMH's credit repair
11 services.

12 98. Because PMH does not track whether its consumers' credit scores
13 have improved after using its services, PMH lacks a reasonable basis for
14 representing that its credit repair services have resulted in an average credit score
15 increase of over 100 points.

16 99. In numerous instances, PMH has represented in phone calls with
17 consumers that it substantially raises its customers' credit scores, often stating that
18 it raises scores by an average of more than 100 points.

19
20

1 100. For example, during an initial sales call with a Bureau investigator on
2 January 19, 2016, PMH made numerous references to credit score increases of 100
3 plus points.

4 101. PMH stated that its success was partially due to the fact that it
5 purchases “lender reports” instead of other credit reports.

6 102. PMH also explained, “There’s more than one type of credit report.
7 The same process . . . of the lender report for accuracy to make sure that we’re able
8 to help you and increase your scores an average of 100 plus points is because we
9 use the lender report because of its accuracy”

10 103. PMH then stated, “As we remove these items, that is, in turn, what
11 increases the FICO scores an average of 100 plus points.”

12 104. During a different initial sales call with a Bureau investigator on
13 February 22, 2016, PMH again made numerous references to credit score
14 increases.

15 105. For example, PMH stated: “Average increase for any client that we
16 work with is between 100 to 120 points. So, the guarantee is that if you don’t see
17 any results within six months, we give you your money back.”

18 106. PMH further stated during the call: “I mean, I – average client that we
19 work with, their score increases by about 100 to 120 points, no matter what it is
20 that we’re disputing.”

1 107. PMH has included language about its average credit score increase in
2 its telemarketing scripts.

3 108. For example, telemarketing scripts that PMH submitted to the
4 California Department of Justice on November 2, 2015, stated that PMH “raise[s]
5 credit scores an average of 104 pts . . . for people that stick with the program for 6
6 months or more” and that “we typically average 80 to 104 points when we work on
7 credit[.]”

8 109. PMH also submitted a revised telemarketing script to the California
9 Department of Justice on July 13, 2016, that included the following language: “Our
10 clients see an average increase of 80 to 104 Pts increase on their FICO scores!”

11 110. For example, PMH’s websites have included alleged testimonials or
12 descriptions of individual results from alleged consumers claiming that the
13 consumer’s scores increased significantly as a result of PMH’s services.

14 111. These testimonials implied that the results were typical of what
15 consumers would generally achieve when using its services.

16 112. For example, on September 2 and September 30, 2015, PMH’s
17 website www.parkviewcredit.com included the following statement about an
18 alleged consumer, Ann Townsend: “Beginning our program, Ms. Townsend’s
19 average score was a 544. Within five months, Park View Credit was able to
20

1 completely eliminate every each negative account on her Experian report, raising
2 her score to a whopping 819.”

3 113. For example, on September 20, 2016, the website
4 www.nationalcreditadvisor.com included a page entitled, “National Credit
5 Advisors - Credit Repair Has Helped People Like You.”

6 114. This page included three alleged testimonials stating, respectively,
7 that: 1) PMH increased the consumer’s score “up over 700” from an initial score of
8 580, helping the consumer get a house; 2) the consumer’s score increased from 567
9 to 618 within one month, and the consumer was able to buy a house; and 3) the
10 consumer’s score increased “by close to 200 points” and “everything is fine now.”

11 115. According to information provided to the Bureau by PMH, the basis
12 for PMH’s assertion that *its* credit repair services have resulted in customers
13 improving their credit scores by an average of 104 points is information
14 purportedly obtained by a different company, namely one of the credit repair
15 companies whose assets PMH purchased on October 1, 2014.

16 116. Specifically, on June 16, 2015, the Bureau advised PMH by phone
17 and by letter that Enforcement Counsel were considering recommending that the
18 Bureau take legal action against PMH.

1 117. The Bureau also informed PMH that it could, if it wished, submit a
2 response detailing any reasons of law or policy as to why the Bureau should not
3 take legal action against PMH.

4 118. The Bureau also notified PMH that the Bureau may use information
5 contained in any submission as an admission, or in any other manner permitted by
6 law, in connection with CFPB enforcement proceedings or otherwise.

7 119. PMH provided a written response (also known as a “NORA
8 response”) to the Bureau on June 30, 2015.

9 120. In this response, PMH stated that its credit repair product has resulted
10 in customers improving their credit scores by an average of 104 points.

11 121. In support of this assertion, PMH stated that a predecessor company
12 had improved its clients’ credit scores by an average of 104 points during the first
13 18 months of its operations.

14 122. The predecessor company began offering credit repair services in
15 2009.

16 123. PMH also stated in its NORA response that the “vast majority of
17 credit repair customers” during that 18-month period “were interested in obtaining
18 financing for commercial equipment leases[,]” but were “unable to get lease
19 financing because they were not credit-worthy after the financial crisis in 2008.”
20

1 124. PMH stated in its NORA response: “Throughout these 18 months, the
2 [predecessor company] offered credit repair services through a monitoring program
3 maintained by a credit bureau. During this time, the average credit score
4 improvement was 104 points, which was definitely proven through the monitoring
5 program.”

6 125. The predecessor credit repair company did not analyze the average
7 credit score increase of all consumers who received its credit repair services.

8 126. The predecessor credit repair company did not analyze the average
9 credit score increase of a representative sample of consumers who received its
10 credit repair services.

11 127. Rather, the predecessor credit repair company only analyzed the credit
12 score increases of a subset of its clients, namely business owners who applied for
13 commercial equipment financing on at least two separate occasions from an
14 affiliated commercial equipment lease financing company.

15 128. The majority owner of the predecessor credit repair company was also
16 a partial owner of a commercial equipment lease financing company.

17 129. The predecessor credit repair company provided credit repair services
18 to consumers who had sought financing through the commercial equipment lease
19 financing company.

20

1 130. The predecessor credit repair company used the business owners'
2 credit scores from when they first applied for financing from the commercial
3 equipment lease financing company as the baseline credit score.

4 131. If a business owner applied for additional financing from the
5 commercial equipment lease financing company, then the predecessor credit repair
6 company pulled the business owner's credit score again, and compared it to the
7 earlier credit score.

8 132. The length of time between the first and second credit pull was not
9 uniform, and depended on when the business owner again sought financing from
10 the commercial equipment lease financing company.

11 133. Only a subset of the predecessor company's credit repair customers
12 applied for additional commercial equipment leasing financing.

13 134. The data did not include dissatisfied customers who declined to seek
14 additional financing from the commercial equipment lease financing company.

15 135. The data did not include customers whose businesses had failed or
16 who believed they were not in a position to apply for financing again.

17 136. Because the predecessor company based its analysis on a skewed,
18 cherry-picked data set, its analysis did not actually measure the average credit
19 score increase of its customers.

20

1 137. Because the predecessor credit repair company did not actually
2 measure the average credit score increase obtained by consumers who utilized its
3 services, PMH has lacked a reasonable basis for its statement that it increases
4 credit scores by an average of over 100 points.

5 138. Because the predecessor credit repair company did not actually
6 measure the average credit score increase obtained by consumers who utilized its
7 services, PMH's representations that it increases credit scores by an average of
8 over 100 points were false.

9 139. Even if the predecessor credit repair company had accurately
10 calculated the average credit score increase resulting from its credit repair services,
11 PMH lacked a reasonable basis for extrapolating that average to its own client
12 base.

13 140. The predecessor credit repair company only analyzed the credit score
14 increases of a select subset of business owners.

15 141. Such business owners tend to have a different credit profile than the
16 average population.

17 142. For example, small business owners often use personal and business
18 credit card and business accounts interchangeably, which results in different
19 spending patterns.

20

1 143. Such differences in spending patterns can affect consumers' credit
2 scores, as well the variability of those scores over time.

3 144. In contrast to the customers whose credit scores the predecessor credit
4 repair company measured, PMH's client base has not been comprised exclusively
5 of business owners.

6 145. Rather, PMH has marketed its services to consumers seeking
7 financing for personal reasons, such as buying a home.

8 146. In particular, PMH has targeted consumers with credit scores below
9 640, who are even less likely than the general population to achieve credit score
10 increases of over 100 points.

11 147. Telemarketing scripts that PMH provided to the California
12 Department of Justice on November 5, 2015 indicate that PMH has targeted
13 consumers with credit scores below 640.

14 148. These scripts assured consumers that PMH could help raise their
15 scores to over 640, and included the following statement: "Well, (customer name),
16 the minimum FICO score required [for financing] is at least a 640 . . . but don't
17 worry, because we work hand and hand with a company called [PMH]. They raise
18 credit scores an average of 104pts"

19 149. It is extremely rare for a consumer's dispute of information in a credit
20 report to result in a FICO score increase of more than 100 points.

1 150. It is even more rare for a consumer with a credit score below 640 to
2 obtain a FICO score increase of more than 100 points as a result of a dispute of
3 information in a credit report.

4 151. In December 2012, the Federal Trade Commission (FTC) published a
5 study of consumers who received assistance in identifying potential errors on their
6 credit reports and then used the FCRA's dispute process to challenge those errors.
7 *See* Federal Trade Commission, Report to Congress Under Section 319 of the Fair
8 and Accurate Credit Transactions Act of 2003 (2012), *available at*
9 [https://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-](https://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf)
10 [accurate-credit-transactions-act-2003-fifth-interim-federal-trade-](https://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf)
11 [commission/130211factareport.pdf](https://www.ftc.gov/sites/default/files/documents/reports/section-319-fair-and-accurate-credit-transactions-act-2003-fifth-interim-federal-trade-commission/130211factareport.pdf).

12 152. The FTC's study was designed to statistically replicate and evaluate a
13 nationally representative sample of FICO scores.

14 153. Of the 1,001 participants in the study, 263 participants identified
15 potential errors in their credit reports with the aid of a consultant and filed disputes.

16 154. Those who filed disputes experienced, on average, a 6.1 point increase
17 in their average FICO score.

18 155. Only 4 study participants experienced a FICO score increase of
19 greater than 100 points, or 1.5% percent of those who filed disputes.
20

1 156. Three of these 4 participants had average scores over 679 before the
2 increase.

3 157. The FTC's study found that consumers with lower credit scores
4 tended to experience lower FICO score increases when they filed disputes.

5 158. For example, consumers with credit scores between 590 and 679
6 gained 5.4 points on average, and consumers with credit scores less than 590
7 gained 4.6 points on average.

8 159. The FTC study suggests that PMH's clients would be even less likely
9 than the general population to experience credit score increases of over 100 points
10 as a result of using the dispute process to challenge items on their credit report.

11 160. PMH lacked a reasonable basis for representing that it increases credit
12 scores by an average of over 100 points because it has relied on data that does not
13 indicate that *PMH* increases credit scores by an average of over 100 points.

14 161. PMH lacked a reasonable basis for representing that it increases credit
15 scores by an average of over 100 points because it has relied on data comprised of
16 a subset of consumers who are distinguishable from its own client base.

17 162. Numerous consumers also have stated that PMH told them it would
18 increase their credit scores, often by a specific or significant amount.

19

20

1 163. For example, a consumer who began service with PMH on May 24,
2 2015, complained that PMH assured her it would be able to get her FICO score up
3 to 640 so she could obtain a home loan.

4 164. The consumer complained that despite paying PMH \$800, her credit
5 score had decreased since using PMH's services.

6 165. Another consumer complained that in March 2015, PMH told her that
7 her credit score would increase to over 600 points within three months.

8 166. The consumer further complained that three months later, her score
9 had not changed.

10 167. PMH did not have access to proprietary information about how credit
11 scores are calculated when it made claims about increasing consumers' credit
12 scores by a specific amount.

13 168. PMH typically has not obtained consumers' credit reports or credit
14 scores after consumers have used its services.

15 169. PMH typically has not reviewed consumers' credit scores to
16 determine whether their credit scores increased after utilizing PMH's credit repair
17 services.

18 170. Because PMH has not measured the credit score increase of
19 consumers who utilized its services, it has lacked a reasonable basis for
20 representing that it could increase consumers' credit scores.

1 **PMH HAS MISREPRESENTED THE TERMS OF ITS “GUARANTEE”**
2 **AND FAILED TO CLEARLY AND CONSPICUOUSLY DISCLOSE THE**
3 **TRUE LIMITS OF ITS “GUARANTEE”**

4 **PMH’s MARKETING OF ITS “GUARANTEE”**

5 171. PMH has represented that it offers a money-back guarantee.

6 172. PMH’s marketing creates the impression that if a consumer is not
7 satisfied with its credit repair services, then the consumer can obtain a refund.

8 173. For example, on April 25, 2015, the website
9 www.parkviewcredit.com included the following statement under the header,
10 “Money Back Guarantee”: “If we don’t get the job done, you get your money
11 back.”

12 174. On September 2, 2015, the website www.parkviewcredit.com
13 included the statement that PMH had a “Risk Free Money Back Guaranteed[sic]”
14 in contrast to its competitors.

15 175. For example, during an initial sales call with a Bureau investigator on
16 January 19, 2016, PMH stated: “Most importantly, our services come in writing.
17 So, well, once you have something in the contract for obligation, that speaks for
18 itself. And we do the job that you need. I mean, if you have damage to your credit
19 no matter what you may have done in the past or what was done to you, we can
20 help you fix it. It’s very simple.”

1 176. During that same call, PMH further explained: “We can fix the issues
2 at hand. I cannot guarantee what you’ll do . . . Though as far as the work goes,
3 once again, our services do come in writing, so we can guarantee that. As long as
4 you maintain consistent payments, then you should be fine. But I can’t guarantee
5 anything beyond our control.”

6 177. Telemarketing scripts submitted by PMH to the California
7 Department of Justice on November 2, 2015, stated “We are the only credit repair
8 company that offers a full money back guarantee.”

9 178. In numerous instances, PMH represented that it was guaranteeing an
10 increase in credit scores or that it would remove particular negative items.

11 179. For example, on October 10, 2014 and April 25, 2015, the website
12 www.parkviewcredit.com included the following language: “Myth #2 Repairing
13 your credit is never a sure thing. Not with us! We’re so confident in our services
14 we GUARANTEE our services. If we don’t raise your credit score, you don’t pay.
15 Period. Don’t believe us? Call and ask one of our Credit Repair Specialists!”

16 180. For example, when asked if National Credit Advisor guarantees a
17 credit score increase during an initial sales call on February 22, 2016, PMH stated
18 the following to a Bureau investigator: “Sure, yeah. Average increase for any client
19 that we work with is between 100 to 120 points. So, the guarantee is that if you
20 don’t see any results within six months, we give you your money back.”

1 181. Consumers have complained that PMH told them it would give them
2 their money back if it did not remove a particular negative item or items.

3 182. For example, a consumer complained on or about July 14, 2015, that
4 PMH told her that if none of the items on her credit report were deleted in six
5 months, then she would get all of her money back. This consumer complained that
6 two different PMH employees told her on several occasions that the company had
7 a “100% money back guarantee.”

8 183. When this consumer called the company on or about July 8, 2015, to
9 request a refund, PMH initially told her that she would receive a refund because
10 the company had not deleted any negative items.

11 184. PMH later informed the consumer that the contract she signed did not
12 guarantee the removal of negative items after all.

13 185. When the consumer asked that the company listen to the call
14 recordings so that they could verify she had been promised she would get her
15 money back if the company did not delete the negative items, PMH told her that
16 the call recordings had been deleted.

17 **PMH’S ACTUAL GUARANTEE DIFFERS FROM ITS MARKETING**

18 186. PMH’s marketing has created an impression of its guarantee that is
19 materially different from the guarantee contained in its sales contracts.

20

1 187. PMH has not clearly and conspicuously disclosed all material terms of
2 its refund policy in its marketing to consumers.

3 188. PMH has not provided consumers with a copy of its sales contract
4 until after the consumer has provided payment information for the initial fee in
5 connection with the “free” consultation.

6 189. PMH’s sales contracts have typically limited the guarantee to the
7 removal of “a minimum of one (1) Disputed item within one hundred and eighty
8 days (180) of the execution of this Agreement.”

9 190. PMH has construed this provision as requiring customers to pay for a
10 full six months of services to be eligible for this guarantee.

11 191. For example, on April 19, 2016, PMH called a consumer shortly after
12 he registered on an online lending website.

13 192. PMH asked the consumer to pay \$59.95 so it could pull up his credit
14 report.

15 193. The consumer provided PMH the payment information for the credit
16 report.

17 194. PMH then transferred the consumer to a different salesperson, who
18 told the consumer that PMH would remove numerous items from his credit report
19 in exchange for \$550.

20 195. The consumer agreed to pay \$550.

1 196. After the consumer agreed to pay the \$550, PMH provided the
2 consumer with a contract.

3 197. Within 24 hours of this conversation with PMH, the consumer
4 reviewed the contract and realized that it contradicted much of what PMH had told
5 him regarding the benefits of its services and its “guarantee.”

6 198. The consumer demanded a refund, and PMH initially refused to
7 refund the consumer the \$59.95 initial fee.

8 199. PMH only provided a full refund after the consumer complained to
9 third parties.

10 200. Consumers have complained that when PMH provided them the
11 contract, PMH rushed them through the signing process.

12 201. For example, a consumer complained on or about August 28, 2015,
13 regarding PMH’s refusal to provide her with a refund.

14 202. This consumer made an initial payment of \$59.95, followed by a
15 payment of \$600, which she believed was for PMH to fix her credit.

16 203. She complained that when PMH provided her a contract, it urged her
17 just to initial at the bottom of each page and rushed her through the signing
18 process.

19

20

1 204. Although PMH had told the consumer that she would not have to pay
2 anything after the \$600 fee, PMH then charged the consumer an \$89.99 monthly
3 charge.

4 205. The consumer complained that despite paying \$749.98, her credit had
5 not improved.

6 206. The consumer also complained that she had been guaranteed her
7 money back, but that PMH had refused to provide her with a refund.

8 207. On or about August 31, 2015, in responding to the consumer's
9 complaint, PMH stated that the consumer did not qualify for a refund because she
10 had not paid for six months of services, and refused to provide one to her.

11 208. Other consumers encountered similar difficulty in obtaining refunds
12 from PMH.

13 209. PMH has construed its guarantee as meaning that so long as PMH
14 removes a single "disputed item" within six months, consumers cannot obtain a
15 refund, even if their credit scores do not improve.

16 **PMH MISREPRESENTED THE COST OF ITS SERVICES**

17 210. PMH has failed to disclose to consumers during sales calls that they
18 would be charged a monthly fee.

19 211. For example, a consumer complained on or about August 14, 2015,
20 that PMH had represented that the total cost of service was \$600.

1 212. After the consumer had paid PMH \$600 for credit repair services,
2 PMH then informed the consumer there would be an additional charge of \$89.99 a
3 month.

4 213. For example, a consumer complained on or about August 28, 2015,
5 that in a February or March 2015 sales call, PMH did not mention a monthly fee
6 and instead represented that she would only have to pay \$600 to proceed with
7 services.

8 214. The consumer further complained that PMH told her that she would
9 be saving money because she had been using a competitor's credit repair services
10 that charged monthly fees.

11 215. The consumer further complained that after she paid PMH \$600,
12 PMH unexpectedly charged her \$89.99.

13 216. Some of PMH's telemarketing scripts failed to inform consumers of
14 the monthly fees for its services.

15 217. For example, PMH submitted telemarketing scripts to the California
16 Department of Justice on November 2, 2015, that did not mention monthly fees,
17 and instead included the following language: "Depending on how serious your case
18 is, they will give you a set cost based on how much work your case needs. It can be
19 a few hundred dollars or more, (200-800) is the range, and they will apply the
20 \$59.95 used to pull the reports towards your repair."

1 **PMH’S WEBSITE PROVIDES AN EXAMPLE OF HOW ITS MARKETING**
2 **DIFFERS FROM TERMS IN ITS CONTRACTS**

3 218. PMH’s marketing has created the impression that PMH can remove
4 any negative item from consumers’ credit reports; that the removal of these
5 negative items will significantly improve consumer’s credit scores; and that if
6 PMH fails to deliver these results, then consumers can get their money back.

7 219. For example, on July 6, 2015, and September 2, 2015, the homepages
8 for www.parkviewlegal.com and www.parkviewcredit.com, respectively,
9 represented to consumers that PMH would improve consumers’ credit scores by
10 challenging negative items on their credit report, and that consumers could get
11 their money back if PMH failed to do so.

12 220. On July 6, 2015 and September 2, 2015, the homepages for these
13 websites prominently stated at the top of the page: “Repair your credit score
14 today.”

15 221. Toward the middle of this page, these websites stated “Why Repair
16 Your Credit with [Park View Legal or Park View Credit]?”

17 222. Directly below, and in the center of the page, appeared the following
18 image and text:
19
20



NO WIN, NO FEE

We only accept cases if we are
confident we can improve your credit
score

223. This graphic included the statements, “GUARANTEED”, “NO WIN, NO FEE”, and, “We only accept cases if we are confident we can improve your credit score.”

224. Another graphic stated:



WE GET THE JOB DONE!

We have successfully improved the
credit score rating of over 85% of the
cases we have received results for

1 225. This graphic included the statements, “WE GET THE JOB DONE!”
2 and “We have successfully improved the credit score rating of over 85% of the
3 cases we have received results for.”

4 226. Toward the bottom of the homepage, under the statement “Our
5 Process” appeared three columns of text.

6 227. The first column, “CREDIT EVALUATION”, stated:

7 **CREDIT EVALUATION**

8 Each credit report is individual, and we treat
9 our clients as individuals too. The first stage of
10 our process is to get to know you and your
11 credit background.

12 One of our friendly, professional staff will work
13 through your credit report line-by-line, ensuring
14 you completely understand everything along
15 the way. Once we’ve done this, we can identify
16 which items we think are disputable, how long
17 this will take, and how much it will cost.

18 Once we’ve done this, we will waste no time in
19 fighting these negative items and getting you
20 on your way to a higher credit score!

21 228. This column describes how PMH will go through each consumer’s
22 credit report “line-by-line” so that PMH can “identify which items we think are
23 disputable, how long it will take, and how much it will cost.” This section
24 concludes by stating “we will waste no time in fighting these negative items and
25 getting you on your way to a higher credit score!”

1 229. The second column of text, “FIGHTING YOUR CASE”, contained
2 the following language:

3 **FIGHTING YOUR CASE**

4 Once we’ve analyzed your credit report and
5 identified mistakes and other disputable items,
6 we start contacting the major credit bureaus
7 and individual creditors in order to have these
8 items removed. There are lots of things we can
9 get removed – here’s some we’ve removed in
10 the past:

11 ✓ Late payments

12 ✓ Bankruptcies

13 ✓ Liens

14 ✓ Charge offs

15 ✓ Many more

16 230. This language describes how PMH will identify items to dispute and
17 will contact “the major credit bureaus and individual creditors in order to have
18 these items removed.” It concludes with the sentence, “There are lots of things we
19 can get removed – here’s some we’ve removed in the past,” and lists the following
20 directly beneath: Late payments, Bankruptcies, Liens, Charge offs, Many more.

1 231. The third column, “A NEW START”, contained the following text:

2 **A NEW START**

3 There is nothing quite like the feeling of
4 watching your credit score rise. Not only can it
5 mean the difference between being accepted
6 for credit cards and mortgages, but it can often
7 save you a lot of money.

8 You will get better interest rates on credit
9 purchases, which when you’re looking to buy a
10 house for example can make a huge difference
11 in the cost!

12 At Park View Legal, we look after our clients
13 after the credit repair process is complete. You
14 can count on us for buying advice, assistance
15 with opening new lines of credit, and any
16 question you have to help get you back on
17 track.

18 232. This column begins “There is nothing quite like the feeling of
19 watching your credit score rise.” It goes on to discuss how an improved credit
20 score can help consumers “get better interest rates” and can make a “huge
 difference” when seeking to buy a house.

 233. In addition, these webpages included the following statements in the
 middle of the page: “No improvement no charge” and “Thousands of successful
 results.”

1 implication that its actions will or likely will result in a substantial increase to
2 consumers' credit scores.

3 245. These representations have been material and likely to mislead
4 consumers acting reasonably under the circumstances.

5 246. PMH has lacked a reasonable basis for making these representations.

6 247. PMH lacked a reasonable basis for representing that its services
7 increase consumers' credit scores by an average of over 100 points because the
8 alleged information upon which PMH has relied was limited to a subset of its
9 predecessor company's clients, namely small business owners who sought
10 financing for commercial equipment lease financing on at least two separate
11 occasions.

12 248. PMH lacked a reasonable basis for representing that it could improve
13 consumers' scores by a certain amount because it did not have access to
14 proprietary information about how those scores are calculated.

15 249. Because PMH did not typically evaluate whether consumers' credit
16 scores increased after receiving PMH's credit repair services, PMH has lacked a
17 reasonable basis for representing that it increases consumers' credit scores by an
18 average of over 100 points.

19 250. Because PMH did not typically evaluate whether consumers' credit
20 scores increased after receiving PMH's credit repair services, PMH's

1 representations that it increases consumers' credit scores by an average of over 100
2 points were false.

3 251. PMH lacked a reasonable basis for representing that it could remove
4 negative items when it did not have information indicating that such items were
5 inaccurate or obsolete. 15 U.S.C. §§ 1681c(a),e(b).

6 252. PMH lacked a reasonable basis for representing without appropriate
7 qualifications that it could remove negative items because only inaccurate,
8 incomplete, or unverifiable information must be removed from consumers' credit
9 reports following a reinvestigation. 15 U.S.C. § 1681i(a)(1)(A),(5)(A).

10 253. Because PMH typically has not obtained credit reports or credit scores
11 after consumers had completed services to determine if negative items were
12 removed or if scores increased, its own results also could not provide a reasonable
13 basis for such claims.

14 254. Because PMH lacked a reasonable basis for its representations
15 regarding its ability to increase consumers' credit scores and to remove negative
16 items, those representations were deceptive.

17 255. Because PMH is a telemarketer, seller, or both, PMH's material
18 misrepresentations about the efficacy of its services violates the TSR. 16 C.F.R.
19 § 310.3(a)(2)(iii).

20

1 **COUNT III**

2 **Failure to Disclose Limitations on Guarantee**

3 **in Violation of the TSR**

4 256. The allegations in paragraphs 1-237 are incorporated by reference.

5 257. It is a deceptive act or practice under the TSR for a seller or
6 telemarketer to fail to clearly and conspicuously disclose material terms and
7 conditions in an advertised refund policy before a consumer consents to pay. 16
8 C.F.R. § 310.3(a)(1)(iii).

9 258. PMH has represented that its services come with a money-back
10 guarantee.

11 259. PMH has failed to clearly and conspicuously disclose the limitations
12 that its contracts place on this guarantee before consumers consent to pay.

13 260. PMH has misrepresented, directly or indirectly, expressly or by
14 implication, the terms of this guarantee.

15 261. Because PMH is a telemarketer, seller, or both, PMH's failure to
16 clearly and conspicuously disclose the material terms and conditions of its refund
17 policy before a consumer consents to pay for goods or services violates the TSR.
18 16 C.F.R. § 310.3(a)(1)(iii).

1 **COUNT IV**

2 **Misrepresentations Regarding the Cost of Services in**

3 **Violation of the TSR**

4 262. The allegations in paragraphs 1-237 are incorporated by reference.

5 263. It is a deceptive act or practice under the TSR for a seller or
6 telemarketer to misrepresent, directly or by implication, the total cost to purchase
7 the goods and services that are subject of the sales offer. 16 C.F.R. § 310.3(a)(2)(i).

8 264. PMH has misrepresented the total cost of its credit repair services.

9 265. These representations have been material and likely to mislead
10 consumers acting reasonably under the circumstances.

11 266. Because PMH is a telemarketer, seller, or both, PMH's
12 misrepresentations about the total cost of the credit repair services violate the TSR.
13 16 C.F.R. § 310.3(a)(2)(i).

14 **COUNT V**

15 **Deceptive Acts or Practices in Violation of the CFPA**

16 267. The allegations in paragraphs 1-237 are incorporated by reference.

17 268. In numerous instances, in connection with the offering or provision of
18 credit repair services, PMH has, directly or indirectly, expressly or by implication,
19 made material misrepresentations regarding the efficacy of its credit repair
20 services.

1 269. In numerous instances, in connection with the offering or provision of
2 credit repair services, PMH has represented, directly or indirectly, expressly or by
3 implication, that its actions will or likely will result in the removal of material
4 negative entries on consumers' credit reports.

5 270. In numerous instances, in connection with the offering or provision of
6 credit repair services, PMH has represented, directly or indirectly, expressly or by
7 implication that its actions will or likely will result in a substantial increase to
8 consumers' credit scores.

9 271. These representations have been material and likely to mislead
10 consumers acting reasonably under the circumstances.

11 272. PMH has lacked a reasonable basis for making these representations.

12 273. PMH lacked a reasonable basis for representing that its services
13 increase consumers' credit scores by an average of over 100 points because the
14 information upon which PMH has relied was limited to a subset of its predecessor
15 company's clients, namely small business owners who sought financing for
16 commercial equipment lease financing on at least two separate occasions.

17 274. PMH lacked a reasonable basis for representing that it could improve
18 consumers' scores by a certain amount because it did not have access to
19 proprietary information about how those scores are calculated.

20

1 275. Because PMH typically has not obtained credit reports or credit scores
2 after consumers completed services to determine if consumers' credit scores
3 improved, its own results also could not provide a reasonable basis for claims that
4 it increases consumers' credit scores by a significant amount.

5 276. Because PMH did not typically evaluate whether consumers' credit
6 scores increased after receiving PMH's credit repair services, PMH has lacked a
7 reasonable basis for representing that it increases consumers' credit scores by an
8 average of over 100 points.

9 277. Because PMH did not typically evaluate whether consumers' credit
10 scores increased after receiving PMH's credit repair services, PMH's
11 representations that it increases consumers' credit scores by an average of over 100
12 points were false.

13 278. PMH lacked a reasonable basis for representing that it could remove
14 negative items when it did not have information indicating that such items were
15 inaccurate or obsolete. 15 U.S.C. §§ 1681c(a),e(b).

16 279. PMH lacked a reasonable basis for representing without appropriate
17 qualifications that it could remove negative items because only inaccurate,
18 incomplete, or unverifiable information must be removed from consumers' credit
19 reports following a reinvestigation. 15 U.S.C. § 1681i(a)(1)(A),(5)(A).

20

1 280. Because PMH typically has not obtained credit reports or credit scores
2 after consumers had completed services to determine if negative items were
3 removed, its own results also could not provide a reasonable basis for such claims.

4 281. Because PMH lacked a reasonable basis for its representations
5 regarding its ability to increase consumers' credit scores and to remove negative
6 items, those representations were deceptive.

7 282. Because PMH lacked a reasonable basis for these representations
8 regarding its ability to increase consumers' credit scores and to remove negative
9 items, those representations were deceptive.

10 283. In numerous instances, in connection with the offering or provision of
11 credit repair services, PMH has, directly or indirectly, expressly or by implication,
12 made material misrepresentations regarding the terms of its guarantee.

13 284. PMH's marketing has created the net impression that consumers can
14 obtain a full refund if they are not satisfied with PMH's services.

15 285. PMH's guarantee policy is limited to the removal of one "disputed"
16 item with 180 days, and only applies if consumers to pay for six months of
17 services, however.

18 286. In numerous instances, in connection with the offering or provision of
19 credit repair services, PMH has, directly or indirectly, expressly or by implication,
20 made material misrepresentations regarding the costs of its credit repair services.

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