

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

---

<b>FEDERAL TRADE COMMISSION and</b>	)	
	)	
<b>COMMONWEALTH OF VIRGINIA, <u>ex rel.</u></b>	)	
<b>MARK L. EARLEY, Attorney General of Virginia,</b>	)	
	)	
<b>Plaintiffs,</b>	)	
	)	
<b>v.</b>	)	
	)	
<b>MED RESORTS INTERNATIONAL, INC., a</b>	)	
<b>Virginia corporation;</b>	)	
	)	
<b>WORLD CONNECTIONS, INC., d/b/a World</b>	)	
<b>Connections Travel, a Virginia corporation;</b>	)	<b>Civ. No.</b>
	)	
<b>MEDITERRANEAN RESORTS, INC., a District of</b>	)	
<b>Columbia corporation;</b>	)	
	)	
<b>DESTINATIONS UNLIMITED OF DELAWARE,</b>	)	
<b>INC., d/b/a Destinations Unlimited, a Delaware</b>	)	
<b>corporation;</b>	)	
	)	
<b>BAY FINANCIAL SERVICES, INC., a Florida</b>	)	
<b>corporation;</b>	)	
	)	
<b>V-PAC, INC., a Nevada corporation;</b>	)	
	)	
<b>J. GEORGE CLAVEAU; and</b>	)	
	)	
<b>MARIANNE BORDEN-MYERS,</b>	)	
	)	
<b>Defendants.</b>	)	
	)	

---

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

Plaintiffs, the Federal Trade Commission ("FTC" or "the Commission"), and the Commonwealth of Virginia ex rel. Mark L. Earley, Attorney General of Virginia ("the Commonwealth of Virginia") for their complaint allege:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, to secure preliminary and permanent injunctive relief, restitution, rescission or reformation of contracts, disgorgement, and other equitable relief for Defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Trade Regulation Rule on Preservation of Consumers' Claims and Defenses ("Holder in Due Course Rule"), 16 C.F.R. Part 433.

2. The Commonwealth of Virginia brings this action under the Virginia Consumer Protection Act ("VCPA"), Virginia Code Ann. §§ 59.1-196 et seq., to secure preliminary and permanent injunctive relief, consumer restitution, and other equitable relief, and reimbursement of its costs, expenses and attorney's fees, against defendants for their deceptive acts and practices in violation of Virginia Code § 59.1-200

### **JURISDICTION AND VENUE**

3. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345, and over the claims of the Commonwealth of Virginia pursuant to 28 U.S.C. § 1367.

4. Venue in the Northern District of Illinois is proper under 15 U.S.C. §§ 53(b) and 28 U.S.C. § 1391(b) and (c).

## PLAINTIFFS

5. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41 *et seq.* The Commission is charged, *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission also enforces the Holder in Due Course Rule, 16 C.F.R. Part 433, which requires sellers to insert language into consumer credit contracts that preserve any claims and defenses consumers might have against the seller. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and violations of the Holder in Due Course Rule, in order to secure such equitable relief as may be appropriate in each case, and to obtain consumer redress. 15 U.S.C. §§ 53(b), 57b.

6. Plaintiff Commonwealth of Virginia is one of the fifty sovereign states of the United States. Mark L. Earley is the duly elected and qualified Attorney General acting for plaintiff Commonwealth of Virginia, and brings this action in his official capacity under the VCPA.

## DEFENDANTS

7. Defendant Med Resorts International, Inc. ("Med Resorts") is a Virginia corporation with its principal place of business at 17757 U.S. Highway 19 North, Suite 400, Clearwater, Florida 34624, and four sales locations, including 1430 Branding Lane, Suite 125, Downers Grove, Illinois 60515. Med Resorts transacts or has transacted business in the Northern District of Illinois.

8. Defendant World Connections, Inc. ("World Connections") is a Virginia corporation with its principal place of business at 17757 U.S. Highway 19 North, Suite 400,

Clearwater, Florida 34624. World Connections transacts or has transacted business in the Northern District of Illinois.

9. Defendant Mediterranean Resorts, Inc. ("Mediterranean") is a District of Columbia corporation with its principal place of business at 17757 U.S. Highway 19 North, Suite 400, Clearwater, Florida 34624. Mediterranean transacts or has transacted business in the Northern District of Illinois.

10. Defendant Destinations Unlimited of Delaware, Inc. ("Destinations Unlimited") is a Delaware corporation doing business as Destinations Unlimited with its principal place of business at 17757 U.S. Highway 19 North, Suite 400, Clearwater, Florida 34624. Destinations Unlimited transacts or has transacted business in the Northern District of Illinois.

11. Defendant Bay Financial Services, Inc. ("Bay Financial") is a Florida corporation with its principal place of business at 17757 U.S. Highway 19 North, Suite 400, Clearwater, Florida 34624. Bay Financial transacts or has transacted business in the Northern District of Illinois.

12. Defendant V-Pac, Inc. ("V-Pac") is a Nevada corporation with its principal place of business at 17757 U.S. Highway 19 North, Suite 400, Clearwater, Florida 34624. V-Pac transacts or has transacted business in the Northern District of Illinois.

13. Defendant J. George Claveau is an owner, officer or has held himself out as an officer of Defendants Med Resorts, World Connections, Mediterranean, Destinations Unlimited, Bay Financial, and V-Pac. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of said Defendants. He transacts or has transacted business in the Northern District of Illinois.

14. Defendant Marianne Borden-Myers is an officer or has held herself out as an officer of Defendants Med Resorts, World Connections, Mediterranean, Destinations Unlimited, Bay Financial, and V-Pac. At all times material to this complaint, acting in concert with others, she has formulated, directed, controlled, or participated in the acts and practices of said Defendants. She transacts or has transacted business in the Northern District of Illinois.

15. Since at least 1983, Defendants Med Resorts, World Connections, Mediterranean, Destinations Unlimited, Bay Financial, and V-Pac, doing business under their respective names and as "World Connections Travel," have acted as a common enterprise to sell vacation club memberships consisting of multiple vacation weeks that purportedly can be taken over a period of up to thirty years.

#### **COMMERCE**

16. At all times relevant to this complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

#### **DEFENDANTS' COURSE OF CONDUCT**

17. Since at least 1983, Defendants have operated a common business enterprise to deceive consumers throughout the United States into purchasing vacation club memberships. In operating their common business enterprise, Defendants share officers, employees, offices, and a common goal to sell their vacation club memberships. Defendants do business using their own names and as "World Connections Travel."

18. Defendants operate their scheme from a head office in Clearwater, Florida, and a number of sales offices throughout the United States, including offices located in Vienna, Virginia; Downers Grove, Illinois; Norcross, Georgia; and Fort Washington, Pennsylvania.

19. Defendants usually initially contact consumers through unsolicited telephone calls. Defendants typically seek to induce consumers to come to their sales offices to hear a 90-minute travel presentation by offering them a free vacation at one of their "worldwide" resorts.

20. Consumers who agree to attend the sales presentation are invited to appear at a scheduled time at one of Defendants' sales offices. A sales presentation typically entails a mass sales presentation before a group of 15-20 consumers at a time followed up by individual sales presentations. The membership pitched during both the mass and individual presentation purportedly entitle consumers to multiple weeks of accommodations in four and five star condominium and resort properties at hundreds, or thousands, of popular vacation destinations around the world over a five, ten, twenty, or thirty year period. Med Resorts often claims that consumers who book sufficiently in advance are virtually assured availability in the resort area of their choice. One of Defendants' brochures, for example, states: "Where can you travel with Med Resorts? ANYWHERE!!!!!!!!!"

21. Med Resorts salespeople use a variety of techniques to persuade consumers that the company will fulfil the promised vacation. Med Resorts salespeople refer in many cases to a Florida Bureau of Timeshare audit that purports to show that Med Resorts has better than a 90 percent success rate in obtaining accommodations for its customers in the location of their first choice. Med Resorts' salespeople attempt to gain credibility for the company by claiming that World Connections is a well-established company that has served corporate clients for over 30

years. They claim that World Connections got its start providing travel services for well-known game shows such as "The Price is Right," and that its logo appeared in the credits for those shows. In fact, World Connections has rarely, if ever, done business with such game shows.

22. In addition, Med Resorts salespersons emphasize the quality of the travel services it provides for consumers. They claim, among other things, that purchasers will be assigned personal travel consultants and that Med Resorts, through its World Connections affiliate, can obtain bargain wholesale airfares to resort destinations that are 60% cheaper than those available from the airlines and other travel agents. In some cases, they claim that World Connections can obtain airfares from major airlines, including Trans World Airlines, at discounts of 20-25% off of published prices. In fact, Med Resorts rarely assigns personal travel consultants to consumers, and World Connections can rarely, if ever, obtain airfares lower than those available to the general public through other travel agents or airlines.

23. Med Resorts' sales representatives typically show consumers copies of the resort catalog issued by Resort Condominiums International ("RCI"), a well-established timeshare exchange company. The catalog contains pictures and descriptions of resort properties available through RCI around the world. The sales representatives state that consumers will have access to all of the properties listed in the RCI catalog if they buy Med Resorts' package, and often imply that these resorts listed in the catalog are affiliated with or owned by Med Resorts. In fact, exchanges into resorts through RCI are available only to a limited number of Med Resorts customers.

24. Defendants often use high pressure sales techniques at the sales presentations, which can last from two to five hours. They use relays of salespersons in cases of consumers who

resist purchasing their services. Consumers who wish to leave are typically told that before they do so, they must see another member of the sales staff in order to claim their free vacation. The next salesperson then resumes the sales presentation. Defendants tell consumers that they must make an immediate decision whether to purchase the vacation club membership or lose the opportunity to purchase it at a low cost. Consumers who persist and stay to the end receive a certificate that is purportedly valid for a three-night, four-day vacation at selected hotels.

25. The cost of the packages is negotiable, and can range from as low as \$2,500 for a 10 week package to as high as \$12,995 for a 30 week package. Consumers are required to make immediate down payments and sign contracts to pay the balance over a period of years. Defendants sell about 10,000 such packages per year. Consumers who agree to purchase Defendants' vacation club memberships are sold packages of three to thirty vacation weeks that purportedly can be taken over a five to thirty year period. The package may also include certificates such as those described in the preceding paragraph.

26. Without telling consumers, Defendants divide consumers into two groups based on credit information. Consumers whose demographics suggest they are sufficiently creditworthy are sold an interest in a timeshare property through V-Pac, even though the sales presentation stresses that a timeshare purchase is not involved. Between 10 and 20 percent of consumers who agree to buy a vacation package are sold the V-Pac timeshare program. The other 80 to 90 percent are sold the basic Med Resorts club membership. Consumers in the V-Pac program have a better chance at getting vacation requests fulfilled than consumers in the basic Med Resorts program. Consumers are not given a choice between programs or, for that matter, told that there is more than one program.



27. Med Resorts also offers a smaller program called "World for Less" for those who are unwilling or unable to purchase the other program. The World for Less program, which costs anywhere from several hundred to several thousand dollars, provides consumers with certificates that purportedly entitle them to stay for several weeks or weekends at various specified hotels and resorts.

28. Med Resorts does not have sufficient inventory to fulfill the promises made to consumers. Med Resorts sells about 10,000 memberships per year, but has only a few thousand vacation weeks available to it. Many of these are restricted to purchasers of the V-Pac program. Many weeks are in the off season. Few, if any, are of the four and five star quality claimed by sales representatives, and some are of poor quality. Therefore, consumers, particularly those who are sold the basic Med Resorts program, have little chance of obtaining a vacation of the sort that was promised in the sales presentation.

29. Consumers who are sold Med Resorts' vacation packages and attempt to book vacations discover that vacations at resorts of the sort that were discussed by the sales representatives are rarely, if ever, available. It is difficult for consumers to reach live operators, and those who do are routinely told that the vacations they want are not available. Various reasons for this are given, including that the resort is fully booked, that the consumer has called too late or has called too early, or that the consumer's payments were received too late or were received too early. Med Resorts routinely attempts to steer consumers to undesirable or off-season locations if possible.

30. The certificates issued to consumers in return for attending sales presentations and to purchasers of the World for Less program, described in paragraphs 24, 25, and 27, above, are highly restricted. They are good for off-season or midweek stays at low-quality establishments in a limited

number of locations. Consumers who wish to stay at facilities of the sort that have been promised must pay numerous upgrade fees that can amount to several hundred dollars for a three night stay.

31. Many consumers attempt to cancel their relationship with Defendants after discovering that Defendants' services fall short of what was promised. Defendants routinely deny consumers' requests for refunds or cancellation of their contract obligations and threaten to ruin the credit of those who desire to cease making payments. In the ordinary course of business, Defendants agree to cancel contracts or, less frequently, to offer full or partial refunds only to the relatively small number of consumers who complain to state Attorneys General, Better Business Bureaus, local consumer affairs offices or credit card issuers, or who file lawsuits.

32. Defendants routinely sell consumers' contracts to third-party finance companies. In numerous instances, Defendants fail to include in consumers' contracts the notice required by 16 C.F.R. Part 433 that "any holder of [a] consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or service obtained pursuant hereto or with the proceeds hereof." In some cases, they instead include in such contracts language that contradicts the language required by 16 C.F.R. Part 433. Consumers who cease remitting payments to Defendants or to third-party finance companies because of Defendants' failure to deliver services as promised are subject to debt collection activities and negative information being provided to credit reporting agencies as a result.

### **THE FEDERAL TRADE COMMISSION ACT**

33. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that "unfair or deceptive acts or practices in or affecting commerce are hereby declared unlawful."

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

### **COUNT I**

**(By Plaintiff Federal Trade Commission)**

34. Since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that purchasers of their vacation club memberships can use those memberships to obtain one or more weeks of vacation accommodations per year whenever and wherever in the world they choose.

35. In truth and in fact, most purchasers of defendants' vacation club memberships cannot use those memberships to obtain one or more weeks of vacation accommodations per year whenever and wherever in the world they choose. Indeed, defendants do not have sufficient inventory of resort accommodations available to accommodate more than a small percentage of their members each year.

36. Therefore, Defendants' representations are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **COUNT II**

**(By Plaintiff Federal Trade Commission)**

37. In numerous instances since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that purchasers of their vacation club memberships can purchase airline tickets from Defendants at costs substantially below those offered by airlines and other travel agents.

38. In truth and in fact, in numerous instances, purchasers of their vacation club memberships cannot purchase airline tickets from Defendants at costs substantially below those offered by airlines and other travel agents.

39. Therefore, Defendants' representation is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**COUNT III  
(By Plaintiff Federal Trade Commission)**

40. In numerous instances since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that the price quoted to consumers in their sales solicitation is the total cost to purchase, receive or use the vacation club memberships offered by Defendants.

41. In truth and in fact, in numerous instances, the price quoted to consumers in their sales solicitation is not the total cost to purchase, receive or use the vacation club memberships offered by Defendants.

42. Therefore, Defendants' representation is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**THE VIRGINIA CONSUMER PROTECTION ACT**

43. The Virginia Consumer Protection Act ("VCPA"), Virginia Code § 59.1-200, prohibits the following fraudulent acts or practices committed by a supplier in connection with a consumer transaction: misrepresenting that goods or services have certain quantities, characteristics, uses or benefits, Virginia Code § 59.1-200(5); misrepresenting that goods or services are of a particular standard, quality, grade, style, or model, Virginia Code § 59.1-200(6);

advertising goods or services with intent not to sell them as advertised, or with intent not to sell upon the terms advertised, Virginia Code § 59.1-200(8); making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions, Virginia Code § 59.1-200(9); and using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with consumer transactions, Virginia Code § 59.1-200(14).

44. Defendants, at all times material hereto, have been engaged as "suppliers" of "goods" and/or "services" in connection with "consumer transactions," as those terms are defined in § 59.1-198 of the VCPA.

## **VIOLATIONS OF THE VIRGINIA CONSUMER PROTECTION ACT**

### **COUNT IV**

#### **(By Plaintiff Commonwealth of Virginia)**

45. Since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that purchasers of their vacation club memberships can use those memberships to obtain one or more weeks of vacation accommodations per year whenever and wherever in the world they choose.

46. In truth and in fact, most purchasers of defendants' vacation club memberships cannot use those memberships to obtain one or more weeks of vacation accommodations per year whenever and wherever in the world they choose. Indeed, defendants do not have sufficient inventory of resort accommodations available to accommodate more than a small percentage of their members each year.

47. The aforesaid acts and practices of Defendants constitute willful violations of the VCPA, including Virginia Code §§ 59.1-200(5), (8), and (14).

**COUNT V**  
**(By Plaintiff Commonwealth of Virginia)**

48. In numerous instances since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that purchasers of their vacation club memberships can purchase airline tickets from Defendants at costs substantially below those offered by airlines and other travel agents.

49. In truth and in fact, in numerous instances, purchasers of their vacation club memberships cannot purchase airline tickets from Defendants at costs substantially below those offered by airlines and other travel agents.

50. The aforesaid acts and practices of Defendants constitute willful violations of the VCPA, including Virginia Code §§ 59.1-200(9) and (14).

**COUNT VI**  
**(By Plaintiff Commonwealth of Virginia)**

51. In numerous instances since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that the price quoted to consumers in their sales solicitation is the total cost to purchase, receive or use the vacation club memberships offered by Defendants.

52. In truth and in fact, in numerous instances, the price quoted to consumers in their sales solicitation is not the total cost to purchase, receive or use the vacation club memberships offered by Defendants.

53. The aforesaid acts and practices of Defendants constitute willful violations of the VCPA, including Virginia Code §§ 59.1-200(8) and (14).

**COUNT VII**  
**(By Plaintiff Commonwealth of Virginia)**

54. In numerous instances since at least 1983, in connection with the advertising, marketing, promoting, offering for sale, or sale of vacation club memberships, Defendants have represented, expressly or by implication, that consumers who buy their vacation packages will be entitled to multiple weeks of accommodations in four and five star condominium and resort properties at hundreds, or thousands, of popular vacation destinations around the world.

55. In truth and in fact, in numerous instances, few, if any, resorts and condominiums are of the four and five star quality claimed by sales representatives, and some are of poor quality.

56. The aforesaid acts and practices of Defendants constitute willful violations of the VCPA, including Virginia Code §§ 59.1-200(6) and (14).

**THE "HOLDER IN DUE COURSE RULE"**

57. The Trade Regulation Rule on Preservation of Consumers' Claims and Defenses ("Holder in Due Course Rule"), promulgated by the Commission under Section 18 of the FTC Act, 15 U.S.C. 57a, became effective in its entirety on May 14, 1976, and since that date has remained in full force and effect. (Statement of Basis and Purpose, 40 F.R. 53506 (November 18, 1975)). Amendments to the Holder in Due Course Rule were promulgated by the Commission under Section 18 of the FTC Act, 15 U.S.C. 57a, and have been effective since 1978.

58. Defendants are "sellers" as that term is defined in the Holder in Due Course Rule, 16 C.F.R. § 433.1(j).

59. The Holder in Due Course Rule prohibits sellers from "taking or receiving a consumer credit contract which fails to contain the following provision in at least ten point, bold face type: 'NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.'" 16 C.F.R. § 433.2(a).

60. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. 57a(d)(3), a violation of the Holder in Due Course Rule constitutes an unfair or deceptive act or practice in violation of Section 5(a)(1) of the FTC Act, 15 U.S.C. 45(a)(1).

## **VIOLATIONS OF THE HOLDER IN DUE COURSE RULE**

### **COUNT VIII**

#### **(By Plaintiff Federal Trade Commission)**

61. In numerous instances during the past five years, in connection with selling or offering to sell goods or services to consumers in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. 44, defendants have violated the Holder in Due Course Rule by taking or receiving consumer credit contracts which fail to include the disclosure set forth in Paragraph 59 as required by 16 C.F.R. § 433.2(a), thereby violating the Holder in Due Course Rule.

### **CONSUMER INJURY**

62. Consumers throughout the United States have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts and practices. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent



injunctive relief, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.

### **THIS COURT'S POWER TO GRANT RELIEF**

63. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue a permanent injunction against Defendants' violations of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as temporary and preliminary injunctions, consumer redress, rescission, restitution and disgorgement of profits resulting from Defendants' unlawful acts or practices, and other remedial measures.

64. Section 19 of the FTC Act, 15 U.S.C. § 57b, authorizes the Court to grant to the FTC such relief as the Court finds necessary to redress injury to consumers or other persons resulting from Defendants' violations of the Holder in Due Course Rule, including the rescission and reformation of contracts and the refund of money.

65. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow plaintiff, the Commonwealth of Virginia, to enforce its state law claims under the VCPA, Virginia Code Ann. §§ 59.1-196 et seq., against the defendants in this Court.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Court's own equitable powers; and Plaintiff Commonwealth of Virginia pursuant to the VCPA and the Court's own equitable powers; request that the Court:

1. Award Plaintiffs such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to

preserve the possibility of effective final relief, including but not limited to, temporary and preliminary injunctions, appointment of a receiver, and an order freezing assets;

2. Permanently enjoin Defendants from violating the FTC Act, the Holder in Due Course Rule, and the VCPA, as alleged herein;

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

4. Award Plaintiffs the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully Submitted,

DEBRA A. VALENTINE  
General Counsel

---

RUSSELL W. DAMTOFT  
TODD M. KOSSOW  
GUY G. WARD

Federal Trade Commission  
55 E. Monroe St., Suite 1860  
Chicago, Illinois 60603  
(312) 960-5634  
(312) 960-5600 facsimile

Attorneys for Plaintiff  
Federal Trade Commission

MARK L. EARLEY  
Attorney General of Virginia

---

JENNIFER L. HARPER  
AMY H. SCHWAB  
Assistant Attorneys General  
900 East Main Street  
Richmond, Virginia 23219  
(804) 786-2116 (phone)  
(804) 786-0122 (facsimile)