

## Credit Repair Company Reaches Financial Settlement With FTC

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By Darren Waggoner

Advantage Credit Repair LLC in Chicago and Mark D. Solomon, company president and owner, agreed to settle Federal Trade Commission charges filed last year for falsely claiming the firm would improve consumers' credit ratings.

The settlement order imposes a \$226,794 judgment that will be suspended once the defendants pay \$20,000. The full judgment will be due immediately if it is found that the defendants misrepresented their financial condition.

The case is part of the FTC's "Operation Clean Sweep," a crackdown on credit repair scams launched in 2008. In this case, the FTC said Advantage Credit promised to remove negative information from consumers' credit reports, even if it was accurate and current, in violation of the FTC Act and the Credit Repair Organizations Act.

The defendants also allegedly violated federal law by requiring payment before any service was provided to consumers. According to the FTC's complaint, the defendants' advertising stated, "We would never charge a large fee up front, or make you wait a long period of time to refund your money if we do not get results. You will see results in 60 days, or your money will be refunded in full." Consumers were charged \$495 per person and \$665 for a couple, which included an upfront fee of \$219 to \$269, respectively.

The settlement bars the defendants from further violations and from misrepresenting: they can improve consumers' credit reports by permanently removing negative information, even when it's accurate and current; they can otherwise improve a consumer's credit report or ability to obtain credit; the full cost of their services and any restrictions on consumers' use of those services; their refund or cancellation policy; and the benefits of using their goods or services.

The settlement also prohibits the defendants from collecting any payments from consumers who purchased their services before October 23, 2008, when the court halted their business practices and froze their assets.

Solomon could not be reached today for comment.

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