

1 WILLARD K. TOM  
2 General Counsel

3 GREGORY A. ASHE  
4 STEPHANIE K. ROSENTHAL  
5 Federal Trade Commission  
6 600 Pennsylvania Ave., N.W.  
7 Washington, D.C. 20580  
8 Telephone: 202-326-3719 (Ashe)  
9 Telephone: 202-326-3332 (Rosenthal)  
10 Facsimile: 202-326-3768 (fax)  
11 Email: [gashe@ftc.gov](mailto:gashe@ftc.gov), [srosenthal@ftc.gov](mailto:srosenthal@ftc.gov)

12 Attorneys for Plaintiff

13 **UNITED STATES DISTRICT COURT**  
14 **EASTERN DISTRICT OF CALIFORNIA**

15 **FEDERAL TRADE COMMISSION,**

16 Plaintiff,

17 v.

18 **NAFSO VLM, INC.,** also d/b/a Vehicle Loan  
19 Modification,

20 **KORE SERVICES, LLC,** also d/b/a Auto Debt  
21 Consulting also d/b/a Car Loans Modification,

22 **NAYTHEM NAFSO,**

23 and

24 **MICHAEL KAMFIROOZIE,**

25 Defendants.

Case No.

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

26 Plaintiff, the Federal Trade Commission (“FTC”), for its complaint alleges:  
27



1 Auto Debt Consulting and Car Loans Modification. Kore transacts or has transacted business in  
2 this district and throughout the United States. At all times material to this Complaint, acting  
3 alone or in concert with others, Kore has advertised, marketed, distributed, or sold vehicle loan  
4 assistance relief services to consumers throughout the United States.  
5

6 7. Defendant NAFSO VLM, Inc. (“VLM”) is a California corporation with its  
7 principal place of business at 8441 Briggs Drive, Roseville, California. VLM also does business  
8 as Vehicle Loan Mod. VLM transacts or has transacted business in this district and throughout  
9 the United States. At all times material to this Complaint, acting alone or in concert with others,  
10 VLM has advertised, marketed, distributed, or sold vehicle loan assistance relief services to  
11 consumers throughout the United States.  
12

13 8. Defendant Michael Kamfiroozie is the sole manager of Kore and its registered  
14 agent. He also has signatory authority over Kore’s bank accounts. At all times material to this  
15 Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had  
16 the authority to control, or participated in the acts and practices set forth in this Complaint.  
17 Defendant Kamfiroozie, in connection with the matters alleged herein, transacts or has  
18 transacted business in this district and throughout the United States.  
19

20 9. Defendant Naythem Nafso is the sole officer and director of VLM and its  
21 registered agent. He also has signatory authority over VLM’s and Kore’s bank accounts. At all  
22 times material to this Complaint, acting alone or in concert with others, he has formulated,  
23 directed, controlled, had the authority to control, or participated in the acts and practices set forth  
24 in this Complaint. Defendant Nafso resides in this district and, in connection with the matters  
25 alleged herein, transacts or has transacted business in this district and throughout the United  
26 States.  
27



1 consumers to purchase their services with representations that Defendants' services will make  
2 consumers' vehicle loan payments substantially more affordable or Defendants will refund any  
3 fees paid by consumers.

4  
5 **Defendants' Internet Marketing Activities**

6 14. Defendants have solicited consumers who seek vehicle loan assistance relief  
7 services through a number of Internet websites. Since at least November 2008, Defendants have  
8 operated several websites, including but not limited to the following: carloansmodification.com,  
9 autodebtconsulting.com, vehicleloanmod.com, nafsovlm.com, theautomodgroup.com, and  
10 automobileadvocates.com. Defendant Kamfiroozie is the registrant as well as administrative  
11 contact, technical, and billing contact for the Internet websites carloansmodification.com and  
12 autodebtconsulting.com. The domain registration and hosting fees for these websites are paid  
13 for with Defendant Kamfiroozie's personal credit card. Defendant Nafso is the registrant for the  
14 Internet websites vehicleloanmod.com, nafsovlm.com, theautomodgroup.com, and  
15 automobileadvocates.com. The domain registration and hosting fees for these websites are paid  
16 for with Defendant Nafso's personal credit card.

17  
18  
19 15. Defendants' carloansmodification.com website makes the following statements  
20 regarding their ability to lower the monthly payments on consumers' vehicle loans:

- 21 a. Lower your monthly vehicle payments by as much as 40% regardless of your  
22 credit score!
- 23 b. CarLoansModification.com has a goal to help as many Americans as possible find  
24 the best way to lower their payments and keep their car, truck, boat or RV . . .  
25 This modification consists of extending terms or lowering interest rates to find the  
26 payment that works best for you.
- 27 c. If you have a vehicle with a payment that is just not affordable any longer, then  
28 let us step in on your behalf to get you an **auto loan modification** . . . You don't  
have to settle any longer for high car payments.

1 d. If you are facing repossession, do not give up here, as there is always a way to  
2 modify your car loan payments and continue to operate your vehicle well into the  
3 future. Simply contact CLM and they will contact the financial institution  
4 responsible for putting you into the vehicle and explain to them the situation. In  
5 many cases, this third party (like CLM) can help to mediate the situation and get  
6 you the best possible results. In the case of a car loan modification, quite often  
7 the car payment options can be reduced to a manageable amount, making it far  
8 simpler for the consumer to repay the loans over time.

9 16. Defendants' autodebtconsulting.com website makes the following statements  
10 regarding their ability to lower the monthly payments on consumers' vehicle loans:

- 11 a. Lower your monthly vehicle payments by as much as 40% regardless of your  
12 credit score!
- 13 b. We work directly with your lender to get you an auto loan modification.
- 14 c. We at Auto Debt Consulting will take care of all the hassles so you don't have to  
15 worry about them. We will directly deal with your lender, bank or finance  
16 company and negotiate the terms of the loan so as to provide a more affordable  
17 loan repayment plan.
- 18 d. Auto Debt Consulting will contact your bank or lender and negotiate with them  
19 on your behalf to modify the terms of your loan (loan duration, current loan  
20 balance, interest rate, etc.) such that the monthly loan payments become more  
21 affordable and you avoid repossession. Our team is highly skilled at making such  
22 negotiations with banks, lenders and finance services [sic], so you can be sure we  
23 will get you the best possible resolution/auto loan modification.

24 17. Defendants' vehicleloanmod.com website makes the following statements  
25 regarding their ability to lower the monthly payments on consumers' vehicle loans:

- 26 a. Lower Car Payments With An Auto Loan Modification - Reduce Payments Now
- 27 b. LOWER YOUR MONTHLY VEHICLE PAYMENTS TODAY!
- 28 c. [A]llow the experts at VehicleLoanMod.com to work directly with your lender to  
modify your existing loan or lease to **reduce your monthly payment.**
- d. **Our Mission**  
To assist vehicle owners struggling to pay their monthly payments or facing  
repossession. Vehicle Loan Mod will negotiate with Lenders/Banks/Credit  
Unions/Finance Companies and any other Financial Institution(s) to reduce

1 vehicle owner's payment obligations or repossessions. Vehicle Loan Mod will  
2 help all qualified vehicle owners to obtain a loan modification with a new,  
3 affordable monthly payment.

4 e. **Vehicle Loan Mod** will communicate and negotiate with your lender on your  
5 behalf to reduce your monthly payment obligations to make them more affordable  
6 so you may avoid repossession.

7 f. We'll negotiate with Lenders to reduce vehicle owners' payment obligations or  
8 repossessions. We will help all qualified vehicle owners obtain a loan  
9 modification with an affordable monthly payment to give our clients control of  
10 their finances and put them back on track.

11 18. Defendants tout their experience to further their claim that they will obtain  
12 promised loan modifications. For example, Defendants' carloansmodification.com website  
13 states that Defendants are "one of the pioneers in **car loan modification and vehicle loan**  
14 **modification,**" while Defendants' autodebtconsulting.com website refers to Defendants as "one  
15 of the leading auto loan modification services" and Defendants' vehicleloanmod.com website  
16 states "[w]e are the industry leaders when it comes to **car lease & loan modifications.**"

17 Defendants' websites further state:

18 a. With the professionals on your side, you will have minimal problems and a  
19 tremendous wealth of information at your fingertips. With specialists and experts  
20 who are familiar with the process as well as the ins and the outs of the entire  
21 industry, you will find it is a relatively straightforward process once you have  
22 determined the needs of your particular situation.

23 b. It is in the best interest of the banks and finance companies to assist you in  
24 keeping your vehicle and working with **loan modification experts.**

25 19. Defendants' websites also contain numerous purported customer testimonials  
26 touting Defendants' ability to arrange vehicle loan modifications and/or stop repossessions. For  
27 example, Defendants' vehicleloanmod.com website attaches a consumer's modification  
28 agreement purportedly obtained as a result of Defendants' services. The sample agreement

1 shows a reduction in monthly payment from \$309.33 to \$219.92 (a 29% reduction). In addition,  
2 the testimonials include the following statements:

3 a. When I came to auto debt consulting my monthly car payment was \$432 and I  
4 was 2 months behind on my payment . . . In the second week, Auto Debt  
5 Consulting called me up to let me know they negotiated my payments down to  
6 \$350 a month. That's over 20% savings and it's also a number I can actually  
afford to pay.

7 b. I truly did not expect such a drastic reduction in my monthly payments!

8 c. Thank you Auto Debt Consulting. I am delighted to say that my loan payments  
9 has [sic] been lowered by more than \$100!

10 d. Auto Debt Consulting went directly to [my lender] to get my loan issues  
11 straightened out. My original monthly payment was close to \$600, now it's  
down to just a little over \$400. Great job!

12 e. I recently went through Vehicle Loan Mod to obtain a smaller payment on my  
13 Ford F 150. Everything was completed in a couple of weeks and I ended up  
14 getting a fairly large payment reduction (\$573.69 reduced to \$408.17).

15 f. I did receive a very large reduction on my interest rate as well on my monthly  
payment.

16 20. Defendants' autodebtconsulting.com website further states "if you have engaged  
17 the services of Auto Debt Consulting for negotiating with your lender or bank on your behalf,  
18 and if for any reason you are dissatisfied with our services or we are unsuccessful in the  
19 negotiation process we will provide a **100 percent money back guarantee.**"  
20

21 21. Defendants' websites invite consumers to call one of Defendants' several toll-free  
22 numbers: "800-929-5097" (on the carloansmodification.com website) and "800-979-0262" (on  
23 the autodebtconsulting.com website). Defendants' vehicleloanmod.com website invites  
24 consumers to complete an online form with the promise that consumers "will be contacted by a  
25 qualified professional within 48 hours." The online form requires consumers to enter their name  
26 and contact information and financial information regarding their vehicle loan including name of  
27



1 the lender, monthly payment, and loan balance. When consumers enter and submit their  
2 information on this website, they are contacted by one of Defendants' representatives.

3  
4 **Defendants' Telemarketing Activities**

5 22. Consumers speak with Defendants' representatives when they call the toll-free  
6 numbers in response to Defendants' Internet advertising or when Defendants call consumers who  
7 submitted information on Defendants' websites.

8 23. During the sales calls, Defendants' representatives collect information from  
9 consumers, including details about consumers' vehicle loan and income. After consumers  
10 provide this information, the representatives often claim that the consumers are qualified to  
11 obtain a vehicle loan modification. Defendants' representatives typically promise consumers  
12 that Defendants can lower the monthly payment on consumers' vehicle loans by 25% to 40%. In  
13 numerous instances, Defendants' representatives state the dollar amount of the lower monthly  
14 payments that Defendants purportedly will be able to obtain for the consumers. In numerous  
15 instances, Defendants' representatives also state that Defendants can reduce the interest rate or  
16 loan balance on consumers' vehicle loans.  
17

18 24. Defendants' representatives inform consumers that they must pay Defendants a  
19 \$399 enrollment fee up-front. In numerous instances, Defendants' representatives assure  
20 consumers that they would get a refund of the fee if Defendants are not able to obtain the  
21 promised loan modification.  
22

23 25. Defendants' representatives explain that after consumers pay the fee, Defendants  
24 will send consumers an enrollment packet via email. The representatives state that the  
25 enrollment packet includes a third party authorization that consumers can complete online. The  
26





1 **THIS COURT’S POWER TO GRANT RELIEF**

2 36. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant  
3 injunctive and such other relief as the Court may deem appropriate to halt and redress violations  
4 of any provision of law enforced by the FTC. The Court, in the exercise of its equitable  
5 jurisdiction, may award ancillary relief, including rescission or reformation of contracts,  
6 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and  
7 remedy any violation of any provision of law enforced by the FTC.  
8

9 **PRAYER FOR RELIEF**

10 Wherefore, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC  
11 Act, 15 U.S.C. § 53(b) and the Court’s own equitable powers, requests that the Court:  
12

13 A. Award Plaintiff such preliminary injunctive and ancillary relief as may be  
14 necessary to avert the likelihood of consumer injury during the pendency of this action and to  
15 preserve the possibility of effective final relief, including but not limited to, temporary and  
16 preliminary injunctions.

17 B. Enter a permanent injunction to prevent future violations of the FTC Act by  
18 Defendants.

19 C. Award such relief as the Court finds necessary to redress injury to consumers  
20 resulting from Defendants’ violations of the FTC Act, including but not limited to, rescission or  
21 reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-  
22 gotten monies.  
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1 D. Award Plaintiff the costs of bringing this action, as well as such other and  
2 additional relief as the Court may determine to be just and proper.  
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4  
5 Dated: March 27, 2012

Respectfully submitted,

6 WILLARD K. TOM  
7 General Counsel

8 /s/Gregory A. Ashe  
9 GREGORY A. ASHE  
10 STEPHANIE K. ROSENTHAL  
11 Federal Trade Commission  
12 600 Pennsylvania Ave., N.W.  
13 Washington, D.C. 20580  
14 202-326-3719 (Ashe)  
202-326-3332 (Rosenthal)  
202-326-3768 (fax)  
gashe@ftc.gov  
srosenthal@ftc.gov

15 Attorneys for Plaintiff  
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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Federal Trade Commission

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Gregory Ashe, Federal Trade Commission, 600 Pennsylvania Ave NW, Room NJ 3158, Washington, DC 20580, 202-326-3719

DEFENDANTS

NAFSO VLM, Inc., Kore Services, LLC, Naythem Nafso, Michael Kamfiroozie

County of Residence of First Listed Defendant Placer (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Labor, etc.

V. ORIGIN

(Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from another district (specify), 6 Multidistrict Litigation, 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. Section 45

Brief description of cause: violations of the FIC Act in connection with the marketing of auto loan modification services

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23, DEMAND \$, CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE, DOCKET NUMBER

DATE

03/27/2012

SIGNATURE OF ATTORNEY OF RECORD

Handwritten signature of Gregory A. Ashe

FOR OFFICE USE ONLY

RECEIPT #, AMOUNT, APPLYING IFP, JUDGE, MAG. JUDGE