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19 FEDERAL TRADE COMMISSION

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA

22 FEDERAL TRADE COMMISSION,
23 Plaintiff,

24 v.

25 APARTMENT HUNTERS, INC., a
26 corporation, also d/b/a
27 WeTakeSection8.com,
28 ApartmentHunterz.com, and
FeaturedRentals.com,
REAL ESTATE DATA SOLUTIONS,
INC., a corporation,
RENTAL HOME LISTINGS INC., a
corporation,
UAB APARTMENT HUNTERS LT, a
limited liability company,

No. 8:18-CV-1636

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

1 STEVEN SHAYAN, individually and
2 as an officer of Apartment Hunters,
3 Inc., Real Estate Data Solutions, Inc.,
4 Rental Home Listings Inc., and UAB
5 Apartment Hunters LT, and
6 KEVIN SHAYAN, a/k/a Kaveh Shayan,
7 individually and as a manager or *de*
8 *facto* officer of Apartment Hunters,
9 Inc., Real Estate Data Solutions, Inc.,
10 Rental Home Listings Inc., and UAB
11 Apartment Hunters LT,
12 Defendants.

13 Plaintiff, the Federal Trade Commission (the “FTC” or “Commission”) for
14 its Complaint alleges as follows:

15 1. The FTC brings this action under Section 13(b) of the Federal Trade
16 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary,
17 preliminary, and permanent injunctive relief, rescission or reformation of contracts,
18 restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other
19 equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the
20 FTC Act, 15 U.S.C. § 45(a), in connection with the sale of access to listings of
21 purportedly available rental units.

22 SUMMARY OF THE CASE

23 2. Defendants operate several prepaid rental listing websites, including
24 WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com. The
25 first website specifically targets individuals seeking Section 8 housing; the other
26 websites purport to offer general-access rental units. Defendants charge consumers
27 a fee to access contact information for property managers of rental units listed on
28 their websites. Defendants represent to consumers that the listings on their
websites are accurate, up-to-date, and available, that consumers are likely to find
suitable housing within a short time, and that consumers cannot find these listings
on free websites. These representations are misleading, false, or unsubstantiated.

1 For example, the majority of the listings on WeTakeSection8.com are not available
2 for rent, and most of those units that are available for rent do not accept Section 8
3 payments. Consumers lose money and valuable time because of Defendants’
4 deceptive marketing.

5 **JURISDICTION AND VENUE**

6 3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,
7 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

8 4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2),
9 (c)(1), (c)(2), and (d), and 15 U.S.C. § 53(b).

10 **PLAINTIFF**

11 5. The FTC is an independent agency of the United States Government
12 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC
13 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
14 affecting commerce.

15 6. FTC is authorized to initiate federal district court proceedings, by its own
16 attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as
17 may be appropriate in each case, including rescission or reformation of contracts,
18 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies.
19 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

20 **DEFENDANTS**

21 7. Defendant Apartment Hunters, Inc., (“Apartment Hunters”), also doing
22 business as WeTakeSection8.com, ApartmentHunterz.com, and
23 FeaturedRentals.com, is a California corporation with its principal place of
24 business at 13 Stern St., Laguna Niguel, CA 92677. Apartment Hunters transacts
25 or has transacted business in this district and throughout the United States. At all
26 times material to this Complaint, acting alone or in concert with others, Apartment
27 Hunters has advertised, marketed, distributed, or sold access to rental listings to
28 consumers throughout the United States.

1 8. Defendant Real Estate Data Solutions, Inc. is a California corporation
2 with its principal place of business at 13 Stern St., Laguna Niguel, CA 92677.
3 Real Estate Data Solutions, Inc. opens merchant accounts for Apartment Hunters.
4 Real Estate Data Solutions, Inc. transacts or has transacted business in this district
5 and throughout the United States.

6 9. Defendant Rental Home Listings Inc. is a California corporation with its
7 principal place of business at 13 Stern St., Laguna Niguel, CA 92677. Rental
8 Home Listings Inc. opens merchant accounts for Apartment Hunters. Rental Home
9 Listings, Inc. transacts or has transacted business in this district and throughout the
10 United States.

11 10. Defendant UAB Apartment Hunters LT is a foreign limited liability
12 company with its principal place of business at Savanoriu pr. 363, 49425, Kaunas,
13 Lithuania. At all times material to this Complaint, acting alone or in concert with
14 others, UAB Apartment Hunters LT purposefully directed its activities to the
15 United States by: (1) designing and creating the content, computer code, and
16 search algorithms for Apartment Hunters' interactive websites targeted solely to
17 the U.S. rental market; (2) responding to inquiries from U.S. consumers relating to
18 Apartment Hunters' websites by telephone, email, and through online chat offered
19 on the websites; (3) updating and removing rental listings on Apartment Hunters'
20 websites; and (4) carrying out the design, content-creation, and maintenance of
21 Apartment Hunters' websites at the direction of the U.S.-based Defendants, who
22 incorporated UAB Apartment Hunters LT in Lithuania to take advantage of
23 cheaper operating expenses. UAB Apartment Hunters LT transacts or has
24 transacted business in this district and throughout the United States.

25 11. Defendant Steven Shayan is the owner and chief executive officer of
26 Apartment Hunters, Real Estate Data Solutions, Inc., Rental Home Listings Inc.,
27 and UAB Apartment Hunters LT. At all times material to this Complaint, acting
28 alone or in concert with others, he has formulated, directed, controlled, had the

1 authority to control, or participated in the acts and practices of Apartment Hunters,
2 Real Estate Data Solutions, Inc., Rental Home Listings Inc., and UAB Apartment
3 Hunters LT, including the acts and practices set forth in this Complaint. Defendant
4 Steven Shayan resides in this district and, in connection with the matters alleged
5 herein, transacts or has transacted business in this district and throughout the
6 United States.

7 12. Defendant Kevin Shayan, also known as Kaveh Shayan, is a manager or
8 *de facto* officer of Apartment Hunters, Real Estate Data Solutions, Inc., Rental
9 Home Listings Inc., and UAB Apartment Hunters LT, the administrator of
10 Apartment Hunters' websites, and Steven Shayan's brother. At all times material
11 to this Complaint, acting alone or in concert with others, he has formulated,
12 directed, controlled, had the authority to control, or participated in the acts and
13 practices of Apartment Hunters, Real Estate Data Solutions, Inc., Rental Home
14 Listings Inc., and UAB Apartment Hunters LT, including the acts and practices set
15 forth in this Complaint. Defendant Kevin Shayan resides in this district and, in
16 connection with the matters alleged herein, transacts or has transacted business in
17 this district and throughout the United States.

18 **COMMON ENTERPRISE**

19 13. Defendants Apartment Hunters, Real Estate Data Solutions, Inc., Rental
20 Home Listings Inc., and UAB Apartment Hunters LT (collectively, "Corporate
21 Defendants") have operated as a common enterprise while engaging in the
22 deceptive acts and practices alleged below. Defendants have conducted the
23 business practices described below through an interrelated network of companies
24 that have common ownership, officers, managers, business functions, and that
25 commingled funds. Because these Corporate Defendants have operated as a
26 common enterprise, each of them is jointly and severally liable for the acts and
27 practices alleged below. Defendants Steven Shayan and Kevin Shayan have
28 formulated, directed, controlled, had the authority to control, or participated in the

1 acts and practices of the Corporate Defendants that constitute the common
2 enterprise.

3 **COMMERCE**

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

7 **DEFENDANTS’ BUSINESS ACTIVITIES**

8 15. Defendants’ prepaid rental listing websites – including
9 WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com –
10 purportedly offer hundreds of thousands of available rental listings throughout the
11 United States. The rental listings appear to be largely similar across Defendants’
12 websites. Defendants have represented to consumers that the listings are accurate,
13 up-to-date, and available, and that consumers are likely to find suitable housing
14 within seven business days or less. Defendants have also represented that they
15 have exclusive rights to list thousands of rental listings on their websites, and
16 exclusive rights to list Section 8 rental listings, and that consumers cannot find
17 these listings on free websites. These representations are false, misleading, or
18 unsubstantiated because: (1) many of the rental listings on Defendants’ websites
19 are inaccurate or unavailable for rent; (2) Defendants cannot show how quickly
20 subscribers to Defendants’ rental-listing websites might obtain housing using
21 Defendants’ listings; and (3) Defendants do not have exclusive rights to list
22 thousands of rental listings on their websites, including Section 8 rental listings,
23 that consumers cannot find on free websites.

24 16. As a California corporation that offers prepaid rental listing services
25 (“PRLS”) to consumers, Apartment Hunters is required to have a license from the
26 California Department of Real Estate, formerly known as the Bureau of Real Estate
27 (“DRE”). Apartment Hunters received its PRLS license from the DRE in 2007.

28

1 17. In 2011, Apartment Hunters was the subject of a disciplinary action by
2 the DRE in part because the company did not confirm the availability of listings in
3 a timely manner as required by California real estate law. Following this action, in
4 2012, the DRE issued a restricted PRLS license to Apartment Hunters, which was
5 suspended in 2014 after the DRE charged the company with providing false,
6 misleading, or deceptive advertisements to prospective tenants. In 2015, the DRE
7 adopted an administrative law judge's ("ALJ") decision to revoke Apartment
8 Hunters' PRLS license because Apartment Hunters willfully and deliberately
9 violated California real estate law and a legal order from the Real Estate
10 Commissioner by operating a PRLS business while its license was suspended. The
11 ALJ also found that Apartment Hunters advertised properties in a false,
12 misleading, or deceptive way. *See* Decision, Case No. H-39494 LA (July 1, 2015)
13 (available at www.dre.ca.gov).

14 18. The revocation of its license has not deterred Apartment Hunters, which
15 has continued to operate a PRLS business in California without a license.

16 19. Apartment Hunters has engaged in the unlawful practices alleged in this
17 Complaint since at least 2013.

18 **Defendants' WeTakeSection8.com Website**

19 20. The Section 8 Tenant-Based Assistance: Housing Choice Voucher
20 Program ("Section 8"), 24 CFR Part 982, is a federal government program for
21 assisting very low-income families, the elderly, and the disabled to afford decent,
22 safe, and sanitary housing in the private market.

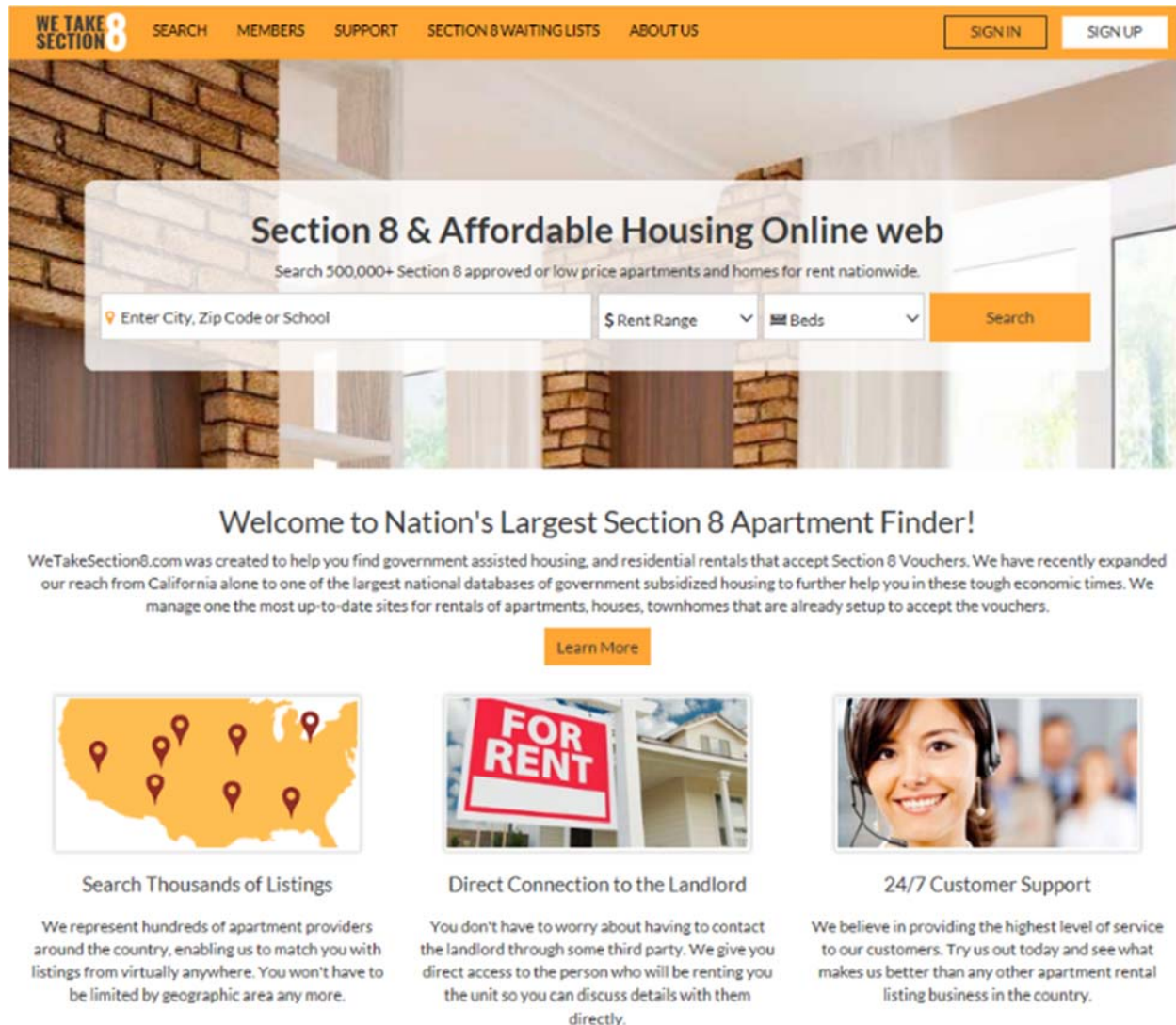
23 21. The U.S. Department of Housing and Urban Development ("HUD")
24 provides funds to local housing authorities to administer the Section 8 voucher
25 program. The demand for housing assistance often exceeds the limited resources
26 available to HUD and local housing authorities. Many local housing authorities,
27 particularly in metropolitan areas, have long waitlists such that families may wait
28 several years before receiving a voucher. Once they receive a voucher, families

1 typically have 60 to 90 days to find housing, with the possibility of an extension of
2 up to 120 days. A family that is unable to find housing within that time risks
3 losing the voucher.

4 22. Defendants' website WeTakeSection8.com purports to list thousands of
5 rental properties that accept Section 8 vouchers in full or partial payment of rent.
6 Consumers who visit the website can see the listed properties, but cannot access
7 the contact information of the property managers for the listings unless they pay a
8 subscription fee. The fee and the length of the subscription vary. Typically,
9 consumers have paid \$49 for two months of access to the property managers'
10 contact information. Defendants have also charged consumers \$14.99 for a weekly
11 subscription.

12 **Misrepresentations about the Availability and Accuracy of Listings**

13 23. To induce consumers to purchase subscriptions to
14 WeTakeSection8.com, Defendants represent that the website has the most accurate
15 and up-to-date listings of Section 8 housing on the Internet. As the following
16 screenshot of the WeTakeSection8.com homepage shows, the website welcomes
17 consumers to "the Nation's Largest Section 8 Apartment Finder" and claims to
18 help consumers find government assisted housing and rentals that accept Section 8
19 vouchers.



24. The homepage of WeTakeSection8.com touts “one of the largest national databases of government subsidized housing” and “one the most [sic] up-to-date sites for rentals of apartments, houses, townhomes that are already setup to accept the vouchers.” It promises a “direct connection to the landlord” who is making the rental available and that consumers may search “500,000+ Section 8 approved or low price apartments and homes for rent nationwide.”

25. Defendants make numerous claims throughout WeTakeSection8.com about the availability and accuracy of the listings on the website. For example, on the “About Us” webpage, Defendants have claimed to be the leading rental search service for government-subsidized housing and to update listings on a daily basis,

1 as depicted below:

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The screenshot shows the website www.wetakesection8.com/info/company/about. The header is orange with the logo 'WE TAKE SECTION 8' and navigation links: SEARCH, MEMBERS, SUPPORT, ABOUT US, FEATURED RENTALS. There are 'SIGN IN' and 'SIGN UP' buttons. Below the header is a search bar with fields for 'City or Zip', 'Min. Price', 'Max. Price', and 'Beds', along with a 'More' button and a 'Search' button. The main content area has the heading 'Nation`s Leading Apartment Rental Search Service for Government Subsidized Housing'. Below this is a paragraph: 'At WeTakeSection8.com , we understand that moving is a difficult process, particularly if you have special needs and searching for Section 8 Approved Housing. So we make it as easy as possible.' This is followed by three sections: 'Our Comprehensive, Convenient Consulting Service', 'Our Track Record', and 'Why We Have the Most Complete and Accurate Listings'. The footer is dark grey with copyright information '© 2001 - 2017 WeTakeSection8.com' and links for 'Terms of Use', 'Privacy Policy', and 'Fair Housing'.

16 26. In another version of the About Us webpage, Defendants have claimed
17 to have “the most complete and accurate apartment search service for section 8 and
18 government subsidized housing.” They represent that the advantage of using their
19 website is “[w]e aggregate all government housing databases, our unique, date-
20 sensitive, rental software updates the listings on a daily basis...

21 WeTakeSection8.com works hard to maintain one of the largest and most updated
22 databases of voucher program rentals that are currently available in the U.S.”

23 27. Defendants represent that they validate the availability of rentals and
24 landlord contact information. For example, in the “Support” section of the
25 website, in response to a question about why there are not enough pictures of the
26 properties, Defendants claim, “Since we only assist with the search process, we
27 cannot be responsible for the information that the landlords post, except in that we
28 validate phone number, email addresses and availability.”

1 28. In the Support section of WeTakeSection8.com, Defendants have
2 represented that the website is superior to other websites that have “old listings that
3 have long since been rented” because Defendants’ database is updated in real time
4 and they “routinely call the landlords and update [the] listings to make sure that
5 you won’t waste time calling on an apartment that has already been occupied.”

6 29. On the Search tab of WeTakeSection8.com, consumers are able to view
7 the rental listings. The listings for properties that accept Section 8 vouchers
8 indicate that “[e]very effort is taken to verify the availability of the home of your
9 choice.” Each of those listings also advises that the consumer must call to check
10 availability because “the listings rent fast.” Consumers must subscribe to
11 WeTakeSection8.com to obtain the landlord’s or property manager’s contact
12 information.

13 30. In the Support section of WeTakeSection8.com, in response to a
14 question about whether someone may search specifically for Section 8 rentals,
15 Defendants have claimed that if a consumer types “Section 8” in the search bar,
16 “the results are available properties for immediate occupancy that accept [S]ection
17 8 HUD program.”

18 31. In the Support section of the website, in response to the question, “Does
19 your company provide me with anything that I couldn’t do myself,” Defendants
20 have encouraged consumers to pay the subscription fee for WeTakeSection8.com
21 instead of wasting their time on other websites. Defendants claim, “[T]here are
22 also many free services available on the Internet and through free publication
23 services, but those establishments do not list actual vacancies. We take steps to
24 make sure that the information is accurate and up to date on current available
25 rentals.” In addition, the sign-up page of WeTakeSection8.com has promised
26 consumers “thousands of updated and verified listings including *exclusive listings*
27 **not found on free websites.**” (Emphasis in original.)
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1 32. Defendants make similar claims on mobile apps that consumers may
2 download in order to access and subscribe to the WeTakeSection8.com website.
3 Defendants represent that they provide “current data on more than 500,000+
4 Section 8 approved or low priced apartments, homes.” They claim to have
5 “complete and accurate details and descriptions of current relevant vacant
6 properties....” Defendants further represent that they have “designed the App of
7 We Take Section 8, through exhaustive hours of programming, and then expanded
8 it by adding the most extensive national database of America’s affordable rental
9 housing, and Senior housing, and largest inventory of available open waiting lists
10 in the nation. We have made sure our data are from valid property management
11 companies that have active affordable rentals that are safe and decent for families
12 of our clients.”

13 33. Defendants’ claims are false or unsubstantiated. While Defendants
14 promise that the information on WeTakeSection8.com is up-to-date, most of the
15 properties listed as available for rent on WeTakeSection8.com are unavailable and
16 those that are available for rent generally do not accept Section 8 vouchers.

17 34. While Defendants promise that WeTakeSection8.com lists 500,000+
18 Section 8 approved or low price properties available for rent, Defendants cannot
19 verify that they have this many listings in their database.

20 35. Similarly, Defendants have claimed to have exclusive rights to list rental
21 listings on WeTakeSection8.com. Defendants have claimed that consumers cannot
22 find these listings on free websites. In truth and in fact, Defendants do not have an
23 exclusive right to list properties on WeTakeSection8.com and do not know
24 whether those listings are advertised on free websites.

25 36. While Defendants promise that the information on WeTakeSection8.com
26 is accurate and that they will connect consumers directly to landlords, they do very
27 little, if anything, to verify that the landlord’s information is accurate.
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1 **Misrepresentations about How Quickly Consumers Find Rental Housing**

2 37. Defendants have represented that consumers who subscribe to
3 WeTakeSection8.com find housing within seven business days or less. On the
4 About Us page, as depicted above in paragraph 25, Defendants claim, “Our Track
5 Record” – “**Our clients find a place within 5-7 business days.**” (Emphasis in
6 original.) The Support section of the website has stated that consumers would
7 likely find a suitable listing within four days, as depicted below:

8 **How long will it take for me to find an**
9 **apartment?**

10 The amount of time that it takes to locate an apartment, of course, depends on
11 the availability of the market which changes throughout the course of the year,
12 but almost every one of our clients meets with success within just four days of
13 searching. We guarantee that within one week you will have located one (if not
more) viable rental.

14 38. Defendants have made these additional claims in the Support section of
15 WeTakeSection8.com about how quickly consumers find suitable housing:

- 16 a. “The minimum duration of the membership is 2 months, but most
17 of our clients are able to find a rental within one week”; and
18 b. “When you subscribe to our services you will receive complete
19 access to our extensive database, which we guarantee will be
20 enough time for you to find an apartment. In fact, most people
21 find an apartment within a week!”

22 39. Defendants’ representations about how quickly consumers find suitable
23 listings on WeTakeSection8.com are false or unsubstantiated. Indeed, Defendant
24 Kevin Shayan knows and has admitted that these representations are inaccurate.

25 **Defendants’ ApartmentHunterz.com Website**

26 40. As with WeTakeSection8.com, Defendants claim that their other
27 websites have accurate and up-to-date rental listings that will help consumers
28 locate other kinds of rental housing quickly. On the homepage of

1 ApartmentHunterz.com, Defendants have represented that the website has rental
2 listings for more than one million apartments, condominiums, and homes
3 throughout the United States that are updated daily and even hourly. As depicted
4 below, Defendants have represented that users are likely to find suitable housing
5 within 3-5 days:



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13 41. On the About Us page, Defendants represent that
14 ApartmentHunterz.com has “the most complete and accurate listings” because
15 Defendants purportedly work closely with managers of the listed properties, and
16 because Defendants’ “unique, date-sensitive, rental software updates the listings on
17 a daily basis, so that the data you receive from us is the most accurate and up-to-
18 date information available on the Web today.”

19 42. The fee and the length of the subscription to ApartmentHunterz.com
20 vary. Typically, consumers have paid \$49 for 30 days’ access to the website.
21 Defendants have also charged consumers \$14.99 for a weekly subscription.

22 43. Defendants encourage consumers to pay the subscription fee to access
23 ApartmentHunterz.com rather than use a free rental service because their service is
24 faster. On the About Us page, Defendants claim that their “Track Record” is that
25 “[a]s a general rule, we **find your place within 3-5 days**. This is many times
26 faster than you are likely to find a place through a self-serve rental agency.” In the
27 Support section of the website, Defendants have represented that this “nominal”
28 fee will actually “save time and money” because consumers will have access to

1 “verified vacant properties” that meet their criteria and the listings provide direct
2 access to property managers.

3 44. Defendants reiterate these claims throughout ApartmentHunterz.com on
4 the homepage, the About Us page, and in the Support section. Defendants “assure
5 [consumers] complete satisfaction” by representing that they gather thousands of
6 rentals from management companies directly and update listings on an hourly
7 basis.

8 45. Defendants make similar claims on mobile apps that consumers may
9 download in order to access and subscribe to the ApartmentHunterz.com website.
10 Defendants claim to have five times more listings than other websites. They
11 represent that “[t]hrough our relationships we gather listings on a daily basis from
12 all rental websites and management companies and present them to you in one easy
13 app.” Defendants represent that some of the key features of
14 ApartmentHunterz.com are: (1) “[c]omplete and accurate details and descriptions
15 of current relevant vacant properties...”; (2) “[n]ew listings posted and rented ones
16 removed by our staff”; and (3) “[p]hone and email verification to remove rented
17 listings and verify price changes as well as post new rentals hourly as they become
18 available.”

19 46. Defendants’ representations that consumers who subscribe to the
20 ApartmentHunterz.com website find rental housing within a few days and that the
21 listings therein are accurate and up-to-date are false or unsubstantiated. Numerous
22 consumers have complained to Defendants that many of the listings on
23 ApartmentHunterz.com are not accurate and not available to rent.

24 Defendants’ FeaturedRentals.com Website

25 47. According to the homepage of FeaturedRentals.com, this “[o]ne site
26 **does it all**” by providing access to “thousands of listings not on free rental
27 websites.” The homepage of the website has touted over one million rental listings
28 throughout the United States. In the Support section of FeaturedRentals.com,

1 Defendants have boasted that consumers with a good rental history will find rental
2 housing within three days.

3 48. Similar to WeTakeSection8.com and ApartmentHunterz.com, on the
4 About Us page of FeaturedRentals.com, Defendants claim to “update [the]
5 databases constantly, so you are always guaranteed of the most up-to-date listings
6 for the area.” Defendants further represent on the About Us page that consumers
7 will save money by accessing listings from dozens of rental databases at a single
8 site.

9 49. The fee and the length of the subscription vary. Typically, consumers
10 have paid Defendants \$49 for 30 days access to FeaturedRentals.com.

11 50. Similar to ApartmentHunterz.com, in the Support section of
12 FeaturedRentals.com, Defendants represent that they charge a “nominal fee to
13 access the database and provide detailed verified vacant results... Save time and
14 money by calling verified vacant results matching your criteria.” Defendants claim
15 that they “verify the availability of the properties as opposed to free sites or yellow
16 pages that just lists the community that might not have a vacancy.”

17 51. In the Support section of FeaturedRentals.com, Defendants emphasize
18 the quality of the listings by claiming to gather thousands of listings directly from
19 landlords and management companies and update the search engine on a daily and
20 hourly basis. Defendants claim to operate “a reputable rental site” that provides
21 “the most up-to-date information” on all of their listings.

22 52. Defendants make similar claims on mobile apps that consumers may
23 download in order to access and subscribe to the FeaturedRentals.com website.
24 Defendants claim that consumers will “[g]et instant access to over 700,000 Real-
25 Time Updated listings” and receive “vacant listings not found on free rental
26 websites.” They represent that “[t]hrough our relationships we gather listings on a
27 daily basis from all rental websites and management companies and present them
28 to you in one easy app.” Defendants make some of the same representations as on

1 the ApartmentHunterz.com mobile app, indicating that some of the key features of
2 FeaturedRentals.com are complete and accurate details of current relevant vacant
3 properties, that staff remove rented listings, and that staff post new rentals hourly
4 as they become available.

5 53. Defendants' representations that consumers who subscribe to the
6 FeaturedRentals.com website find rental housing within a few days and that the
7 listings therein are accurate, verified, and up-to-date are false or unsubstantiated.
8 Numerous consumers have complained to Defendants that many of the listings on
9 FeaturedRentals.com are not accurate and not available to rent.

10 54. Defendants' claims that consumers cannot find the same rental listings
11 on free websites are false or unsubstantiated. Defendants do not have an exclusive
12 right to list properties on their websites and do not know whether those listings are
13 advertised on free websites.

14 **Defendants Receive Many Complaints About Unavailable Listings on**
15 **WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com**

16 55. Consumers and property managers have complained directly to
17 Defendants that WeTakeSection8.com, ApartmentHunterz.com, and
18 FeaturedRentals.com contain inaccurate or unavailable rental listings. In 2017
19 alone, hundreds of consumers complained directly to Defendants that landlords'
20 phone numbers were disconnected or incorrect, the price of the unit had changed,
21 the property already had been rented for months or years earlier, the listing was
22 available on other websites for free, and the property owner did not accept Section
23 8 vouchers.

24 56. Consumers and property managers also have filed complaints with third
25 parties, such as the Better Business Bureau, to report that properties listed as
26 available for rent on WeTakeSection8.com, ApartmentHunterz.com, and
27 FeaturedRentals.com are not available and that these websites are scams. These
28 third parties have forwarded complaints from consumers and property managers to

1 Defendant Apartment Hunters and in some instances, Apartment Hunters has
2 responded to these complaints. For example, after a property manager complained
3 that a property listing that was not available for rent appeared on
4 WeTakeSection8.com, Apartment Hunters responded that it received listings from
5 data partners that sometimes contained inaccuracies in the listing description,
6 price, availability, or address.

7 **VIOLATIONS OF THE FTC ACT**

8 57. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or
9 deceptive acts or practices in or affecting commerce.”

10 58. Misrepresentations or deceptive omissions of material fact constitute
11 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

12 **COUNT I**

13 59. Through the means described in Paragraphs 15 through 56, Defendants
14 have represented, directly or indirectly, expressly or by implication, that the rental
15 listings, including Section 8 listings, on Defendants’ websites are accurate, up-to-
16 date, and available for consumers to rent.

17 60. Defendants’ representations set forth in Paragraph 59 of this Complaint
18 are false or misleading, or were not substantiated at the time the representations
19 were made.

20 61. Therefore, the making of the representations as set forth in Paragraph 59
21 of this Complaint constitutes a deceptive act or practice, in or affecting commerce
22 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

23 **COUNT II**

24 62. Through the means described in Paragraphs 15 through 56, Defendants
25 have represented, directly or indirectly, expressly or by implication, that consumers
26 who subscribe to Defendants’ websites find rental housing, including Section 8
27 housing, within seven business days or less.

28

1 63. Defendants' representation set forth in Paragraph 62 of this Complaint is
2 false or misleading, or was not substantiated at the time the representation was
3 made.

4 64. Therefore, the making of the representation as set forth in Paragraph 62
5 of this Complaint constitutes a deceptive act or practice, in or affecting commerce
6 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

7 **COUNT III**

8 65. Through the means described in Paragraphs 15 through 56, Defendants
9 have represented, directly or indirectly, expressly or by implication, that
10 Defendants have exclusive rights to list thousands of rental listings on their
11 websites, exclusive rights to list Section 8 rental listings, and that consumers
12 cannot find these listings on free websites.

13 66. Defendants' representations set forth in Paragraph 65 of this Complaint
14 are false or misleading, or were not substantiated at the time the representations
15 were made.

16 67. Therefore, the making of the representations as set forth in Paragraph 65
17 of this Complaint constitutes a deceptive act or practice, in or affecting commerce
18 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

19 **CONSUMER INJURY**

20 68. Consumers have suffered and will continue to suffer substantial injury
21 as a result of Defendants' violations of the FTC Act. In addition, Defendants have
22 been unjustly enriched as a result of their unlawful acts or practices. Absent
23 injunctive relief by this Court, Defendants are likely to continue to injure
24 consumers, reap unjust enrichment, and harm the public interest.

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

26 69. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
27 to grant injunctive and such other relief as the Court may deem appropriate to halt
28 and redress violations of any provision of law enforced by the FTC. The Court, in

1 the exercise of its equitable jurisdiction, may award ancillary relief, including
2 rescission or reformation of contracts, restitution, the refund of monies paid, and
3 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any
4 provision of law enforced by the FTC.

5 **PRAYER FOR RELIEF**

6 Wherefore, the FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C.
7 §§ 53(b), and the Court's own equitable powers, requests that the Court:

8 A. Award the Commission such preliminary injunctive and ancillary relief
9 as may be necessary to avert the likelihood of consumer injury during the
10 pendency of this action and to preserve the possibility of effective final relief,
11 including but not limited to, temporary and preliminary injunctions;

12 B. Enter a permanent injunction to prevent future violations of the FTC Act
13 by Defendants;

14 C. Award such relief as the Court finds necessary to redress injury to
15 consumers resulting from Defendants' violations of the FTC Act, including but not
16 limited to, rescission or reformation of contracts, restitution, the refund of monies
17 paid, and the disgorgement of ill-gotten monies; and

18 D. Award the Commission the costs of bringing this action, as well as such
19 other and additional relief as the Court may determine to be just and proper.

20
21 Respectfully submitted,

22 ALDEN F. ABBOTT
23 General Counsel

24 

25 Rhonda P. Perkins

26 Amanda R. Grier

27 Stacy R. Procter (Local Counsel)

28 Attorneys for Plaintiff

FEDERAL TRADE COMMISSION