

MARK J. BERNET, RECEIVER

- FIRST CHOICE HORIZON LLC
- FIRST SOUTHERN TRUST LLC
- FIRST UNITED MUTUAL LLC
- PREMIER UNION TRUST LLC,  
D/B/A SECOND CHOICE HORIZON
- SOUTH PREMIER TRUST LLC
- SUNCOAST MUTUAL LLC

**Tampa, Florida**  
**June 27, 2019**

On Monday, June 3, 2019, the Federal Trade Commission (“FTC”), an agency of the United States of America, filed a civil lawsuit against the following persons and entities:

- First Choice Horizon LLC
- First Southern Trust LLC
- First United Mutual LLC
- Premier Union Trust LLC, d/b/a Second Choice Horizon
- South Premier Trust LLC
- Suncoast Mutual LLC
- Raymond Gonzalez
- Carlos S. Guerrero, a/k/a Carlos Sinencio Guerrero, d/b/a CSG Solutions
- Joshua Hernandez

The lawsuit is pending in the United States District Court for the Middle District of Florida, Orlando Division. A copy of the Complaint is posted elsewhere on this website.

In the lawsuit, the FTC alleged that the defendants operated their telemarketing businesses in violation of FTC Act, 15 U.S.C.A. §45(a), and the Telemarketing Sales Rule, 16 CFR Part 310. Specifically, the FTC alleged that the Defendants "engaged in a telemarketing scheme that defrauds financially distressed and often older adult consumers by selling a bogus credit card interest rate reduction service." The FTC alleged that the Defendants "induce the sale of their [interest rate reduction] service by making numerous material misrepresentations," and that Defendants "charge a substantial fee for their service, which can generally range from \$200 to \$8,000." Defendants' actions, the FTC alleged, violated various provisions of Section 5 of the FTC Act, 15 U.S.C. §45(a) *et seq.*, as well as provisions contained within the Telemarketing Sales Rule codified at 16 C.F.R. Part 310. The FTC therefore requested permanent injunctive relief as well as money damages to address the injury to consumers.

On June 4, 2019, Judge Paul G. Byron entered an *Ex Parte Temporary Restraining Order* (hereafter the “TRO”). A copy of the TRO is posted elsewhere on this website. Among other things, the TRO appointed me as the receiver for the

"Receivership Entities," defined as each of the six companies identified in the first paragraph of this notice (collectively, the "Receivership Defendants"), as well as

any other entity that has conducted any business related to the marketing, promotion, offering for sale, or sale of Defendants' credit card interest rate reduction service, including receipt of Assets derived from any activity that is the subject of the Complaint in this matter, and that the Receiver determines is controlled or owned by any Defendant.

By notice filed on June 13, 2019, I declared the following additional companies to be "Receivership Entities" under my control:

- United Choice Plus LLC
- Southern Pride LLC
- Financial Service Trust LLC
- Southern Choice LLC
- Sun Premier LLC

The TRO directs me to:

A. Assume full control of the Receivership Entities by removing, as I deem necessary or advisable, any director, officer, independent contractor, employee, or agent of the Receivership Entities from control of, management of, or participation in, the affairs of the Receivership Entities;

B. Take exclusive custody, control and possession of all funds, property, premises, accounts, mail, and other assets and documents of, or in the possession, custody, or under the control of, the Receivership Entities, wherever situated;

C. Conserve, hold and manage all receivership Assets, and perform all acts necessary or advisable in my opinion to preserve the value of those Assets; and

D. Take all steps necessary to secure the business premises of the Receivership Entities.

I have prepared and filed my *Receiver's Preliminary Initial Report*, which is posted elsewhere on this website. In that report, I have concluded that the Receivership Entities operated in violation of state and federal law. The Court directed me, in the TRO, to shut down the companies unless I determine that they can be operated "legally and profitably." The Defendants operated a "lower-interest rate" telemarketing program under which they promised that consumers could save thousands of dollars through the Defendants program (note: this is called an "LI Program"). However, I was concerned that the Defendants did not get required telemarketing licenses or post required telemarketing bonds. More troubling was that the Defendants (i) made false representations in connection with their efforts to sell their LI Program, and (ii) did not tell consumers several facts concerning the

LI Program that consumers had a right to know. My conclusion was that the Receivership Entities cannot be operated "legally and profitably," and I accordingly shut them down.

Under the court's rules, a temporary restraining order can remain in effect for only a short period of time. The Court therefore scheduled a hearing for June 28, 2019, to consider either vacating the TRO, or converting it into a preliminary injunction (which can continue indefinitely). On June 27, 2019, the FTC and the Defendants filed a Stipulation with the Court under which all parties agreed that the TRO could be converted into a preliminary injunction. The preliminary injunction also appoints me as receiver with essentially the same duties I had under the TRO. A copy of the preliminary injunctions is posted elsewhere on this website.

Some frequently asked questions:

- ***Why did the FTC sue the Defendants?***

*The FTC received numerous complaints from consumers who claimed that the Defendants applied for and obtained new credit cards in their names, without their authorization or consent. Moreover, the FTC received complaints that the Defendants placed calls to consumers on the national Do-Not-Call Registry, that the Defendants used illegal robocalls and, worst of all, that the Defendants made false statements or failed to disclose relevant, material facts relating to the LI Program. According to the FTC, the Defendants bilked consumers out of more than \$11 million.*

- ***Is the Defendants' LI Program a scam?***

*The FTC thinks so. According to the FTC:*

*Since at least May 2016, Defendants have bombarded consumers with illegal telemarketing calls and robocalls deceptively pitching a credit card interest rate reduction service . . . . Using various names such as 'CSG Solutions,' 'Second Choice Horizon,' and 'Cardmember Services,' Defendants hawk their service (1) through deceptive claims that (a) consumers' credit card interest rates will be permanently reduced to zero percent, and (b) consumers will save thousands of dollars by using the service; and (2) through material omissions such as failing to disclose all the costs associated with the service.*

\* \* \*

*In addition to the deceptive sales pitch, Defendants engage in further unfair or deceptive practices once the telemarketing call has concluded. Many consumers who decline to purchase the service find that Defendants have used their personal financial information obtained during the sales call to apply for one or more credit cards in their name without the consumers' knowledge, authorization or*

*consent. To compound the injury, these same consumers, thereafter, receive an invoice and/or call demanding payment of Defendants' service fee, with threats of litigation and ruined credit for failure to pay.*

- ***Should I pay the fee that First Choice Horizon, or one of the other Defendants, charged me?***

*No. Send no more money to any of the Defendants. If you sent money but your check has not been cashed, I will be sending it back to you.*

- ***What if I wanted a new credit card? They said they could get me one with a zero percent interest rate.***

*The thing is, you might very well be able to get a zero-percent interest rate credit card, but you do not need to do it through the Defendants. Consider:*

- *The Defendants tried to charge you 30 percent of your outstanding credit card balance. Even if you did obtain a zero-interest rate card, your balance would increase by the fee you would be charged.*
- *If you transfer your balances from your existing credit cards to a new lower-interest rate card, you will be charged a balance transfer fee by the new card. This usually runs from 3 to 5 percent of the amount you transfer.*
- *The zero percent interest rate is not permanent. Typically, these "teaser" rates last for only a short period of time, sometimes as little as 3 months. After the promotional period expires the interest rate increases to a market rate, which is probably the same as what you were paying on your existing credit cards.*
- *Opening new credit cards frequently lowers your credit score. Even applying for a new credit card will lower your credit score.*
- *You don't need the Defendants, or anyone else, to help you apply for a new credit card. Applying for new credit cards is easy and can be done online.*

- ***What should I do next?***

*Updates will be posted to this website. Already posted are the Complaint, the TRO, the Receiver's Preliminary Initial Report, and the Preliminary Injunction.*