



Phony Payday Loan Brokers Settle FTC Charges

July 11, 2014

Defendants Will Be Banned From Credit-Related Businesses and Surrender Rolls Royce, Ferrari, and Other Assets

FOR RELEASE

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The operators of a Tampa, Florida-based payday loan broker scheme have agreed to settle Federal Trade Commission charges that they falsely promised to help consumers get loans, but instead used consumers' personal financial data to take money from their bank accounts without their consent.

Claiming to be affiliated with a network of 120 potential payday lenders, [defendants Sean C. Mulrooney and Odafe Stephen Ogaga, and five companies they controlled, misrepresented that 80 percent of all applicants got loans within an hour](#), according to the FTC's complaint. In reality, the defendants did not lend money to consumers, and there is no evidence that they helped anyone in obtaining a loan.

According to the [complaint, the defendants used consumers' personal financial information](#) it had collected through its websites to withdraw \$30 from the bank accounts of tens of thousands of consumers, without authorization and without providing anything of value in return.

"These defendants deceived consumers to get their sensitive financial data and used it to take their money," said Jessica Rich, Director of the FTC's Bureau of Consumer Protection. "The FTC will continue putting a stop to these kinds of illegal practices."

The proposed settlement bans the defendants from:

- marketing or providing any credit-related products or services, including loans, prepaid credit cards, debt-relief services, and credit repair services;
- collecting, selling, or buying consumers' personal and financial information, except in order to process a specifically authorized transaction; and
- processing transactions using remotely created checks or remotely created payment orders.

The settlement imposes a \$6.2 million judgment, which is equal to the defendants' ill-gotten gains. The settlement requires Ogaga to surrender nearly all his assets: \$50,000 in cash, and proceeds from the sale of his 2011 Rolls Royce Ghost, 2007 Lexus LS460, and 2006 Ferrari. Once he surrenders these assets, the remainder of the judgment against Ogaga will be suspended. The judgment against Mulrooney is entirely suspended, due to his inability to pay.

Also under the settlement, the defendants are prohibited from misrepresenting the terms and conditions of any service or product they market, and from charging consumers for anything without their consent. The settlement also requires the defendants to dispose of customer information that they have already collected and not to use, disclose, or benefit from, and it.

For more consumer information on this topic, see [Online Payday Loans](#).

In addition to Mulrooney and Ogaga, the complaint named Caprice Marketing LLC; NuVue Partners LLC; Capital Advance LLC; Loan Assistance Company LLC; and ILife Funding, LLC, formerly known as Guaranteed Funding Partners LLC.

The Commission vote approving the proposed stipulated final order was 5-0. The FTC filed the order in the U.S. District Court for the Northern District of Illinois, and the court entered it on July 1, 2014.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides [free information on a variety of consumer topics](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

[At the FTC's Request, Court Halts Alleged Phony Payday Loan Broker](#)

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