

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

FEDERAL TRADE
COMMISSION,

Plaintiff,

v.

Case No.: 8:24-cv-1626-KKM-AAS

START CONNECTING LLC,
et al.

Defendants.

_____ /

REPORT AND RECOMMENDATION

Plaintiff Federal Trade Commission (the FTC) moves for entry of a default judgment against Defendants Start Connecting SAS and Juan S. Rojas (collectively, the defaulting defendants). (Doc. 209). The defaulting defendants did not respond. The undersigned **RECOMMENDS** that the FTC's motion be **GRANTED**.

I. BACKGROUND

Defendants Start Connecting LLC, Start Connecting SAS, Douglas R. Goodman, Doris E. Gallon-Goodman, and Juan S. Rojas ran a predatory student loan debt relief operation called "USA Student Debt Relief" (USASDR). (Doc. 1, ¶ 2). Start Connecting LLC is a Florida limited liability company doing business as USASDR. (*Id.* at ¶ 9). Start Connecting SAS is a Colombian corporation that sold student debt relief services throughout the United States

doing business as USASDR. (*Id.*). Douglas R. Goodman is the president and an authorized member of USASDR. (*Id.* at ¶ 11). Mr. Goodman's wife, Doris E. Gallon-Goodman, is a manager and member of USASDR. (*Id.* at ¶ 12). Ms. Gallon-Goodman's son, Juan S. Rojas, is a member and manager of USASDR. (*Id.* at ¶ 13). Mr. Rojas holds himself out to be the CEO of Start Connecting SAS. (*Id.*).

The defendants made false promises of student loan forgiveness to consumers. (*Id.* at ¶ 2). The defendants used deceptive online advertising and illegal telemarketing tactics to entice consumers to pay the defendants a fee for their services. (*Id.*, at ¶ 3). In some instances, the defendants falsely told potential customers that the defendants were affiliated with the United States Department of Education. (*Id.*). The defendants falsely promised their victims low, fixed payment structures for their student loans. (*Id.*, at ¶ 4). Instead, the defendants would pretend to facilitate payments for borrowers and pocket the money given to them. (*Id.*). The FTC estimates thousands of borrowers fell victim to the defendants' scheme. (*Id.*, at ¶ 5).

The FTC sued the defendants for violating Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b), 57(b), the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101–08, and Section 522(a) of the GLB Act, 15 U.S.C. § 6822(a). (Doc. 1). Initially, all five defendants were represented by the same counsel. (Docs. 22–25). Counsel accepted service on

behalf of the defaulting defendants, who remained in Colombia, and filed formal waivers of service. (Docs. 36, 39, 40). On August 29, 2024, counsel withdrew their representation of the defaulting defendants with leave of court. (Docs. 55, 56). The defaulting defendants did not respond to any court filings after their former counsel withdrew. The FTC moved for entry of a clerk's default against the defaulting defendants, which the court granted. (Docs. 86, 89). The clerk entered default on October 29, 2024 against the defaulting defendants. (Doc. 91). The court directed the FTC to apply for default judgment as to the defaulting defendants within thirty-five days after the resolution of claims as to the remaining defendants. (Doc. 96).

The remaining defendants, Start Connecting LLC, Douglas Goodman, and Doris Gallon-Goodman (collectively, the settled defendants), agreed to settle the case with the FTC, and the court entered a consent judgment in favor of the FTC and against the settled defendants, jointly and severally, in the amount of \$7,304,737.29. (Docs. 199–203). The FTC now moves for default judgment and requests a permanent injunction against future violations and a monetary judgment of \$7,304,737.29 against the defaulting defendants, jointly and severally with the settled defendants, to be used to redress consumer

injury. (Doc. 209). The defaulting defendants did not respond, and the time to do so has expired. *See* Local Rule 3.01(c), M.D. Fla.¹

II. STANDARD OF REVIEW

Federal Rule of Civil Procedure 55 sets forth a two-step process for securing a default judgment. First, a party seeking default must obtain a Clerk's entry of default under Rule 55(a) by providing evidence "by affidavit or otherwise" that the opposing party "has failed to plead or otherwise defend." Fed. R. Civ. P. 55. Second, after the Clerk has entered a default, the party seeking default judgment must move for default judgment under Rule 55(b)(1) or (2).

A default entered under Rule 55(a) constitutes an admission of all well-pleaded factual allegations in a complaint. *Nishimatsu Const. Co., Ltd. v. Houston Nat'l Bank*, 515 F.2d 1200, 1206 (5th Cir. 1975).² However, entry of default does not automatically warrant the court's entry of default judgment. *Frazier v. Absolute Collection Serv., Inc.*, 767 F. Supp. 2d 1354, 1362 (N.D. Ga. 2011) (quoting *Nishimatsu Constr.*, 515 F.2d at 1206). Even if a

¹ Because the defaulting defendants failed to timely respond to the FTC's motion for default judgment, the court may treat the motion as unopposed. *See* Local Rule 3.01(c), M.D. Fla. ("If a party fails to timely respond [to a motion], the motion is subject to treatment as unopposed.").

² The Eleventh Circuit has adopted as binding precedent all decisions issued by the former Fifth Circuit prior to October 1, 1981. *See Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981) (en banc).

defendant is in default, it “is not held to admit facts that are not well-pleaded or to admit conclusions of law.” *Id.* “There must be a sufficient basis in the pleadings for the judgment entered,” and “a default is not treated as an absolute confession by the defendant of his liability and of the plaintiff’s right to recover.” *Nishimatsu Constr.*, 515 F.2d at 1206.

Since entry of default constitutes an admission of the facts in a complaint, “[a] default judgment must not differ in kind from, or exceed in amount, what is demanded in the pleadings.” Fed. R. Civ. P. 54(c). Before entering a final order regarding a default judgment, a court may conduct a hearing to determine the damages. Fed. R. Civ. P. 55(b)(2)(B). However, “[a]n evidentiary hearing is not a *per se* requirement” for an entry of default judgment.” *SEC v. Smyth*, 420 F.3d 1225, 1232 n.13 (11th Cir. 2005). “District courts in the Eleventh Circuit have noted that an evidentiary hearing is not necessary where the moving party has provided supporting affidavits as to the issue of damages.” *Frazier*, 767 F. Supp. 2d at 1365.

III. ANALYSIS

The FTC alleges the defaulting defendants unfairly and deceptively marketed and sold student loan debt relief services to consumers. The FTC requests default judgment on claims for violations of the FTC Act, the Telemarketing Sales Rule, and the Gramm-Leach-Bliley Act.

A. Counts I, II, and III – Violations of the FTC Act

Section 5 of the of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), makes unlawful “[u]nfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce.” To establish the defaulting defendants violated Section 5 of the FTC Act, the FTC must show the defaulting defendants (1) made a representation; (2) the representation was likely to mislead customers acting reasonably under the circumstances, and (3) the representation was material. *FTC v. On Point Cap. Partners LLC*, 17 F.4th 1066, 1079 (11th Cir. 2021).

i. Count I – Representations about Student Loan Relief

The defaulting defendants made false, misleading, and unsubstantiated representations that they worked with or were affiliated with the U.S. Department of Education to entice borrowers to pay hundreds of dollars to enroll in federal student loan repayment programs. (Doc. 1 ¶¶ 24–29). The defaulting defendants further represented they could enroll borrowers in a repayment or forgiveness plan with a reduced, fixed amount for a number of years before the loan would be forgiven in full. (Doc. 1 ¶¶ 30–33). They told borrowers an advanced fee was required to enroll in the fictitious repayment or forgiveness plan. (Doc. 1 ¶¶ 34–38).

The FTC may prove a representation is likely to mislead consumers either by proving the representation is false or that the representation lacks a

reasonable basis. *FTC v. Nat'l Urological Grp., Inc.*, 645 F. Supp. 2d 1167, 1190 (N.D. Ga. 2008), *aff'd*, 356 F. App'x 358 (11th Cir. 2009). “[P]roof that consumers actually were deceived is not required, [but] such evidence is highly probative to show that a practice is likely to mislead consumers acting reasonably under the circumstances.” *FTC v. Direct Benefits Grp., LLC*, No. 6:11-CV-1186-ORL-28, 2013 WL 3771322, at *15 (M.D. Fla. July 18, 2013) (internal quotations and citations omitted). The defaulting defendants represented false information to borrowers. None of the defendants were connected to or sponsored by the U.S. Department of Education. (Doc. 1 ¶¶ 24–29). The repayment or forgiveness plan sold to borrowers for an advanced fee never existed. (Doc. 1 ¶¶ 30–33, 39). The FTC, the Better Business Bureau, and state attorneys general received complaints from borrowers about the defaulting defendants’ scheme. (Doc. 1 ¶ 46). Thousands of victims paid millions of dollars in reliance on the defaulting defendants’ false representations. (Doc. 209-2, pp. 3–7).

The defaulting defendants’ representations were material because they were “of a kind usually relied upon by a reasonably prudent person.” *FTC v. Transnet Wireless Corp.*, 506 F. Supp. 2d 1247, 1266 (S.D. Fla. 2007). “Express claims, or deliberately made implied claims, used to induce the purchase of a particular product or service are presumed to be material.” *Id.* at 1267 (citations omitted). The FTC has proven that the defaulting defendants’

representations about student loan relief violated Section 5 of the FTC Act, 15 U.S.C. § 45(a)(1), and entering default judgment against the defaulting defendants is recommended on Count I.

ii. Count II – Representations about Endorsements

The defaulting defendants posted fake reviews and testimonials on the internet to mislead borrowers. (Doc. 1 ¶¶ 66–68). The defaulting defendants used stock photos and inserted descriptions of unattainable loan repayment scenarios, and posted fake reviews on their website and third-party review platforms. (Doc. 1 ¶¶ 47–50). The posts detailed specific examples of fake borrowers allegedly lowering their monthly loan payments:



(Doc. 1, ¶ 48).

“To determine the meaning and representations of an advertisement, the court must consider the overall net impression of the advertisement and whether reasonable consumers would interpret a particular message.” *FTC v. Roca Labs, Inc.*, 345 F. Supp. 3d 1375, 1386 (M.D. Fla. 2018) (citation omitted).

A reasonable consumer would interpret the advertisements and fake reviews to convey that the defendants could provide specific loan repayment structures to their customers. Because the repayment plans described in the posts and reviews were made up and impossible to attain for any borrower, the representations were likely to mislead. *Nat'l Urological Group, Inc.*, 645 F. Supp. 2d at 1190. The advertisements and fake reviews were material, because they were “of a kind usually relied upon by a reasonably prudent person.” *Transnet Wireless Corp.*, 506 F. Supp. 2d at 1266.

These advertisements and fake reviews are material representations likely to mislead consumers. The FTC has proven that the defaulting defendants’ fake reviews and advertisements violated Section 5 of the FTC Act, 15 U.S.C. § 45(a)(1), and entering default judgment against the defaulting defendants is recommended on Count II.

iii. Count III – Unfair Language Barrier in Contracts

The defaulting defendants provided contracts written in English to primarily Spanish speakers after pitching the fake services in Spanish. (Doc. 1 ¶¶ 22, 43, 69–71). The FTC Act instructs an act or practice is unfair when (1) it causes substantial injury; (2) it is not outweighed by countervailing benefits to consumers or competition; and (3) consumers themselves could not reasonably have avoided it. 15 U.S.C. § 45(n). The defaulting defendants would make the sales pitch to borrowers in Spanish, but the contracts contained

disclosures in English that contradicted what the borrowers were told in Spanish. (Doc. 1 ¶¶ 22, 43–45, 69).

“[C]orrective action may become necessary when an act or practice unreasonably creates or takes advantage of an obstacle to the free exercise of consumer decisionmaking.” *FTC v. World Pat. Mktg., Inc.*, No. 17-CV-20848, 2017 WL 3508639, at *15 (S.D. Fla. Aug. 16, 2017) (internal quotations and citations omitted). When information is hidden from consumers, “such obstacles make it nearly impossible for consumers to make informed decisions.” *Id.*

The fine print of the contracts describes an entirely different process than the service pitched to the borrowers. (Doc. 1, ¶ 44). The contracts did not mention reducing loan payments or any type of loan forgiveness, but they did contain a hidden disclaimer explaining that the fee given to the defendants would not be used to repay the borrower’s student loans. (Doc. 1, ¶ 45).

The FTC has demonstrated these contracts unfairly injured thousands of borrowers, and the borrowers could not have reasonably avoided the injury. 15 U.S.C. § 45(n). Therefore, the contracts violated Section 5 of the FTC Act, 15 U.S.C. § 45(a)(1), and entering default judgment against the defaulting defendants is recommended on Count III.

B. Counts IV, V, VI, VII, and VIII – Violations of the Telemarketing Sales Rule

The Telemarketing Sales Rule (TSR), 16 C.F.R. Part 310, makes unlawful “for any seller or telemarketer in the sale of goods or services to misrepresent, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer.” *FTC v. USA Fin., LLC*, 415 F. App’x 970, 974 (11th Cir. 2011) (quoting 16 C.F.R. § 310.3(a)(2)(iii)). “Identical principles of deception from Section 5 of the FTC Act apply to the TSR, and a violation of the TSR amounts to both a deceptive act or practice and a violation of the FTC Act.” *FTC v. Washington Data Res.*, 856 F. Supp. 2d 1247, 1273 (M.D. Fla. 2012), *aff’d sub nom. FTC v. Washington Data Res., Inc.*, 704 F.3d 1323 (11th Cir. 2013).

i. Count IV – Advance Fee for Debt Relief Services

The FTC alleges the defaulting defendants violated the TSR by charging upfront fees for their debt relief services. (Doc. 1 ¶¶ 84–85). “It is an abusive telemarketing act or practice and a violation of this part for any seller or telemarketer to engage in [. . .] [r]equesting or receiving payment of any fee or consideration for any debt relief service until [. . .] [t]he seller or telemarketer has renegotiated, settled, reduced, or otherwise altered the terms of at least one debt pursuant to a settlement agreement, debt management plan, or other

such valid contractual agreement executed by the customer[.]” 16 C.F.R. § 310.4(a)(5)(i).

The defaulting defendants represented to borrowers that an advance fee was required to access the Education Department’s loan consolidation, repayment, and forgiveness plan. (Doc. 1, ¶ 34). In reality, neither the Education Department nor the loan servicers it contracts with require any application fee. (*Id.*). The defaulting defendants charged a fee ranging from \$400.00 to \$1,200.00 to enroll borrowers in a free program. (*Id.*, at ¶ 35). In some cases, the defaulting defendants convinced borrowers this fee would be applied to their outstanding loan balance. (*Id.*). This representation was false. The defaulting defendants collected advance fees before taking any action to renegotiate, settle, reduce, or otherwise restructure the borrowers’ repayment plans. (*Id.*, at ¶ 36). Therefore, the advance fees violated 16 C.F.R. § 310.4(a)(5)(i), and entering default judgment against the defaulting defendants is recommended on Count IV.

ii. Count V and VI – Misrepresentations about Affiliation and Debt Relief

The FTC alleges the defaulting defendants violated the TSR by misrepresenting their affiliation with the Department of Education and federal student loan servicers (Doc. 1, ¶¶ 86–87) and by misrepresenting material aspects of their debt relief services (Doc. 1, ¶¶ 88–89). “It is a deceptive

telemarketing act or practice and a violation of this part for any seller or telemarketer to engage in [. . .] [m]isrepresenting, directly or by implication, [. . .] [a] seller's or telemarketer's affiliation with, or endorsement or sponsorship by, any person or government entity[.]" 16 C.F.R. § 310.3(a)(2)(vii). It is also deceptive for any seller or telemarketer to engage in misrepresenting "[a]ny material aspect of any debt relief service, including, but not limited to, the amount of money or the percentage of the debt amount that a customer may save by using such service[.]" 16 C.F.R. § 310.3(a)(2)(x).

The defaulting defendants have never been affiliated with the Department of Education or any department-contracted loan servicer. (Doc. 1, ¶ 24). Despite not having this affiliation, the defaulting defendants represented to borrowers they worked with federal programs and were linked with the Department of Education. (*Id.*, at ¶ 25). The defaulting defendants made these representations on phone calls with borrowers, on their website, and on social media.



(*Id.*, at ¶ 27). The defaulting defendants' misrepresentations about their purported affiliation with the Department of Education or department-contracted federal loan servicers violates 16 C.F.R. § 310.3(a)(2)(vii), and entering default judgment against the defaulting defendants is recommended on Count V.

The defaulting defendants further misrepresented their debt relief services by promising borrowers fixed monthly payments of \$9.00, \$19.00, or \$29.00 until a certain time when the loan would be forgiven in full. (Doc. 1, ¶ 31). The defaulting defendants fabricated this repayment model, which is not possible under any legitimate Department of Education forgiveness program. (*Id.*, at ¶ 32). The defaulting defendants also collected advance fees in direct contention with their website's promise of no fees until settling a borrower's account. (*Id.*, at ¶¶ 37–38). They further misrepresented to borrowers that the advance fees would be applied to their outstanding loans. (*Id.*, at ¶¶ 39–40). In some instances, the defaulting defendants instructed borrowers to ignore the bills from their loan servicers. (*Id.*, at ¶ 42). The defaulting defendants' misrepresentations about their debt relief services violate 16 C.F.R. § 310.3(a)(2)(x), and entering default judgment against the defaulting defendants is recommended on Count VI.

iii. Counts VII and VIII – Violations of the Do Not Call Registry

The FTC alleges the defaulting defendants violated the TSR by initiating telephone calls to consumers registered with the National Do Not Call Registry (Doc. 1, ¶¶ 90–91) and by failing to pay the access fee for the National Do Not Call Registry before initiating telemarketing calls (Doc. 1, ¶¶ 92–93). It is a violation of § 310.4(b)(1)(iii)(B) to initiate an outbound telephone call to any person on the National Do Not Call Registry. 16 C.F.R. § 310.4(b)(1)(iii)(B). It is also a violation “for any seller to initiate, or cause any telemarketer to initiate, an outbound telephone call to any person whose telephone number is within a given area code unless such seller [. . .] first has paid the annual fee, required by § 310.8(c), for access to telephone numbers within that area code that are included in the National Do Not Call Registry[.]” 16 C.F.R. § 310.8(a).

The defaulting defendants violated 16 C.F.R. § 310.4(b)(1)(iii)(B), because they made more than 140,000 calls to telephone numbers on the National Do Not Call Registry between 2019 and 2024. (Doc. 1 ¶¶ 51–52). The defaulting defendants violated 16 C.F.R. § 310.8(a), because they initiated hundreds of thousands of calls to numbers without paying the requisite access fees. (*Id.*, at ¶¶ 51, 53); *see FTC v. Life Mgmt. Servs. of Orange Cnty., LLC*, 350 F. Supp. 3d 1246, 1262–63 (M.D. Fla. 2018), *aff’d*, No. 19-14248, 2022 WL 703939 (11th Cir. Mar. 9, 2022) (defendant violated TSR by making calls to

numbers on the DNC Registry and by failing to pay the annual fee to access the DNC Registry). Because these allegations of violations of the rules pertaining to the National Do Not Call Registry are deemed admitted, entering default judgment against the defaulting defendants is recommended on Counts VII and VIII.

C. Count IX – Violations of the Gramm-Leach-Bliley Act

The FTC alleges the defaulting defendants violated the Gramm-Leach-Bliley Act (the GLB Act), 15 U.S.C. § 6821(a)(2). The GLB Act prohibits “any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution[.]” 15 U.S.C. § 6821(a)(2). Any credit card issuer or operator of a credit card system is a “financial institution” under this Section. 15 U.S.C. § 6827(4)(B).

The defaulting defendants violated the GLB Act when they used false representations about their loan forgiveness services to obtain borrowers’ credit and debit card numbers (Doc. 1, ¶ 99). *FTC v. RCG Advances, LLC*, 695 F. Supp. 3d 368, 391 (S.D.N.Y. 2023) (false statements to induce customers to reveal bank account information violated the GLB Act). Because the allegations that the defaulting defendants misrepresented material

information to induce borrowers to reveal their debit and credit card information are deemed admitted, entering default judgment against the defaulting defendants is recommended on Count IX.

D. Damages

The next issue is damages. The court exercises its discretion to grant the FTC's request for damages without a hearing. *Frazier*, 767 F. Supp. 2d at 1365. The issue is what remedies to impose and whether to impose civil monetary penalties.

i. Joint and Several Liability

The FTC requests the court hold the defaulting defendants jointly and severally liable together with the settled defendants. (Doc. 209, p. 19). United States District Judge Kathryn Kimball Mizelle previously found “the common enterprise theory puts the defendants on notice that they are jointly and severally liable for the acts of the others.” (Doc. 144, p. 7). Pointing to specific allegations in the complaint of business connections between Start Connecting LLC and Start Connecting SAS (Doc. 1, ¶¶ 9–11, 13), Judge Mizelle found the complaint “alleges facts showing that the corporate defendants form a common enterprise[.]” (Doc. 144, p. 6); *see also FTC v. On Point Cap. Partners LLC*, 17 F.4th 1066, 1081–82 (11th Cir. 2021) (court considers “whether the businesses operated under common control, shared office space and employees, commingled funds, and coordinated advertising.”) (citing *FTC v. Lanier Law*,

LLC, 715 F. App'x 970, 979–80 (11th Cir. 2017) (per curiam)). “[C]ourts have justly imposed joint and several liability where a common enterprise exists.” *FTC v. WV Universal Mgmt., LLC*, 877 F.3d 1234, 1240 (11th Cir. 2017) (citation omitted). Because all well-pled allegations in the complaint are deemed admitted, the FTC established a common enterprise between settled defendant Start Connecting LLC and defaulting defendant Start Connecting SAS.

The FTC further argues individual defaulting defendant Juan S. Rojas should be held individually liable for the common enterprise’s conduct. (Doc. 209, pp. 18–19). “To prove individual liability, the FTC must first demonstrate that the individual defendant had authority to control or directly participated in the practices at issue.” *FTC v. Fleetcor Techs., Inc.*, 620 F. Supp. 3d 1268 (N.D. Ga. 2022) (citing *On Point*, 17 F.4th at 1083). “Authority to control [. . .] may be established by active involvement in business affairs and the making of corporate policy and by evidence that the individual had some knowledge of the practices.” *FTC v. IAB Mktg. Assocs., LP*, 746 F.3d 1228, 1233 (11th Cir. 2014) (internal quotation marks and citation omitted). “An individual’s status as a corporate officer gives rise to a presumption of ability to control a small, closely-held corporation.” *FTC v. Transnet Wireless Corp.*, 506 F. Supp. 2d 1247, 1270 (S.D. Fla. 2007) (quotation marks and citation omitted).

Mr. Rojas is a member and manager of USASDR and holds himself out as the CEO of Start Connecting SAS. (Doc. 1, ¶ 13). Mr. Rojas “formulated, directed, controlled, had the authority to control, or participated in the acts and practices of USASDR and Start Connecting SAS.” (*Id.*). He responded to Better Business Bureau complaints (showing he had knowledge of the practices), registered and paid for domain names, and served as a customer point of contact for merchant processing accounts. (*Id.*). Because these allegations are deemed admitted, the FTC established defaulting defendant Juan S. Rojas may be held individually liable for the common enterprise’s conduct.

Accordingly, it is recommended the defaulting defendants be held jointly and severally liable with the settled defendants. *See Nat’l Urological Grp., Inc.*, 645 F. Supp. 2d at 1213–14 (N.D. Ga. 2008) (corporate defendant acting as common enterprise and individual defendants liable for corporations’ actions held jointly and severally liable).

ii. Permanent Injunction and Monitoring³

Section 13(b) of the FTC Act allows courts to issue permanent injunctions against violations of laws enforceable by the FTC. 15 U.S.C. § 53(b). “Injunctive

³ The FTC filed a proposed order granting default judgment which contains provisions for a permanent injunction, compliance monitoring, and monetary relief. (Doc. 209-1). Although this court has not yet granted leave to file the proposed judgment (*See* Local Rule 3.01(j)), this report cites the sections relevant to the FTC’s proposed relief.

relief should be limited in scope to the extent necessary to protect the interests of the parties.” *Keener v. Convergys Corp.*, 342 F.3d 1264, 1269 (11th Cir. 2003). “[T]he test is whether ‘the defendant’s past conduct indicates that there is a reasonable likelihood of further violations in the future.’” *FTC v. Lalonde*, 545 F. App’x 825, 841 (11th Cir. 2013) (citing *CFTC v. Wilshire Inv. Mgmt. Corp.*, 531 F.3d 1339, 1346–47 (11th Cir. 2008)). A court determines the likelihood of further violations by considering “the egregiousness of the defendant’s actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant’s assurances against future violations, the defendant’s recognition of the wrongful nature of his conduct, and the likelihood that the defendant’s occupation will present opportunities for future violations.” *SEC v. Carriba Air, Inc.*, 681 F.2d 1318, 1322 (11th Cir. 1982). “The Commission is not limited to prohibiting the illegal practice in the precise form in which it is found to have existed in the past. Having been caught violating the [FTC] Act, respondents must expect some fencing in.” *FTC v. Colgate–Palmolive Co.*, 380 U.S. 374, 395 (1965).

The FTC requests the court enter a permanent injunction barring the defaulting defendants from marketing and selling secured and unsecured debt relief products and services. (Doc. 209, p. 21; Doc. 209-1, Section I). The FTC further requests the permanent injunction bar the defaulting defendants from telemarketing. (Doc. 209-1, Section II). The defaulting defendants

reconstituted their debt relief scam within one week of the court entering the Temporary Restraining Order. (Doc. 151 at 6–13). Mr. Rojas seems to have previously worked for a different student loan debt relief scam targeted by the FTC, showing he is unlikely to be dissuaded from repeating his actions. (Doc. 151, p. 35). The FTC’s proposed provisions prohibiting the defaulting defendants from telemarketing and marketing and selling secured and unsecured debt relief products and services (Doc. 209-1, Sections I–II) are appropriate under the circumstances. *See, e.g., Lanier Law*, 1943 F. Supp. 3d at 1288–89 (M.D. Fla. 2016).

The FTC requests the “fencing-in” relief of prohibiting the defaulting defendants from “engaging in misconduct similar to that alleged in the Complaint, such as making material misrepresentations about any good or service, making unsubstantiated claims, trafficking in fake reviews or indicators of social media influence, providing consumers with contracts written in a different language than the one used in the sales pitch, and obtaining consumers’ financial information under false pretenses.” (Doc. 209, p. 22; Doc. 209-1, Section III). The requested “fencing-in” relief (Doc. 209-1, Section III) bears a reasonable relation to the unlawful practices found to exist and is warranted to prevent the defaulting defendants from engaging in similar deceptive practices. *See, e.g., FTC v. Pointbreak Media, LLC*, 376 F. Supp. 3d 1257, 1288–89 (S.D. Fla. 2019).

To enforce the above provisions of the permanent injunction, the FTC also requests compliance monitoring that would “restrict the Defaulting Defendants’ use of their former customers’ information[,] require them to submit signed acknowledgments of having received the order[,] require them to submit periodic compliance reports[,] require that they create and maintain certain records[,] and authorize the FTC to engage in ongoing compliance monitoring, with which the Defaulting Defendants must cooperate[.]” (Doc. 209, p. 24). Courts routinely authorize similar compliance monitoring. *See, e.g., FTC v. MOBE Ltd.*, No. 618CV862ORL37DCI, 2020 WL 3250220, at *6 (M.D. Fla. Mar. 26, 2020), *report and recommendation adopted*, No. 618CV862ORL37DCI, 2020 WL 1847354 (M.D. Fla. Apr. 13, 2020); *Life Mgmt. Servs. of Orange Cty.*, LCC, 350 F. Supp. 3d at 1280–83; *FTC v. Capital Choice Consumer Credit, Inc.*, Case No. 02-21050, 2004 WL 5141452, at *4 (S.D. Fla. May 5, 2004). The FTC’s suggested monitoring provisions and jurisdiction retention provision (Doc. 209-1, Sections VII–XII) are appropriate in this case to facilitate enforcement of the permanent injunction provisions.

iii. Monetary Judgment

Section 19 of the FTC Act authorizes a court to grant relief against any person, partnership, or corporation that violates “any rule under this subchapter respecting unfair or deceptive acts or practices” including “the refund of money or return of property.” 15 U.S.C. § 57b. Section 19

encompasses violations of the TSR and GLB Act. *See FTC v. Simple Health Plans LLC*, 58 F.4th 1322, 1328–29 (11th Cir. 2023); *see also RCG Advances, LLC*, 695 F. Supp. 3d at 392.

The proper redress calculation is “net revenue, that is, gross receipts less refunds, resulting from the deception[.]” *Washington Data Res.*, 856 F. Supp. 2d at 1280. “[T]he FTC ‘must show that its calculations reasonably approximated the amount of customers’ net losses,’ but ‘[t]he calculation may be properly based on estimates.’” *FTC v. Higher Goals Mktg. LLC*, No. 617CV2048ORL41LRH, 2019 WL 6330720, at *9 (M.D. Fla. Nov. 6, 2019), *report and recommendation adopted*, No. 617CV2048ORL41LRH, 2019 WL 6321165 (M.D. Fla. Nov. 26, 2019) (citing *FTC v. RCA Credit Servs., LLC*, 727 F. Supp. 2d 1320, 1336–37 (M.D. Fla. 2010)).

FTC Investigator Christine Carson used the defendants’ bank records and the sum of consumer receipts less chargebacks and refunds to calculate the defendants’ net revenue during the three-year limitations period as \$7,304,737.29. (Doc. 209-2, pp. 3–8). “Once the FTC has sufficiently calculated the amount of restitution, the burden shifts to the defendants to show that those figures are inaccurate.” *Higher Goals Mktg. LLC*, 2019 WL 6330720, at *9. Because the defaulting defendants failed to respond to the FTC’s motion, Ms. Carson’s calculations are sufficient. *See Id.* (finding FTC investigator’s uncontroverted analysis sufficient to approximate defendant’s net revenue).

Accordingly, it is recommended the court hold the defaulting defendants jointly and severally liable with the settled defendants for \$7,304,737.29 in monetary relief.

IV. CONCLUSION

For the reasons stated, it is **RECOMMENDED** that:

- (1) The FTC's Motion for Default Judgment (Doc. 209) be **GRANTED**;
- (2) The FTC be granted leave to submit its proposed final judgment order and permanent injunction pursuant to Local Rule 3.01(j);
and
- (3) The court hold defaulting defendants Start Connecting SAS and Juan S. Rojas jointly and severally liable with the settled defendants for monetary damages in the amount of **\$7,304,737.29**.

ENTERED in Tampa, Florida on August 22, 2025.



AMANDA ARNOLD SANSONE
United States Magistrate Judge

NOTICE TO PARTIES

The parties have fourteen days from the date they are served a copy of this report to file written objections to this report's proposed findings and

recommendations or to seek an extension of the fourteen-day deadline to file written objections. 28 U.S.C. § 636(b)(1); 11th Cir. R. 3-1. A party's failure to object timely under 28 U.S.C. § 636(b)(1) waives that party's right to challenge on appeal the district court's order adopting this report's unobjected-to factual findings and legal conclusions. 11th Cir. R. 3-1.