

ORIGINAL

**FILED IN OPEN COURT
U.S.D.C. Atlanta**

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JAN 05 2010

JAMES N. HATTEN, Clerk
By: *[Signature]*
Deputy Clerk

UNITED STATES OF AMERICA :
 :
v. : CRIMINAL INDICTMENT
 :
 :
KARA SINGLETON ADAMS; :
JASON JAMES EYER; and : NO.
JAMES A. SCHOENHOLZ :
 :

1 10-CR-006

THE GRAND JURY CHARGES THAT:

COUNT ONE
Conspiracy

1. Beginning as early as 2008 and continuing through in or about December 2009, the exact dates being unknown to the Grand Jury, in the Northern District of Georgia and elsewhere, Defendants KARA SINGLETON ADAMS, JASON JAMES EYER, and JAMES A. SCHOENHOLZ, aided and abetted by each other and others known and unknown to the Grand Jury, did knowingly and willfully and unlawfully combine, conspire, confederate, agree and have a tacit understanding with each other and others known and unknown to the grand jury, to commit certain offenses against the United States, to wit:

OBJECTS OF THE CONSPIRACY

2. To devise and intend to devise a scheme and artifice to defraud consumers by the sale of purported credit card interest rate reduction programs, in violation of Title 18, United States Code, Sections 1341, 1343, and 2326.

BACKGROUND

At all times relevant to this indictment:

3. Economic Relief Technologies, LLC ("ERT") was a Nevada limited liability company with its last known principal place of business of 1820 Water Place, Suite 250, Atlanta, Georgia.

4. SafeRide Warranty LLC ("SafeRide") is a Florida limited liability company, that was domesticated in Georgia on May 8, 2008, with its last known principal place of business of 1820 Water Place, Suite 255, Atlanta, Georgia.

5. VP Marketing, LLC ("VPM") was a Georgia limited liability company with last known principal place of business at 1820 Water Place, Suite 195, Atlanta, Georgia.

6. Defendant KARA SINGLETON ADAMS ("ADAMS") was a member manager of ERT, SafeRide, and VPM. Defendant ADAMS, acting alone and in concert with others, formulated, directed, controlled, or participated in the acts and practices of ERT, SafeRide, and VPM. Defendant ADAMS resided and transacted business in the Northern District of Georgia.

7. Defendant JASON JAMES EYER ("EYER") was a member manager of ERT and SafeRide, and a member of VPM. Defendant EYER, acting alone and in concert with others, formulated, directed, controlled, or participated in the acts and practices of ERT, SafeRide, and VPM. Defendant EYER resided and transacted business in the Northern District of Georgia.

8. Defendant JAMES A. SCHOENHOLZ ("SCHOENHOLZ") was a member manager and Corporate Secretary of ERT and SafeRide, and was a member manager of VPM. Defendant SCHOENHOLZ, acting alone and in concert with others, formulated, directed, controlled, or participated in the acts and practices of ERT, Saferide, and VPM. Defendant SCHOENHOLZ resided and transacted business in the Northern District of Georgia.

9. Defendants ADAMS, EYER, and SCHOENHOLZ (collectively "Defendants") also transacted business under the following business names: Clear Breeze Solutions; Money Works; Client Services; Financial Protection Center; Life Change Solutions; Express Debt Elimination; Capital Resources; Express Corp Advisor; Express Corp; Card Services; Credit Services; Americare Software Solutions; A Better Tomorrow; Helping Hand Resources; Auto Protection Center; Warranty Services; Auto War; Assured Warranty; Debt Suite, Inc.; Total Curb Appeal, LLC; Debtworks Software, LLC; DM Associates, LLC; VersaDebt Corp; and FYI Tech, Inc.

MANNER AND MEANS

10. It was part of the Defendants' conspiracy and the illegal objects thereof:

A. Defendants, utilizing one of the aforementioned business names, either directly or through one or more intermediaries, initiated telephone calls to consumers throughout the United States to induce the sale of their purported credit card

interest rate reduction program. Consumers were either greeted by a prerecorded message instructing them to "press 1 now" if they would like to have their credit card interest rates lowered or directly solicited by a live telemarketer offering to lower the consumers' credit card interest rates. Consumers who pressed "1" were connected to a live telemarketer.

B. Utilizing scripts prepared by or at the request of the Defendants, live telemarketers promised consumers that they could substantially lower the consumers' credit card interest rates and save the consumers thousands of dollars in interest payments.

C. In order to find out if they "qualified" for the program, consumers were asked to provide their credit card number, last four digits of their social security number, zip code, and toll-free customer service number on the back of their credit card. In actuality, Defendants' telemarketers requested this information to determine whether the consumer had enough available credit to charge Defendants' program fee.

D. After deeming a consumer "qualified," the telemarketer would tell the consumer that, under Defendants' program, consumers would become debt-free much faster, typically three to five times faster, than they would without Defendants' program. Consumers were also told that their monthly payments

would be no higher than their current monthly payments on their credit card accounts.

E. Finally, consumers were assured that there was no out of pocket cost associated with Defendants' interest rate deduction program; according to Defendants' telemarketers, the cost of Defendants' program, typically between \$749 and \$1,495, would be paid for out of the thousands of dollars in savings the consumer would achieve. Consumers were told that this savings would be realized within thirty to forty-five days and were promised a full refund of their purchase price if they did not achieve \$4,000 in savings. Some customers were offered additional incentives of a \$500 gas card and a \$500 shopping gift card to sign-up for Defendants' interest rate reduction program.

F. Consumers who decided to sign-up for Defendants' interest rate reduction program were immediately charged a fee on their credit card ranging from \$749 to \$1,495.

G. Consumers who signed up for Defendants' interest rate reduction program typically received a packet of information from Defendants in the mail. The packet contained forms the consumer was supposed to fill out with their credit card information. The packet also included documentation which, contrary to the claims made in Defendants' telemarketing campaign, included a guarantee of \$4,000 in savings, but did

not specify a time limit for the guarantee. Further, the documents listed "financial analysis" as the service provided and interest rate negotiations only as a "bonus."

H. Consumers who paid for Defendants' interest rate deduction program did not receive what they were promised. In many instances, no attempt was made to negotiate a lower interest rate for consumers' credit cards. Even when representatives of Defendants' did call a consumer's credit card company to request a lower interest rate, the rates were rarely lowered and the consumer did not save thousands of dollars as promised in Defendants' sales pitch. When a consumer complained about not receiving the savings as promised, Defendants often mailed (or caused to be mailed) the consumer a "financial analysis" containing publicly-available "advice" suggesting that the consumer pay more money each month to save in interest over the life of the debt or transfer balances from high interest credit cards to credit cards with lower interest rates. Consequently, consumers were not able to pay down their credit card debts faster than without Defendants' program.

I. Despite failing to provide any of the services promised or fulfill any of the representations made, Defendants refused to refund consumers of their money as guaranteed in their telemarketing and subsequent mailing campaign.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH ELEVEN

Wire Fraud

11. The Grand Jury includes by incorporation and re-alleges Paragraphs 1-10 of Count One, above.

12. From on or about January 2008, and continuing through on or about December 2009, the exact date being unknown to the Grand Jury, in the Northern District of Georgia and elsewhere, the Defendants, KARA SINGLETON ADAMS, JASON JAMES EYER, and JAMES A. SCHOENHOLZ, aided and abetted by each other and others known and unknown to the Grand Jury, did for the purpose of executing the scheme and artifice to defraud, and attempting to do so, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, did knowingly and willingly cause to be transmitted by means of wire and radio communications in interstate commerce, certain signs, signals and sounds, that is, wire transfers of money via credit and debit cards into Defendants' ERT, SafeRide, and VPM bank accounts at Bank of America, as described below:

| COUNT | DATE (on or about) | VICTIM | AMOUNT |
|-------|--------------------|-----------------|----------|
| 2 | 5/30/2008 | M.B., Pewaukee, | \$990.00 |

| | | Wisconsin | |
|----|------------|--------------------------------------|-----------|
| 3 | 8/6/2008 | A.D., Pawtucket, Rhode Island | \$749.00 |
| 4 | 8/18/2008 | V.A., Mastic, New York | \$990.00 |
| 5 | 8/19/2008 | J.B., Miami, Oklahoma | \$990.00 |
| 6 | 8/19/2008 | S.G., Appomattox, Virginia | \$990.00 |
| 7 | 9/8/2008 | H.G., Arthurdale, West Virginia | \$990.00 |
| 8 | 12/29/2008 | R.A.H., St. Paul, Minnesota | \$1090.00 |
| 9 | 1/8/2009 | K.D., Tyler, Texas | \$1495.00 |
| 10 | 2/19/2009 | D.B., Omaha, Nebraska | \$1495.00 |
| 11 | 3/26/2009 | G.M., Hidden Valley Lake, California | \$1295.00 |

All in violation of Title 18, United States Code, Sections 1343, 2326, and 2.

FORFEITURE PROVISION

Upon conviction of one or more of the wire fraud (Title 18, United States Code, Section 1343) offenses alleged in Counts Two through Eleven of this Indictment, Defendants KARA SINGLETON ADAMS, JASON JAMES EYER, and JAMES A. SCHOENHOLZ shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461 any property constituting or derived from proceeds obtained directly or indirectly as a result of said violations, including but not limited to:

Account#: D2000192008329 - Provident Bank and Trust of Belize

If, as a result of any act or omission of the Defendants, any property subject to forfeiture:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

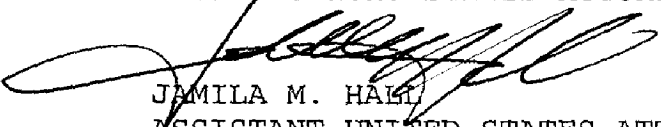
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

the United States intends, pursuant to Title 18, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A True BILL
Spengler
FOREPERSON

SALLY QUILLIAN YATES
ACTING UNITED STATES ATTORNEY


JAMILA M. HALL
ASSISTANT UNITED STATES ATTORNEY
Georgia Bar No. 319053

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