

**For Release:** December 5, 2006

## **CAMCO To Pay \$1 Million to Settle Unfair, Deceptive Debt Collection Practices**

Capital Acquisitions and Management Corp. and affiliated companies will pay \$1 million to settle Federal Trade Commission charges that their debt collection practices violated federal law. The settlement bans the companies from engaging in any future debt collection activities. Previous settlements with eight CAMCO principals and managers also imposed lifetime bans on any future debt-collection activities.

In March 2004, the FTC charged CAMCO, RM Financial, and their principals with threatening and harassing thousands of consumers to get them to pay old, unenforceable debts or debts they did not owe. The agency alleged that their abusive and deceptive collection practices violated federal law, including the Fair Debt Collection Practices Act. The companies and individuals paid a \$300,000 civil penalty to settle the charges and were barred from engaging in abusive, deceptive, and illegal collection practices in the future.

In December 2004, the FTC sued the defendants alleging that they continued to use harassing, intimidating, deceptive, and illegal methods to collect “debts” – debts so old that they were beyond the statute of limitations, and could not appear on credit reports – and debts consumers never incurred and did not owe at all. At the agency’s request, the court entered a temporary restraining order, froze the assets of the company and its principals and appointed a receiver to oversee the corporate records and assets, pending trial. The court-appointed receiver shut the business down shortly after the court entered the TRO, and it has not operated since then. The settlement announced today ends the litigation with the corporate defendants and all but one individual defendant.

The settlement bans the defendants from engaging in debt-collection activities or assisting others engaged in debt-collection activities. The defendants will give up \$1 million in ill-gotten gains to the FTC. The settlement also contains certain record keeping and bookkeeping provisions to allow the agency to monitor compliance with its order.

The parties named in the FTC complaint include Capital Acquisitions and Management Corp.; RM Financial Services, Inc.; Capital Properties Holding, Inc.; Caribbean Asset Management, Ltd., Reese Waugh, Jerome Kuebler, Eric Woldoff, George Othon, Jeffrey Garrington, David Kapp, Joshua Rausch, Michael Seng, and Billy Martin.

The Commission vote to authorize the staff to file the complaint and stipulated order was 5-0. It was entered by Judge Robert W. Gettleman of U.S. District Court for the Northern District of Illinois, Eastern Division on November 30, 2006. The Court entered stipulated permanent injunctions against defendants Waugh, Kuebler, Woldoff, Othon, Garrington, Kapp, Seng, and Martin, in May 2006.

NOTE: This stipulated final order is for settlement purposes only and does not constitute an admission by the defendant of a law violation. A stipulated final order requires approval by the court and has the force of law when signed by the judge.

**Copies** of the complaint and stipulated order are available from the FTC’s Web site at <http://www.ftc.gov> and also from the FTC’s Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at <http://www.ftc.gov>. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to thousands

of civil and criminal law enforcement agencies in the U.S. and abroad.

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(<http://www.ftc.gov/opa/2006/12/camco.htm>)