



## FEDERAL TRADE COMMISSION PROTECTING AMERICA'S CONSUMERS

# FTC Puts An End to Data Broker Operation that Helped Scam More Than \$7 Million from Consumers' Accounts

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FOR RELEASE

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The Federal Trade Commission has closed the book on a data broker operation that the agency alleges got personal information from people who thought they were applying for payday loans online, and sold it to a scam that tapped consumers' bank accounts and credit cards without their consent.

A stipulated order against Jason A. Kotzker resolves charges the FTC brought in August 2015, alleging that he and his co-defendants, instead of passing the information to legitimate payday lenders, sold it to companies like Ideal Financial Solutions Inc., which raided consumers' accounts for at least \$7.1 million. The FTC also alleged that the defendants helped Ideal Financial hide the fraud from banks.

The order prohibits Kotzker from selling or disclosing consumers' sensitive personal information, making misrepresentations about any financial or other product or service, and profiting from consumers' personal information and failing to dispose of it properly. It imposes a judgment of more than \$7.1 million that will be partially suspended upon payment of \$45,000, which represents virtually all of Kotzker's assets.

Under settlement orders entered last year in this case, Paul T. McDonnell, Theresa D. Bartholomew, and her son, John E. Bartholomew, Jr., also are prohibited from selling or otherwise benefitting from customers' personal information. The order against the Bartholomews imposed a \$7.1 million judgment that was suspended upon payment of \$15,000. The order against McDonnell imposed a judgment of more than \$3.7 million, which was suspended due to his inability to pay. For all of the defendants, the full judgments will become due immediately if they are found to have misrepresented their financial condition.

The court entered a default judgment against the corporate defendants, Sequoia One LLC and Gen X Marketing Group LLC.

The Commission vote approving the proposed stipulated final order against Kotzker was 3-0. The order was entered by the U.S. District Court for the District of Nevada on November 3, 2016. The stipulated final orders against the Bartholomews and McDonnell were entered on August 13, 2015. The default judgment against Sequoia One and Gen X Marketing Group was entered on November 14, 2016.

**NOTE:** Stipulated final orders have the force of law when approved and signed by the District Court judge.

To learn more, read [Online Payday Loans](#).

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

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