

**UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND**

FEDERAL TRADE COMMISSION,

Case No. _____

Plaintiff,

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

v.

PONTE INVESTMENTS, LLC, a limited liability company, also d/b/a SBA LOAN PROGRAM and d/b/a SBA LOAN PROGRAM.com, and

JOHN C. PONTE, individually and as an officer of PONTE INVESTMENTS, LLC,

Defendants.

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brOGER

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

DEFENDANTS

6. Defendant Ponte Investments, LLC, also doing business as SBA Loan Program and SBA Loan Program.com, is a Rhode Island limited liability company with its principal place of business at 1300 Division Road, Suite 305, West Warwick, RI 02893. SBA Program transacts or has transacted business in this District throughout the United States

7. Defendant John C. Ponte is the owner, managing member, and President of SBA Loan Program. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of SBA Loan Program, including the acts and practices set forth in this Complaint. Defendant Ponte resides in this District and in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States

COMMERCE

8. At all times material to this Complaint, Defendants Ponte Investments, LLC, also doing business as SBA Loan Program and SBA Loan Program.com and John C. Ponte

(hereinafter Defendants or SBA Loan Program) have maintained a substantial amount of trade in or affecting commerce, as “commerce” is defined in Section 6 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

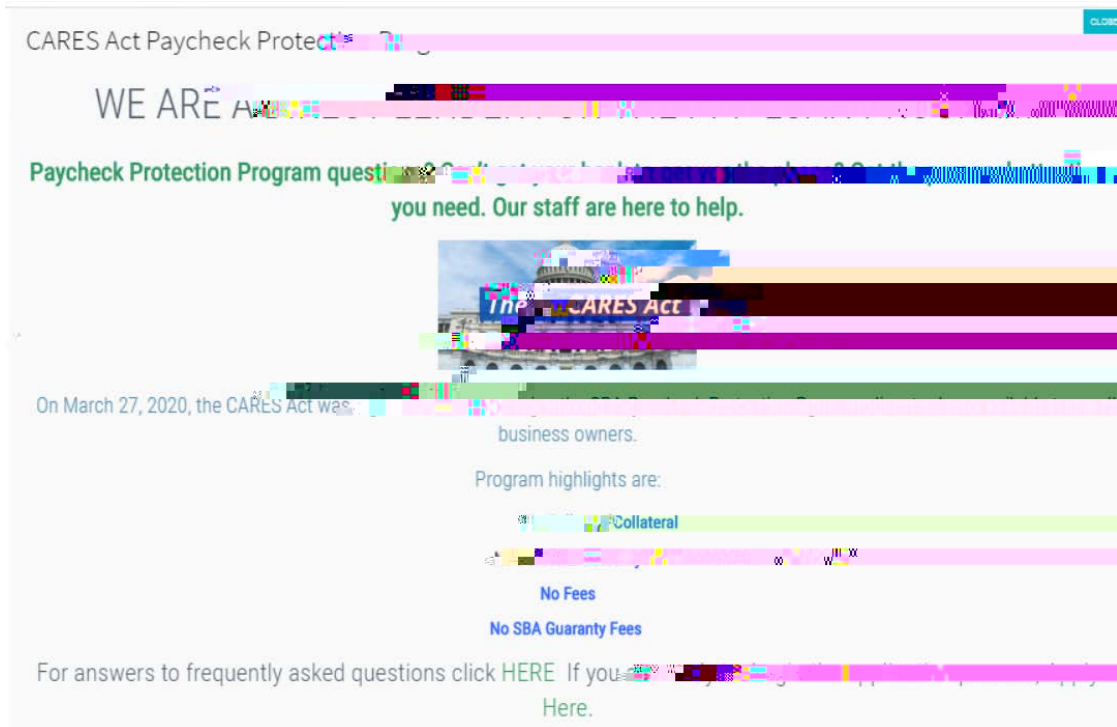
9. SBA Loan Program preys on small businesses seeking financial relief from the devastating effects of the coronavirus pandemic. Small businesses, which typically cannot survive less than a month without incoming revenue, have particularly felt the damaging effects of the pandemic. These businesses have been struggling to retain employees and keep their doors open.

10. SBA Loan Program claims to make funds available to small businesses through federal legislation creating a new SBA loan program but Defendants are not authorized to make and approve such loans. SBA Loan Program is not affiliated with the true SBA loan program, or with the SBA.

Background on Federal Legislation on Small Business Relief

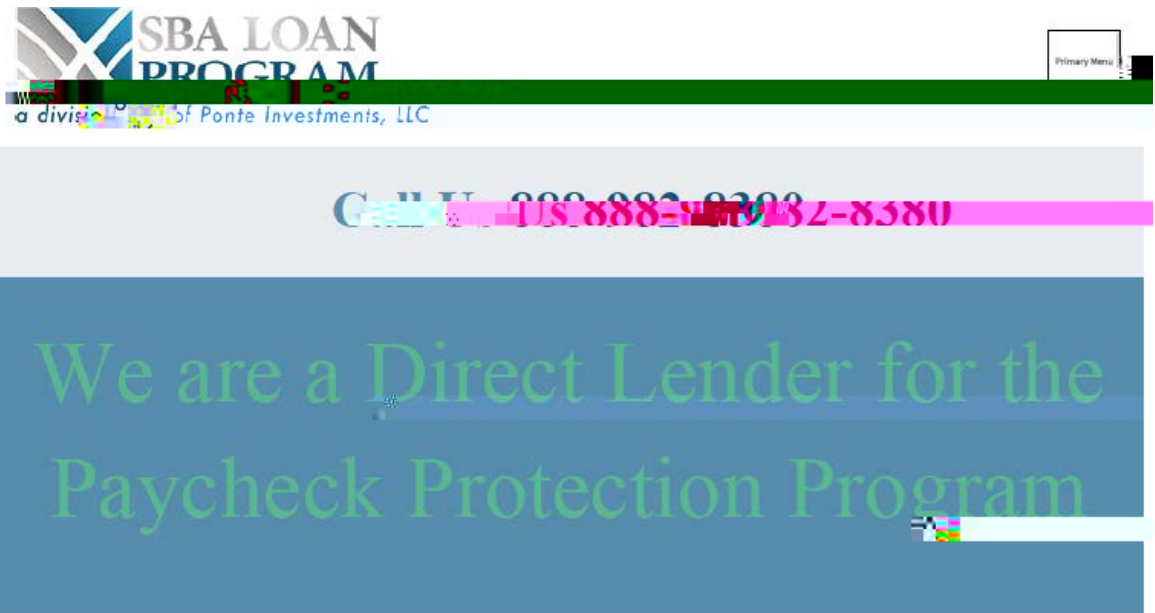
11. The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), P.L. 116-136, was enacted to provide immediate assistance to individuals, families, and businesses affected by the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak. Under the CARES Act, eligible small businesses can obtain loans under a new temporary SBA loan program, also called the Paycheck Protection Program (“PPP”). The loans can only be made by lenders authorized by the SBA.

12. Consumer demand for these loans has been extremely high and unprecedented. As of mid-day Thursday April 16, 2020 at least 6 million PPP loans already have been approved, accounting for the full \$349 billion Congress has presently allotted to this program.



A true and correct copy of the webpage is attached as Exhibit A.

18. The pop-up screen then invites consumers to “Apply Here.” Clicking on “Apply Here” brings consumers to an online application that again prominently outs “CARES Act Paycheck Protection Program” and it has reiterated to applying consumers “We are a Direct Lender for the Pay F K H F N Protection Program”.



CARES Act Paycheck Protection Program

A true and correct copy of the webpage is attached as Exhibit B.

19. SBA Loan Program further represents that the Paycheck Protection Program is being processed through lenders across the country participating in this program. No fee, No collateral, and No personal guaranty required. Lending is at a fixed 1.00% interest rate for two years and the SBA guaranty fee is waived. Apply now.

20. SBA Loan Program also has represented to some applying consumers that "[w]e

31. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 30, Defendants are not authorized to make PPP loans.

32. Therefore, Defendants' representations as set forth in Paragraph 30 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II

Misrepresentations Concerning Government Status

33. In numerous instances in connection with the advertising, marketing, promotion, or offering of PPP loans, including through the means described in Paragraphs 14-23, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants are the United States Small Business Administration or are affiliated or otherwise associated with, or endorsed, sponsored, or approved by the United States Small Business Administration.

34. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraphs 33, Defendants are not the United States Small Business Administration and are not affiliated or otherwise associated with, or endorsed, sponsored, or approved by the United States Small Business Administration.

35. Therefore, Defendants' representations as set forth in Paragraph 33 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

36. Consumers are suffering, have suffered and will continue to suffer substantial injury as a result of Defendants' violations of

Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

37. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of the monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b) and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief including, but not limited to, a temporary and preliminary injunction.

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants.

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including rescission or reformation of contracts, restitution, the refund

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel

Dated: April 17, 2020

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