



Hudson Cook Enforcement Alert: FTC Announces Permanent Ban against Business Financing Company and CEO for Alleged Violations of FTC Act, Telemarketing Sales Rule, and Consumer Review Fairness Act

November 18th, 2025 | [Michael A. Goodman](#) and [Taylor A. Krowitz](#)

HIGHLIGHTS:

- The Federal Trade Commission (“FTC”) settled a case against a business financing company (the “Company”) and its founder over allegations that the Company made misrepresentations about its financing products and terms and prevented consumers from posting negative reviews about the Company.
- The Company was ordered to pay a total of \$48.2 million, with all but \$250,000 suspended due to an inability to pay.
- The Company and CEO are permanently banned from, among other things, offering business financing, debt relief, and credit repair services.

CASE SUMMARY:

In November 2024, the FTC filed a complaint against the Company and its founder alleging that the Company deceptively advertised that it was able to secure business loans or lines of credit for small businesses without affecting the owners’ credit scores. Rather than providing these loans, the Company was actually applying for credit cards on behalf of the business owners. After securing approval for the credit cards, the Company would charge the business owners 10% of the credit card limit for each card, plus fees, despite claiming there were no upfront fees as part of the financing arrangement. The FTC alleged that the Company collected over \$37 million dollars in fees from over 5,000 consumers.

In November 2025, the FTC announced a stipulated final order settling the case. The final order follows a summary judgment order issued against the Company in September 2025. The summary judgment order found that the company’s misrepresentations about relationships with lenders, line of credit capabilities, financing terms, no fees, and credit score impact violated the FTC Act and the Telemarketing Sales Rule, and the Company’s contract with consumers, which prohibited negative online reviews, violated the Consumer Review Fairness Act. The order also found that the company’s billing practices related to early termination fees violated the FTC Act.

The final order imposed a monetary judgment of \$48,280,328 on the Company and its CEO. However, the order suspended all but \$250,000 of this judgment amount, based on the defendants’

inability to pay the full judgment. In addition, the Company and the CEO have been permanently banned from:

- Marketing, promoting, or offering credit, loans, or other business financing, debt relief services, or credit repair services;
- Making misrepresentations, including misleading statements related to their business affiliations, their offerings' impact on consumers' credit scores, and upfront fees;
- Billing consumers without obtaining and documenting consumers' expressed informed consent;
- Violating the Telemarketing Sales Rule; and
- Prohibiting or restricting consumer reviews of their products or services.

RESOURCES:

You can review all of the relevant administrative filings and press releases at the [FTC's Enforcement Page](#).

- [Press Release](#)
- [Complaint](#)
- [Summary Judgment Order](#)
- [Final Order](#)