UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission v. Seek Capital, LLC

No. 2:24-cv-09511-RGK-MAA (C.D. Cal. Sept. 16, 2025) · No. 2:24-cv-09511-RGK-MAA · Decided September 30, 2025

SUMMARY

This document is a stipulated proposed order for permanent injunction, monetary judgment, and other relief in the Federal Trade Commission's action against Seek Capital, LLC, Roy Ferman, and related defendants. It permanently prohibits specified business-financing, debt-relief, credit-repair, deceptive, telemarketing, unauthorized-charging, and unlawful-contract practices. The order enters a $48,280,328 joint and several judgment, requires an immediate $250,000 payment with the remainder suspended subject to conditions, and imposes cooperation, compliance, recordkeeping, and monitoring obligations.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	R. Gary Klausner
DECIDED	September 30, 2025
DOCKET	2:24-cv-09511-RGK-MAA
DISPOSITION	other
PROCEDURAL POSTURE	The FTC moved for summary judgment on liability, affirmative defenses, individual liability, and injunctive and monetary relief. Defendant Roy Ferman moved for partial summary judgment concerning deference to the FTC's requested relief and the scope of injunctive relief. The court granted the FTC's motion in part, denied it in part, and denied Ferman's motion.
STANDARD OF REVIEW	Summary judgment is proper under Federal Rule of Civil Procedure 56(a) when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The nonmoving party must present specific evidence sufficient to create a genuine issue for trial; conclusory statements and reliance solely on pleadings are insufficient.
PRECEDENTIAL VALUE	unpublished district-court opinion

TOPICS

consumer protection · deceptive trade practices · summary judgment · injunctions · commercial litigation

PRACTICE AREAS

consumer protection · Federal Trade Commission Act enforcement · telemarketing regulation · commercial litigation · civil procedure

QUESTIONS PRESENTED

1. Whether specified representations concerning lender relationships, line-of-credit capabilities, financing terms, fees, and credit-score effects violated Section 5 of the FTC Act and the Telemarketing Sales Rule.
2. Whether Seek's representations concerning business loans and lines of credit and customer reviews presented genuine disputes of material fact precluding summary judgment.
3. Whether specified billing practices, including early termination fees and charges for services not provided, violated the FTC Act.
4. Whether Seek's form contract violated the Consumer Review Fairness Act.
5. Whether the two corporate entities operated as a common enterprise.
6. Whether Defendants' affirmative defenses failed as a matter of law or for lack of evidentiary support.
7. Whether Roy Ferman was individually liable for injunctive and monetary relief.
8. Whether the scope of requested injunctive and monetary relief could be resolved on summary judgment.
9. Whether the court was required to defer to the FTC concerning the requested scope of relief.

HOLDINGS

1. Seek's representations that it had special or direct lender relationships, access to programs unavailable to the public, and did not receive compensation from lending partners were misleading and violated Section 5 of the FTC Act and the Telemarketing Sales Rule.
2. Seek's representations that its credit cards had line-of-credit capabilities were misleading as a matter of law.
3. Seek's representations promising zero-percent APR or no interest for specified periods were false and misleading in violation of the FTC Act and TSR.
4. Seek's representations that it charged no upfront fees and charged only upon funding were false and misleading in violation of the FTC Act and TSR.
5. Seek's representations that its services involved no hard credit pulls and would not harm consumers' credit scores were misleading in violation of the FTC Act.
6. Summary judgment was denied because a genuine dispute existed concerning whether Seek's representations about business loans and lines of credit were misleading.
7. Summary judgment was denied on whether Seek's representations concerning overwhelmingly positive customer reviews were misleading.

8. Seek's early termination fees and charges for certain services not provided violated Section 5 of the FTC Act; summary judgment was denied concerning fee inflation and same-day funding fees.
9. Seek violated the Consumer Review Fairness Act by using a form contract that prohibited consumers from posting negative online reviews.
10. The two Seek corporate entities operated as a common enterprise and could be held liable for each other's deceptive acts and practices.
11. All affirmative defenses failed except the fifth defense insofar as it related to the scope of damages or injunctive relief.
12. Roy Ferman was individually liable for injunctive and monetary relief arising from Seek's violations.
13. The scope of injunctive and monetary relief could not be resolved on summary judgment because genuine disputes remained concerning Defendants' full liability and the amount and scope of appropriate relief.

KEY QUOTATIONS

> *"Under the FTCA, a representation is considered deceptive if it is (1) likely to mislead consumers acting reasonably under the circumstances, and (2) material."* (4)

> *"Section 13(b) gives the federal courts broad authority to fashion appropriate remedies for violations of the FTCA."* (17)

FACTUAL BACKGROUND

Seek Capital, operated through two corporate entities controlled by founder and CEO Roy Ferman, marketed business-funding services to small-business consumers through websites, advertisements, email, and telemarketing. Although Seek represented that it would obtain business loans, lines of credit, favorable financing terms, and credit cards without harming consumers' credit scores or charging upfront fees, its services involved applying for credit cards and included hard credit inquiries and various fees. Seek also used a contract provision restricting negative consumer reviews and engaged in billing practices that included early termination fees and charges for services allegedly not provided.

PROCEDURAL HISTORY

The FTC filed its complaint on November 4, 2024, alleging violations of Section 5 of the FTC Act, the Telemarketing Sales Rule, and the Consumer Review Fairness Act. The court entered a preliminary injunction on February 20, 2025. On September 16, 2025, the court ruled on the parties' summary-judgment motions, granting summary judgment on specified violations and liability issues while leaving the scope of injunctive and monetary relief for further proceedings.

DISPOSITION

other

CASES CITED

- Celotex Corp. v. Catrett, 477 U.S. 317, 324-25 (1986)
- National Union Fire Insurance Co. v. Argonaut Insurance Co., 701 F.2d 95, 96-97 (9th Cir. 1983)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248-50 (1986)
- FTC v. Pantron I Corp., 33 F.3d 1088, 1095-96, 1102 (9th Cir. 1994)
- FTC v. Cyberspace.com, LLC, 453 F.3d 1196, 1199-1201 (9th Cir. 2006)
- Ward v. Costco Wholesale Corp., 2009 WL 10670191, at *1 (C.D. Cal. May 6, 2009)
- FTC v. American Standard Credit Systems, Inc., 874 F. Supp. 1080, 1085, 1089 (C.D. Cal. 1994)
- Hernandez v. Experian Information Solutions, Inc., 2021 WL 2325019, at *3 (C.D. Cal. June 4, 2021), rev'd and remanded, 2022 WL 1315306 (9th Cir. May 3, 2022)
- Du-Phillips v. Citibank, N.A., 2025 WL 1615329, at *6 (D. Haw. June 5, 2025)
- Wisdom v. Wells Fargo Bank, N.A., 2012 WL 170900, at *1 (D. Ariz. Jan. 20, 2012)
- FTC v. Resort Car Rental System, 518 F.2d 962, 964 (9th Cir. 1975)
- FTC v. American Financial Benefits Center, 2018 WL 11354861, at *9-*10 (N.D. Cal. Nov. 29, 2018)
- FTC v. Gill, 71 F. Supp. 2d 1030, 1044 (C.D. Cal. 1999)
- FTC v. Publishing Clearing House, Inc., 104 F.3d 1168, 1170-71 (9th Cir. 1997)
- FTC v. Amazon.com, Inc., 2016 WL 10654030, at *8 (W.D. Wash. July 22, 2016)
- FTC v. Neovi, Inc., 604 F.3d 1150, 1158 (9th Cir. 2010)
- FTC v. Neovi, Inc., 598 F. Supp. 2d 1104, 1115 (S.D. Cal. 2008)
- FTC v. J.K. Publications, Inc., 99 F. Supp. 2d 1176, 1201 (C.D. Cal. 2000)
- FTC v. John Beck Amazing Profits, LLC, 865 F. Supp. 2d 1052, 1082 (C.D. Cal. 2012)
- Quintana v. Baca, 233 F.R.D. 562, 564 (C.D. Cal. 2005)
- Vogel v. Huntington Oaks Delaware Partners, LLC, 291 F.R.D. 438, 442 (C.D. Cal. 2013)
- Zivkovic v. Southern California Edison Co., 302 F.3d 1080, 1088 (9th Cir. 2002)
- Barnes v. AT&T Pension Benefit Plan-Nonbargained Program, 718 F. Supp. 2d 1167, 1174 (N.D. Cal. 2010)
- Federal Trade Commission v. North American Marketing & Associates, LLC, 2012 WL 5034967, at *2-*5 (D. Ariz. Oct. 18, 2012)
- Desert European Motorcars, Ltd. v. Desert European Motorcars, Inc., 2011 WL 3809933, at *2-*4 (C.D. Cal. Aug. 25, 2011)
- FTC v. Ivy Capital, Inc., 2011 WL 2470584, at *2 (D. Nev. June 20, 2011)
- FTC v. LoanPointe, LLC, 2011 WL 4348304, at *9 (D. Utah Sept. 16, 2011)
- FTC v. Vemma Nutrition Co., 2016 WL 3548762, at *2 (D. Ariz. June 30, 2016)
- FTC v. Grant Connect, LLC, 763 F.3d 1094, 1101-02 (9th Cir. 2014)
- FTC v. Affordable Media, 179 F.3d 1228, 1235 (9th Cir. 1999)
- United States v. MyLife.com, Inc., 567 F. Supp. 3d 1152, 1170 (C.D. Cal. 2021)
- Lambert Corp. v. LBJC, Inc., 2014 WL 2737913, at *5 (C.D. Cal. June 16, 2014)
- Duff-Brown v. City and County of San Francisco, 2013 WL 163530, at *7 (N.D. Cal. Jan. 15, 2013)

- JL Midwest Milwaukee, LLC v. It's Just Lunch International, LLC, 2022 WL 744055, at *4 (D. Nev. Mar. 11, 2022)
- Loper Bright Enterprises v. Raimondo, 603 U.S. 369, 396 (2024)