

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>14-</u>
v.	:	DATE FILED:
BLAKE RUBIN,	:	VIOLATIONS:
CHASE RUBIN,	:	18 U.S.C. § 371 (conspiracy–1 count)
JUSTIN DIACZUK	:	18 U.S.C. § 1341 (mail fraud – 2 counts)
	:	18 U.S.C. § 1343 (wire fraud – 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of Forfeiture
	:	

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

Introduction

1. For approximately three years, defendants BLAKE RUBIN and CHASE RUBIN, who are brothers, operated a telemarketing scam that duped more than 70,000 people into buying what was falsely marketed as a general-purpose credit card that customers could use to buy merchandise over the internet and improve their credit. In reality, these “cards” – which the defendants named the “Platinum Trust Card” and later renamed as the “Express Platinum Card” – did nothing more than give the cardholder access to an online shopping website that offered little of value for sale. The cards could not be used anywhere other than on the one website, and even there, the cards did not enable their owners to buy anything entirely on credit. Nor did buying or using these cards have any impact on an owner’s credit rating.

2. Defendants BLAKE RUBIN and CHASE RUBIN began selling the “Platinum Trust Card” in or about February 2009 out of a telemarketing call center in Jenkintown, in the Eastern District of Pennsylvania.

3. In or about January 2010, defendant JUSTIN DIACZUK opened a second telemarketing call center for the Platinum Trust Card in Philadelphia, in the Eastern District of Pennsylvania.

4. Defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK directed telemarketers at both call centers to follow deceptive and misleading scripts in order to sell the cards to people whom the defendants knew had bad credit. The defendants charged each of their customers a signup fee of approximately \$79.95 and monthly renewal fees of approximately \$19.95 to maintain their “memberships.”

5. Defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK aided by numerous co-conspirators, known and unknown to the United States Attorney, operated the two call centers until January 31, 2012, when the Federal Trade Commission (“FTC”) obtained a federal court order that effectively shut down their operations.

6. In total, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK defrauded their victims into spending more than \$7.5 million on the nearly worthless Platinum Trust Cards and Express Platinum Cards.

The Corporate Entities

At all times material to this information:

7. CR Ventures, LLC (“CR Ventures”) was a Pennsylvania limited liability company, which did business under different names, including Platinum Trust Card (“Platinum” or “PTC”). CR Ventures had a registered address in Warminster, Pennsylvania.

8. Marquee Marketing, LLC (“Marquee”) was a Nevada limited liability company, which did business under multiple names, including the Express Platinum Card (“Express” or “EPC”). Marquee had a registered address in Henderson, Nevada.

9. Apogee One Enterprises, LLC (“Apogee”) was a Pennsylvania limited liability company, which did business under different names, including Apogee Enterprises, LLC, Platinum Trust Card, and the Express Platinum Card. Apogee had a registered address in Philadelphia, Pennsylvania.

10. CR Ventures, Marquee, and Apogee all did business in and affecting interstate commerce.

11. Defendants BLAKE RUBIN and CHASE RUBIN were co-owners and principals of CR Ventures and Marquee, which they operated out of offices located on Johnston Street in Jenkintown, in the Eastern District of Pennsylvania.

12. Defendant JUSTIN DIACZUK was the owner and principal of Apogee, which he operated out of offices located on Michener Street in Philadelphia, in the Eastern District of Pennsylvania.

13. Experian, Equifax, and TransUnion were consumer credit reporting agencies, which were known as the three major “credit bureaus” in the United States. These credit bureaus provided information to potential lenders and other business that affected interstate commerce about the creditworthiness of individuals who sought borrow money or make purchases on credit. The credit bureaus provided this information in the form of “credit scores,” which were based on the individuals’ records of paying or failing to pay past bills on time, among other factors.

14. Innovis, Inc. (“Innovis”) was a credit reporting agency that kept some information about individuals’ credit histories but was not considered a major credit bureau. Unlike Experian, Equifax, and TransUnion, Innovis did not provide lenders with credit scores of individuals who were seeking to borrow money or obtain credit.

In late 2008 and early 2009:

15. Cubis Financial, Ltd. (“Cubis”) was a Nevada company, whose principal place of business was in Las Vegas, Nevada. Cubis did business in and affecting interstate commerce.

16. Cubis, by itself and with various marketing partners, sold what Cubis termed “smart shopper cards” or “SSCs” under different brand names, including the “Express Gold Card.” These SSCs looked like credit cards and were often marketed as “credit cards,” but they were much more limited in their functionality than a MasterCard, Visa, American Express, Discover, or similar general-purpose credit card. For example, whereas the holder of a MasterCard or Visa could use such a card to buy items on credit at countless locations, the Cubis SSCs could be used only to access an “online shopping mall” operated by Cubis where approximately ten retailers offered merchandise for sale over the internet. Moreover, even at this “online mall,” the owner of the smart shopper card could not buy anything entirely on credit. Instead, the cardholder would have to make a substantial down payment, often equal to the item’s cost, before receiving the purchased item. Only then would the cardholder be able to use “credit” to pay off the rest of the purchase price.

17. Cubis and its marketing partners promoted the SSCs as a means for cardholders to establish or restore good credit, claiming that Cubis would report each cardholder’s payment activity to the major credit bureaus. In reality, Cubis never reported a

cardholder's payment activity to Experian or Equifax, and although Cubis initially reported a cardholder's payment activity to TransUnion, it had stopped doing so by January 2009. Cubis may have provided some records of customer payment histories to Innovis, but it had stopped doing so by the end of 2009.

18. From at least October 2010 until on or about January 31, 2012, in the Eastern District of Pennsylvania, and elsewhere, defendants

**BLAKE RUBIN,
CHASE RUBIN,
and
JUSTIN DIACZUK**

conspired and agreed, together and with other persons, known and unknown to the United States Attorney, to commit offenses against the United States, that is: (a) mail fraud, in violation of Title 18, United States Code, Section 1341; and (b) wire fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the conspiracy that:

19. In early 2009, defendants BLAKE RUBIN and CHASE RUBIN (the "Rubin Brothers") entered into a series of contracts with Cubis, pursuant to which the Rubin Brothers agreed to market and sell a Cubis-affiliated smart shopper card called the Platinum Trust Card and pass along a portion of the membership fees they collected to Cubis.

20. At the time, defendants BLAKE RUBIN and CHASE RUBIN had access to long lists of people whom the Rubin Brothers knew had applied over the internet for short-term loans and, therefore, were likely to have little money and poor credit. The Rubin Brothers decided to target these people with poor credit as potential customers for the Platinum Trust Card.

21. Defendants BLAKE RUBIN and CHASE RUBIN hired telemarketers to contact their potential customers over the telephone and attempt to persuade them to sign up for the Platinum Trust Card. The Rubin Brothers then drafted and revised scripts, with input from Cubis, for their telemarketers to follow during their conversations with potential customers.

22. In or around February 2009, defendants BLAKE RUBIN and CHASE RUBIN began selling the Platinum Trust Card from a telemarketing call center on Johnson Street in Jenkintown. The Rubin Brothers directed their telemarketers to read from scripts that included the following representations:

- a. The customer had “been approved for a \$9,500 line of credit from Platinum Trust Card;”
- b. The offer to obtain the Platinum Trust Card was a “limited time opportunity;”
- c. The Platinum Trust Card was “a credit card that can be used exclusively in our online mega mall;”
- d. There were “limited quantities” of these “exclusive memberships;”
- e. The actual initiation fee was \$277, but Platinum’s “marketing partners are going to pay the 1st \$200” of the customer’s initiation fee;
- f. The card would put the customer “on the fast track to establishing” his or her credit; and
- g. Platinum reports the customer’s payment history “to the credit bureau each and every month [the cardholder] is a member of the exclusive Platinum Club.”

23. Defendants BLAKE RUBIN and CHASE RUBIN also provided their telemarketers with suggested responses to frequently asked questions, which included representations that:

- a. The credit bureau to which Platinum reported was “TransUnion, one of the three major credit reporting services;”
- b. The reports were made “monthly” to the credit bureaus;
- c. The offer for the Platinum Trust Card would expire in the next 24 hours; and
- d. The normal initiation fee was \$277.

24. Defendants BLAKE RUBIN and CHASE RUBIN knew that many of the aforementioned representations that they directed their telemarketers to make to potential customers were at least misleading, if not false. For example, the Rubin Brothers knew that: the potential customer was not getting a \$9,500 line of credit; the opportunity to buy a Platinum Trust Card was not a “limited time opportunity;” the Platinum Trust Card was not a “credit card” in the sense that most people understand a credit card to be; nobody ever paid a \$277 initiation fee; and there was no \$200 discount for acting immediately.

25. Additionally, at some point in 2009, defendants BLAKE RUBIN and CHASE RUBIN learned that Cubis was not reporting customer payment activity to TransUnion or any other major credit bureau. By 2010, the Rubin Brothers knew that Cubis was not reporting customer payment activity to any credit bureau at all. The Rubin brothers, nonetheless, continued to direct their telemarketers to tell potential customers that their payment activity would get reported to the credit bureaus and that buying the Platinum Trust Card could help them establish or restore good credit.

26. On or about November 17, 2009, defendant JUSTIN DIACZUK signed a Letter of Intent with CR Ventures, pursuant to which defendant DIACZUK agreed to open a new telemarketing center that would market and sell the Platinum Trust Card and pay a portion of the gross proceeds from all sales to defendants BLAKE RUBIN and CHASE RUBIN.

27. Defendant JUSTIN DIACZUK hired people to work as telemarketers and customer service representatives at this new call center, which defendant DIACZUK opened on or about January 4, 2010, under the name Apogee One Enterprises, LLC, on Michener Street in Philadelphia.

28. Defendant JUSTIN DIAZCUK directed the telemarketers at the Michener Street call center to make false and misleading representations to potential purchasers of the Platinum Trust Card, including representations that the card was a “credit card” and that using the card could help someone establish, restore, or improve that person’s credit.

29. On numerous occasions in 2010 and 2011, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK received complaints from customers who had purchased the Platinum Trust Card, some of which had been conveyed by third parties, including state attorney generals’ offices, better business bureaus, and consumer watchdog groups. Most of the complaints pertained to claims by consumers that they had been misled to believe that the Platinum Trust Card was similar to a traditional credit card.

30. Even after receiving these complaints, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK continued to instruct their telemarketers to deceive potential customers into believing that the Platinum Trust Card was a “credit card,” and that using the card could help them establish, restore, or improve their credit.

31. Defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK also tried to deceive government regulators and other potential investigators of CR Ventures, Apogee, and the Platinum Trust Card into believing that the defendants and their companies were located in Utah instead of Pennsylvania.

32. In or about September 2011, defendants BLAKE RUBIN and CHASE RUBIN formed Marquee under Nevada law and claimed that it had a principal place of business in Nevada. The Rubin Brothers also rebranded the Platinum Trust Card as the “Express Platinum Card” because the Platinum Trust Card had generated a tremendous amount of negative publicity, including on consumer watchdog websites.

33. After the name change, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK directed the telemarketers at their call centers to make the same false and misleading statements about the Express Platinum Card that they had previously made about the Platinum Trust Card, including that the Express Platinum Card was like a regular credit card and that using the card could help establish, restore, or improve a person’s credit.

34. Defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK continued to defraud and to direct others to defraud potential purchasers of the Express Platinum Card until on or about January 31, 2012. On that day, the Federal Trade Commission (“FTC”), aided by local police, closed down the defendants’ business operations, pursuant to an order by a federal judge.

35. In total, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK and their co-conspirators defrauded approximately 70,713 different people into paying approximately \$7,552,473 for the Platinum Trust Card and Express Platinum Card, based on false and misleading representations about the two cards.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK, and their co-conspirators, known and unknown to the United States Attorney, committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

1. On or about March 11, 2011, a telemarketer who worked at Apogee under the direction of defendant JUSTIN DIACZUK placed a telephone call to C.W. of Cabot, Arkansas, and persuaded C.W. to pay \$89 to sign up for the Platinum Trust Card after telling C.W. that the Platinum Trust Card would give C.W. a line of credit and would help establish and improve C.W.'s credit ratings with the credit bureaus. The telephone call was an interstate wire transmission from Pennsylvania to Arkansas.

2. In or about April 2011, a person who worked at Apogee under the direction of defendant JUSTIN DIACZUK caused a Platinum Trust Card to be sent by United States mail to C.W. in Cabot, Arkansas.

3. On or about August 1, 2011, a telemarketer who worked at Apogee under the direction of defendant JUSTIN DIACZUK placed a telephone call to M.B. of Spokane, Washington, and persuaded M.B. to pay \$89 to sign up for the Platinum Trust Card after telling M.B. that the Platinum Trust Card would give M.B. a line of credit and would help establish and improve M.B.'s credit ratings with the credit bureaus. The telephone call was an interstate wire transmission from Pennsylvania to Washington State.

4. In or about August 2011, a person who worked at Apogee under the direction of defendant JUSTIN DIACZUK caused a Platinum Trust Card to be sent by United States mail to M.B. in Spokane, Washington.

5. On or about September 1, 2011, a telemarketer who worked at a Platinum Trust Card call center in Jenkintown, Pennsylvania, under the direction of defendants BLAKE RUBIN and CHASE RUBIN and others known to the United States Attorney placed a telephone call to G.H. of Lexington, South Carolina, and persuaded G.H. to pay \$89 to sign up for the Platinum Trust Card after telling G.H. that the Platinum Trust Card would give G.H. a line of credit and would help establish and improve M.B.'s credit ratings with the credit bureaus. The telephone call was an interstate wire transmission from Pennsylvania to South Carolina.

6. In or about September 2011, a person who worked at Platinum Trust Card, under the direction of defendants BLAKE RUBIN and CHASE RUBIN, caused a Platinum Trust Card to be sent by United States mail to G.H. in Lexington, South Carolina.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 17 and 19 through 35 of Count One are re-alleged here.

2. From in or about October 2010 until on or about January 31, 2012, in Jenkintown and Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**BLAKE RUBIN,
CHASE RUBIN,
and
JUSTIN DIACZUK**

devised and intended to devise and aided and abetted the devising of a scheme to defraud tens of thousands of people living in the United States, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK engaged in the manner and means described in paragraphs 19 through 35 of Count One of this information.

4. On or about September 1, 2011, in Philadelphia, in the Eastern District of Pennsylvania defendants BLAKE RUBIN, CHASE RUBIN, and JUSTIN DIACZUK, for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by United States mail and interstate carrier, according to the directions thereon, a package containing a Platinum Trust Card to M.B. in Spokane, Washington.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 17 and 19 through 35 of Count One are re-alleged here.

2. From in or about February 2009 until on or about January 31, 2012, in Jenkintown and Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**BLAKE RUBIN
and
CHASE RUBIN**

devised and intended to devise and aided and abetted the devising of a scheme to defraud tens of thousands of people living in the United States, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendants BLAKE RUBIN and CHASE RUBIN engaged in the manner and means described in paragraphs 19 through 35 of Count One of this information.

4. In or about late September 2011, in Philadelphia, in the Eastern District of Pennsylvania defendants BLAKE RUBIN and CHASE RUBIN, for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by United States mail and/or another interstate carrier, according to the directions thereon, a package containing a Platinum Trust Card to G.H. in Lexington, South Carolina.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FOUR

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times material to this information:

1. Affordable Electronics 500 (“AE500”) was a business that sold computers and other electronic equipment over the internet.

2. Defendant CHASE RUBIN was an owner and principal of AE500.

3. Experian, Equifax, and TransUnion were consumer credit reporting agencies, which were known as the three major “credit bureaus” in the United States. These credit bureaus provided information to potential lenders and other business that affected interstate commerce about the creditworthiness of individuals who sought borrow money or make purchases on credit. The credit bureaus provided this information in the form of “credit scores,” which were based on the individuals’ records of paying or failing to pay past bills on time, among other factors.

4. From at least June 2011 until at least December 2011, in Jenkintown, in the Eastern District of Pennsylvania, and elsewhere, defendant

CHASE RUBIN

devised and intended to devise and aided and abetted the devising of a scheme to defraud dozens of people living in the United States, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

5. Defendant CHASE RUBIN hired telemarketers to contact potential customers over the telephone and attempt to persuade them to buy computers and other electronic equipment from AE500 over the internet.

6. Defendant CHASE RUBIN provided these telemarketers with lists of people whom defendant RUBIN knew had few assets and poor credit and directed the telemarketers to focus their sales efforts on these people.

7. Defendant CHASE RUBIN drafted scripts and directed other persons under his authority to draft scripts for the telemarketers to follow during their conversations with potential customers. The telemarketing scripts contained multiple representations that defendant RUBIN knew were false, including that customers could buy the computers and electronic equipment on credit and that their payment activity would be reported to major credit bureaus.

8. Defendant CHASE RUBIN intentionally hid from potential customers the facts that: (a) in order to begin using “credit” to buy any merchandise from AE500, the customers would first be required to make a down payment for the desired item, and the amount of the down payment always equaled or exceeded the actual cost of the item; and (b) AE500 never reported and never intended to report any customer’s payment activity to Experion, Equifax, TransUnion, or any other credit bureau.

9. In total, defendant CHASE RUBIN defrauded and helped others at AE500 defraud more than 50 customers into paying approximately \$199,686.79, for computers and other equipment from AE500, some of which the customers never received.

10. On or about September 6, 2011, in the Eastern District of Pennsylvania and elsewhere, defendant

CHASE RUBIN,

for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce, a transfer of \$100 from the bank account of K.K. of Wilmington, Illinois, which was located in Florida, to a bank account for AE500, which was located in Pennsylvania.

In violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF FORFEITURE

1. As a result of the violations of Title 18, United States Code, Section 1341, described in Counts Two and Three of this information, defendants

**BLAKE RUBIN
and
CHASE RUBIN**

shall forfeit to the United States of America, any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting “specified unlawful activity,” that is, mail fraud and wire fraud, including, but not limited to the following:

- (a) The sum of \$7,552,473 in United States currency (forfeiture money judgment).

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided

without difficulty; it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28,
United states Code, Section 2461(c).

ZANE DAVID MEMEGER
United States Attorney