






For Release

Court Enters \$20.3 Million Judgment in FTC Case Against Merchant Cash Advance Operator Jonathan Braun for Deceiving Small Businesses and Unlawfully Seizing Assets

Court's judgment follows the permanent injunction imposed against Braun issued in October 2023

February 14, 2024   

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As a result of a Federal Trade Commission lawsuit, a federal court has [entered a judgment](#) requiring merchant cash advance operator Jonathan Braun to pay \$20.3 million in monetary relief and civil penalties. This is the first trial by jury that the FTC has ever conducted.

The judgment follows a January trial in which a jury found that Braun, in his role with small-business funding company RCG Advances, which formerly did business as Richmond Capital Group, knowingly violated the Gramm-Leach-Bliley Act by deceiving small businesses about the amount of funding that Defendants would provide to and collect from them. The court entered a judgment of \$3,421,067 to redress the harm that Braun's misconduct caused to small businesses. In addition, noting the utter disregard and contempt that Braun showed to consumers, including spewing vile threats and profanities to small business owners, the court imposed \$16,956,000 in civil penalties for Braun's violations of law.

"I agree with the Court's assessment regarding the egregiousness and deliberateness of Braun's extensive lawbreaking," said Samuel Levine, the Director of the FTC's Bureau of Consumer Protection. "The FTC is committed to protecting small businesses, and the \$20.3 million judgment sends a powerful message that lies and deception will not be tolerated in the marketplace."

The FTC [sued Braun in June 2020](#), along with four other defendants, charging that he deceived small businesses and other organizations by misrepresenting the terms of merchant cash advances his business provided, and then used unfair collection practices, including sometimes threatening physical violence, to compel consumers to pay.

The suit also alleged that Braun and the other defendants made unauthorized withdrawals from consumers' accounts and required businesses and their owners to sign confessions of judgment as part of their contracts, which allowed the defendants to go immediately to court and obtain an uncontested judgment in case of an alleged default. The complaint alleged that the defendants unlawfully and unfairly used these confessions of judgment to seize consumers' personal and business assets in circumstances not expected by consumers or permitted by the defendants' financing contracts.

The court issued a [summary judgment decision and permanent injunction](#) against Braun in October 2023. The injunction included a permanent ban from the merchant cash advance and debt collection industries.

The other defendants in the FTC's case [previously settled](#) the FTC's charges against them, resulting in industry bans and monetary relief for small businesses totaling more than \$2 million.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

Press Release Reference

[FTC Action Results in Ban for Richmond Capital and Owner From Merchant Cash Advance and Debt Collection Industries and Return of More Than \\$2.7M to Consumers](#)

[FTC Case Leads to Permanent Ban Against Merchant Cash Advance Owner for Deceiving Small Businesses, Seizing Personal and Business Assets](#)

[New York-Based Finance Companies Deceived Small Businesses, Non-Profits and Seized Their Personal and Business Assets, FTC Alleges](#)

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