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19 **UNITED STATES DISTRICT COURT**  
20 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

21 \_\_\_\_\_ )  
22 **FEDERAL TRADE COMMISSION,** )  
23 )  
24 Plaintiff, )  
25 )  
26 v. )  
27 )  
28 **FORENSIC CASE MANAGEMENT** ) Case No. LACV11-7484 (RGK)  
29 **SERVICES, INC., et al.,** )  
30 )  
31 Defendants. )  
32 \_\_\_\_\_ )

33 **[Proposed] FINAL JUDGMENT AND ORDER FOR PERMANENT**  
34 **INJUNCTION AND MONETARY RELIEF AS TO**  
35 **DEFENDANT FRANK E. LINDSTROM, JR.**

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2 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on  
3 September 12, 2011, pursuant to Sections 13(b) and 19 of the Federal Trade  
4 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the  
5 Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692l, to obtain  
6 preliminary and permanent injunctive and other equitable relief for Defendants’  
7 violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FDCPA, 15 U.S.C.  
8 §§ 1692-1692p, in connection with the marketing and sale of debt collection  
9 services, and the collection of debts. On September 13, 2011, the Court entered a  
10 temporary restraining order against Defendants. On September 27, 2011, the Court  
11 entered a preliminary injunction against Defendants.  
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16 The FTC and defendant Frank E. Lindstrom, Jr. (“Settling Defendant”)  
17 having agreed in the Stipulation for Final Judgment and Order for Permanent  
18 Injunction and Monetary Relief as to Defendant Frank E. Lindstrom, Jr., hereby  
19 request that the Court enter this Final Judgment and Order for Permanent  
20 Injunction and Monetary Relief as to Defendant Frank E. Lindstrom, Jr. (“Order”)  
21 to resolve all matters in dispute in this action between Settling Defendant and the  
22 FTC.  
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## 26 FINDINGS

27 By stipulation of the parties and being advised of the premises, the Court  
28 finds:

- 1 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the  
2 FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the FDCPA, 15  
3 U.S.C. § 1692*l*. The Complaint seeks both permanent injunctive relief and  
4 equitable monetary relief for Defendants' deceptive and abusive acts or  
5 practices as alleged therein.  
6
- 7 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act and  
8 Section 814 of the FDCPA to seek the relief it has requested, and the  
9 Complaint states a claim upon which relief can be granted against Settling  
10 Defendant.  
11
- 12 3. This Court has jurisdiction over the subject matter of this case and has  
13 jurisdiction over Settling Defendant. Venue in the Central District of  
14 California is proper.  
15
- 16 4. The activities of Settling Defendant, as alleged in the Complaint, are in or  
17 affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.  
18
- 19 5. The FTC and Settling Defendant stipulate and agree to entry of this Order,  
20 without trial or final adjudication of any issue of fact or law, to settle and  
21 resolve all matters in dispute arising from the conduct alleged in the  
22 Complaint to the date of entry of this Order. This settlement does not settle  
23 and resolve any matters not alleged in the Complaint. Settling Defendant  
24 does not admit any of the allegations set forth in the Complaint, other than  
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1 jurisdictional facts or as provided in Section IV.D, merely by stipulating and  
2 agreeing to the entry of this Order.  
3

4 6. Settling Defendant waives all rights to seek judicial review or otherwise  
5 challenge or contest the validity of this Order. Settling Defendant also  
6 waives any claim that he may have held under the Equal Access to Justice  
7 Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date  
8 of this Order. Each settling party shall bear its own costs and attorneys'  
9 fees.  
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12 7. This action and the relief awarded herein are in addition to, and not in lieu  
13 of, other remedies as may be provided by law, including both civil and  
14 criminal remedies.  
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16 8. Entry of this Order is in the public interest.  
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### 18 DEFINITIONS

19 For the purposes of this Order, the following definitions shall apply:  
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- 21 1. ***“Assisting others”*** includes, but is not limited to:  
22 A. performing customer service functions, including, but not limited to,  
23 receiving or responding to consumer complaints;  
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25 B. performing debt collection or debt collection marketing services of  
26 any kind;  
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- C. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;
- D. formulating or providing, or arranging for the formulation or provision of, any debt collection materials, including, but not limited to, any debt collection script, debt collection marketing material, debt collection training manual or other training materials, and debt collection compliance monitoring materials;
- E. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services, or media placement services;
- F. providing names of, or assisting in the generation of, potential customers;
- G. performing marketing, billing, or payment services of any kind; and
- H. acting or serving as an owner, officer, director, manager, or principal of any entity.

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2. **“Consumer”** means any natural person.
3. **“Customer”** means any person who has paid, or may be required to pay, for products, services, plans, or programs offered for sale or sold by any other person.
4. **“Creditor”** means any person or entity who offers or extends credit creating a debt or to whom a debt is owed, but such term does not include any person or entity to the extent such person or entity receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of such debt.
5. **“Credit”** means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.
6. **“Credit repair services”** means using any instrumentality of interstate commerce or the mails to sell, provide, or perform any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of (i) improving any consumer’s credit record, credit history, or credit rating, or (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).
7. **“Debt collection activities”** means any activities of a debt collector to collect or attempt to collect, directly or indirectly, a debt owed or due, or asserted to be owed or due.

1 8. ***“Debt collector”*** means any person who uses any instrumentality of  
2 interstate commerce or the mails in any business the principal purpose of  
3 which is the collection of any debts, or who regularly collects or attempts to  
4 collect, directly or indirectly, debts owed or due or asserted to be owed or  
5 collect, directly or indirectly, debts owed or due or asserted to be owed or  
6 due another. Notwithstanding the exclusion provided by the last clause of  
7 the immediately-preceding sentence, the term includes any creditor who, in  
8 the process of collecting his own debts, uses any name other than his own  
9 which would indicate that a third person is collecting or attempting to collect  
10 such debts.

11 9. ***“Debt relief services”*** means any program or service represented, directly or  
12 by implication, to renegotiate, settle, or in any way alter the terms of  
13 payment or other terms of the debt between a person and one or more  
14 unsecured creditors or debt collectors, including, but not limited to, a  
15 reduction in the balance, interest rate, or fees owed by a person to an  
16 unsecured creditor or debt collector.

17 10. ***“Extension of consumer credit”*** means credit offered or extended to a  
18 consumer primarily for personal, family, or household purposes.

19 11. ***“FDCPA-Covered Debt”*** means any obligation or alleged obligation of a  
20 consumer to pay money arising out of a transaction in which the money,  
21 property, or services that are the subject of the transaction are primarily for  
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1 personal, family, or household purposes, whether or not such obligation has  
2 been reduced to judgment.  
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4 12. ***“Financial-related product or service”*** means any product, service, plan, or  
5 program represented, expressly or by implication, to:

6  
7 A. provide any consumer, arrange for any consumer to receive, or assist  
8 any consumer in receiving, an extension of consumer credit;

9  
10 B. provide any consumer, arrange for any consumer to receive, or assist  
11 any consumer in receiving, credit repair services;

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13 C. provide any consumer, arrange for any consumer to receive, or assist  
14 any consumer in receiving, mortgage assistance relief services;

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16 D. provide any consumer, arrange for any consumer to receive, or assist  
17 any consumer in receiving, debt relief services; or

18  
19 E. provide, or arrange for a customer to receive, assistance in the  
20 collection of any outstanding debt or financial obligation owed to that  
21 customer by a third party.

22 13. ***“Material fact”*** means any fact that is likely to affect a person’s choice of,  
23 or conduct regarding, goods or services.  
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25 14. ***“Mortgage assistance relief services”*** means any service, plan, or program,  
26 offered or provided to a consumer in exchange for consideration, that is  
27 represented, expressly or by implication, to assist or attempt to assist the  
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1 consumer with any of the following: (a) stopping, preventing, or postponing  
2 any mortgage or deed of trust foreclosure sale for the consumer's dwelling,  
3 any repossession of the consumer's dwelling, or otherwise saving the  
4 consumer's dwelling from foreclosure or repossession; (b) negotiating,  
5 obtaining, or arranging a modification of any term of a dwelling loan,  
6 including a reduction in the amount of interest, principal balance, monthly  
7 payments, or fees; (c) obtaining any forbearance or modification in the  
8 timing of payments from any dwelling loan holder or servicer on any  
9 dwelling loan; (d) negotiating, obtaining, or arranging any extension of the  
10 period of time within which the consumer may cure his or her default on a  
11 dwelling loan, reinstate his or her dwelling loan, redeem a dwelling, or  
12 exercise any right to reinstate a dwelling loan or redeem a dwelling; (e)  
13 obtaining any waiver of an acceleration clause or balloon payment contained  
14 in any promissory note or contract secured by any dwelling; or (f)  
15 negotiating, obtaining, or arranging a short sale of a dwelling, a deed-in-lieu  
16 of foreclosure, or any other disposition of a dwelling other than a sale to a  
17 third party who is not the dwelling loan holder.

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25 15. ***Person*** means any natural person, organization, or other legal entity,  
26 including a corporation, partnership, proprietorship, association, cooperative,  
27 or any other group or combination acting as an entity.  
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1 16. “*Settling Defendant*” means defendant Frank E. Lindstrom, Jr.  
2

3 **ORDER**

4 **DEBT COLLECTION BAN**

5 **I. IT IS THEREFORE ORDERED** that Settling Defendant, whether acting  
6 directly or through any other person, is permanently restrained and enjoined  
7 from:  
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9 A. Engaging in debt collection activities or assisting others engaged in  
10 debt collection activities;  
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12 B. Advertising, marketing, promoting, offering for sale, or selling any  
13 debt collection products or services; and  
14

15 C. Assisting others engaged in advertising, marketing, promoting,  
16 offering for sale, or selling any debt collection products or services;  
17

18 **Provided, however,** that nothing in this Order shall be read as an exception  
19 to this Section I.  
20

21 **PROHIBITED MARKETING MISREPRESENTATIONS**

22 **II. IT IS FURTHER ORDERED** that Settling Defendant and his officers,  
23 agents, servants, employees, and attorneys, and those persons or entities in  
24 active concert or participation with him who receive actual notice of this  
25 Order by personal service, facsimile transmission, email, or otherwise,  
26 whether acting directly or through any corporation, subsidiary, division, or  
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1 other device, in connection with the marketing, sale, or advertisement of any  
2 financial-related product or service, or any other product or service, are  
3 hereby permanently restrained and enjoined from misrepresenting, or  
4 assisting others in misrepresenting, expressly or by implication, any material  
5 fact, including but not limited to:  
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7  
8 A. That Settling Defendant, whether acting directly or through any other  
9 person, has identified assets, people, corporate entities, services, or  
10 anything else that can be used to help the consumer, customer, or  
11 potential customer in achieving their desired goal (*e.g.*, the  
12 satisfaction or successful collection of an alleged debt, full or partial  
13 relief from an outstanding debt obligation, relief from impending  
14 foreclosure on a home or personal property, or improvement of a  
15 consumer's credit score, credit history, credit rating, or credit report);  
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17  
18 B. That Settling Defendant, whether acting directly or through any other  
19 person, will undertake certain actions (*e.g.*, such as the filing of a  
20 lawsuit, the garnishment of wages, the seizure of assets, negotiation of  
21 a debt settlement plan or mortgage foreclosure relief plan, or any other  
22 action to help a consumer either receive a loan, satisfy or settle a debt,  
23 collect a debt, or achieve any other desired financial goal) if the  
24 consumer pays Settling Defendant a fee;  
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- C. That any particular outcome or result from the product or service being provided is guaranteed, assured, highly likely or probable, or very likely or probable;
- D. That a consumer will receive legal representation.
- E. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including, but not limited to, the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be provided to the consumer;
- F. The total costs to purchase, receive, or use, or the quantity of, the product, service, plan, or program;
- G. Any material restriction, limitation, or condition on purchasing, receiving, or using the product, service, plan, or program; or
- H. Any material aspect of the performance, efficacy, nature, or characteristics of the product, service, plan, or program.

1        **PROHIBITION AGAINST DISCLOSING CONSUMER INFORMATION**

2        **III. IT IS FURTHER ORDERED** that Settling Defendant and his successors,  
3        assigns, officers, agents, servants, employees, and attorneys, and those  
4        persons or entities in active concert or participation with him who receive  
5        actual notice of this Order by personal service, facsimile transmission, email,  
6        or otherwise, whether acting directly or through any corporation, subsidiary,  
7        division, or other device, are permanently restrained and enjoined from:

8        A.     Disclosing, using, or benefitting from consumer information,  
9        including the name, address, telephone number, email address, social  
10       security number, other identifying information, or any data that  
11       enables access to a consumer's account (including a credit card, bank  
12       account, or other financial account) of any person that Settling  
13       Defendant obtained prior to entry of this Order in connection with the  
14       advertising, marketing, promotion, offering for sale, sale, or provision  
15       of any financial-related product or service, and

16       B.     Failing to dispose of such consumer information in all forms in  
17       Settling Defendant's possession, custody, or control within thirty (30)  
18       days after entry of this Order. Disposal shall be by means that protect  
19       against unauthorized access to the consumer information, such as by  
20       burning, pulverizing, or shredding any papers, and by erasing or  
21       burning, pulverizing, or shredding any papers, and by erasing or

1 destroying any electronic media, to ensure that the consumer  
2 information cannot practicably be read or reconstructed.  
3

4 **Provided, however,** that consumer information need not be disposed of, and  
5 may be disclosed, to the extent requested by a government agency or  
6 required by a law, regulation, or court order.  
7

8 **MONETARY RELIEF**

9 **IV. IT IS FURTHER ORDERED** that:  
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11 A. Judgment is hereby entered against Settling Defendant Frank E.  
12 Lindstrom, Jr. in the amount of SIX HUNDRED SEVENTY-TWO  
13 THOUSAND SEVEN HUNDRED TWENTY-NINE DOLLARS  
14 (\$672,729), without an admission of liability, *provided, however,* that,  
15 as long as the Court makes no finding, as provided in Section V of  
16 this Order, that Settling Defendant materially misrepresented or  
17 omitted the nature, existence, or value of any asset, the judgment shall  
18 be suspended upon his payment to the FTC or its designated agent of  
19 TWENTY-NINE THOUSAND FIVE HUNDRED DOLLARS  
20 (\$29,500) as follows:  
21

22 1. In satisfaction of the judgment against Settling Defendant,  
23 Citibank shall transfer to the FTC or its designated agent  
24 TWENTY-NINE THOUSAND FIVE HUNDRED DOLLARS  
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1 (\$29,500) of the funds held in account number xxxxxxx4327 in  
2 the name of Frank E. Lindstrom, Jr. and Ashley Lindstrom  
3 within ten (10) business days of the date of entry of this Order.  
4

5 B. Any funds received by the FTC pursuant to this Section shall be  
6 deposited into a fund administered by the FTC or its agent to be used  
7 for equitable relief, including but not limited to consumer redress and  
8 any attendant expenses for the administration of any redress funds. In  
9 the event that direct redress to consumers is wholly or partially  
10 impracticable or funds remain after redress is completed, the FTC  
11 may apply any remaining funds for such other equitable relief,  
12 including but not limited to consumer information remedies, as the  
13 FTC determines to be reasonably related to the practices alleged in the  
14 Complaint. Any funds not used for such equitable relief shall be  
15 deposited to the U.S. Treasury as equitable disgorgement. Settling  
16 Defendant shall have no right to challenge the FTC's choice of  
17 remedies or the manner of distribution.  
18

19 C. Settling Defendant relinquishes all dominion, control, and title to the  
20 funds paid to the fullest extent permitted by law. Settling Defendant  
21 shall make no claim to or demand for return of the funds, directly or  
22 indirectly, through counsel or otherwise.  
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- 1 D. Settling Defendant agrees that the facts as alleged in the Complaint  
2 filed in this action shall be taken as true without further proof in any  
3 bankruptcy case or subsequent civil litigation pursued by the  
4 Commission to enforce its rights to any payment or money judgment  
5 pursuant to this Order, including but not limited to a  
6 nondischargeability complaint in any bankruptcy case. Settling  
7 Defendant further stipulates and agrees that the facts alleged in the  
8 Complaint establish all elements necessary to sustain an action by the  
9 Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy  
10 Code, 11 U.S.C. § 523(a)(2)(A), and that this Order shall have  
11 collateral estoppel effect for such purposes.  
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16 E. The judgment entered pursuant to this Section is equitable monetary  
17 relief, solely remedial in nature, and not a fine, penalty, punitive  
18 assessment or forfeiture.  
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21 F. Upon request, Settling Defendant is hereby required, in accordance  
22 with 31 U.S.C. § 7701, to furnish to the FTC his tax identification  
23 numbers, which shall be used for purposes of collecting and reporting  
24 on any delinquent amount arising out of this Order.  
25  
26 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
27 § 1681b(1), any consumer reporting agency may furnish a consumer  
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1 report concerning Settling Defendant to the FTC, which shall be used  
2 for purposes of collecting and reporting on any delinquent amount  
3 arising out of this Order.  
4

5 **RIGHT TO REOPEN**

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7 **V. IT IS FURTHER ORDERED** that the FTC's agreement to, and the Court's  
8 approval of, this Order is expressly premised on the truthfulness, accuracy  
9 and completeness of Settling Defendant's financial statements previously  
10 submitted to the FTC. If, upon motion by the FTC, the Court finds that the  
11 financial statement of Settling Defendant contains any material  
12 misrepresentation or omission, the judgment entered in Section IV of this  
13 Order shall be reinstated and become immediately due and payable as to  
14 such Settling Defendant; *provided, however*, that in all other respects this  
15 Order shall remain in full force and effect unless otherwise ordered by the  
16 Court; and, *provided further*, that proceedings instituted under this provision  
17 would be in addition to, and not in lieu of, any other civil or criminal  
18 remedies as may be provided by law, including any other proceedings that  
19 the FTC may initiate to enforce this Order. For purposes of this Section,  
20 Settling Defendant waives any right to contest any of the allegations in the  
21 Complaint.  
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**COOPERATION WITH FTC**

**VI. IT IS FURTHER ORDERED** that Settling Defendant shall, in connection with this action or any subsequent investigation or litigation related to or associated with the transactions or the occurrences that are the subject of the FTC’s Complaint as it may be amended, cooperate in good faith with the FTC and appear at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Settling Defendant shall appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint as it may be amended, without the service of a subpoena, *provided, however,* that Settling Defendant shall be entitled to receive any witness fees and expenses allowable pursuant to Federal Rule of Civil Procedure 45.

**ORDER ACKNOWLEDGMENTS**

**VII. IT IS FURTHER ORDERED** that Settling Defendant obtain acknowledgments of receipt of this Order:

- 1           A.     Settling Defendant, within 7 days of entry of this Order, must submit  
2                     to the FTC an acknowledgment of receipt of this Order sworn under  
3                     penalty of perjury.  
4
- 5           B.     For 15 years after entry of this Order, Settling Defendant for any  
6                     business that he, individually or collectively with any other  
7                     Defendant, is the majority owner or directly or indirectly controls,  
8                     must deliver a copy of this Order to: (1) all principals, officers,  
9                     directors, and managers; (2) all employees, agents, and representatives  
10                    who participate in conduct related to the subject matter of the Order;  
11                    and (3) any business entity resulting from any change in structure as  
12                    set forth in the Section titled Compliance Reporting. Delivery must  
13                    occur within 7 days of entry of this Order for current personnel. To  
14                    all others, delivery must occur before they assume their  
15                    responsibilities.  
16
- 17           C.     From each individual or entity to which Settling Defendant delivered  
18                     a copy of this Order, Settling Defendant must obtain, within 30 days,  
19                     a signed and dated acknowledgment of receipt of this Order.  
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25                                   **COMPLIANCE REPORTING**

26     **VIII. IT IS FURTHER ORDERED** that Settling Defendant make timely  
27                     submissions to the FTC:  
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1 roles in all business activities, including any business for which  
2 Settling Defendant performs services whether as an employee  
3 or otherwise and any entity in which Settling Defendant has any  
4 ownership interest; and (c) describe in detail Settling  
5 Defendant's involvement in each such business, including title,  
6 role, responsibilities, participation, authority, control, and any  
7 ownership.  
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11 B. For 20 years following entry of this Order, Settling Defendant must  
12 submit a compliance notice, sworn under penalty of perjury, within 14  
13 days of any change in the following:  
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15 1. Settling Defendant must report any change in: (a) any  
16 designated point of contact; or (b) the structure of any entity  
17 that Settling Defendant has any ownership interest in or directly  
18 or indirectly controls that may affect compliance obligations  
19 arising under this Order, including: creation, merger, sale, or  
20 dissolution of the entity or any subsidiary, parent, or affiliate  
21 that engages in any acts or practices subject to this Order.  
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23 2. Additionally, Settling Defendant must report any change in: (a)  
24 name, including aliases or fictitious name, or residence address;  
25 or (b) title or role in any business activity, including any  
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1 business for which Settling Defendant performs services  
2 whether as an employee or otherwise and any entity in which  
3 Settling Defendant has any ownership interest, and identify its  
4 name, physical address, and Internet address, if any.  
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7 C. Settling Defendant must submit to the FTC notice of the filing of any  
8 bankruptcy petition, insolvency proceeding, or any similar proceeding  
9 by or against Settling Defendant within 14 days of its filing.  
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11 D. Any submission to the FTC required by this Order to be sworn under  
12 penalty of perjury must be true and accurate and comply with 28  
13 U.S.C. § 1746, such as by concluding: “I declare under penalty of  
14 perjury under the laws of the United States of America that the  
15 foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the  
16 date, signatory’s full name, title (if applicable), and signature.  
17

18  
19 E. Unless otherwise directed by a FTC representative in writing, all  
20 submissions to the FTC pursuant to this Order must be emailed to  
21 [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not the U.S. Postal  
22 Service) to: Associate Director for Enforcement, Bureau of Consumer  
23 Protection, Federal Trade Commission, 600 Pennsylvania Avenue  
24 NW, Washington, DC 20580. The subject line must begin: *FTC v.*  
25  
26 *Forensic Case Management Services, Inc., et al.*, X110053.  
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**RECORDKEEPING**

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3 **IX. IT IS FURTHER ORDERED** that Settling Defendant must create certain  
4 records for 20 years after entry of the Order, and retain each such record for  
5 5 years. Specifically, for any business in which Settling Defendant,  
6 individually or collectively with any other Defendants, is a majority owner  
7 or directly or indirectly controls, Settling Defendant must maintain the  
8 following records:  
9

- 10  
11 A. Accounting records showing the revenues from all goods or services  
12 sold, all costs incurred in generating those revenues, and the resulting  
13 net profit or loss;  
14  
15 B. Personnel records showing, for each person providing services,  
16 whether as an employee or otherwise, that person's: name, addresses,  
17 and telephone numbers; job title or position; dates of service; and, if  
18 applicable, the reason for termination;  
19  
20 C. Customer files obtained after entry of this Order showing the names,  
21 addresses, telephone numbers, dollar amounts paid, and the quantity  
22 and description of goods or services purchased, to the extent such  
23 information is obtained in the ordinary course of business;  
24  
25 D. Complaints and refund requests, whether received directly or  
26 indirectly, such as through a third party, and any response;  
27  
28

1 E. All records necessary to demonstrate full compliance with each  
2 provision of this Order, including all submissions to the FTC.  
3

4 **COMPLIANCE MONITORING**

5 **X. IT IS FURTHER ORDERED** that, for the purpose of monitoring Settling  
6 Defendant's compliance with this Order, including the financial  
7 representations upon which part of the judgment was suspended and any  
8 failure to transfer any assets as required by this Order:  
9

10  
11 A. Within 14 days of receipt of a written request from a representative of  
12 the FTC, Settling Defendant must: submit additional compliance  
13 reports or other requested information, which must be sworn under  
14 penalty of perjury; appear for depositions; and produce documents, for  
15 inspection and copying. The FTC is also authorized to obtain  
16 discovery, without further leave of court, using any of the procedures  
17 prescribed by Federal Rules of Civil Procedure 29, 30 (including  
18 telephonic depositions), 31, 33, 34, 36, 45, and 69.  
19  
20  
21

22 B. For matters concerning this Order, the FTC is authorized to  
23 communicate directly with Settling Defendant. Settling Defendant  
24 must permit representatives of the FTC to interview any employee or  
25 other person affiliated with Settling Defendant who has agreed to such  
26 an interview. The person interviewed may have counsel present.  
27  
28

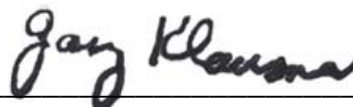


1 C. The FTC may use all other lawful means, including posing, through  
2 its representatives, as consumers, suppliers, or other individuals or  
3 entities, to Settling Defendant or any individual or entity affiliated  
4 with Settling Defendant, without the necessity of identification or  
5 prior notice. Nothing in this Order limits the FTC's lawful use of  
6 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15  
7 U.S.C. §§ 49, 57b-1.  
8  
9  
10

11 **RETENTION OF JURISDICTION**

12 **XI. IT IS FURTHER ORDERED** that this Court retains jurisdiction of this  
13 matter for purposes of construction, modification, and enforcement of this  
14 Order.  
15

16  
17  
18 **IT IS SO ORDERED**, this 13TH day of MARCH 2012.

19 

20 \_\_\_\_\_  
21 RAYMOND G. KLAUSNER  
22 R. GARY KLAUSNER  
23 UNITED STATES DISTRICT JUDGE  
24  
25  
26  
27  
28