

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

Federal Trade Commission,

Plaintiff,

v.

Loss Mitigation Services, Inc., et al.

Defendants.

Case No. SACV09-800 DOC (ANx)

**FINAL ORDER FOR  
PERMANENT INJUNCTION  
AND SETTLEMENT OF CLAIMS  
AS TO DEFENDANT  
BERNADETTE PERRY (A.K.A.  
BERNADETTE CARR AND  
BERNADETTE CARR-PERRY)**

Judge: Hon. David O. Carter

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on July 13, 2009, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive and other equitable relief for Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection with the marketing and sale of mortgage loan modification and foreclosure relief services. The Court entered a Temporary Restraining Order as to all parties on July 20, 2009 (“TRO”) [Docket Itm. #14], a Preliminary Injunction Order as to Defendants Loss Mitigation Services, Inc. (“LMS”) and Synergy Financial Management Corporation,

1 also d/b/a Direct Lender and DirectLender.com (“Synergy” or “Direct Lender”) on  
2 August 18, 2009 [Docket Itm. #41], a Preliminary Injunction Order as to Bernadette  
3 Perry and Tony Perry on August 19, 2009 [Docket Itm. #43] (“Perry PI Order”), and  
4 a Preliminary Injunction Order as to Dean Shafer on August 19, 2009 [Docket Itm.  
5 #44].

6 The TRO in this case enjoined Defendant Bernadette Perry from, among other  
7 things, collecting advance fees from consumers, and making certain representations  
8 about Defendants’ services. The TRO also contained an asset freeze. The Perry PI  
9 Order enjoined Defendant Bernadette Perry from, among other things, collecting  
10 advance fees from consumers, and collecting payments from consumers for services  
11 prior to the date of the Perry PI Order. The Perry PI Order continued the asset freeze  
12 from the TRO, and provided certain allowances, such as reasonable and necessary  
13 living expenses.

14 Plaintiff FTC and Defendant *Pro Se* Bernadette Perry have now stipulated to  
15 entry of a Final Order for Permanent Injunction and Settlement of Claims as to  
16 Defendant Bernadette Perry (A.K.A. Bernadette Carr and Bernadette Carr-Perry).  
17 This Court, having considered the Complaint, exhibits, memoranda, declarations, and  
18 other submissions of the parties, and now being advised in the premises, hereby  
19 enters this Order:

20 **FINDINGS**

21 1. This is an action by the FTC brought pursuant to Sections 5 and 13(b)  
22 of the FTC Act, 15 U.S.C. §§ 45 and 53(b). The Complaint seeks both permanent  
23 injunctive relief and consumer redress for the Defendants’ alleged deceptive acts or  
24 practices in connection with the marketing and sale of mortgage loan modification  
25 and foreclosure relief services.



1 provision of, any telephone sales script or any other marketing material, including  
2 but not limited to direct mail, the text of any Internet website, email, or other  
3 electronic communication; (C) providing names of, or assisting in the generation of,  
4 potential customers; (D) performing marketing services of any kind; or (E) acting or  
5 serving as an owner, officer, director, manager, or principal of such entity.

6 2. **“Credit”** means the right granted by a creditor to a debtor to defer  
7 payment of debt or to incur debt and defer its payment.

8 3. **“Debt relief service”** means any service, including debt management  
9 plans, debt settlement, debt negotiation, and for-profit credit counseling,  
10 represented, expressly or by implication, to renegotiate, settle, or in any way alter the  
11 terms of payment or other terms of the debt between a consumer and one or more  
12 unsecured creditors, servicers, or debt collectors, including but not limited to, a  
13 reduction in the balance, interest rate, or fees owed by a consumer to an unsecured  
14 creditor, servicer, or debt collector.

15 4. **“Defendants”** means, individually, collectively, or in any combination:  
16 (a) Loss Mitigation Services, Inc. (“LMS”); (b) Synergy Financial Management  
17 Corporation, also d/b/a Direct Lender and Direct Lender.com (“Direct Lender”); (c)  
18 Dean Shafer; (D) Bernadette Perry (a.k.a Bernadette Carr and Bernadette Carr-Perry)  
19 and (E) Marion Anthony (a.k.a. “Tony”) Perry. **“Corporate Defendants”** means,  
20 individually or collectively: (a) LMS; and (b) Direct Lender.

21 5. **“Financial related good or service”** means any good, service, plan, or  
22 program that is represented, expressly or by implication, to (A) provide any  
23 consumer, arrange for any consumer to receive, or assist any consumer in receiving,  
24 credit, debit, or stored value cards; (B) improve, or arrange to improve, any  
25 consumer’s credit record, credit history, or credit rating; (C) provide advice or  
26 assistance to any consumer with regard to any activity or service the purpose of  
27 which is to improve a consumer’s credit record, credit history, or credit rating; (D)  
28

1 provide any consumer, arrange for any consumer to receive, or assist any consumer  
2 in receiving, a loan or other extension of credit; (E) provide any consumer, arrange  
3 for any consumer to receive, or assist any consumer in receiving, debt relief services;  
4 (F) provide any consumer, arrange for any consumer to receive, or assist any  
5 consumer in receiving any service represented, expressly or by implication, to  
6 renegotiate, settle, or in any way alter the terms of payment or other terms of the debt  
7 between a consumer and one or more secured creditors, servicers, or debt collectors.

8       6.     “**Federal homeowner relief or financial stability program**” means any  
9 program (including its sponsoring agencies, telephone numbers, and Internet  
10 websites) operated or endorsed by the United States government to provide relief to  
11 homeowners or stabilize the economy, including but not limited to (A) the Making  
12 Home Affordable Program; (B) the Financial Stability Plan; (C) the Troubled Asset  
13 Relief Program and any other program sponsored or operated by the United States  
14 Department of the Treasury; (D) the HOPE for Homeowners program, any program  
15 operated or created pursuant to the Helping Families Save Their Homes Act, and any  
16 other program sponsored or operated by the Federal Housing Administration; or (E)  
17 any program sponsored or operated by the United States Department of Housing and  
18 Urban Development (“HUD”), the HOPE NOW Alliance, the Homeownership  
19 Preservation Foundation, or any other HUD-approved housing counseling agency.

20       7.     “**Material fact**” means any fact that is likely to affect a person’s choice  
21 of, or conduct regarding, goods or services.

22       8.     “**Mortgage loan modification or foreclosure relief service**” means any  
23 good, service, plan, or program that is represented, expressly or by implication, to  
24 assist a consumer in any manner to (A) stop, prevent, or postpone any home  
25 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of  
26 any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from  
27 any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any  
28

1 residential mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any  
2 extension of the period within which the owner of property sold at foreclosure may  
3 cure his or her default or reinstate his or her obligation; (F) obtain any waiver of an  
4 acceleration clause contained in any promissory note or contract secured by a deed of  
5 trust or mortgage on a residence in foreclosure or contained in that deed of trust; (G)  
6 obtain a loan or advance of funds that is connected to the consumer's home  
7 ownership; (H) avoid or ameliorate the impairment of the consumer's credit record,  
8 credit history, or credit rating that is connected to the consumer's home ownership;  
9 (I) save the consumer's residence from foreclosure; (J) assist the consumer in  
10 obtaining proceeds from the foreclosure sale of the consumer's residence; (K) obtain  
11 or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain  
12 or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of  
13 trust, or mortgage; (M) audit or examine a consumer's mortgage or home loan  
14 application; or (N) obtain, arrange, or attempt to obtain or arrange any extension of  
15 the period within which the renter of property sold at foreclosure may continue to  
16 occupy the property. The foregoing shall include any manner of claimed assistance,  
17 including, but not limited to, debt, credit, budget, or financial counseling; receiving  
18 money for the purpose of distributing it to creditors; contacting creditors or servicers  
19 on behalf of the consumer; and giving advice of any kind with respect to filing for  
20 bankruptcy.

21 9. "**Person**" means a natural person, organization, or other legal entity,  
22 including a corporation, partnership, proprietorship, association, cooperative, or any  
23 other group or combination acting as an entity.

24 10. "**Servicer**" means any beneficiary, mortgagee, trustee, loan servicer,  
25 loan holder, or any entity performing loan or credit account administration or  
26 processing services and/or its authorized agents.

27

28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**ORDER**

**BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE  
RELIEF SERVICES**

**I. IT IS THEREFORE ORDERED** that Defendant Bernadette Perry, whether acting directly or through any other person, is permanently restrained and enjoined from

A. Advertising, marketing, promoting, offering for sale, or selling any mortgage loan modification or foreclosure relief service; and

B. Assisting others engaged in advertising, marketing, promoting, offering for sale, or selling any mortgage loan modification or foreclosure relief service.

*Provided*, that if Defendant Bernadette Perry holds a real estate sales license in good standing from the appropriate state real estate licensing agency, and is employed by a broker that holds a license in good standing from the appropriate state real estate agency, Parts I.A. and B. shall not prohibit Defendant Bernadette Perry from doing or negotiating to do one or more of the following acts for another or others: selling or offering to sell, buying or offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property in a purchase money real estate transaction.

**PROHIBITED REPRESENTATIONS RELATING TO FINANCIAL  
RELATED GOODS AND SERVICES**

**II. IT IS FURTHER ORDERED** that Defendant Bernadette Perry and her successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive

1 actual notice of this Order by personal service, facsimile transmission, email, or  
2 otherwise, whether acting directly or through any corporation, subsidiary, division,  
3 or other device, in connection with the advertising, marketing, promotion, offering  
4 for sale or sale of any financial related good or service, are hereby permanently  
5 restrained and enjoined from:

6 A. Misrepresenting or assisting others in misrepresenting, expressly or by  
7 implication, any material fact, including but not limited to:

8 1. The terms or rates that are available for any loan or other  
9 extension of credit, including but not limited to:

10 (a) closing costs or other fees;

11 (b) the payment schedule, the monthly payment amount(s), or  
12 other payment terms, or whether there is a balloon payment; interest rate(s), annual  
13 percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw  
14 amount, or outstanding balance; the loan term, the draw period, or maturity; or any  
15 other term of credit;

16 (c) the savings associated with the credit;

17 (d) the amount of cash to be disbursed to the borrower out of  
18 the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any  
19 third parties;

20 (e) whether the payment of the minimum amount specified  
21 each month covers both interest and principal, and whether the credit has or can  
22 result in negative amortization;

23 (f) that the credit does not have a prepayment penalty or that  
24 no prepayment penalty and/or other fees or costs will be incurred if the consumer  
25 subsequently refinances; and

26 (g) that the interest rate(s) or annual percentage rate(s) are  
27 fixed rather than adjustable or adjustable rather than fixed;

28



1 consumer obtaining a full or partial refund, or the circumstances in which a full or  
2 partial refund will be granted to the consumer;

3 B. That any person is affiliated with, endorsed or approved by, or  
4 otherwise connected to any other person, government entity, any federal homeowner  
5 relief or financial stability program, or any other program;

6 C. The total costs to purchase, receive, or use, and the quantity of, the good  
7 or service;

8 D. Any material restriction, limitation, or condition to purchase, receive, or  
9 use the good or service; and

10 E. Any material aspect of the performance, efficacy, nature, or  
11 characteristics of the good or service.

12 **PROHIBITIONS ON USE OF CUSTOMER INFORMATION**

13 **IV. IT IS FURTHER ORDERED** that Defendant Bernadette Perry and her  
14 successors, assigns, officers, agents, servants, employees, and attorneys, and those  
15 persons or entities in active concert or participation with any of them who receive  
16 actual notice of this Order by personal service, facsimile transmission, email, or  
17 otherwise, whether acting directly or through any corporation, subsidiary, division,  
18 or other device, are permanently restrained and enjoined from:

19 A. disclosing, using, or benefitting from customer information, including  
20 the name, address, telephone number, email address, social security number, other  
21 identifying information, or any data that enables access to a customer's account  
22 (including a credit card, bank account, or other financial account), of any person  
23 which any Defendant obtained prior to entry of this Order in connection with the  
24 advertising, marketing, promotion, offering for sale or sale of any mortgage loan  
25 modification or foreclosure relief service, and

26 B. failing to dispose of such customer information in all forms in their  
27 possession, custody, or control within thirty (30) days after entry of this Order.  
28

1 Disposal shall be by means that protect against unauthorized access to the customer  
2 information, such as by burning, pulverizing, or shredding any papers, and by  
3 erasing or destroying any electronic media, to ensure that the customer information  
4 cannot practicably be read or reconstructed.

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

8 **MONETARY RELIEF**

9 **V. IT IS FURTHER ORDERED** that:

10 A. Judgment is hereby entered against Defendant Bernadette Perry, in the  
11 amount of six million two hundred sixty two thousand five hundred nine dollars and  
12 sixty two cents (\$6,262,509.62); *provided, however,* that this judgment shall be  
13 suspended only as long as the Court makes no finding, as provided in Section VI of  
14 this Order, that Defendant Bernadette Perry materially misrepresented or omitted the  
15 nature, existence, or value of any asset;

16 B. Defendant Bernadette Perry agrees that the facts as alleged in the  
17 Complaint filed in this action shall be taken as true without further proof in any  
18 bankruptcy case or subsequent civil litigation pursued by the FTC to enforce its  
19 rights to any payment or money judgment pursuant to this Order, including but not  
20 limited to a nondischargeability complaint in any bankruptcy case. Defendant  
21 Bernadette Perry further stipulates and agrees that the facts alleged in the Complaint  
22 establish all elements necessary to sustain an action by the FTC pursuant to, and that  
23 this Order shall have collateral estoppel effect for purposes of Section 523(a)(2)(A)  
24 of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A). This subsection is not intended  
25 to be, nor shall it be, construed as an admission of liability by Defendant Bernadette  
26 Perry with respect to the allegations set forth in the Complaint with respect to any  
27 claims or demands by any third parties.

1 C. Defendant Bernadette Perry stipulates and agrees that the judgment  
2 ordered by this Section is not dischargeable in bankruptcy, pursuant to Section 523  
3 of the Bankruptcy Code, 11 U.S.C. § 523;

4 D. The judgment entered pursuant to this Section is equitable monetary  
5 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or  
6 forfeiture;

7 E. Upon request, Defendant Bernadette Perry is hereby required, in  
8 accordance with 31 U.S.C. § 7701, to furnish to the FTC any tax identification  
9 numbers, which shall be used for purposes of collecting and reporting on any  
10 delinquent amount arising out of this Order; and

11 F. Upon request, Defendant Bernadette Perry is hereby required to furnish  
12 to the FTC with copies of any tax returns submitted for the years 2004 through the  
13 present; and

14 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
15 § 1681b(1), any consumer reporting agency may furnish a consumer report  
16 concerning Defendant Bernadette Perry to the FTC, which shall be used for purposes  
17 of collecting and reporting on any delinquent amount arising out of this Order.

18 **RIGHT TO REOPEN**

19 **VI. IT IS FURTHER ORDERED** that, the FTC's agreement to, and the Court's  
20 approval of, this Order is expressly premised on the truthfulness, accuracy and  
21 completeness of the revised financial statement submitted to FTC counsel by  
22 Defendant Bernadette Perry on April 8, 2010 and the sworn testimony given by  
23 Defendant Bernadette Perry on or about December 11, 2009. If, upon motion by the  
24 FTC, the Court finds that: (1) the financial statement or sworn testimony of  
25 Defendant Bernadette Perry contain any material misrepresentation or omission, or  
26 (2) Defendant Bernadette Perry receives any money or assets owed to her as of the  
27 date of entry of this Order by any Defendant named in this civil action, or their  
28

1 officers, agents, servants, employees, and all persons and entities in active concert or  
2 participation with them, including pursuant to any chose of action to recover money  
3 or assets from such persons, the suspended judgment entered in Section V of this  
4 Order shall become immediately due and payable. *Provided, however,* in all other  
5 respects this Order shall remain in full force and effect unless otherwise ordered by  
6 the Court; and, *provided further,* that proceedings instituted under this provision  
7 would be in addition to, and not in lieu of, any other civil or criminal remedies as  
8 may be provided by law, including any other proceedings that the FTC may initiate  
9 to enforce this Order. For purposes of this Section, Defendant Bernadette Perry  
10 waives any right to contest any of the allegations in the Complaint.

#### 11 **COOPERATION WITH FTC**

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

#### 24 **COMPLIANCE MONITORING**

25 **VIII. IT IS FURTHER ORDERED** that, for the purpose of (i) monitoring and  
26 investigating compliance with any provision of this Order, and (ii) investigating the  
27  
28

1 accuracy of Defendant Bernadette Perry's financial statement or sworn testimony  
2 upon which the FTC's agreement to this Order is expressly premised:

3       A.     Within ten (10) days of receipt of written notice from a representative of  
4 the FTC, Defendant Bernadette Perry shall submit additional written reports, which  
5 are true and accurate and sworn to under penalty of perjury; produce documents for  
6 inspection and copying; appear for deposition; and provide entry during normal  
7 business hours to any business location in Defendant Bernadette Perry's possession  
8 or direct or indirect control to inspect the business operation;

9       B.     In addition, the FTC is authorized to use all other lawful means,  
10 including but not limited to:

11           1.     obtaining discovery from any person, without further leave of  
12 court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and  
13 69;

14           2.     posing as consumers and suppliers to Defendant Bernadette  
15 Perry, her employees, or any other entity managed or controlled in whole or in part  
16 by Defendant Bernadette Perry, without the necessity of identification or prior  
17 notice; and

18       C.     Defendant Bernadette Perry shall permit representatives of the FTC to  
19 interview any employer, consultant, independent contractor, representative, agent, or  
20 employee who has agreed to such an interview, relating in any way to any conduct  
21 subject to this Order. The person interviewed may have counsel present.

22       D.     ***Provided however***, that nothing in this Order shall limit the FTC's  
23 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15  
24 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony,  
25 or information relevant to unfair or deceptive acts or practices in or affecting  
26 commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

**COMPLIANCE REPORTING**

**IX. IT IS FURTHER ORDERED** that, in order that compliance with the provisions of this Order may be monitored:

A. For a period of seven (7) years from the date of entry of this Order,

1. Defendant Bernadette Perry shall notify the FTC of the following:

a. Any changes in her residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

b. Any changes in her employment status (including self-employment), and any change in her ownership in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that she is affiliated with, employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of her duties and responsibilities in connection with the business or employment; and

c. Any changes in her name or use of any aliases or fictitious names;

2. Defendant Bernadette Perry shall notify the FTC of any changes in structure of any Corporate Defendant or any business entity that she directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the business entity about which Defendant Bernadette Perry learns less than thirty (30) days prior to the date such action is to take place, she shall notify the FTC as soon as is practicable after obtaining such knowledge.

1 B. One hundred eighty (180) days after the date of entry of this Order and  
2 annually thereafter for a period of seven (7) years, Defendant Bernadette Perry shall  
3 provide a written report to the FTC, which is true and accurate and sworn to under  
4 penalty of perjury, setting forth in detail the manner and form in which she has  
5 complied and is complying with this Order. This report shall include, but not be  
6 limited to:

7 1. Defendant Bernadette Perry's then-current residence address,  
8 mailing addresses, and telephone numbers;

9 2. Defendant Bernadette Perry's then-current employment status  
10 (including self-employment), including the name, addresses, and telephone numbers  
11 of each business that she is affiliated with, employed by, or performs services for; a  
12 detailed description of the nature of the business; and a detailed description of her  
13 duties and responsibilities in connection with the business or employment; and

14 3. A copy of each acknowledgment of receipt of this Order,  
15 obtained pursuant to the Section titled "Distribution of Order;" and

16 4. Any other changes required to be reported under Subsection A of  
17 this Section.

18 C. Defendant Bernadette Perry shall notify the FTC of the filing of a  
19 bankruptcy petition by her within fifteen (15) days of filing.

20 D. For the purposes of this Order, Defendant Bernadette Perry shall, unless  
21 otherwise directed by the FTC's authorized representatives, send by overnight  
22 courier all reports and notifications required by this Order to the FTC, to the  
23 following address:

24 Associate Director for Enforcement  
25 Bureau of Consumer Protection  
26 Federal Trade Commission  
27 600 Pennsylvania Avenue, N.W.  
28 Washington, D.C. 20580  
RE: *FTC v. Loss Mitigation Services, Inc.*, Case No. SACV09-  
800 DOC (ANx) (C.D. Ca.)

1 *Provided* that, in lieu of overnight courier, Defendant Bernadette Perry may send  
2 such reports or notifications by first-class mail, but only if she contemporaneously  
3 sends an electronic version of such report or notification to the FTC at:  
4 DEBrief@ftc.gov.

5 E. For purposes of the compliance reporting and monitoring required by  
6 this Order, the FTC is authorized to communicate directly with Defendant Bernadette  
7 Perry.

### 8 **RECORD KEEPING PROVISIONS**

9 **X. IT IS FURTHER ORDERED** that, for a period of ten (10) years from the  
10 date of entry of this Order, in connection with any business where Defendant  
11 Bernadette Perry is the majority owner of the business or directly or indirectly  
12 manages or controls the business, Defendant Bernadette Perry and her agents,  
13 employees, officers, corporations, and those persons in active concert or participation  
14 with him who receive actual notice of this Order by personal service or otherwise,  
15 are hereby restrained and enjoined from failing to create and retain the following  
16 records:

17 A. Accounting records that reflect the cost of goods or services sold,  
18 revenues generated, and the disbursement of such revenues;

19 B. Personnel records accurately reflecting: the name, address, and  
20 telephone number of each person employed in any capacity by such business,  
21 including as an independent contractor; that person's job title or position; the date  
22 upon which the person commenced work; and the date and reason for the person's  
23 termination, if applicable;

24 C. Customer files containing the names, addresses, phone numbers, dollar  
25 amounts paid, quantity of items or services purchased, and description of items or  
26 services purchased, to the extent such information is obtained in the ordinary course  
27 of business;

1 D. Complaints and refund requests (whether received directly, indirectly,  
2 or through any third party) and any responses to those complaints or requests;

3 E. Copies of all sales scripts, training materials, advertisements, or other  
4 marketing materials; and

5 F. All records and documents necessary to demonstrate full compliance  
6 with each provision of this Order, including but not limited to, copies of  
7 acknowledgments of receipt of this Order required by the Sections titled  
8 “Distribution of Order” and “Acknowledgment of Receipt of Order” and all reports  
9 submitted to the FTC pursuant to the Section titled “Compliance Reporting.”

10 **DISTRIBUTION OF ORDER**

11 **XI. IT IS FURTHER ORDERED** that, for a period of four (4) years from the  
12 date of entry of this Order, Defendant Bernadette Perry shall deliver copies of this  
13 Order as directed below:

14 A. Defendant Bernadette Perry as Control Person: For any business that  
15 Defendant Bernadette Perry controls, directly or indirectly, or in which Defendant  
16 Bernadette Perry has a majority ownership interest, Defendant Bernadette Perry must  
17 deliver a copy of this Order to (1) all principals, officers, directors, and managers of  
18 that business; (2) all employees, agents, and representatives of that business who  
19 engage in conduct related to the subject matter of Section I of this Order (entitled  
20 Ban on Mortgage Loan Modification and Foreclosure Relief Services) or Section II  
21 of this Order (entitled Prohibited Representations Relating to Financial Related  
22 Goods and Services); and (3) any business entity resulting from any change in  
23 structure set forth in Subsection A.2 of the Section titled “Compliance Reporting.”  
24 For current personnel, delivery shall be within five (5) days of service of this Order  
25 upon Defendant Bernadette Perry. For new personnel, delivery shall occur prior to  
26 them assuming their responsibilities. For any business entity resulting from any  
27  
28

1 change in structure set forth in Subsection A.2 of the Section titled “Compliance  
2 Reporting,” delivery shall be at least ten (10) days prior to the change in structure.

3 B. Defendant Bernadette Perry as Employee or Non-Control Person: For  
4 any business where Defendant Bernadette Perry is not a controlling person of a  
5 business but otherwise engages in conduct related to the subject matter of Section I  
6 of this Order (entitled Ban on Mortgage Loan Modification and Foreclosure Relief  
7 Services) or Section II of this Order (entitled Prohibited Representations Relating to  
8 Financial Related Goods and Services), Defendant Bernadette Perry must deliver a  
9 copy of this Order to all principals and managers of such business before engaging in  
10 such conduct.

11 C. Defendant Bernadette Perry must secure a signed and dated statement  
12 acknowledging receipt of this Order, within thirty (30) days of delivery, from all  
13 persons receiving a copy of this Order pursuant to this Section.

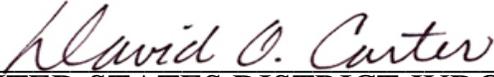
14 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

15 **XII. IT IS FURTHER ORDERED** that Defendant Bernadette Perry, within five  
16 (5) business days of receipt of this Order as entered by the Court, must submit to the  
17 FTC a truthful sworn statement acknowledging receipt of this Order.

1  
2 **RETENTION OF JURISDICTION**

3 **XIII. IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this  
4 matter for purposes of construction, modification, and enforcement of this Order.  
5

6 **IT IS SO ORDERED**, this 14th day of July, 2010.  
7

8   
9 UNITED STATES DISTRICT JUDGE  
10 David O. Carter  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28