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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

U.S. HOMEOWNERS RELIEF, INC.,  
*et al.*,

Defendants.

Case No. SACV10-1452 JST (PJWx)

DEFAULT JUDGMENT AND  
ORDER FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AS TO  
DEFENDANTS U.S.  
HOMEOWNERS RELIEF, INC.,  
WAYPOINT LAW GROUP, INC.,  
AMERICAN LENDING REVIEW,  
INC., AND SAMUEL PAUL BAIN

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on September 27, 2010, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, to obtain preliminary and permanent injunctive and other equitable relief for Defendants’ alleged violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule (“TSR”),

1 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage  
2 assistance relief services. On September 28, 2010, the Court entered an *ex parte*  
3 Temporary Restraining Order (“TRO”) that included, among other things,  
4 appointment of a temporary receiver, an asset freeze, and immediate access to  
5 Defendants’ business premises. The court terminated the receivership on  
6 November 9, 2010.

7 Defendants Damon G. Carriger, D.G.C. Consulting, LLC, and DLD  
8 Consulting, LLC; Aminullah Sarpas and New Life Solutions, Inc.; and Macie  
9 Mejeco Bain, *pro se*, have all signed Stipulated Final Judgments and Orders for  
10 Permanent Injunction. Defendants U.S. Homeowners Relief, Inc., Waypoint Law  
11 Group, Inc., and American Lending Review (“Defaulting Corporate Defendants”)  
12 failed to file an Answer or otherwise defend, and default was entered by the Court  
13 on August 26, 2011. Defendant Samuel Paul Bain (“Defaulting Individual  
14 Defendant” or “Defendant Bain”) filed an Answer on March 23, 2011. However,  
15 on December 8, 2011, the Court entered a default as a sanction under Fed. R. Civ.  
16 P. 37(d) for Defendant Bain’s failure to comply with the discovery rules and to  
17 appear in response to the court’s Order to Show Cause.

18 The FTC now having filed its Motion for Entry of Default Judgment and  
19 Order for Permanent Injunction and Other Equitable Relief Against Defendants  
20 U.S. Homeowners Relief, Inc., Waypoint Law Group, Inc., American Lending  
21 Review, and Samuel Paul Bain (“Defaulting Defendants”), and the Court having  
22 considered the FTC’s Motion, and supporting exhibits, and the entire record in this  
23 matter, the FTC’s Motion is hereby granted, and **IT IS HEREBY ORDERED,**  
24 **ADJUDGED, AND DECREED** as follows:  
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**FINDINGS**

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3 1. This Court has jurisdiction over the subject matter of this case and has  
4 jurisdiction over the Defaulting Defendants pursuant to 15 U.S.C. §§ 45(a) and  
5 53(b), and 28 U.S.C. §§ 1331, 1337(a) and 1345.

6 2. Venue is proper in this District under 15 U.S.C. § 53(b) and 28 U.S.C.  
7 § 1391(b) and (c).

8 3. The activities of the Defaulting Defendants, as alleged in the  
9 Complaint, are in or affecting commerce, as defined in Section 4 of the FTC Act,  
10 15 U.S.C. § 44.

11 4. The Complaint states a claim upon which relief may be granted  
12 against Defaulting Defendants under Sections 5(a) and 13(b) of the FTC Act, 15  
13 U.S.C. §§ 45(a) and 53(b).

14 5. Defaulting Defendants have been properly served with the Summons  
15 and Complaint, as required by Federal Rule of Civil Procedure 4.

16 6. Defaulting Corporate Defendants have failed to Answer or otherwise  
17 defend this action. The Clerk of the Court properly entered defaults against  
18 Defaulting Corporate Defendants on August 26, 2011.

19 7. Defaulting Individual Defendant failed to comply with the discovery  
20 rules by twice failing to appear for his properly noticed deposition. Pursuant to  
21 Fed. R. Civ. P. 37(d), this Court struck Defendant Bain's Answer and entered a  
22 default against him on December 8, 2011.

23 8. Because of Defaulting Defendants' default, the allegations in the  
24 Complaint filed in this action are taken as true.

25 9. As alleged in Count I of the Complaint, Defaulting Defendants, in  
26 connection with the advertising, marketing, promotion, offering for sale, or sale of  
27 mortgage assistance relief services, have falsely represented, directly or indirectly,  
28 expressly or by implication, that consumers who purchase Defaulting Defendants'

1 services are highly likely to obtain a mortgage loan modification that will make  
2 their mortgage payments substantially more affordable. The Defaulting  
3 Defendants' representations are false and misleading and constitute deceptive acts  
4 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

5 10. As alleged in Count II of the Complaint, Defaulting Defendants, in  
6 connection with the advertising, marketing, promotion, offering for sale, or sale of  
7 mortgage assistance relief services, have falsely represented, directly or indirectly,  
8 expressly or by implication, that Defaulting Defendants are the United States  
9 government or are affiliated with the United States government. The Defaulting  
10 Defendants' representations are false and misleading and constitute a deceptive act  
11 or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

12 11. As alleged in Count III of the Complaint, Defaulting Defendants, in  
13 connection with the advertising, marketing, promotion, offering for sale, or sale of  
14 mortgage assistance relief services, have falsely represented, directly or indirectly,  
15 expressly or by implication, that Defaulting Defendants will fully refund  
16 consumers' payments if Defaulting Defendants fail to obtain the promised  
17 mortgage loan modification. The Defaulting Defendants' representations are false  
18 and misleading and constitute deceptive acts or practices in violation of Section  
19 5(a) of the FTC Act, 15 U.S.C. § 45(a).

20 12. The Court finds that Defaulting Defendants are "seller[s]" or  
21 "telemarketer[s]" engaged in "telemarketing" as those terms are defined in the  
22 TSR, 16 C.F.R. § 310.2(z), (bb), and (cc).

23 13. As alleged in Count IV of the Complaint, Defaulting Defendants, in  
24 the course of telemarketing loan modification services, have misrepresented,  
25 directly or by implication, material aspects of the performance, efficacy, nature or  
26 central characteristics of the loan modification services that Defaulting Defendants  
27 sell including, but not limited to, misrepresenting that consumers who purchase  
28 Defaulting Defendants' services are highly likely to obtain mortgage loan

1 modifications that will make their mortgage payments substantially more  
2 affordable. The Defaulting Defendants' acts or practices violate Section  
3 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

4 14. As alleged in Count V of the Complaint, Defaulting Defendants, in the  
5 course of telemarketing loan modification services, have misrepresented, directly  
6 or by implication, that they are carrying out a government program or are  
7 otherwise affiliated with the United States government. The Defaulting  
8 Defendants' acts or practices violate Section 310.3(a)(2)(vii) of the TSR, 16 C.F.R.  
9 § 310.3(a)(2)(vii).

10 15. As alleged in Count VI of the Complaint, Defaulting Defendants, in  
11 the course of telemarketing loan modification services, have misrepresented,  
12 directly or by implication, the seller's refund, cancellation, exchange, or repurchase  
13 policies. The Defaulting Defendants' acts or practices violate Section  
14 310.3(a)(2)(iv) of the TSR, 16 C.F.R. § 310.3(a)(2)(iv).

15 16. The Court finds that, absent a permanent injunction, Defaulting  
16 Defendants are likely to continue to engage in the activities alleged in the  
17 Complaint.

18 17. Defaulting Corporate Defendants have operated as a common  
19 enterprise by sharing ownership, officers, directors, members, managers, office  
20 locations, and mailing addresses in furtherance of the acts and practices alleged in  
21 the Complaint. Because Defaulting Corporate Defendants have operated as a  
22 common enterprise, each of them is jointly and severally liable for the acts and  
23 practices alleged in the Complaint.

24 18. The Court finds that Defendant Bain is individually liable for the  
25 violations described above.

26 19. The Court finds that Defendant Bain is also liable for the violations  
27 described above while doing business, directly or indirectly through his agents,  
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1 using the fictitious business names Liberty Lending Review, Document Resource  
2 Center, and Nationwide Relief Center.

3 20. This Order is in addition to, and not in lieu of, any other civil or  
4 criminal remedies that may be provided by law.

5 21. The Defaulting Defendants have caused consumer injury in the  
6 amount of \$3,892,809.

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8 DEFINITIONS

9 For purposes of this Order, the following definitions shall apply:

10 1. **“Asset” or “Assets”** means any legal or equitable interest in, right to,  
11 or claim to any real or personal property, including, but not limited to, “goods,”  
12 “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,”  
13 “checks,” or “notes” (as these terms are defined in the Uniform Commercial Code),  
14 lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of  
15 stock, lists of consumer names, accounts, credits, premises, receivables, funds, and  
16 all cash, wherever located.

17 2. **“Assisting others”** includes, but is not limited to:

- 18 a. performing customer service functions including, but not  
19 limited to, receiving or responding to consumer complaints;  
20 b. formulating or providing, or arranging for the formulation or  
21 provision of, any advertising or marketing material, including,  
22 but not limited to, any telephone sales script, direct mail  
23 solicitation, or the text of any Internet website, email, or other  
24 electronic communication;  
25 c. formulating or providing, or arranging for the formulation or  
26 provision of, any marketing support material or service,  
27 including but not limited to, web or Internet Protocol addresses  
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1 or domain name registration for any Internet websites, affiliate  
2 marketing services, or media placement services;

3 d. providing names of, or assisting in the generation of, potential  
4 customers;

5 e. performing marketing, billing, or payment services of any kind;  
6 and

7 f. acting or serving as an owner, officer, director, manager, or  
8 principal of any entity.

9 3. **“Competent and reliable evidence”** means tests, analyses, research,  
10 studies, or other evidence based on the expertise of professionals in the relevant  
11 area, that has been conducted and evaluated in an objective manner by persons  
12 qualified to do so, using procedures generally accepted in the profession to yield  
13 accurate and reliable results.

14 4. **“Consumer”** means any natural person.

15 5. **“Customer”** means any person who has paid, or may be required to  
16 pay, for products, services, plans, or programs offered for sale or sold by any other  
17 person.

18 6. **“Debt relief product or service”** means any product, service, plan, or  
19 program represented, expressly or by implication, to renegotiate, settle, or in any  
20 way alter the terms of payment or other terms of the debt or obligation, including  
21 but not limited to a tax debt or obligation, between a person and one or more  
22 unsecured creditors or debt collectors, including but not limited to, a reduction in  
23 the balance, interest rate, or fees owed by a person to an unsecured creditor or debt  
24 collector.

25 7. **“Defaulting Defendants”** means U.S. Homeowners Relief, Inc., also  
26 d/b/a Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American  
27 Lending Review, Inc., also d/b/a American Law Center; and Samuel Paul Bain.  
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1 a. **“Defaulting Corporate Defendants”** means U.S. Homeowners  
2 Relief, Inc., also d/b/a Greenleaf and Greenleaf Modify;  
3 Waypoint Law Group, Inc.; American Lending Review, Inc.,  
4 also d/b/a American Law Center.

5 b. **“Defaulting Individual Defendant”** or **“Defendant Bain”**  
6 means Samuel Paul Bain.

7 8. **“Defendants”** means U.S. Homeowners Relief, Inc., also d/b/a  
8 Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American Lending  
9 Review, Inc., also d/b/a American Law Center; New Life Solutions, Inc.; D.G.C.  
10 Consulting, LLC; DLD Consulting, LLC; Samuel Paul Bain; Macie Mejeco Bain;  
11 Aminullah Sarpas; and Damon Grant Carriger.

12 9. **“Document”** is synonymous in meaning and equal in scope to the  
13 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,  
14 drawings, graphs, charts, photographs, audio and video recordings, computer  
15 records, and other data compilations from which the information can be obtained  
16 and translated, if necessary, through detection devices into reasonably usable form.  
17 A draft or non-identical copy is a separate document within the meaning of the  
18 term.

19 10. **“Federal homeowner relief or financial stability program”** means  
20 any program (including its sponsoring agencies, telephone numbers, and Internet  
21 websites) operated or endorsed by the United States government to provide relief  
22 to homeowners or stabilize the economy, including but not limited to:

- 23 a. the Making Home Affordable Program;  
24 b. the Financial Stability Plan;  
25 c. the Troubled Asset Relief Program and any other program  
26 sponsored or operated by the United States Department of the  
27 Treasury;  
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- 1 d. the HOPE for Homeowners program, any program operated or  
2 created pursuant to the Helping Families Save Their Homes  
3 Act, and any other program sponsored or operated by the  
4 Federal Housing Administration; or  
5 e. any program sponsored or operated by the United States  
6 Department of Housing and Urban Development (“HUD”), the  
7 HOPE NOW Alliance, the Homeownership Preservation  
8 Foundation, or any other HUD-approved housing counseling  
9 agency.

10 11. **“Financial related product or service”** means any product, service,  
11 plan, or program represented, expressly or by implication, to:

- 12 a. provide any consumer, arrange for any consumer to receive, or  
13 assist any consumer in receiving, credit, debit, or stored value  
14 cards;  
15 b. improve, or arrange to improve, any consumer’s credit record,  
16 credit history, or credit rating;  
17 c. provide advice or assistance to any consumer with regard to any  
18 activity or service the purpose of which is to improve a  
19 consumer’s credit record, credit history, or credit rating;  
20 d. provide any consumer, arrange for any consumer to receive, or  
21 assist any consumer in receiving, a loan or other extension of  
22 credit; or  
23 e. provide any consumer, arrange for any consumer to receive, or  
24 assist any consumer in receiving any service represented,  
25 expressly or by implication, to renegotiate, settle, or in any way  
26 alter the terms of payment or other terms of the debt or  
27 obligation, including but not limited to a tax debt or obligation,  
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1 between a consumer and one or more secured creditors,  
2 servicers, or debt collectors.

3 12. **“Material”** means likely to affect a person’s choice of, or conduct  
4 regarding, goods or services.

5 13. **“Mortgage assistance relief product or service”** means any  
6 product, service, plan, or program, offered or provided to the consumer in  
7 exchange for consideration, that is represented, expressly or by implication, to  
8 assist or attempt to assist the consumer with any of the following:

- 9 a. stopping, preventing, or postponing any mortgage or deed of  
10 trust foreclosure sale for the consumer’s dwelling, any  
11 repossession of the consumer’s dwelling, or otherwise saving  
12 the consumer’s dwelling from foreclosure or repossession;
- 13 b. negotiating, obtaining, or arranging a modification of any term  
14 of a dwelling loan, including a reduction in the amount of  
15 interest, principal balance, monthly payments, or fees;
- 16 c. obtaining any forbearance or modification in the timing of  
17 payments from any dwelling loan holder or servicer on any  
18 dwelling loan;
- 19 d. negotiating, obtaining, or arranging any extension of the period  
20 of time within which the consumer may (i) cure his or her  
21 default on a dwelling loan, (ii) reinstate his or her dwelling  
22 loan, (iii) redeem a dwelling, or (iv) exercise any right to  
23 reinstate a dwelling loan or redeem a dwelling;
- 24 e. obtaining any waiver of an acceleration clause or balloon  
25 payment contained in any promissory note or contract secured  
26 by any dwelling; or
- 27 f. negotiating, obtaining, or arranging (i) a short sale of a  
28 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other

1 disposition of a dwelling loan other than a sale to a third party  
2 that is not the dwelling loan holder.

3 The foregoing shall include any manner of claimed assistance, including, but not  
4 limited to, auditing or examining a consumer's mortgage or home loan application.

5 14. **“Person”** means a natural person, an organization or other legal  
6 entity, including a corporation, partnership, sole proprietorship, limited liability  
7 company, association, cooperative, or any other group or combination acting as an  
8 entity.

9 15. **“Telemarketing”** means any plan, program, or campaign which is  
10 conducted to induce the purchase of goods or services by use of one or more  
11 telephones, and which involves a telephone call, whether or not covered by the  
12 Telemarketing Sales Rule, 16 C.F.R. Part 310.

### 13 **I. BAN ON TELEMARKETING**

14 IT IS THEREFORE ORDERED that Defaulting Defendants are permanently  
15 restrained and enjoined from participating in telemarketing, whether directly or  
16 through an intermediary.  
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### 18 **II. BAN ON MARKETING DEBT RELIEF SERVICES**

19 IT IS FURTHER ORDERED that the Defaulting Defendants, whether acting  
20 directly or through any other person, are permanently restrained and enjoined  
21 from:

22 A. Advertising, marketing, promoting, offering for sale, or selling any  
23 debt relief product or service; and

24 B. Assisting others engaged in advertising, marketing, promoting,  
25 offering for sale, or selling any debt relief product or service.  
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1                   **III. BAN ON MARKETING MORTGAGE ASSISTANCE RELIEF**  
2                                   **PRODUCTS AND SERVICES**

3                   IT IS FURTHER ORDERED that the Defaulting Defendants, whether acting  
4 directly or through any other person, are permanently restrained and enjoined  
5 from:

6                   A.     Advertising, marketing, promoting, offering for sale, or selling any  
7 mortgage assistance relief product or service; and

8                   B.     Assisting others engaged in advertising, marketing, promoting,  
9 offering for sale, or selling any mortgage assistance relief product or service.

10                   **IV. PROHIBITED MISREPRESENTATIONS RELATING TO**  
11                                   **FINANCIAL RELATED PRODUCTS OR SERVICES**

12                   IT IS FURTHER ORDERED that the Defaulting Defendants and their  
13 officers, agents, servants, employees, and attorneys, and those persons or entities in  
14 active concert or participation with any of them who receive actual notice of this  
15 Order by personal service, facsimile transmission, email, or otherwise, whether  
16 acting directly or through any corporation, subsidiary, division, or other device, in  
17 connection with the advertising, marketing, promotion, offering for sale or sale of  
18 any financial related product or service, are hereby permanently restrained and  
19 enjoined from:

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

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

- 24   a.     closing costs or other fees;
- 25   b.     the payment schedule, the monthly payment amount(s),  
26 or other payment terms, or whether there is a balloon  
27 payment; interest rate(s), annual percentage rate(s), or  
28 finance charge; the loan amount, the amount of credit, the

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- draw amount, or outstanding balance; the loan term, the draw period, or maturity; or any other term of credit;
  - c. the savings associated with the credit;
  - d. the amount of cash to be disbursed to the borrower out of the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any third parties;
  - e. whether the payment of the minimum amount specified each month covers both interest and principal, and whether the credit has or can result in negative amortization;
  - f. that the credit does not have a prepayment penalty or that no prepayment penalty and/or other fees or costs will be incurred if the consumer subsequently refinances; and
  - g. that the interest rate(s) or annual percentage rate(s) are fixed rather than adjustable or adjustable rather than fixed;
2. Any person's ability to improve or otherwise affect a consumer's credit record, credit history, or credit rating or ability to obtain credit;
3. That any person can improve any consumer's credit record, credit history, or credit rating by permanently removing negative information from the consumer's credit record, credit history, or credit rating, even where such information is accurate and not obsolete; and
4. That a consumer will receive legal representation;
5. Advising a customer that the customer cannot or should not contact, communicate with, or make payments to the customer's lender or servicer; and

1           6.     Advertising or assisting others in advertising credit terms other  
2           than those terms that actually are or will be arranged or offered by a  
3           creditor or lender.

4           **V. PROHIBITED MISREPRESENTATIONS RELATING TO ANY**  
5           **PRODUCT OR SERVICE**

6           IT IS FURTHER ORDERED that the Defaulting Defendants and their  
7 officers, agents, servants, employees, and attorneys, and those persons or entities in  
8 active concert or participation with any of them who receive actual notice of this  
9 Order by personal service, facsimile transmission, email, or otherwise, whether  
10 acting directly or through any corporation, subsidiary, division, or other device, in  
11 connection with the advertising, marketing, promotion, offering for sale or sale of  
12 any product, service, plan, or program are hereby permanently restrained and  
13 enjoined from misrepresenting or assisting others in misrepresenting, expressly or  
14 by implication, any material fact, including but not limited to:

15           A.     Any material aspect of the nature or terms of any refund, cancellation,  
16 exchange, or repurchase policy, including, but not limited to, the likelihood of a  
17 consumer obtaining a full or partial refund, or the circumstances in which a full or  
18 partial refund will be granted to the consumer;

19           B.     That any person is affiliated with, endorsed or approved by, or  
20 otherwise connected to any other person; government entity; any federal  
21 homeowner relief or financial stability program; public, non-profit, or other non-  
22 commercial program; or any other program;

23           C.     That they themselves provide the product, service, plan, or program;

24           D.     That any person providing a testimonial has purchased, received or  
25 used the product, service, plan, or program;

26           E.     That the experience represented in a testimonial of the product,  
27 service, plan, or program represents the person's actual experience resulting from  
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1 the use of the product, service, plan, or program under the circumstances depicted  
2 in the advertisement;

3 F. The total costs to purchase, receive, or use, or the quantity of, the  
4 product, service, plan, or program;

5 G. Any material restriction, limitation, or condition on purchasing,  
6 receiving, or using the product, service, plan, or program;

7 H. That any person has implemented reasonable and appropriate  
8 measures to protect consumers' non-public personal information against  
9 unauthorized access; or

10 I. Any material aspect of the performance, efficacy, nature, or  
11 characteristics of the product, service, plan, or program.

12 **VI. SUBSTANTIATION FOR BENEFIT, PERFORMANCE, AND**  
13 **EFFICACY CLAIMS**

14 IT IS FURTHER ORDERED that Defaulting Defendants and their officers,  
15 agents, servants, employees, and attorneys, and those persons or entities in active  
16 concert or participation with any of them who receive actual notice of this Order by  
17 personal service, facsimile transmission, email, or otherwise, whether acting  
18 directly or through any corporation, subsidiary, division, or other device, in  
19 connection with the advertising, marketing, promotion, offering for sale, or sale of  
20 any financial related product or service are hereby permanently restrained and  
21 enjoined from making any representation or assisting others in making any  
22 representation, expressly or by implication, about the benefits, performance, or  
23 efficacy of any financial related product or service, unless, at the time such  
24 representation is made, the Defaulting Defendant possesses and relies upon  
25 competent and reliable evidence that substantiates that the representation is true.  
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1 **VII. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

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

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

16 B. Failing to dispose of such customer information in all forms in their  
17 possession, custody, or control within thirty (30) days after entry of this Order.  
18 Disposal shall be by means that protect against unauthorized access to the customer  
19 information, such as by burning, pulverizing, or shredding any papers, and by  
20 erasing or destroying any electronic media, to ensure that the customer information  
21 cannot practicably be read or reconstructed.

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

25 **VIII. MONETARY JUDGMENT**

26 IT IS FURTHER ORDERED that:

27 A. Judgment is hereby entered in favor of the Plaintiff and against  
28 Defaulting Defendants in the amount of three million, eight hundred ninety-two

1 thousand, eight hundred nine dollars (\$3,892,809), less the sum of any amounts  
2 paid to the FTC pursuant to judgments in this action relating to other Defendants.

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

14 C. Defaulting Defendants relinquish all dominion, control, and title to the  
15 funds paid to the fullest extent permitted by law. Defaulting Defendants shall  
16 make no claim to or demand for return of the funds, directly or indirectly, through  
17 counsel or otherwise.

18 D. The facts as alleged in the Complaint filed in this action shall be taken  
19 as true without further proof in any bankruptcy case or subsequent civil litigation  
20 pursued by the FTC to enforce its rights to any payment or money judgment  
21 pursuant to this Order, including but not limited to a nondischargeability complaint  
22 in any bankruptcy case. The facts alleged in the Complaint establish all elements  
23 necessary to sustain an action by the FTC pursuant to Section 523(a)(2)(A) of the  
24 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order shall have collateral  
25 estoppel effect for such purposes.

26 E. The judgment entered pursuant to this Section is equitable monetary  
27 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or  
28 forfeiture.

1 F. Upon request, Defaulting Defendants are hereby required, in  
2 accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification  
3 numbers, which shall be used for purposes of collecting and reporting on any  
4 delinquent amount arising out of this Order.

5 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
6 § 1681b(1), any consumer reporting agency may furnish a consumer report  
7 concerning any Defaulting Defendant to the FTC, which shall be used for purposes  
8 of collecting and reporting on any delinquent amount arising out of this Order.

9 **IX. ASSET FREEZE**

10 IT IS FURTHER ORDERED that, upon entry of this Order, the freeze of  
11 Defaulting Defendants' assets shall be dissolved.

12 **X. COMPLIANCE MONITORING**

13 IT IS FURTHER ORDERED that, for the purpose of monitoring Defaulting  
14 Defendants' compliance with this Order:

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

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

27 C. The Commission may use all other lawful means, including posing,  
28 through its representatives, as consumers, suppliers, or other individuals or entities,

1 to Defaulting Defendants or any individual or entity affiliated with Defaulting  
2 Defendants, without the necessity of identification or prior notice. Nothing in this  
3 Order limits the Commission's lawful use of compulsory process, pursuant to  
4 Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

#### 5 **XI. COMPLIANCE REPORTING**

6 IT IS FURTHER ORDERED that Defaulting Defendants make timely  
7 submissions to the Commission:

8 A. One year after entry of this Order, each Defaulting Defendant must  
9 submit a compliance report, sworn under penalty of perjury.

10 1. Each Defaulting Defendant must: (a) designate at least one  
11 telephone number and an email, physical, and postal address as points  
12 of contact, which representatives of the Commission may use to  
13 communicate with Defendant; (b) identify all of that Defaulting  
14 Defendant's businesses by all of their names, telephone numbers, and  
15 physical, postal, email, and Internet addresses; (c) describe the  
16 activities of each business, including the products and services  
17 offered, the means of advertising, marketing, and sales, and the  
18 involvement of any other Defendant (which Defaulting Individual  
19 Defendant must describe if he knows or should know due to his own  
20 involvement); (d) describe in detail whether and how that Defendant  
21 is in compliance with each Section of this Order; and (e) provide a  
22 copy of each Order Acknowledgment obtained pursuant to this Order,  
23 unless previously submitted to the Commission;

24 2. Additionally, Defaulting Individual Defendant must: (a)  
25 identify all telephone numbers and all email, Internet, physical, and  
26 postal addresses, including all residences; (b) identify all titles and  
27 roles in all business activities, including any business for which he  
28 performs services whether as an employee or otherwise and any entity

1 in which he has any ownership interest; and (c) describe in detail his  
2 involvement in each such business, including title, role,  
3 responsibilities, participation, authority, control, and any ownership.

4 B. For 20 years following entry of this Order, each Defaulting Defendant  
5 must submit a compliance notice, sworn under penalty of perjury, within 14 days  
6 of any change in the following:

7 1. Each Defaulting Defendant must report any change in: (a) any  
8 designated point of contact or (b) the structure of any Defaulting  
9 Corporate Defendant or any entity that Defaulting Defendant has any  
10 ownership interest in or directly or indirectly controls that may affect  
11 compliance obligations arising under this Order, including: creation,  
12 merger, sale, or dissolution of the entity or any subsidiary, parent, or  
13 affiliate that engages in any acts or practices subject to this Order.

14 2. Additionally, Defaulting Individual Defendant must report any  
15 change in: (a) name, including aliases or fictitious name, or residence  
16 address; or (b) title or role in any business activity, including any  
17 business for which he performs services whether as an employee or  
18 otherwise and any entity in which he has any ownership interest, and  
19 identify its name, physical address, and Internet address, if any.

20 C. Each Defaulting Defendant must submit to the Commission notice of  
21 the filing of any bankruptcy petition, insolvency proceeding, or any similar  
22 proceeding by or against such Defendant within 14 days of its filing.

23 D. Any submission to the Commission required by this Order to be  
24 sworn under penalty of perjury must be true and accurate and comply with 28  
25 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the  
26 laws of the United States of America that the foregoing is true and correct.  
27 Executed on: \_\_\_\_” and supplying the date, signatory’s full name, title (if  
28 applicable), and signature.

1 E. Unless otherwise directed by a Commission representative in writing,  
2 all submissions to the Commission pursuant to this Order must be emailed to  
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
5 Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580. The  
6 subject line must begin: FTC v. U.S. Homeowners Relief, Inc., et al., X 100050.

## 7 **XII. RECORDKEEPING**

8 IT IS FURTHER ORDERED that Defaulting Defendants must create certain  
9 records for 20 years after entry of the Order, and retain each such record for 5  
10 years. Specifically, each Defaulting Corporate Defendant and Defaulting  
11 Individual Defendant for any business in which that Defendant, individually or  
12 collectively with any other Defendants, is a majority owner or directly or indirectly  
13 controls, must maintain the following records:

14 A. Accounting records showing the revenues from all goods or services  
15 sold, all costs incurred in generating those revenues, and the resulting net profit or  
16 loss;

17 B. Personnel records showing, for each person providing services,  
18 whether as an employee or otherwise, that person's: name, addresses, and  
19 telephone numbers; job title or position; dates of service; and, if applicable, the  
20 reason for termination;

21 C. Customer files showing the names, addresses, telephone numbers,  
22 dollar amounts paid, and the quantity and description of goods or services  
23 purchased;

24 D. Complaints and refund requests, whether received directly or  
25 indirectly, such as through a third party, and any response;

26 E. All records necessary to demonstrate full compliance with each  
27 provision of this Order, including all submissions to the Commission; and

28 F. A copy of each advertisement or other marketing material.

**XIII. ORDER ACKNOWLEDGMENT**

IT IS FURTHER ORDERED that Defaulting Defendants obtain acknowledgments of receipt of this Order:

A. Each Defaulting Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 5 years after entry of this Order, the Defaulting Individual Defendant for any business that he, individually or collectively with any other Defendant, is the majority owner or directly or indirectly controls, and each Defaulting Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and managers; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. To all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Defaulting Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

**XIV. RETENTION OF JURISDICTION**

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

SO ORDERED, this 13th day of February, 2012.



The Honorable Josephine Staton Tucker  
United States District Judge