

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission,

Plaintiff,

v.

Freedom Foreclosure Prevention Services, LLC, et.
al.,

Defendants.

STIPULATED FINAL ORDER
FOR PERMANENT
INJUNCTION AND
MONETARY JUDGMENT
AGAINST DEFENDANT
MICHAEL WORKMAN

This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission ("Commission" or "FTC") and Defendant Michael Workman ("Defendant").

On June 1, 2009, the FTC filed a Complaint, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b). The Court entered an *ex parte* Temporary Restraining Order that same day. The Commission charged that Defendant, together with other named defendants, Freedom Foreclosure Prevention Services, LLC ("Freedom Foreclosure"), Loss Mitigation Training Center of America, LLC ("LMTCOA"), and Jeffrey Segal, engaged in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), in the sale of loan modification consultant opportunities and loan modification services. The parties stipulated to a preliminary injunction order, which was entered on June 17, 2009.

The Commission and Defendant Workman hereby stipulate to the entry of, and request the Court to enter, this Stipulated Final Order for Permanent Injunction and Monetary Judgment (hereinafter "Order") to resolve all matters of dispute between them in this action.



FINDINGS

1. This Court has jurisdiction over the subject matter of this case and there is good cause to believe it has jurisdiction over all the parties hereto.
2. Venue in this District is proper under 15 U.S.C. §§ 53(b) and 28 U.S.C. § 1391(b).
3. The activities of Defendant are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The Complaint states a claim upon which relief may be granted against Defendant under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).
5. Defendant has entered into this Order freely and without coercion. Defendant further acknowledges that he has read the provisions of this Order and is prepared to abide by them.
6. Defendant waives all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Defendant further waives and releases any claim he may have against the Commission, its employees, representatives, or agents.
7. Defendant agrees that this Order does not entitle him to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-864 (1996), and Defendant further waives any rights to attorneys' fees that may arise under said provision of law.
8. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.
9. This Order is remedial in nature and no portion of any payments paid herein shall be deemed or construed as payment of a fine, damages, penalty or punitive assessment.
10. Entry of this Order is in the public interest.

11. This Order is for settlement purposes only and does not constitute an admission by Defendant that the law has been violated as alleged in the Complaint. However, for the purposes of bankruptcy proceedings, if any, see Section VI, Paragraph K.

DEFINITIONS

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

1. "*Assets*" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad.

2. "*Assisting others*" includes, but is not limited to, providing any of the following goods or services to another person: (A) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; (B) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material, including but not limited to, the text of any Internet website, email, or other electronic communication; (C) providing names of, or assisting in the generation of, potential customers; (D) performing marketing services of any kind; or (E) acting or serving as an owner, officer, director, manager, or principal of such entity.

3. "*Business venture*" means any written or oral business arrangement, however denominated, regardless of whether covered by the Franchise Rule, 16 C.F.R. Part 436, or Business Opportunity Rule, 16 C.F.R. Part 437, which consists of the payment of any consideration for:

a. the right or means to offer, sell, or distribute goods or services (regardless of whether



identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and

- b. more than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business.

4. "*Credit*" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

5. "*Credit Monitoring Program*" means a program that enables a consumer to access information related to substantive changes in the consumer's credit record, credit history, or credit rating as recorded in the consumer's consumer report.

6. "*Debt relief service*" means any service, including debt management plans, debt settlement, debt negotiation, and for-profit credit counseling, represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more unsecured creditors, Servicers, or debt collectors, including but not limited to, a reduction in the balance, interest rate, or fees owed by a consumer to an unsecured creditor, Servicer, or debt collector.

7. "*Defendant*" means Michael Workman.

8. "*Document*" is synonymous in meaning and equal in scope to the usage of the term in Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

9. "*Federal homeowner relief or financial stability program*" means any program



(including its sponsoring agencies, telephone numbers, and Internet website) operated or endorsed by the United States government to provide relief to homeowners or stabilize the economy, including but not limited to (A) the Making Home Affordable Program; (B) the Financial Stability Plan; (C) the Troubled Asset Relief Program and any other program sponsored or operated by the United States Department of the Treasury; (D) the HOPE for Homeowners program, any program operated or created pursuant to the Helping Families Save Their Homes Act, and any other program sponsored or operated by the Federal Housing Administration; or (E) any program sponsored or operated by the United States Department of Housing and Urban Development ("HUD"), the HOPE NOW Alliance, the Home ownership Preservation Foundation, or any other HUD-approved housing counseling agency.

10. "*Financial related good or service*" means any good, service, plan, or program that is represented, expressly or by implication, to (A) provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving, credit, debit, or stored value cards; (B) improve, or arrange to improve, any consumer's credit record, credit history, or credit rating; (C) provide advice or assistance to any consumer with regard to any activity or service the purpose of which is to improve a consumer's credit record, credit history, or credit rating; (D) provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving, a loan or other extension of credit; (E) provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving, debt relief services; (F) provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving any service represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more secured creditors, Servicers, or debt collectors.

11. "*Investment opportunity*" means anything, tangible or intangible, that is offered for sale,



sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation.

12. "*Material fact*" means any fact that is likely to affect a person's choice of, or conduct regarding, goods or services.

13. "*Mortgage loan modification or foreclosure relief service*" means any good, service, plan, or program that is represented, expressly or by implication, to assist a consumer in any manner to (A) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any extension of the period within which the owner of property sold at foreclosure may cure his or her default or reinstate his or her obligation; (F) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a deed of trust or mortgage on a residence in foreclosure or contained in that deed of trust; (G) obtain a loan or advance of funds that is connected to the consumer's home ownership; (H) avoid or ameliorate the impairment of the consumer's credit record, credit history, or credit rating that is connected to the consumer's home ownership; (I) save the consumer's residence from foreclosure; (J) assist the consumer in obtaining proceeds from the foreclosure sale of the consumer's residence; (K) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or mortgage; (M) audit or examine a consumer's mortgage or home loan application; or (N) obtain, arrange, or attempt to obtain or arrange any extension of the period within which the renter of property sold at foreclosure may continue to occupy the property. The foregoing shall include any manner of



claimed assistance, including, but not limited to, debt, credit, budget, or financial counseling; receiving money for the purpose of distributing it to creditors; contacting creditors or Servicers on behalf of the consumer; and giving advice of any kind with respect to filing for bankruptcy.

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

15. "*Representative*" means any officer, agent, servant, employee, attorney, or any other person in active concert or participation with Defendant who received actual notice of this Order by personal service or otherwise.

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

ORDER

I. BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE RELIEF SERVICES

IT IS THEREFORE ORDERED that Defendant, 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.



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

IT IS FURTHER ORDERED that Defendant and his Representatives, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any financial related good or service, are hereby permanently restrained and enjoined from:

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

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

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

4. Any aspect of any debt relief service, including but not limited to, the amount of savings a consumer will receive from purchasing, using, or enrolling in such debt relief service; the amount of time before which a consumer will receive settlement of the consumer's debts; or the reduction or cessation of collection calls; and

5. That a consumer will receive legal representation;

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

III. PROHIBITED REPRESENTATIONS RELATING TO ANY BUSINESS OR INVESTMENT OPPORTUNITY

IT IS FURTHER ORDERED that Defendant and his Representatives, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the offering for sale or selling of any business venture or investment opportunity, are hereby permanently restrained and enjoined from:

A. making, or assisting in the making of, directly or by implication, any false or misleading statement or representation of material fact including, but not limited to:

1. the potential income or profits that can be earned from operating any business

venture or from any investment opportunity;

2. the number of persons who have purchased or are currently operating any business venture or who have purchased any investment opportunity;
3. the fact that any person has operated or purchased a business venture or investment opportunity, or can provide an independent or reliable report about any business venture or investment opportunity; or

B. failing to disclose any personal relationship with, or consideration promised or paid, to any person identified by Defendant as a purchaser or operator of a business venture or investment opportunity.

IV. PROHIBITED REPRESENTATIONS RELATING TO ANY GOODS OR SERVICES

IT IS FURTHER ORDERED that Defendant and his Representatives, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any good, service, plan, or program are hereby permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including but not limited to:

A. 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 granted to the consumer;

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



- C. The total costs to purchase, receive, or use, and the quantity of, the good or service;
- D. Any material restriction, limitation, or condition to purchase, receive, or use the good or service; and
- E. Any material aspect of the performance, efficacy, nature, or characteristics of the good or service.

V. BAN ON USE OF CONSUMER LISTS

IT IS FURTHER ORDERED that Defendant and his Representatives are hereby permanently restrained and enjoined from selling, renting, leasing, transferring, disclosing, using, or commercially benefitting from the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who, in connection with the advertising, promotion, marketing, offering for sale, or sale of loan modification consultant opportunities or loan modification services, paid any money to Defendant, Jeffrey Segal, Freedom Foreclosure, or LMTCOA at any time prior to entry of this Order; *provided, however*, that Defendant may disclose such identifying information to a law enforcement agency, or as required by any law, regulation or court order.

VI. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of \$5,462,432 is entered against Defendant Michael Workman jointly and severally with any other defendants found liable in this matter.
- B. The monetary judgment set forth in Paragraph A shall be suspended upon Defendant's payment of a sum equal to the value of the assets that were revealed in Defendant's Financial Disclosure Statement (signed and dated June 8, 2009) and itemized on Attachment A.



- C. This payment, totaling \$2,000, shall be made within fifteen (15) days after the entry of this Order. The payment shall be made to the Commission by certified check(s) or other guaranteed funds payable to the Federal Trade Commission, Financial Management Office, or by wire transfer in accordance with directions provided by the Commission. The check(s) or written confirmation of the wire transfer(s) shall be delivered to: Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, N.W., Room 286, Washington, D.C. 20580.
- D. In accordance with 31 U.S.C. § 7701, Defendant is hereby required, unless he has done so already, to furnish to the Commission his taxpayer identification numbers (social security numbers or employer identification numbers) which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendant's relationship with the government.
- E. Defendant is further required, unless he has done so already, to provide the Commission with clear, legible, and full-size photocopies of all valid driver's licenses he possesses, which will be used for reporting and compliance purposes.
- F. All funds paid to the FTC pursuant to the Order shall be deposited into an account administered by the Commission or its agent to be used for equitable relief, including but not limited to consumer redress, and any attendant expenses for the administration of such equitable relief. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendant's practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the

United States Treasury as disgorgement. The Defendant shall have no right to challenge the Commission's choice of remedies under this Paragraph. The Defendant shall have no right to contest the manner of distribution chosen by the Commission.

- G. Defendant relinquishes all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendant shall make no claim to or demand return of the funds, directly or indirectly, through counsel or otherwise.
- H. The Commission's agreement to this Order is expressly premised upon the truthfulness, accuracy and completeness of the Defendant's sworn Financial Statement (dated June 8, 2009), supporting documents submitted to the Commission and subsequent addenda thereto, as well as Defendant's testimony at his August 11, 2009 deposition (hereafter referred to as "financial disclosures"), all of which the Defendant stipulates are truthful, accurate, and complete. The Defendant and the Commission stipulate that these financial disclosures provide the basis for the assets listed in Attachment A to this Order and include material information upon which the Commission relied in negotiating and agreeing to this Order. The Defendant and the Commission stipulate that the Commission has relied on the truthfulness, accuracy, and completeness of these financial disclosures in agreeing to the terms of this Order and that the Commission would not have entered into this Order but for the truthfulness, accuracy, and completeness of these financial disclosures.
- I. If, upon motion by the Commission, this Court finds that the Defendant has failed to disclose any material asset or materially misstated the value of any asset in the financial disclosures, or has made any other material misstatement or omission in the financial disclosures, then this Order shall be reopened and suspension of the judgment shall be



lifted for the purpose of requiring payment of monetary relief in the amount of the judgment set forth in Paragraph A of this Section, less the sum of any amounts paid to the Commission pursuant to Paragraphs B and C of this Section. *Provided, however,* that in all other respects this Order shall remain in full force and effect, unless otherwise ordered by the Court.

- J. Upon such reinstatement of the monetary judgment, the Court shall make an express determination that the monetary judgment shall be immediately due and payable. The Commission shall be entitled to interest on the judgment, computed from the day of entry of this Order, at the rate prescribed by 18 U.S.C. § 1961, as amended. The Commission shall be permitted to execute on the judgment immediately after the suspension is lifted and engage in discovery in aid of execution.
- K. Defendant agrees that the facts as alleged in the Complaint filed in this action shall be taken as true without further proof in, and solely for purposes of, any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including but not limited to a nondischargeability complaint in any bankruptcy case. Defendant further stipulates and agrees that the facts alleged in the Complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 523(b)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A).
- L. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.
- M. Defendant agrees that he will not, whether acting directly or through any corporation,

partnership, subsidiary, division, trade name, device, or other entity, submit to any federal or state tax authority any return, amended return, or other official document that takes a deduction for, or seeks a tax refund or other favorable treatment for, any payment by Defendant pursuant to this Order. Defendant further agrees that he will not seek a credit or refund of any kind for federal or state taxes or penalties for tax years 2003 to 2009. However, if Defendant otherwise obtains a credit or refund of any federal or state taxes or penalties paid for tax years 2003 to 2009, then Defendant shall promptly pay the Commission the amount of such credit or refund, together with any interest the Defendant has earned in connection with any such credit or refund.

- N. Defendant's federal or state tax returns, amended returns, and other tax filings for tax years 2003 through 2009 not already submitted to federal or state tax authorities shall be prepared and signed by an independent CPA, and a copy of any such document, complete with all attachments, shall be submitted to the Commission at the same time it is submitted to the federal or state tax authority, by delivering it to: Associate Director, Federal Trade Commission, Division of Enforcement, 600 Pennsylvania Avenue, NW, Mail Drop NJ-2122, Washington, DC 20580, by overnight delivery or facsimile at 202-326-2558.

VII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for purposes of (i) monitoring and investigating compliance with any provision of this Order, and (ii) investigating the accuracy of any Defendant's Financial Statement upon which the Commission's agreement to this Order is expressly premised:

- A. Within ten (10) days of receipt of written notice from a representative of the

Commission, Defendant shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and provide entry during normal business hours to any business location in Defendant's possession or direct or indirect control to inspect the business operation;

- B. In addition, the Commission is authorized to use all other lawful means, including but not limited to:
1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and 69;
 2. posing as consumers and suppliers to Defendant, his employees, or any other entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice; and
- C. Defendant shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

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

VIII. COMPLIANCE REPORTING

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

- A. For a period of three (3) years from the date of entry of this Order,
1. Defendant shall notify the Commission of the following:
 - a. any changes in Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. any changes in Defendant's employment status (including self-employment), and any change in Defendant's 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 Defendant 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 Defendant's duties and responsibilities in connection with the business or employment; and
 - c. any changes in Defendant's name or use of any aliases or fictitious names;
 2. Defendant shall notify the Commission of any changes in structure of any business entity that Defendant 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 learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

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

1. Defendant's then-current residence address, mailing addresses, and telephone numbers;
2. Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of Defendant's duties and responsibilities in connection with the business or employment; and
3. Any other changes required to be reported under Paragraph A of

this Section.

4. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order,"

- C. Defendant shall notify the Commission of the filing of a bankruptcy petition by Defendant within fifteen (15) days of filing.
- D. For the purposes of this Order, Defendant shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, N.W., Room NJ-2122
Washington, D.C. 20580
RE: FTC v. Freedom Foreclosure, et al.
Civil No. 09-1167-PHX-FJM (D. Ariz.)

Provided that, in lieu of overnight courier, Defendant may send such reports or notifications by first-class mail, but only if Defendant contemporaneously sends an electronic version of such report or notification to the Commission at: DEBrief@ftc.gov.

- E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendant.

IX. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of six (6) years from the date of entry of this Order, Defendant, for any business that he directly or indirectly controls, or in which he has a majority ownership interest, and his Representatives are hereby restrained and



enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- D. Complaints and refund requests (whether received directly, indirectly, or through any third party) and any responses to those complaints or requests;
- E. Copies of all scripts and training materials used in connection with the training of staff engaged in customer support; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting."



X. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order, Defendant shall deliver copies of the Order as directed below:

- A. Defendant as Control Person: For any business that Defendant controls, directly or indirectly, or in which Defendant has a majority ownership interest, Defendant must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Paragraph A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Paragraph A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.
- B. Defendant as employee or non-control person: For any business where the Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.
- C. Defendant must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.



XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that within five (5) business days of receipt of this Order as entered by the Court, Defendant shall submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

XII. RETENTION OF JURISDICTION

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

XIII. COOPERATION WITH FTC COUNSEL

IT IS FURTHER ORDERED that Defendant shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, 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, 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, without the service of a subpoena.

XIV. FEES AND COSTS

IT IS FURTHER ORDERED that each party to this Order hereby agrees to bear its own costs and attorneys' fees incurred in connection with this action.

XV. ENTRY OF ORDER

IT IS FURTHER ORDERED that there is no just reason for delay, and the Clerk of Court is hereby directed to enter this Order immediately.

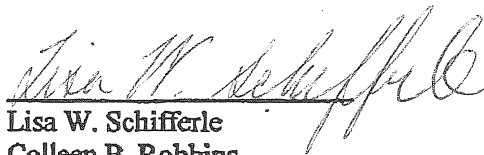
SO ORDERED, this _____ day of _____, 2009, at Phoenix, Arizona.

The Honorable Frederick J. Martone
United States District Judge

IT IS SO STIPULATED:

11-23-09

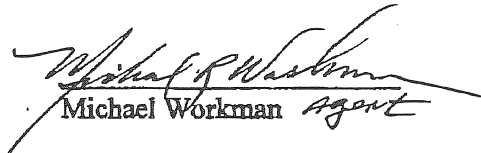
Date



Lisa W. Schifferle
Colleen B. Robbins
Attorneys for Plaintiff

10-2-09

Date



Michael Workman *Agent*



Workman - Attachment A

Car - 1998 Dodge Ram (item 10)	2,000.00
TOTAL:	2,000.00