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

11 **Federal Trade Commission,**

12 Plaintiff,

13 v.

14 **National Foreclosure Relief, Inc., et al.**  
15 a corporation;

16 Defendants.

Case No. SACV-09-117-DOC(MLGx)

**STIPULATED FINAL ORDER FOR  
PERMANENT INJUNCTION AND  
SETTLEMENT OF CLAIMS AS TO  
DEFENDANT CHELE STONE, a/k/a  
CHELE MEDINA**

17  
18 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on  
19 February 2, 2009, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to  
20 obtain preliminary and permanent injunctive and other equitable relief for  
21 Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection  
22 with the marketing and sale of mortgage loan modification and foreclosure relief  
23 services. The FTC and Defendant Chele Stone, aka Chele Medina (“Defendant”),  
24 have stipulated to the entry of this Final Order for Permanent Injunction and  
25 Settlement of Claims (“Order”).

26 Having reviewed Plaintiff’s and Defendant’s Stipulation to Entry of Final  
27 Order as to Defendant Chele Stone, a/k/a Chele Medina, and good cause appearing  
28 therefor, the Court hereby orders as follows:

**FINDINGS**

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

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

2. The FTC has the authority under Section 13(b) of the FTC Act to seek the relief it has requested, and the Complaint states a claim upon which relief can be granted against Defendant.

3. This Court has jurisdiction over the subject matter of this case and has jurisdiction over Defendant. Venue in the Central District of California is proper.

4. The activities of Defendant, as alleged in the Complaint, are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. The parties stipulate and agree to entry of this Order, without trial or final adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the conduct alleged in the Complaint to the date of entry of this Order. This settlement does not settle and resolve any matters not alleged in the Complaint. Defendant does not admit any of the allegations set forth in the Complaint, other than the jurisdictional facts, merely by stipulating and agreeing to the entry of this Order.

6. Defendant waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order. Defendant also waives any claim that she may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this Order. Each settling party shall bear its own costs and attorneys fees.



1 and one or more unsecured creditors, servicers, or debt collectors, including but not  
2 limited to, a reduction in the balance, interest rate, or fees owed by a consumer to an  
3 unsecured creditor, servicer, or debt collector.

4 4. **“Defendant”** means Defendant Chele Stone, aka Chele Medina.

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

11 6. **“Financial related good or service”** means any good, service, plan, or  
12 program that is represented, expressly or by implication, to (A) provide any  
13 consumer, arrange for any consumer to receive, or assist any consumer in receiving,  
14 credit, debit, or stored value cards; (B) improve, or arrange to improve, any  
15 consumer’s credit record, credit history, or credit rating; (C) provide advice or  
16 assistance to any consumer with regard to any activity or service the purpose of  
17 which is to improve a consumer’s credit record, credit history, or credit rating; (D)  
18 provide any consumer, arrange for any consumer to receive, or assist any consumer in  
19 receiving, a loan or other extension of credit; (E) provide any consumer, arrange for  
20 any consumer to receive, or assist any consumer in receiving, debt relief goods or  
21 services; (F) provide any consumer, arrange for any consumer to receive, or assist  
22 any consumer in receiving any service represented, expressly or by implication, to  
23 renegotiate, settle, or in any way alter the terms of payment or other terms of the debt  
24 between a consumer and one or more secured creditors, servicers, or debt collectors.

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

10 8. **“For-profit”** means any activity organized to carry on business for the  
11 profit of the entity engaging in the activity or that of its members.

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

14 10. **“Mortgage loan modification or foreclosure relief service”** means any  
15 good, service, plan, or program that is represented, expressly or by implication, to  
16 assist a consumer in any manner to (A) stop, prevent, or postpone any home  
17 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of  
18 any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from  
19 any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any  
20 mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any extension of  
21 the period within which the owner of property sold at foreclosure may cure his or her  
22 default or reinstate his or her obligation; (F) obtain any waiver of an acceleration  
23 clause contained in any promissory note or contract secured by a deed of trust or  
24 mortgage on a residence in foreclosure or contained in that deed of trust; (G) obtain a  
25 loan or advance of funds that is connected to the consumer's home ownership; (H)  
26 avoid or ameliorate the impairment of the consumer’s credit record, credit history, or  
27 credit rating that is connected to the consumer's home ownership; (I) save the  
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1 consumer's residence from foreclosure; (J) assist the consumer in obtaining proceeds  
2 from the foreclosure sale of the consumer's residence; (K) obtain or arrange a  
3 pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain or arrange a  
4 refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or  
5 mortgage; (M) audit or examine a consumer's mortgage or home loan application; or  
6 (N) obtain, arrange, or attempt to obtain or arrange any extension of the period within  
7 which the renter of property sold at foreclosure may continue to occupy the property.  
8 The foregoing shall include any manner of claimed assistance, including, but not  
9 limited to, debt, credit, budget, or financial counseling; receiving money for the  
10 purpose of distributing it to creditors; contacting creditors or servicers on behalf of  
11 the consumer; and giving advice of any kind with respect to filing for bankruptcy.

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

15 12. "**Receiver**" or "**Permanent Receiver**" means Robb Evans and Robb  
16 Evans & Associates, LLC.

17 13. "**Servicer**" means any beneficiary, mortgagee, trustee, loan servicer, loan  
18 holder, or other entity that performs loan or credit account administration or  
19 processing services and/or its authorized agents.

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21 **ORDER**

22 **I.**

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

25 **IT IS THEREFORE ORDERED** that Defendant, whether acting directly or  
26 through any other person, is permanently restrained and enjoined from:

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

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

5 **II.**

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

8 **IT IS FURTHER ORDERED** that Defendant and her successors, assigns,  
9 officers, agents, servants, employees, and attorneys, and those persons or entities in  
10 active concert or participation with any of them who receive actual notice of this  
11 Order by personal service, facsimile transmission, email, or otherwise, whether acting  
12 directly or through any corporation, subsidiary, division, or other device, in  
13 connection with the advertising, marketing, promotion, offering for sale or sale of  
14 any financial related good or service, are hereby permanently restrained and enjoined  
15 from:

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

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

- 20 (a) closing costs or other fees;
- 21 (b) the payment schedule, the monthly payment amount(s), or
- 22 other payment terms, or whether there is a balloon payment; interest rate(s), annual
- 23 percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw
- 24 amount, or outstanding balance; the loan term, the draw period, or maturity; or any
- 25 other term of credit;

26 (c) the savings associated with the credit;

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1 (d) the amount of cash to be disbursed to the borrower out of  
2 the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any  
3 third parties;

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

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

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

12 2. Any person's ability to improve or otherwise affect a consumer's  
13 credit record, credit history, or credit rating or ability to obtain credit;

14 3. That any person can improve any consumer's credit record, credit  
15 history, or credit rating by permanently removing negative information from the  
16 consumer's credit record, credit history, or credit rating, even where such information  
17 is accurate and not obsolete;

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

23 5. That a consumer will receive legal representation;

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

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1 **III.**

2 **PROHIBITED REPRESENTATIONS RELATING TO ANY GOODS OR**  
3 **SERVICES**

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

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

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

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

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

24 E. Any material aspect of the performance, efficacy, nature, or  
25 characteristics of the good or service.

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1 **IV.**

2 **PROHIBITION ON ENFORCEMENT OF CONTRACTS**

3 **IT IS FURTHER ORDERED** that Defendant and her agents, servants,  
4 employees, and attorneys, and those persons or entities in active concert or  
5 participation with any of them who receive actual notice of this Order by personal  
6 service or otherwise, whether acting directly or through any corporation, subsidiary,  
7 division, or other device, **are hereby permanently enjoined** from demanding  
8 payment on or enforcing or threatening to enforce any contract or agreement with any  
9 consumer, in conjunction with the sale of any mortgage loan modification or  
10 foreclosure relief service, entered into by Defendant National Foreclosure Relief,  
11 Inc., prior to the effective date of this Order.

12 **V.**

13 **PROHIBITION ON SALE OF CUSTOMER INFORMATION**

14 **IT IS FURTHER ORDERED** that Defendant and her agents, servants,  
15 employees, and attorneys, and those persons or entities in active concert or  
16 participation with any of them who receive actual notice of this Order by personal  
17 service or otherwise, whether acting directly or through any corporation, subsidiary,  
18 division, 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.  
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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 erasing  
3 or destroying any electronic media, to ensure that the customer information cannot  
4 practicably be read or reconstructed.

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

8 **VI.**

9 **MONETARY RELIEF**

10 **IT IS FURTHER ORDERED** that Judgment is hereby entered against  
11 Defendant Stone in the amount of \$12,000,000 (TWELVE MILLION DOLLARS);  
12 *provided, however,* that subject to the provisions of Paragraph VII, below, this  
13 judgment against Defendant Stone is hereby suspended.

14 **VII.**

15 **RELIANCE ON REPRESENTATIONS**

16 **IT IS FURTHER ORDERED** that:

17 A. The Commission's agreement to, and the Court's approval of, this Order  
18 is expressly premised upon the truthfulness, accuracy, and completeness of  
19 Defendant's financial condition, as represented in the financial statement dated  
20 February 8, 2009, and related statements or representations, which the Commission  
21 relied upon in negotiating and agreeing to the terms of this Order. If, upon motion by  
22 the Commission to the Court, the Court finds that Defendant, in any of the  
23 above-referenced materials, failed to disclose any asset with a value in excess of  
24 \$1,000, materially misrepresented the value of any asset, or made any other material  
25 misrepresentation or omission, the suspended judgment entered against Defendant  
26 Stone above in Paragraph VI in the amount of \$12,000,000.00 (TWELVE MILLION  
27 DOLLARS) shall become immediately due and payable, less any payments already  
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1 made by any Defendant in this action, plus interest from the date of entry of this  
2 Order as allowed by law; provided, however, that in all other respects this Order shall  
3 remain in full force and effect unless otherwise ordered by the Court; and, provided  
4 further, that proceedings instituted under this provision would be in addition to, and  
5 not in lieu of, any other civil or criminal remedies as may be provided by law,  
6 including any other proceedings that the Commission may initiate to enforce this  
7 Order. For purposes of this Section, Defendant Stone waives any right to contest any  
8 of the allegations in the Complaint.

9 B. Defendant agrees that the facts as alleged in the Complaint filed in this  
10 action shall be taken as true without further proof in any bankruptcy case or  
11 subsequent civil litigation pursued by the Commission to enforce her rights to any  
12 payment or money judgment pursuant to this Order, including but not limited to a  
13 nondischargeability complaint in any bankruptcy case. Defendant further stipulates  
14 and agrees that the facts alleged in the Complaint establish all elements necessary to  
15 sustain an action pursuant to, and that this Order shall have collateral estoppel effect  
16 for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S. C. §  
17 523(a)(2)(A).

## 18 VIII.

### 19 COMPLIANCE MONITORING

20 **IT IS FURTHER ORDERED** that, for the purpose of monitoring and  
21 investigating compliance with any provision of this Order:

22 A. Within ten (10) days of receipt of written notice from a representative of  
23 the Commission, Defendant shall submit additional written reports, which are true  
24 and accurate and sworn to under penalty of perjury; produce documents for  
25 inspection and copying; appear for deposition; and/or provide entry during normal  
26 business hours to any business location in Defendant's possession or direct or indirect  
27 control to inspect the business operation;

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1 B. In addition, the Commission is authorized to use all other lawful means,  
2 including but not limited to the following:

- 3 1. Obtaining discovery from any person, without further leave of court,  
4 using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45,  
5 and 69; and  
6 2. Posing as consumers and suppliers to Defendant, its employees, or any  
7 other entity managed or controlled in whole or in part by Defendant,  
8 without the necessity of identification or prior notice; and

9 C. Defendant shall permit representatives of the Commission to interview  
10 any employer, consultant, independent contractor, representative, agent, or employee  
11 who has agreed to such an interview, relating in any way to any conduct subject to  
12 this Order. The person interviewed may have counsel present.

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

18 **IX.**

19 **COMPLIANCE REPORTING BY DEFENDANT**

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

22 A. Defendant shall, for a period of five (5) years after the date of entry of  
23 this Order, notify the Commission of the following:

- 24 1. Any changes in Defendant's residence, mailing addresses, and  
25 telephone numbers, within ten (10) days of the date of such change;  
26 2. Any changes in Defendant's employment status (including  
27 self-employment), and any change in Defendant's ownership in any business entity,  
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1 within ten (10) days of the date of such change. Such notice shall include the name  
2 and address of each business that Defendant is affiliated with, employed by, creates  
3 or forms, or performs services for; a detailed description of the nature of the business;  
4 and a detailed description of Defendant's duties and responsibilities in connection  
5 with the business or employment; and

6 3. Any changes in Defendant's name or use of any aliases or  
7 fictitious names, within ten (10) days of the date of such change;

8 B. Defendant shall, for a period of five (5) years after the date of entry of  
9 this Order, notify the Commission of any changes in any business entity that  
10 Defendant directly or indirectly controls, or has an ownership interest in, that may  
11 affect compliance obligations arising under this Order, including but not limited to:  
12 incorporation or other organization; a dissolution, assignment, sale, merger, or other  
13 action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in  
14 any acts or practices subject to this Order; or a change in the business name or  
15 address, at least thirty (30) days prior to such change, provided that, with respect to  
16 any proposed change in the business entity about which Defendant learns less than  
17 thirty (30) days prior to the date such action is to take place, Defendant shall notify  
18 the Commission as soon as is practicable after obtaining such knowledge;

19 C. One hundred eighty (180) days after the date of entry of this Order and  
20 annually thereafter for a period of five (5) years, Defendant shall provide a written  
21 report to the FTC, which is true and accurate and sworn to under penalty of perjury,  
22 setting forth in detail the manner and form in which Defendant has complied and is  
23 complying with this Order. This report shall include, but not be limited to:

- 24 1. Defendant's then-current residence address, mailing addresses,  
25 and telephone numbers;
- 26 2. Defendant's then-current employment status (including  
27 self-employment), including the name, addresses, and telephone  
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1 numbers of each business that such Defendant is affiliated with,  
2 employed by, or performs services for; a detailed description of  
3 the nature of the business; and a detailed description of such  
4 Defendant's duties and responsibilities in connection with the  
5 business or employment;

6 3. A copy of each acknowledgment of receipt of this Order, obtained  
7 pursuant to Paragraph XI.C, below; and

8 4. Any other changes required to be reported under part A of this  
9 Paragraph;

10 D. Defendant shall notify the Commission of the filing of a bankruptcy  
11 petition by Defendant within fifteen (15) days of filing;

12 E. For the purposes of this Order, Defendant shall, unless otherwise  
13 directed by the Commission's authorized representatives, send all reports and  
14 notifications required by this Order to the Commission by overnight courier, using  
15 the following address:

16 Associate Director of Enforcement  
17 Bureau of Consumer Protection  
18 Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

19 Re: **FTC v. National Foreclosure Relief, Inc.**  
20 Civil Action No. SACV-09-117 DOC  
FTC Matter No. X090026

21 *Provided that*, in lieu of overnight courier, Defendant may send such reports or  
22 notifications by first-class mail, but only if Defendant contemporaneously sends an  
23 electronic version of such report or notification to the Commission at:

24 DEBrief@ftc.gov; and

25 F. For purposes of the compliance reporting and monitoring required by  
26 this Order, the Commission is authorized to communicate directly with Defendant.  
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1 X.

2 **RECORD KEEPING PROVISIONS**

3 **IT IS FURTHER ORDERED** that, for a period of eight (8) years from the  
4 date of entry of this Order, Defendant and Defendant's agents, servants, employees,  
5 and attorneys, and those persons or entities who are in active concert or participation  
6 with Defendant and who receive actual notice of this Order by personal service or  
7 otherwise, in connection with every business where Defendant is the majority owner  
8 or otherwise controls the business, are hereby restrained and enjoined from failing to  
9 create and/or retain the following records:

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

12 B. Personnel records accurately reflecting: the name, address, email  
13 address (if any) and telephone number of each person employed in any capacity by  
14 such business, including as an independent contractor; that person's job title or  
15 position; the date upon which the person commenced work; and the date and reason  
16 for the person's termination, if applicable;

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

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

23 E. Copies of all sales scripts, training materials, advertisements, website  
24 printouts, or other marketing materials; and

25 F. All records and documents necessary to demonstrate full compliance  
26 with each provision of this Order, including but not limited to, copies of  
27 acknowledgments of receipt of this Order, required by Paragraph XI.C, below, and all  
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1 reports submitted to the FTC pursuant to Paragraph IX, above (entitled “Compliance  
2 Reporting By Defendant”).

3 **XI.**

4 **DISTRIBUTION OF ORDER BY DEFENDANT**

5 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the date  
6 of entry of this Order, Defendant shall deliver copies of this Order as directed below:

7 A. Defendant as Control Person: For any business that Defendant controls,  
8 directly or indirectly, or in which Defendant has a majority ownership interest,  
9 Defendant must deliver a copy of this Order to (1) all principals, officers, directors,  
10 and managers of that business; (2) all employees, agents, and representatives of that  
11 business who engage in conduct related to the subject matter of the Order; and (3)  
12 any business entity resulting from any change in structure set forth in Paragraph  
13 IX.B, above (titled “Compliance Reporting by Defendant”). Delivery to any new  
14 personnel shall occur prior to them assuming their responsibilities. For any business  
15 entity resulting from any change in structure set forth in Paragraph IX.B, above  
16 (titled “Compliance Reporting by Defendant”), delivery shall be at least ten (10) days  
17 prior to the change in structure.

18 B. Defendant as Employee or Non-Control Person: For any business where  
19 Defendant is not a controlling person of a business but otherwise engages in conduct  
20 related to the subject matter of this Order, Defendant must deliver a copy of this  
21 Order to all principals and managers of such business before engaging in such  
22 conduct.

23 C. Defendant must secure a signed and dated statement acknowledging  
24 receipt of the Order, within thirty (30) days of delivery, from all persons receiving a  
25 copy of the Order pursuant to this Paragraph.

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1 **XII.**

2 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

3 **BY DEFENDANT**

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

7 **XIII.**

8 **COOPERATION WITH FTC COUNSEL**

9 **IT IS FURTHER ORDERED** that Defendant shall, in connection with this  
10 action or any subsequent investigations related to or associated with the transactions  
11 or the occurrences that are the subject of the FTC's Complaint, cooperate in good  
12 faith with the FTC and appear at such places and times as the FTC shall reasonably  
13 request, after written notice, for interviews, conferences, pretrial discovery, review of  
14 documents, and for such other matters as may be reasonably requested by the FTC. If  
15 requested in writing by the FTC, Defendant shall appear and provide truthful  
16 testimony in any trial, deposition, or other proceeding related to or associated with  
17 the transactions or the occurrences that are the subject of the Complaint, without the  
18 service of a subpoena.

19 **XIV.**

20 **SEVERABILITY**

21 **IT IS FURTHER ORDERED** that the provisions of this Order are separate  
22 and severable from one another. If any provision is stayed or determined to be  
23 invalid, all of the remaining provisions shall remain in full force and effect.

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**XV.**

**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.

**IT IS SO ORDERED.**

DATED: April 20, 2010



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DAVID O. CARTER  
United States District Judge

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