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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 (PJW_x)

STIPULATED FINAL JUDGMENT
AND ORDER FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF AS TO
DEFENDANT MACIE MEJECO
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”), 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage

STIP. FINAL ORDER AS TO MACIE BAIN

1 assistance relief services. On September 28, 2010, the Court entered an *ex parte*
2 Temporary Restraining Order (“TRO”) that included, among other things,
3 appointment of a temporary receiver, an asset freeze, and immediate access to
4 Defendants’ business premises. The court terminated the receivership on
5 November 9, 2010. The FTC and Defendant Macie Mejeco Bain (“Settling
6 Defendant”) hereby stipulate to the entry of this Stipulated Final Judgment and
7 Order for Permanent Injunction and Other Equitable Relief (“Order”).

8 **FINDINGS**

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

11 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the
12 FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Complaint seeks both permanent
13 injunctive relief and equitable monetary relief for the Settling Defendant’s alleged
14 deceptive acts or practices as alleged therein.

15 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act to
16 seek the relief it has requested, and the Complaint states a claim upon which relief
17 can be granted against the Settling Defendant.

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

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

23 5. The FTC and the Settling Defendant stipulate and agree to entry of this
24 Order, without trial or final adjudication of any issue of fact or law, to settle and
25 resolve all matters in dispute arising from the conduct of the Settling Defendant
26 alleged in the Complaint to the date of entry of this Order. This settlement does
27 not settle and resolve any matters not alleged in the Complaint. The Settling
28 Defendant does not admit any of the allegations set forth in the Complaint, other

1 than the jurisdictional facts, merely by stipulating and agreeing to the entry of this
2 Order.

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

8 7. This action and the relief awarded herein are in addition to, and not in lieu
9 of, other remedies as may be provided by law, including both civil and criminal
10 remedies.

11 8. Entry of this Order is in the public interest.

12 ORDER

13 Definitions

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

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

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

23 a. performing customer service functions including, but not
24 limited to, receiving or responding to consumer complaints;

25 b. formulating or providing, or arranging for the formulation or
26 provision of, any advertising or marketing material, including, but not limited to,
27 any telephone sales script, direct mail solicitation, or the text of any Internet
28 website, email, or other electronic communication;

1 c. formulating or providing, or arranging for the formulation or
2 provision of, any marketing support material or service, including but not limited
3 to, web or Internet Protocol addresses or domain name registration for any Internet
4 websites, affiliate marketing services, or media placement services;

5 d. providing names of, or assisting in the generation of, potential
6 customers;

7 e. performing marketing, billing, or payment services of any kind;
8 and

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

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

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

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

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

27 7. **“Defendants”** means U.S. Homeowners Relief, Inc., also d/b/a
28 Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American Lending

1 Review, Inc., also d/b/a American Law Center; New Life Solutions, Inc.; D.G.C.
2 Consulting, LLC; DLD Consulting, LLC; Paul Bain; Macie Bain; Aminullah
3 Sarpas; and Damon Grant Carriger.

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

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

- 15 a. the Making Home Affordable Program;
- 16 b. the Financial Stability Plan;
- 17 c. the Troubled Asset Relief Program and any other program
18 sponsored or operated by the United States Department of the Treasury;
- 19 d. the HOPE for Homeowners program, any program operated or
20 created pursuant to the Helping Families Save Their Homes Act, and any other
21 program sponsored or operated by the Federal Housing Administration; or
- 22 e. any program sponsored or operated by the United States
23 Department of Housing and Urban Development (“HUD”), the HOPE NOW
24 Alliance, the Homeownership Preservation Foundation, or any other HUD-
25 approved housing counseling agency.

26 10. **“Financial related product or service”** means any product, service,
27 plan, or program represented, expressly or by implication, to:
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1 a. provide any consumer, arrange for any consumer to receive, or
2 assist any consumer in receiving, credit, debit, or stored value cards;

3 b. improve, or arrange to improve, any consumer's credit record,
4 credit history, or credit rating;

5 c. provide advice or assistance to any consumer with regard to any
6 activity or service the purpose of which is to improve a consumer's credit record,
7 credit history, or credit rating;

8 d. provide any consumer, arrange for any consumer to receive, or
9 assist any consumer in receiving, a loan or other extension of credit; or

10 e. provide any consumer, arrange for any consumer to receive, or
11 assist any consumer in receiving any service represented, expressly or by
12 implication, to renegotiate, settle, or in any way alter the terms of payment or other
13 terms of the debt or obligation, including but not limited to a tax debt or obligation,
14 between a consumer and one or more secured creditors, servicers, or debt
15 collectors.

16 11. **“Material”** means likely to affect a person's choice of, or conduct
17 regarding, goods or services.

18 12. **“Mortgage assistance relief product or service”** means any
19 product, service, plan, or program, offered or provided to the consumer in
20 exchange for consideration, that is represented, expressly or by implication, to
21 assist or attempt to assist the consumer with any of the following:

22 a. stopping, preventing, or postponing any mortgage or deed of
23 trust foreclosure sale for the consumer's dwelling, any repossession of the
24 consumer's dwelling, or otherwise saving the consumer's dwelling from
25 foreclosure or repossession;

26 b. negotiating, obtaining, or arranging a modification of any term
27 of a dwelling loan, including a reduction in the amount of interest, principal
28 balance, monthly payments, or fees;

1 c. obtaining any forbearance or modification in the timing of
2 payments from any dwelling loan holder or servicer on any dwelling loan;

3 d. negotiating, obtaining, or arranging any extension of the period
4 of time within which the consumer may (i) cure his or her default on a dwelling
5 loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or (iv) exercise
6 any right to reinstate a dwelling loan or redeem a dwelling;

7 e. obtaining any waiver of an acceleration clause or balloon
8 payment contained in any promissory note or contract secured by any dwelling; or

9 f. negotiating, obtaining, or arranging (i) a short sale of a
10 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a
11 dwelling loan other than a sale to a third party that is not the dwelling loan holder.

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

14 13. **"Person"** means a natural person, an organization or other legal
15 entity, including a corporation, partnership, sole proprietorship, limited liability
16 company, association, cooperative, or any other group or combination acting as an
17 entity.

18 14. **"Settling Defendant"** means Macie Mejeco Bain, a.k.a. Macie
19 Mejeco Manns.

20 **I.**

21 **BAN ON MARKETING DEBT RELIEF SERVICES**

22 **IT IS FURTHER ORDERED** that the Settling Defendant, whether acting
23 directly or through any other person, is permanently restrained and enjoined from:

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

26 B. Assisting others engaged in advertising, marketing, promoting,
27 offering for sale, or selling any debt relief product or service.

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II.

BAN ON MARKETING MORTGAGE ASSISTANCE RELIEF PRODUCTS AND SERVICES

IT IS THEREFORE ORDERED that the Settling 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 assistance relief product or service; and

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

III.

PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL RELATED PRODUCTS OR SERVICES

IT IS FURTHER ORDERED that the Settling Defendant and her officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, 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 product 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

1 draw amount, or outstanding balance; the loan term, the
2 draw period, or maturity; or any other term of credit;

- 3 c. the savings associated with the credit;
- 4 d. the amount of cash to be disbursed to the borrower out of
5 the proceeds, or the amount of cash to be disbursed on
6 behalf of the borrower to any third parties;
- 7 e. whether the payment of the minimum amount specified
8 each month covers both interest and principal, and
9 whether the credit has or can result in negative
10 amortization;
- 11 f. that the credit does not have a prepayment penalty or that
12 no prepayment penalty and/or other fees or costs will be
13 incurred if the consumer subsequently refinances; and
- 14 g. that the interest rate(s) or annual percentage rate(s) are
15 fixed rather than adjustable or adjustable rather than
16 fixed;

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

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

24 4. That a consumer will receive legal representation;

25 B. Advising a customer that the customer cannot or should not contact,
26 communicate with, or make payments to the customer's lender or servicer; and

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

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IV.

**PROHIBITED MISREPRESENTATIONS RELATING TO ANY
PRODUCT OR SERVICE**

IT IS FURTHER ORDERED that the Settling Defendant and her officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, 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 product, 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; public, non-profit, or other non-commercial program; or any other program;

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

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

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

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

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

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

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

10 **V.**

11 **SUBSTANTIATION FOR BENEFIT, PERFORMANCE,
12 AND EFFICACY CLAIMS**

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

PROHIBITED TELEMARKETING ACTIVITIES

IT IS FURTHER ORDERED that the Settling Defendant and her successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the telemarketing, advertising, marketing, promotion, offering for sale or sale of any good or service, are hereby permanently restrained and enjoined from violating, or assisting others in violating, any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, including, but not limited to:

A. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), by misrepresenting, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristic of any good or service;

B. Section 310.3(a)(2)(iv) of the TSR, 16 C.F.R. § 310.3(a)(2)(iv), by misrepresenting, directly or by implication, the seller's refund, cancellation, exchange, or repurchase policies; and

C. Section 310.3(a)(2)(vii) of the TSR, 16 C.F.R. § 310.3(a)(2)(vii), by misrepresenting, directly or by implication, affiliation with, or endorsement by, any government or third-party organization.

VII.

PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

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

1 A. Disclosing, using, or benefitting from customer information, including
2 the name, address, telephone number, email address, social security number, other
3 identifying information, or any data that enables access to a customer's account
4 (including a credit card, bank account, or other financial account) of any person
5 that Settling Defendant obtained prior to entry of this Order in connection with the
6 advertising, marketing, promotion, offering for sale or sale of any mortgage
7 assistance relief service or any debt relief service; and

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

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

17 VIII.

18 MONETARY JUDGMENT

19 **IT IS FURTHER ORDERED** that:

20 A. Judgment is entered, as equitable monetary relief, in favor of the FTC
21 and against Settling Defendant in the amount of three million, six hundred seventy-
22 seven thousand, sixty-eight dollars (\$3,677,068.00), less the sum of any amounts
23 paid to the FTC pursuant to judgments in this action relating to other Defendants,
24 *provided, however,* that this judgment shall be suspended, subject to Subsections
25 VIII.B through VIII.F, below, and Section IX of this Order;

26 B. Any funds received by the FTC pursuant to this Section shall be
27 deposited into a fund administered by the FTC or its agent to be used for equitable
28 relief, including but not limited to consumer redress and any attendant expenses for

1 the administration of any redress funds. In the event that direct redress to
2 consumers is wholly or partially impracticable or funds remain after redress is
3 completed, the FTC may apply any remaining funds for such other equitable relief,
4 including but not limited to consumer information remedies, as the FTC determines
5 to be reasonably related to the practices alleged in the Complaint. Any funds not
6 used for such equitable relief shall be deposited to the U.S. Treasury as equitable
7 disgorgement. The Settling Defendant shall have no right to challenge the FTC's
8 choice of remedies or the manner of distribution.

9 C. Settling Defendant relinquishes all dominion, control, and title to the
10 funds paid to the fullest extent permitted by law. Settling Defendant shall make no
11 claim to or demand for return of the funds, directly or indirectly, through counsel
12 or otherwise.

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

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

25 F. Upon request, the Settling Defendant is hereby required, in
26 accordance with 31 U.S.C. § 7701, to furnish to the FTC her tax identification
27 numbers, which shall be used for purposes of collecting and reporting on any
28 delinquent amount arising out of this Order.

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2 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
3 § 1681b(1), any consumer reporting agency may furnish a consumer report
4 concerning the Settling Defendant to the FTC, which shall be used for purposes of
5 collecting and reporting on any delinquent amount arising out of this Order.

6 **IX.**

7 **RIGHT TO REOPEN**

8 **IT IS FURTHER ORDERED** that the FTC's agreement to, and the
9 Court's approval of, this Order is expressly premised on the truthfulness, accuracy
10 and completeness of the Settling Defendant's financial statement previously
11 submitted to the FTC and testimony taken on May 18, 2011, and September 8,
12 2011. If, upon motion by the FTC, the Court finds that the financial statement or
13 testimony of the Settling Defendant contains any material misrepresentation or
14 omission, the judgment entered in Section VIII of this Order shall be reinstated and
15 become immediately due and payable as to that defendant, less any payments made
16 by other defendants; *provided, however*, that in all other respects this Order shall
17 remain in full force and effect unless otherwise ordered by the Court; and,
18 *provided further*, that proceedings instituted under this provision would be in
19 addition to, and not in lieu of, any other civil or criminal remedies as may be
20 provided by law, including any other proceedings that the FTC may initiate to
21 enforce this Order. For purposes of this Section, the Settling Defendant waives
22 any right to contest any of the allegations in the Complaint.

23 **X.**

24 **ASSET FREEZE**

25 **IT IS FURTHER ORDERED** that, upon entry of this Order, the freeze of
26 the Settling Defendant's assets shall be dissolved.

XI.

COOPERATION WITH FTC COUNSEL

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

XII.

COMPLIANCE MONITORING

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15 IT IS FURTHER ORDERED that, for the purpose of monitoring Settling
16 Defendant's compliance with this Order:

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

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

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

7 **XIII.**

8 **COMPLIANCE REPORTING**

9 IT IS FURTHER ORDERED that Settling Defendant make timely
10 submissions to the Commission:

11 A. One year after entry of this Order, Settling Defendant must submit a
12 compliance report, sworn under penalty of perjury.

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

27 2. Additionally, the Settling Defendant must: (a) identify all
28 telephone numbers and all email, Internet, physical, and postal

1 addresses, including all residences; (b) identify all titles and roles in
2 all business activities, including any business for which Settling
3 Defendant performs services whether as an employee or otherwise and
4 any entity in which Settling Defendant has any ownership interest;
5 and (c) describe in detail Settling Defendant's involvement in each
6 such business, including title, role, responsibilities, participation,
7 authority, control, and any ownership.

8 B. For 20 years following entry of this Order, Settling Defendant must
9 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
10 change in the following:

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

18 2. Additionally, the Settling Defendant must report any change in:
19 (a) name, including aliases or fictitious name, or residence address; or
20 (b) title or role in any business activity, including any business for
21 which Settling Defendant performs services whether as an employee
22 or otherwise and any entity in which Settling Defendant has any
23 ownership interest, and identify its name, physical address, and
24 Internet address, if any.

25 C. Settling Defendant must submit to the Commission notice of the filing
26 of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or
27 against Settling Defendant within 14 days of its filing.

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

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

13 **XIV.**

14 **RECORDKEEPING**

15 IT IS FURTHER ORDERED that Settling Defendant must create certain
16 records for 20 years after entry of the Order, and to retain each such record for 5
17 years. Specifically, Settling Defendant, for any business in which she, individually
18 or collectively with any other Defendants, is a majority owner or directly or
19 indirectly controls, must maintain the following records:

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

23 B. Personnel records showing, for each person providing services,
24 whether as an employee or otherwise, that person’s: name, addresses, and
25 telephone numbers; job title or position; dates of service; and, if applicable, the
26 reason for termination;

27 C. Customer files showing the names, addresses, telephone numbers,
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1 dollar amounts paid, and the quantity and description of goods or services
2 purchased;

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

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

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

8 **XV.**

9 **ORDER ACKNOWLEDGMENT**

10 IT IS FURTHER ORDERED that Settling Defendant obtain
11 acknowledgments of receipt of this Order:

12 A. Settling Defendant, within 7 days of entry of this Order, must submit
13 to the Commission an acknowledgment of receipt of this Order sworn under
14 penalty of perjury.

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

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

XVI.

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, this 1st day of December, 2011.



Josephine Staton Tucker
United States District Judge

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