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

24 **FEDERAL TRADE COMMISSION,**

25 Plaintiff,

26 v.

27 **NELSON GAMBLE &**  
28 **ASSOCIATES LLC, et al.,**

Defendants.

Case No. SACV12-1504-JST (MLGx)

**STIPULATION TO ENTER FINAL  
ORDER FOR PERMANENT  
INJUNCTION AND SETTLEMENT  
OF CLAIMS**

1 Plaintiff, the Federal Trade Commission (“FTC”), commenced this civil  
2 action on September 10, 2012, by filing its Complaint for Permanent Injunction  
3 and Other Equitable Relief (“Complaint”) for a permanent injunction, and other  
4 equitable relief in this matter, pursuant to Sections 13(b) and 19 of the Federal  
5 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the  
6 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing  
7 Act”), 15 U.S.C. § 6101 *et seq.* On September 10, 2012, on motion by the FTC,  
8 the Court entered an *ex parte* temporary restraining order with asset freeze and  
9 other equitable relief against Defendants. On October 15, 2012, the FTC and  
10 Defendants agreed to, and the Court entered, a stipulated preliminary injunction.  
11 Defendants filed their Answers on November 19, 2012. Now, the FTC and  
12 Defendants hereby stipulate to the entry of a Final Order for Permanent Injunction  
13 and Settlement of Claims (“Order”) to resolve all matters in dispute in this action  
14 between them

### 21 FINDINGS OF FACT

22 By stipulation of the parties, the Court finds as follows:

- 23
- 24 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the  
25 FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Complaint seeks both permanent  
26 injunctive relief and equitable monetary relief for Defendants’ alleged  
27 deceptive acts or practices as alleged therein.  
28

1 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act to  
2 seek the relief it has requested, and the Complaint states a claim upon which  
3 relief can be granted against Defendants.  
4

5 3. This Court has jurisdiction over the subject matter of this case and has  
6 jurisdiction over Defendants. Venue in the Central District of California is  
7 proper.  
8

9 4. The activities of Defendants, as alleged in the Complaint, are in or affecting  
10 commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.  
11

12 5. Defendants neither admit nor deny any of the allegations in the Complaint,  
13 except as specifically stated in this Order. Only for purposes of this action,  
14 Defendants admit the facts necessary to establish jurisdiction.  
15

16 6. Defendants waive all rights to seek judicial review or otherwise challenge or  
17 contest the validity of this Order. Defendants also waive any claim that they  
18 may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412,  
19 concerning the prosecution of this action to the date of this Order. Each  
20 settling party shall bear its own costs and attorneys fees.  
21

22 7. This action and the relief awarded herein are in addition to, and not in lieu  
23 of, other remedies as may be provided by law, including both civil and  
24 criminal remedies.  
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26 8. Entry of this Order is in the public interest.  
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**DEFINITIONS**

1. *“Assisting others”* includes, but is not limited to:
  - 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 advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;
  - C. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services, or media placement services;
  - D. providing names of, or assisting in the generation of, potential customers;
  - E. performing marketing, billing, or payment services of any kind; and
  - F. acting or serving as an owner, officer, director, manager, or principal of any entity.

1 2. ***“Competent and reliable evidence”*** means tests, analyses, research, studies,  
2 or other evidence based on the expertise of professionals in the relevant area,  
3 that has been conducted and evaluated in an objective manner by persons  
4 qualified to do so, using procedures generally accepted in the profession to  
5 yield accurate and reliable results.  
6

7  
8 3. ***“Corporate Defendants”*** means Nelson Gamble & Associates LLC; Jackson  
9 Hunter Morris & Knight LLP; Mekhia Capital, LLC; Blackrock Professional  
10 Corporation; and their successors and assigns.  
11

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

16  
17 5. ***“Defendants”*** means all of the Corporate Defendants and the Individual  
18 Defendant, individually, collectively, or in any combination.  
19

20 6. ***“Federal homeowner relief or financial stability program”*** means any  
21 program (including its sponsoring agencies, telephone numbers, and Internet  
22 websites) operated or endorsed by the United States government to provide  
23 relief to homeowners or stabilize the economy, including but not limited to:  
24

- 25 A. the Making Home Affordable Program;  
26  
27 B. the Financial Stability Plan;  
28

- 1 C. the Troubled Asset Relief Program and any other program sponsored
- 2 or operated by the United States Department of the Treasury;
- 3
- 4 D. the HOPE for Homeowners program, any program operated or created
- 5 pursuant to the Helping Families Save Their Homes Act, and any
- 6 other program sponsored or operated by the Federal Housing
- 7 Administration; or
- 8
- 9
- 10 E. any program sponsored or operated by the United States Department
- 11 of Housing and Urban Development (“HUD”), the HOPE NOW
- 12 Alliance, the Homeownership Preservation Foundation, or any other
- 13 HUD-approved housing counseling agency.
- 14

15 7. ***“Financial related product or service”*** means any product, service, plan, or  
16 program represented, expressly or by implication, to:  
17

- 18 A. provide any consumer, arrange for any consumer to receive, or assist
- 19 any consumer in receiving, credit, debit, or stored value cards;
- 20
- 21 B. improve, or arrange to improve, any consumer’s credit record, credit
- 22 history, or credit rating;
- 23
- 24 C. provide advice or assistance to any consumer with regard to any
- 25 activity or service the purpose of which is to improve a consumer’s
- 26 credit record, credit history, or credit rating; or
- 27
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1 D. provide any consumer, arrange for any consumer to receive, or assist  
2 any consumer in receiving, a loan or other extension of credit.  
3

4 8. *“Individual Defendant”* means Jeremy Rommel Nelson.

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

9 10. *“Secured or unsecured debt relief product or service”* means, with respect  
10 to any mortgage, loan, debt, or obligation between a person and one or more  
11 secured or unsecured creditors or debt collectors, any product, service, plan,  
12 or program represented, expressly or by implication, to:  
13

14 A. negotiate, settle, or in any way alter the terms of payment or other  
15 terms of the mortgage, loan, debt, or obligation, including but not  
16 limited to, a reduction in the amount of interest, principal balance,  
17 monthly payments, or fees owed by a person to a secured or unsecured  
18 creditor or debt collector.  
19

20 B. stop, prevent, or postpone any mortgage or deed of foreclosure sale  
21 for a person’s dwelling, any other sale of collateral, any repossession  
22 of a person’s dwelling or other collateral, or otherwise save a person’s  
23 dwelling or other collateral from foreclosure or repossession;  
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- 1 C. obtain any forbearance or modification in the timing of payments  
2 from any secured or unsecured holder of any mortgage, loan, debt, or  
3 obligation;  
4  
5 D. negotiate, obtain, or arrange any extension of the period of time  
6 within which the person may (i) cure his or her default on the  
7 mortgage, loan, debt, or obligation, (ii) reinstate his or her mortgage,  
8 loan, debt, or obligation, (iii) redeem a dwelling or other collateral, or  
9 (iv) exercise any right to reinstate the mortgage, loan, debt, or  
10 obligation or redeem a dwelling or other collateral;  
11  
12 E. obtain any waiver of an acceleration clause or balloon payment  
13 contained in any promissory note or contract secured by any dwelling  
14 or other collateral; or  
15  
16 F. negotiate, obtain, or arrange (i) a short sale of a dwelling or other  
17 collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other  
18 disposition of a mortgage, loan, debt, or obligation other than a sale to  
19 a third party that is not the secured or unsecured loan holder.  
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24 The foregoing shall include any manner of claimed assistance, including, but  
25 not limited to, auditing or examining a person's application for the  
26 mortgage, loan, debt, or obligation.  
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1 11. “**Telemarketing**” means any plan, program, or campaign which is  
2 conducted to induce the purchase of goods or services, or a charitable  
3 contribution, by use of one or more telephones, and which involves a  
4 telephone call, whether or not covered by the Telemarketing Sales Rule (16  
5 C.F.R. Part 310).  
6  
7

8 **ORDER**

9  
10 **BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCT AND**  
11 **SERVICES**

- 12 **I. IT IS THEREFORE ORDERED** that Defendants, whether acting directly  
13 or through any other person, are permanently restrained and enjoined from:  
14  
15 A. Advertising, marketing, promoting, offering for sale, or selling any  
16 secured or unsecured debt relief product of service; and  
17  
18 B. Assisting others engaged in advertising, marketing, promoting,  
19 offering for sale, or selling any secured or unsecured debt relief  
20 product or service.  
21

22 **BAN ON TELEMARKETING**

- 23 **II. IT IS FURTHER ORDERED** that Defendants, whether acting directly or  
24 through any other person, are permanently restrained and enjoined from  
25 participating in telemarketing, or assisting others engaged in telemarketing.  
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**BAN ON ROBOCALLS**

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2  
3 **III. IT IS FURTHER ORDERED** that Defendants, whether acting directly or  
4 through any other person, are permanently restrained and enjoined from  
5 initiating, or causing others to initiate, any telephone call that delivers a  
6 prerecorded message.  
7

8 **PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL**  
9 **RELATED PRODUCTS OR SERVICES**

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

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

26 a. closing costs or other fees;  
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- 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;

- 1           2.     Any person's ability to improve or otherwise affect a
- 2                 consumer's credit record, credit history, or credit rating or
- 3                 ability to obtain credit;
- 4
- 5           3.     That any person can improve any consumer's credit record,
- 6                 credit history, or credit rating by permanently removing
- 7                 negative information from the consumer's credit record, credit
- 8                 history, or credit rating, even where such information is
- 9                 accurate and not obsolete;
- 10
- 11           4.     That a consumer will receive legal representation;
- 12
- 13

14     B.     Advertising or assisting others in advertising credit terms other than

15             those terms that actually are or will be arranged or offered by a

16             creditor or lender.

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18     **PROHIBITED REPRESENTATIONS RELATING TO ANY PRODUCT OR**

19             **SERVICE**

20     **V.     IT IS FURTHER ORDERED** that Defendants and their officers, agents,

21             servants, employees, and attorneys, and those persons or entities in active

22             concert or participation with any of them who receive actual notice of this

23             Order by personal service, facsimile transmission, email, or otherwise,

24             whether acting directly or through any corporation, subsidiary, division, or

25             other device, in connection with the advertising, marketing, promotion,

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1 offering for sale or sale of any product or service, are hereby permanently  
2 restrained and enjoined from misrepresenting or assisting others in  
3 misrepresenting, expressly or by implication, any material fact, including but  
4 not limited to:  
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6  
7 A. Any material aspect of the nature or terms of any refund, cancellation,  
8 exchange, or repurchase policy, including, but not limited to, the  
9 likelihood of a consumer obtaining a full or partial refund, or the  
10 circumstances in which a full or partial refund will be granted to the  
11 consumer;  
12

13  
14 B. That any person is affiliated with, endorsed or approved by, or  
15 otherwise connected to any other person; government entity; any  
16 federal homeowner relief or financial stability program; public, non-  
17 profit, or other non-commercial program; or any other program;  
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20 C. The nature, expertise, position, or job title of any person who provides  
21 any product, service, plan, or program;  
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24 D. That any person will provide any product, service, plan, or program to  
25 any consumer;  
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27  
28 E. That any person providing a testimonial has purchased, received, or  
used the product, service, plan, or program;

- 1 F. That the experience represented in a testimonial of the product,  
2 service, plan, or program represents the person's actual experience  
3 resulting from the use of the product, service, plan, or program under  
4 the circumstances depicted in the advertisement;
- 5  
6 G. The total costs to purchase, receive, or use, or the quantity of, the  
7 product, service, plan, or program;
- 8  
9 H. That consumers have ordered, purchased, or agreed to purchase any  
10 product or service from any person, and therefore owe money to that  
11 or any other person;
- 12  
13 I. That any person will not debit consumers' bank accounts, charge  
14 consumers' credit or debit cards, or otherwise withdraw money from  
15 consumers until after consumers perform any action;
- 16  
17 J. Any material restriction, limitation, or condition on purchasing,  
18 receiving, or using the product, service, plan, or program; or
- 19  
20 K. Any material aspect of the performance, efficacy, nature, or  
21 characteristics of the product, service, plan, or program.
- 22  
23

24 **PROHIBITION ON UNAUTHORIZED WITHDRAWALS**

25 **VI. IT IS FURTHER ORDERED** that Defendants and their successors,  
26 assigns, officers, agents, servants, employees, attorneys, and those persons  
27 or entities in active concert or participation with any of them who receive  
28

1 actual notice of this Order by personal service or otherwise, whether acting  
2 directly or through any corporation, subsidiary, division, or other device, are  
3 hereby restrained and enjoined from:  
4

5 A. Causing consumers' bank accounts to be debited or credit or debit  
6 cards charged without having obtained consumers' express informed  
7 consent, or  
8

9 B. Making electronic fund transfers from a consumer's account on a  
10 recurring basis without:  
11

12 1. Obtaining a written authorization signed or similarly  
13 authenticated from consumers for preauthorized electronic fund  
14 transfers from the accounts; and  
15

16 2. Providing to the consumers a copy of a written authorization  
17 signed or similarly authenticated by the consumers for  
18 preauthorized electronic fund transfers from the consumers'  
19 accounts.  
20  
21

22 **SUBSTANTIATION FOR BENEFIT, PERFORMANCE, AND EFFICACY**  
23 **CLAIMS**  
24

25 **VII. IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
26 servants, employees, and attorneys, and those persons or entities in active  
27 concert or participation with any of them who receive actual notice of this  
28

1 Order by personal service, facsimile transmission, email, or otherwise,  
2 whether acting directly or through any corporation, subsidiary, division, or  
3 other device, in connection with the advertising, marketing, promotion,  
4 offering for sale, or sale of any product or service are hereby permanently  
5 restrained and enjoined from making any representation or assisting others  
6 in making any representation, expressly or by implication, about the  
7 benefits, performance, or efficacy of such product or service, unless at the  
8 time such representation is made, Defendants possess and rely upon  
9 competent and reliable evidence that substantiates that the representation is  
10 true.  
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15 **CUSTOMER INFORMATION**

16  
17 **VIII. IT IS FURTHER ORDERED** that Defendants and their successors,  
18 assigns, officers, agents, servants, employees, and attorneys, and those  
19 persons or entities in active concert or participation with any of them who  
20 receive actual notice of this Order by personal service, facsimile  
21 transmission, email, or otherwise, whether acting directly or through any  
22 corporation, subsidiary, division, or other device, are permanently restrained  
23 and enjoined from:  
24  
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26  
27 A. disclosing, using, or benefitting from customer information, including  
28 the name, address, telephone number, email address, social security



1 number, other identifying information, or any data that enables access  
2 to a customer's account (including a credit card, bank account, or  
3 other financial account) of any person that any Defendant obtained  
4 prior to entry of this Order in connection with the advertising,  
5 marketing, promotion, offering for sale or sale of any secured or  
6 unsecured debt relief product or service, and  
7

8  
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10 B. failing to dispose of such customer information in all forms in their  
11 possession, custody, or control within thirty (30) days after receipt of  
12 written direction to do so from a representative of the FTC. Disposal  
13 shall be by means that protect against unauthorized access to the  
14 customer information, such as by burning, pulverizing, or shredding  
15 any papers, and by erasing or destroying any electronic media, to  
16 ensure that the customer information cannot practicably be read or  
17 reconstructed.  
18

19  
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21 C. **Provided, however,** that customer information need not be disposed  
22 of, and may be disclosed, to the extent requested by a government  
23 agency or required by a law, regulation, or court order.  
24

25 **PROHIBITION ON COLLECTING ON ACCOUNTS**

26  
27 **IX. IT IS FURTHER ORDERED** that Defendants and their successors,  
28 assigns, officers, agents, servants, employees, and attorneys, and those

1 persons or entities in active concert or participation with any of them who  
2 receive actual notice of this Order by personal service, facsimile  
3 transmission, email, or otherwise, whether acting directly or through any  
4 corporation, subsidiary, division, or other device, are permanently restrained  
5 and enjoined from attempting to collect, collecting, or assigning any right to  
6 collect payment from any consumer who purchased or agreed to purchase  
7 from any Defendant any secured or unsecured debt relief product or service.  
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11 **MONETARY JUDGMENT**

12 **X. IT IS FURTHER ORDERED that:**

13  
14 A. Judgment in the amount of FOUR MILLION, SIX HUNDRED  
15 THIRTY EIGHT THOUSAND, NINE HUNDRED AND FIFTEEN  
16 DOLLARS (\$4,638,915) is entered in favor of the FTC against the  
17 Individual Defendant and the Corporate Defendants, jointly and  
18 severally, as equitable monetary relief;  
19  
20

21 B. In partial satisfaction of the judgment against Defendants:

- 22  
23 1. Wells Fargo Bank shall, within ten (10) business days from  
24 receipt of a copy of this Order, transfer to the FTC or its  
25 designated agent all funds, if any, in (a) account number  
26 xxxx3631 in the name of Jeremy R. Nelson, (b) account number  
27 xxxx0397 in the name of Blackrock Professional Corporation,  
28

1 (c) account number xxxx0348 in the name of Jackson Hunter  
2 Morris & Knight, (d) account number xxxx0728 in the name of  
3 Lexxani Insurance Services, (e) account number xxxx0777 in  
4 the name of Debt Relief Law Group, (f) account number  
5 xxxx0916 in the name of Jackson Hunter Morris & Knight, (g)  
6 account number xxxx0908 in the name of Debt Relief Law  
7 Group, (h) account number xxxx0924 in the name of Jackson  
8 Hunter Morris & Knight, (i) account number xxxx9769 in the  
9 name of Lexxani Insurance Services, (j) account number  
10 xxxx0932 in the name of Jackson Hunter Morris & Knight, (k)  
11 account number xxxx0874 in the name of Blackrock  
12 Professional Corporation, (l) account number xxxx0890 in the  
13 name of Blackrock Professional Corporation, and (m) account  
14 number xxxx0882 in the name of Blackrock Professional  
15 Corporation;

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22 2. Merrill Lynch shall, within ten (10) business days from receipt  
23 of a copy of this Order, liquidate all assets in (a) account  
24 number xxxx6W99 in the name of Jeremy R. Nelson and (b)  
25 account number xxxx5W90 in the name of Jeremy R. Nelson,  
26  
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1 and transfer the proceeds of such liquidation to the FTC or its  
2 designated agent;

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4 3. JP Morgan Chase Bank shall, within ten (10) business days  
5 from receipt of a copy of this Order, transfer to the FTC or its  
6 designated agent all funds, if any, in (a) account number  
7 xxxx4515 in the name of Blackrock Professional Corporation,  
8 (b) account number xxxx9076 in the name of Blackrock  
9 Professional Corporation, (c) account number xxxx6158 in the  
10 name of Blackrock Professional Corporation, (d) account  
11 number xxxx8355 in the name of Mekhia Capital, LLC, (e)  
12 account number xxxx0526 in the name of Mekhia Capital,  
13 LLC, (f) account number xxxx3316 in the name of Mekhia  
14 Capital, LLC, and (g) account number xxxx2820 in the name of  
15 Jackson Hunter Morris & Knight LLP;  
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21 4. Crossroads Financial Technologies, LLC shall, within ten (10)  
22 business days from receipt of a copy of this Order, transfer to  
23 the FTC or its designated agent all funds, if any, in account  
24 number xxxx4601 in the name of Jackson Hunter Morris &  
25 Knight LLP;  
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1           5.     Global Client Solutions shall, within ten (10) business days  
2  
3           from receipt of a copy of this Order, transfer to the FTC or its  
4           designated agent all funds, if any, in (a) account number  
5           xxxx2173 in the name of Checkmate Debt Solutions, (b)  
6           account number xxxx1347 in the name of Jackson Hunter  
7           Morris & Knight LLP, (c) account number xxxx1039 in the  
8           name of Nelson Gamble & Associates, and (d) account number  
9           xxxx1065 in the name of Nelson Gamble & Associates.  
10

11  
12           Upon such asset transfers, the remainder of the judgment is suspended  
13           as to the Individual Defendant, subject to the Subsections below.  
14

15           C.     The asset freeze is modified to permit the transfers identified in this  
16           Section. Upon completion of those transfers, the asset freeze is  
17           dissolved.  
18

19           D.     The FTC's agreement to the suspension of the judgment against the  
20           Individual Defendant is expressly premised upon the truthfulness,  
21           accuracy, and completeness of the Individual Defendant's sworn  
22           financial statements and related documents (collectively, "financial  
23           statements") submitted to the FTC, namely the Financial Statement of  
24           Individual Defendant Jeremy Nelson signed on April 26, 2013,  
25           including the attachments.  
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- 1 E. The suspension of the judgment will be lifted as to the Individual  
2 Defendant if, upon motion by the FTC, the Court finds that the  
3 Individual Defendant failed to disclose any material asset, materially  
4 misstated the value of any asset, or made any other material  
5 misstatement or omission in the financial statements identified above.  
6  
7  
8 F. If the suspension of the judgment is lifted, the judgment becomes  
9 immediately due as to that Defendant in the amount specified in  
10 Subsection A. above (which the parties stipulate only for purposes of  
11 this Section represents the consumer injury alleged in the Complaint),  
12 less any payment previously made pursuant to this Section, plus  
13 interest computed from the date of entry of this Order.  
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16 G. All money paid to the FTC pursuant to this Order may be deposited  
17 into a fund administered by the FTC or its designee to be used for  
18 equitable relief, including but not limited to consumer redress and any  
19 attendant expenses for the administration of any redress funds. If a  
20 representative of the FTC decides that direct redress to consumers is  
21 wholly or partially impracticable or money remains after redress is  
22 completed, the FTC may apply any remaining money for such other  
23 equitable relief, including but not limited to consumer information  
24 remedies, as the FTC determines to be reasonably related to the  
25  
26  
27  
28

1 practices alleged in the Complaint. Any money not used for such  
2 equitable relief is to be deposited to the U.S. Treasury as equitable  
3 disgorgement. Defendants have no right to challenge any actions the  
4 FTC or its representatives may take pursuant to this Subsection.  
5

6  
7 H. Defendants relinquish dominion and all legal and equitable right, title,  
8 and interest in all assets transferred pursuant to this Order and may not  
9 seek the return of any assets.  
10

11 I. The facts alleged in the Complaint will be taken as true, without  
12 further proof, in any subsequent civil litigation by or on behalf of the  
13 FTC, including in a proceeding to enforce its rights to any payment or  
14 monetary judgment pursuant to this Order, such as a  
15 nondischargeability complaint in any bankruptcy case.  
16  
17

18 J. The facts alleged in the Complaint establish all elements necessary to  
19 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 this Order will have  
21 collateral estoppel effect for such purposes.  
22  
23

24 K. Defendants acknowledge that their Taxpayer Identification Numbers  
25 (Social Security Numbers or Employer Identification Numbers),  
26 which Defendants previously submitted to the FTC, may be used for  
27  
28

1 collecting and reporting on any delinquent amount arising out of this  
2 Order, in accordance with 31 U.S.C. § 7701.  
3

- 4 L. Pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15  
5 U.S.C. § 1681b(a)(1), any consumer reporting agency may furnish a  
6 consumer report concerning Defendants to the FTC, which shall be  
7 used for purposes of collecting and reporting on any delinquent  
8 amount arising out of this Order.  
9  
10

### 11 ORDER ACKNOWLEDGMENTS

12 **XI. IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of  
13 receipt of this Order:  
14

- 15 A. Each Defendant, within 7 days of entry of this Order, must submit to  
16 the FTC an acknowledgment of receipt of this Order sworn under  
17 penalty of perjury.  
18  
19 B. For 5 years after entry of this Order, the Individual Defendant for any  
20 business that such Defendant, individually or collectively with any  
21 other Defendant, is the majority owner or directly or indirectly  
22 controls, and each Corporate Defendant, must deliver a copy of this  
23 Order to: (1) all principals, officers, directors, and managers; (2) all  
24 employees, agents, and representatives who participate in conduct  
25 related to the subject matter of the Order; and (3) any business entity  
26  
27  
28



1 resulting from any change in structure as set forth in the Section titled  
2 Compliance Reporting. Delivery must occur within 7 days of entry of  
3 this Order for current personnel. To all others, delivery must occur  
4 before they assume their responsibilities.  
5

- 6
- 7 C. From each individual or entity to which a Defendant delivered a copy  
8 of this Order, that Defendant must obtain, within 30 days, a signed  
9 and dated acknowledgment of receipt of this Order.  
10

### 11 COMPLIANCE REPORTING

12 **XII. IT IS FURTHER ORDERED** that Defendants make timely submissions to  
13 the FTC:  
14

- 15 A. One year after entry of this Order, each Defendant must submit a  
16 compliance report, sworn under penalty of perjury.  
17

- 18 1. Each Defendant must: (a) designate at least one telephone  
19 number and an email, physical, and postal address as points of  
20 contact, which representatives of the FTC may use to  
21 communicate with Defendant; (b) identify all of that  
22 Defendant's businesses by all of their names, telephone  
23 numbers, and physical, postal, email, and Internet addresses; (c)  
24 describe the activities of each business, including the products  
25 and services offered, the means of advertising, marketing, and  
26  
27  
28

1 sales, and the involvement of any other Defendant (which  
2 Individual Defendant must describe if he knows or should know  
3 due to his own involvement); (d) describe in detail whether and  
4 how that Defendant is in compliance with each Section of this  
5 Order; and (e) provide a copy of each Order Acknowledgment  
6 obtained pursuant to this Order, unless previously submitted to  
7 the FTC;  
8

9  
10  
11 2. Additionally, the Individual Defendant must: (a) identify all  
12 telephone numbers and all email, Internet, physical, and postal  
13 addresses, including all residences; (b) identify all titles and  
14 roles in all business activities, including any business for which  
15 such Defendant performs services whether as an employee or  
16 otherwise and any entity in which such Defendant has any  
17 ownership interest; and (c) describe in detail such Defendant's  
18 involvement in each such business, including title, role,  
19 responsibilities, participation, authority, control, and any  
20 ownership.  
21  
22  
23  
24

25 B. For 20 years following entry of this Order, each Defendant must  
26 submit a compliance notice, sworn under penalty of perjury, within 14  
27 days of any change in the following:  
28

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

9  
10  
11  
12           2.     Additionally, the Individual Defendant must report any change  
13                     in: (a) name, including aliases or fictitious name, or residence  
14                     address; or (b) title or role in any business activity, including  
15                     any business for which such Defendant performs services  
16                     whether as an employee or otherwise and any entity in which  
17                     such Defendant has any ownership interest, and identify its  
18                     name, physical address, and Internet address, if any.

19  
20  
21  
22           C.     Each Defendant must submit to the FTC notice of the filing of any  
23                     bankruptcy petition, insolvency proceeding, or any similar proceeding  
24                     by or against such Defendant within 14 days of its filing.

25  
26  
27           D.     Any submission to the FTC required by this Order to be sworn under  
28                     penalty of perjury must be true and accurate and comply with 28

1 U.S.C. § 1746, such as by concluding: “I declare under penalty of  
2 perjury under the laws of the United States of America that the  
3 foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the  
4 date, signatory’s full name, title (if applicable), and signature.  
5

6  
7 E. Unless otherwise directed by a FTC representative in writing, all  
8 submissions to the FTC pursuant to this Order must be emailed to  
9 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal  
10 Service) to: Associate Director for Enforcement, Bureau of Consumer  
11 Protection, Federal Trade Commission, 600 Pennsylvania Avenue  
12 NW, Washington, DC 20580. The subject line must begin: *FTC v.*  
13 *Nelson Gamble & Associates, et al.*, Matter Number X120048.  
14  
15

16  
17 **RECORDKEEPING**

18 **XIII. IT IS FURTHER ORDERED** that Defendants must create certain records  
19 for 20 years after entry of the Order, and retain each such record for 5 years.  
20 Specifically, each Corporate Defendant and the Individual Defendant for any  
21 business in which that Defendant, individually or collectively with any other  
22 Defendants, is a majority owner or directly or indirectly controls, must  
23 maintain the following records:  
24  
25  
26  
27  
28

- 1 A. Accounting records showing the revenues from all goods or services  
2 sold, all costs incurred in generating those revenues, and the resulting  
3 net profit or loss;  
4  
5 B. Personnel records showing, for each person providing services,  
6 whether as an employee or otherwise, that person's: name, addresses,  
7 and telephone numbers; job title or position; dates of service; and, if  
8 applicable, the reason for termination;  
9  
10 C. Complaints and refund requests, whether received directly or  
11 indirectly, such as through a third party, and any response;  
12  
13 D. All records necessary to demonstrate full compliance with each  
14 provision of this Order, including all submissions to the FTC; and  
15  
16 E. A copy of each advertisement or other marketing material.  
17

18 **COMPLIANCE MONITORING**

19  
20 **XIV. IT IS FURTHER ORDERED** that, for the purpose of monitoring

21 Defendants' compliance with this Order, including any failure to transfer  
22 any assets as required by this Order:  
23

- 24 A. Within 14 days of receipt of a written request from a representative of  
25 the FTC, each Defendant must: submit additional compliance reports  
26 or other requested information, which must be sworn under penalty of  
27 perjury; appear for depositions; and produce documents, for  
28

1 inspection and copying. The FTC is also authorized to obtain  
2 discovery, without further leave of court, using any of the procedures  
3 prescribed by Federal Rules of Civil Procedure 29, 30 (including  
4 telephonic depositions), 31, 33, 34, 36, 45, and 69.  
5

6  
7 B. For matters concerning this Order, the FTC is authorized to  
8 communicate directly with each Defendant. Each Defendant must  
9 permit representatives of the FTC to interview any employee or other  
10 person affiliated with any Defendant who has agreed to such an  
11 interview. The person interviewed may have counsel present.  
12


13  
14 C. The FTC may use all other lawful means, including posing, through  
15 its representatives, as consumers, suppliers, or other individuals or  
16 entities, to Defendants or any individual or entity affiliated with  
17 Defendants, without the necessity of identification or prior notice.  
18 Nothing in this Order limits the Commission's lawful use of  
19 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15  
20 U.S.C. §§ 49, 57b-1.  
21  
22  
23


#### 24 **RETENTION OF JURISDICTION**

25 **XV. IT IS FURTHER ORDERED** that this Court retains jurisdiction of this  
26 matter for purposes of construction, modification, and enforcement of this  
27 Order.  
28


1 **IT IS SO STIPULATED:**


2  
3   
4 \_\_\_\_\_  
JEREMY R. NELSON, Defendant

  
\_\_\_\_\_ NELSON GAMBLE &  
ASSOCIATES, LLC, Defendant  
By: Jeremy R. Nelson

7   
8 \_\_\_\_\_  
JACKSON HUNTER MORRIS &  
9 KNIGHT LLP, Defendant  
By: Jeremy R. Nelson

  
\_\_\_\_\_ MEKHIA CAPITAL LLC, Defendant  
By: Jeremy R. Nelson

11   
12 \_\_\_\_\_  
BLACKROCK PROFESSIONAL  
13 CORPORATION, Defendant  
By: Jeremy R. Nelson

15   
16 \_\_\_\_\_  
17 DOUGLAS BORTHWICK (CA Bar No. 176372)  
18 The Law Office of Douglas Borthwick  
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22 Attorney for Defendants



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