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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

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

Defendants.

Case No. SACV12-1504-JST (MLGx)

[proposed] **STIPULATED FINAL
ORDER FOR PERMANENT
INJUNCTION AND
SETTLEMENT OF CLAIMS**

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

1 and Settlement of Claims (“Order”) to resolve all matters in dispute in this action
2 between them

3
4 **FINDINGS OF FACT**

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

- 6 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the
7 FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Complaint seeks both permanent
8 injunctive relief and equitable monetary relief for Defendants’ alleged
9 deceptive acts or practices as alleged therein.
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11
- 12 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act to
13 seek the relief it has requested, and the Complaint states a claim upon which
14 relief can be granted against Defendants.
15
- 16 3. This Court has jurisdiction over the subject matter of this case and has
17 jurisdiction over Defendants. Venue in the Central District of California is
18 proper.
19
- 20 4. The activities of Defendants, as alleged in the Complaint, are in or affecting
21 commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
22
- 23 5. Defendants neither admit nor deny any of the allegations in the Complaint,
24 except as specifically stated in this Order. Only for purposes of this action,
25 Defendants admit the facts necessary to establish jurisdiction.
26

1 6. Defendants waive all rights to seek judicial review or otherwise challenge or
2 contest the validity of this Order. Defendants also waive any claim that they
3 may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412,
4 concerning the prosecution of this action to the date of this Order. Each
5 settling party shall bear its own costs and attorney's fees.
6

7
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
10 criminal remedies.
11

12 8. Entry of this Order is in the public interest.
13

14 **DEFINITIONS**

15 1. "*Assisting others*" includes, but is not limited to:

16 A. performing customer service functions, including, but not limited to,
17 receiving or responding to consumer complaints;
18

19 B. formulating or providing, or arranging for the formulation or
20 provision of, any advertising or marketing material, including, but not
21 limited to, any telephone sales script, direct mail solicitation, or the
22 design, text, or use of images of any Internet website, email, or other
23 electronic communication;
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1 C. formulating or providing, or arranging for the formulation or
2 provision of, any marketing support material or service, including but
3 not limited to, web or Internet Protocol addresses or domain name
4 registration for any Internet websites, affiliate marketing services, or
5 media placement services;

6
7
8 D. providing names of, or assisting in the generation of, potential
9 customers;

10
11 E. performing marketing, billing, or payment services of any kind; and

12 F. acting or serving as an owner, officer, director, manager, or principal
13 of any entity.

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

20
21
22 3. ***“Corporate Defendants”*** means Nelson Gamble & Associates LLC; Jackson
23 Hunter Morris & Knight LLP; Mekhia Capital, LLC; Blackrock Professional
24 Corporation; and their successors and assigns.
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1 4. ***“Customer”*** means any person who has paid, or may be required to pay, for
2 products, services, plans, or programs offered for sale or sold by any other
3 person.
4

5 5. ***“Defendants”*** means all of the Corporate Defendants and the Individual
6 Defendant, individually, collectively, or in any combination.
7

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

13 A. the Making Home Affordable Program;

14 B. the Financial Stability Plan;

15 C. the Troubled Asset Relief Program and any other program sponsored
16 or operated by the United States Department of the Treasury;
17

18 D. the HOPE for Homeowners program, any program operated or created
19 pursuant to the Helping Families Save Their Homes Act, and any
20 other program sponsored or operated by the Federal Housing
21 Administration; or
22

23 E. any program sponsored or operated by the United States Department
24 of Housing and Urban Development (“HUD”), the HOPE NOW
25
26

1 Alliance, the Homeownership Preservation Foundation, or any other
2 HUD-approved housing counseling agency.

3
4 7. ***“Financial related product or service”*** means any product, service, plan, or
5 program represented, expressly or by implication, to:

6 A. provide any consumer, arrange for any consumer to receive, or assist
7 any consumer in receiving, credit, debit, or stored value cards;

8 B. improve, or arrange to improve, any consumer’s credit record, credit
9 history, or credit rating;

10 C. provide advice or assistance to any consumer with regard to any
11 activity or service the purpose of which is to improve a consumer’s
12 credit record, credit history, or credit rating; or

13 D. provide any consumer, arrange for any consumer to receive, or assist
14 any consumer in receiving, a loan or other extension of credit.
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19 8. ***“Individual Defendant”*** means Jeremy Rommel Nelson.

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

23
24 10. ***“Secured or unsecured debt relief product or service”*** means, with respect
25 to any mortgage, loan, debt, or obligation between a person and one or more
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1 secured or unsecured creditors or debt collectors, any product, service, plan,
2 or program represented, expressly or by implication, to:

- 3
4 A. negotiate, settle, or in any way alter the terms of payment or other
5 terms of the mortgage, loan, debt, or obligation, including but not
6 limited to, a reduction in the amount of interest, principal balance,
7 monthly payments, or fees owed by a person to a secured or
8 unsecured creditor or debt collector.
- 9
10 B. stop, prevent, or postpone any mortgage or deed of foreclosure sale
11 for a person's dwelling, any other sale of collateral, any repossession
12 of a person's dwelling or other collateral, or otherwise save a person's
13 dwelling or other collateral from foreclosure or repossession;
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16 C. obtain any forbearance or modification in the timing of payments
17 from any secured or unsecured holder of any mortgage, loan, debt, or
18 obligation;
19
- 20 D. negotiate, obtain, or arrange any extension of the period of time
21 within which the person may (i) cure his or her default on the
22 mortgage, loan, debt, or obligation, (ii) reinstate his or her mortgage,
23 loan, debt, or obligation, (iii) redeem a dwelling or other collateral, or
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1 (iv) exercise any right to reinstate the mortgage, loan, debt, or
2 obligation or redeem a dwelling or other collateral;

3 E. obtain any waiver of an acceleration clause or balloon payment
4 contained in any promissory note or contract secured by any dwelling
5 or other collateral; or

6
7 F. negotiate, obtain, or arrange (i) a short sale of a dwelling or other
8 collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other
9 disposition of a mortgage, loan, debt, or obligation other than a sale to
10 a third party that is not the secured or unsecured loan holder.
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12
13 The foregoing shall include any manner of claimed assistance, including, but
14 not limited to, auditing or examining a person's application for the
15 mortgage, loan, debt, or obligation.
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17 11. **“Telemarketing”** means any plan, program, or campaign which is
18 conducted to induce the purchase of goods or services, or a charitable
19 contribution, by use of one or more telephones, and which involves a
20 telephone call, whether or not covered by the Telemarketing Sales Rule (16
21 C.F.R. Part 310).
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ORDER

BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCT AND SERVICES

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

BAN ON TELEMARKETING

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

BAN ON ROBOCALLS

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

PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL RELATED PRODUCTS OR SERVICES

IV. IT IS FURTHER ORDERED that Defendants and their 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
5 d. the amount of cash to be disbursed to the borrower out of
6 the proceeds, or the amount of cash to be disbursed on
7 behalf of the borrower to any third parties;

8
9 e. whether the payment of the minimum amount specified
10 each month covers both interest and principal, and
11 whether the credit has or can result in negative
12 amortization;

13
14 f. that the credit does not have a prepayment penalty or that
15 no prepayment penalty and/or other fees or costs will be
16 incurred if the consumer subsequently refinances; and

17
18 g. that the interest rate(s) or annual percentage rate(s) are
19 fixed rather than adjustable or adjustable rather than
20 fixed;

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22
23 2. Any person's ability to improve or otherwise affect a
24 consumer's credit record, credit history, or credit rating or
25 ability to obtain credit;

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

6 4. That a consumer will receive legal representation;

7
8 B. Advertising or assisting others in advertising credit terms other than
9 those terms that actually are or will be arranged or offered by a
10 creditor or lender.
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13 **PROHIBITED REPRESENTATIONS RELATING TO ANY**
14 **PRODUCT OR SERVICE**

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

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4 A. Any material aspect of the nature or terms of any refund, cancellation,
5 exchange, or repurchase policy, including, but not limited to, the
6 likelihood of a consumer obtaining a full or partial refund, or the
7 circumstances in which a full or partial refund will be granted to the
8 consumer;
9
10 B. That any person is affiliated with, endorsed or approved by, or
11 otherwise connected to any other person; government entity; any
12 federal homeowner relief or financial stability program; public,
13 non-profit, or other non-commercial program; or any other program;
14
15 C. The nature, expertise, position, or job title of any person who provides
16 any product, service, plan, or program;
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18 D. That any person will provide any product, service, plan, or program to
19 any consumer;
20
21 E. That any person providing a testimonial has purchased, received, or
22 used the product, service, plan, or program;
23
24 F. That the experience represented in a testimonial of the product,
25 service, plan, or program represents the person's actual experience
26

1 resulting from the use of the product, service, plan, or program under
2 the circumstances depicted in the advertisement;

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

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7 H. That consumers have ordered, purchased, or agreed to purchase any
8 product or service from any person, and therefore owe money to that
9 or any other person;

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11 I. That any person will not debit consumers' bank accounts, charge
12 consumers' credit or debit cards, or otherwise withdraw money from
13 consumers until after consumers perform any action;

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15 J. Any material restriction, limitation, or condition on purchasing,
16 receiving, or using the product, service, plan, or program; or

17
18 K. Any material aspect of the performance, efficacy, nature, or
19 characteristics of the product, service, plan, or program.

20 **PROHIBITION ON UNAUTHORIZED WITHDRAWALS**

21 **VI. IT IS FURTHER ORDERED** that Defendants and their successors,
22 assigns, officers, agents, servants, employees, attorneys, and those persons
23 or entities in active concert or participation with any of them who receive
24 actual notice of this Order by personal service or otherwise, whether acting
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1 directly or through any corporation, subsidiary, division, or other device, are
2 hereby restrained and enjoined from:

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

7 B. Making electronic fund transfers from a consumer's account on a
8 recurring basis without:
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10 1. Obtaining a written authorization signed or similarly
11 authenticated from consumers for preauthorized electronic fund
12 transfers from the accounts; and
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14 2. Providing to the consumers a copy of a written authorization
15 signed or similarly authenticated by the consumers for
16 preauthorized electronic fund transfers from the consumers'
17 accounts.
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20 **SUBSTANTIATION FOR BENEFIT, PERFORMANCE, AND EFFICACY**
21 **CLAIMS**

22 **VII. IT IS FURTHER ORDERED** that Defendants and their officers, agents,
23 servants, employees, and attorneys, and those persons or entities in active
24 concert or participation with any of them who receive actual notice of this
25 Order by personal service, facsimile transmission, email, or otherwise,
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1 whether acting directly or through any corporation, subsidiary, division, or
2 other device, in connection with the advertising, marketing, promotion,
3 offering for sale, or sale of any product or service are hereby permanently
4 restrained and enjoined from making any representation or assisting others
5 in making any representation, expressly or by implication, about the
6 benefits, performance, or efficacy of such product or service, unless at the
7 time such representation is made, Defendants possess and rely upon
8 competent and reliable evidence that substantiates that the representation is
9 true.
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13 **CUSTOMER INFORMATION**

14 **VIII. IT IS FURTHER ORDERED** that Defendants and their successors,
15 assigns, officers, agents, servants, employees, and attorneys, and those
16 persons or entities in active concert or participation with any of them who
17 receive actual notice of this Order by personal service, facsimile
18 transmission, email, or otherwise, whether acting directly or through any
19 corporation, subsidiary, division, or other device, are permanently restrained
20 and enjoined from:
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24 A. disclosing, using, or benefitting from customer information, including
25 the name, address, telephone number, email address, social security
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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
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8

9 B. failing to dispose of such customer information in all forms in their
10 possession, custody, or control within thirty (30) days after receipt of
11 written direction to do so from a representative of the FTC. Disposal
12 shall be by means that protect against unauthorized access to the
13 customer information, such as by burning, pulverizing, or shredding
14 any papers, and by erasing or destroying any electronic media, to
15 ensure that the customer information cannot practicably be read or
16 reconstructed.
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20 C. **Provided, however,** that customer information need not be disposed
21 of, and may be disclosed, to the extent requested by a government
22 agency or required by a law, regulation, or court order.
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PROHIBITION ON COLLECTING ON ACCOUNTS

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2 **IX. IT IS FURTHER ORDERED** that Defendants and their successors,
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4 assigns, officers, agents, servants, employees, and attorneys, and those
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6 persons or entities in active concert or participation with any of them who
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8 receive actual notice of this Order by personal service, facsimile
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10 transmission, email, or otherwise, whether acting directly or through any
11
12 corporation, subsidiary, division, or other device, are permanently restrained
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14 and enjoined from attempting to collect, collecting, or assigning any right to
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16 collect payment from any consumer who purchased or agreed to purchase
17
18 from any Defendant any secured or unsecured debt relief product or service.

MONETARY JUDGMENT

- 15
16 **X. IT IS FURTHER ORDERED** that:
- 17 A. Judgment in the amount of FOUR MILLION, SIX HUNDRED
18
19 THIRTY EIGHT THOUSAND, NINE HUNDRED AND FIFTEEN
20
21 DOLLARS (\$4,638,915) is entered in favor of the FTC against the
22
23 Individual Defendant and the Corporate Defendants, jointly and
24
25 severally, as equitable monetary relief;
 - 26 B. In partial satisfaction of the judgment against Defendants:

1 1. Wells Fargo Bank shall, within ten (10) business days from
2 receipt of a copy of this Order, transfer to the FTC or its
3 designated agent all funds, if any, in (a) account number
4 xxxx3631 in the name of Jeremy R. Nelson, (b) account
5 number xxxx0397 in the name of Blackrock Professional
6 Corporation, (c) account number xxxx0348 in the name of
7 Jackson Hunter Morris & Knight, (d) account number
8 xxxx0728 in the name of Lexxani Insurance Services, (e)
9 account number xxxx0777 in the name of Debt Relief Law
10 Group, (f) account number xxxx0916 in the name of Jackson
11 Hunter Morris & Knight, (g) account number xxxx0908 in the
12 name of Debt Relief Law Group, (h) account number xxxx0924
13 in the name of Jackson Hunter Morris & Knight, (i) account
14 number xxxx9769 in the name of Lexxani Insurance Services,
15 (j) account number xxxx0932 in the name of Jackson Hunter
16 Morris & Knight, (k) account number xxxx0874 in the name of
17 Blackrock Professional Corporation, (l) account number
18 xxxx0890 in the name of Blackrock Professional Corporation,
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1 and (m) account number xxxx0882 in the name of Blackrock
2 Professional Corporation;

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4 2. Merrill Lynch shall, within ten (10) business days from receipt
5 of a copy of this Order, liquidate all assets in (a) account
6 number xxxx6W99 in the name of Jeremy R. Nelson and (b)
7 account number xxxx5W90 in the name of Jeremy R. Nelson,
8 and transfer the proceeds of such liquidation to the FTC or its
9 designated agent;
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12 3. JP Morgan Chase Bank shall, within ten (10) business days
13 from receipt of a copy of this Order, transfer to the FTC or its
14 designated agent all funds, if any, in (a) account number
15 xxxx4515 in the name of Blackrock Professional Corporation,
16 (b) account number xxxx9076 in the name of Blackrock
17 Professional Corporation, (c) account number xxxx6158 in the
18 name of Blackrock Professional Corporation, (d) account
19 number xxxx8355 in the name of Mekhia Capital, LLC, (e)
20 account number xxxx0526 in the name of Mekhia Capital,
21 LLC, (f) account number xxxx3316 in the name of Mekhia
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1 Capital, LLC, and (g) account number xxxx2820 in the name of
2 Jackson Hunter Morris & Knight LLP;

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4 4. Crossroads Financial Technologies, LLC shall, within ten (10)
5 business days from receipt of a copy of this Order, transfer to
6 the FTC or its designated agent all funds, if any, in account
7 number xxxx4601 in the name of Jackson Hunter Morris &
8 Knight LLP;

9
10 5. Global Client Solutions shall, within ten (10) business days
11 from receipt of a copy of this Order, transfer to the FTC or its
12 designated agent all funds, if any, in (a) account number
13 xxxx2173 in the name of Checkmate Debt Solutions, (b)
14 account number xxxx1347 in the name of Jackson Hunter
15 Morris & Knight LLP, (c) account number xxxx1039 in the
16 name of Nelson Gamble & Associates, and (d) account number
17 xxxx1065 in the name of Nelson Gamble & Associates.
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22 Upon such asset transfers, the remainder of the judgment is suspended
23 as to the Individual Defendant, subject to the Subsections below.
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- 1 C. The asset freeze is modified to permit the transfers identified in this
2 Section. Upon completion of those transfers, the asset freeze is
3 dissolved.
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- 5 D. The FTC's agreement to the suspension of the judgment against the
6 Individual Defendant is expressly premised upon the truthfulness,
7 accuracy, and completeness of the Individual Defendant's sworn
8 financial statements and related documents (collectively, "financial
9 statements") submitted to the FTC, namely the Financial Statement of
10 Individual Defendant Jeremy Nelson signed on April 26, 2013,
11 including the attachments.
12
- 13 E. The suspension of the judgment will be lifted as to the Individual
14 Defendant if, upon motion by the FTC, the Court finds that the
15 Individual Defendant failed to disclose any material asset, materially
16 misstated the value of any asset, or made any other material
17 misstatement or omission in the financial statements identified above.
18
- 19 F. If the suspension of the judgment is lifted, the judgment becomes
20 immediately due as to that Defendant in the amount specified in
21 Subsection A. above (which the parties stipulate only for purposes of
22 this Section represents the consumer injury alleged in the Complaint),
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1 less any payment previously made pursuant to this Section, plus
2 interest computed from the date of entry of this Order.

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4 G. All money paid to the FTC pursuant to this Order may be deposited
5 into a fund administered by the FTC or its designee to be used for
6 equitable relief, including but not limited to consumer redress and any
7 attendant expenses for the administration of any redress funds. If a
8 representative of the FTC decides that direct redress to consumers is
9 wholly or partially impracticable or money remains after redress is
10 completed, the FTC may apply any remaining money for such other
11 equitable relief, including but not limited to consumer information
12 remedies, as the FTC determines to be reasonably related to the
13 practices alleged in the Complaint. Any money not used for such
14 equitable relief is to be deposited to the U.S. Treasury as equitable
15 disgorgement. Defendants have no right to challenge any actions the
16 FTC or its representatives may take pursuant to this Subsection.
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21 H. Defendants relinquish dominion and all legal and equitable right, title,
22 and interest in all assets transferred pursuant to this Order and may not
23 seek the return of any assets.
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- 1 I. The facts alleged in the Complaint will be taken as true, without
2 further proof, in any subsequent civil litigation by or on behalf of the
3 FTC, including in a proceeding to enforce its rights to any payment or
4 monetary judgment pursuant to this Order, such as a
5 nondischargeability complaint in any bankruptcy case.
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7
8 J. The facts alleged in the Complaint establish all elements necessary to
9 sustain an action by the FTC pursuant to Section 523(a)(2)(A) of the
10 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have
11 collateral estoppel effect for such purposes.
12
13 K. Defendants acknowledge that their Taxpayer Identification Numbers
14 (Social Security Numbers or Employer Identification Numbers),
15 which Defendants previously submitted to the FTC, may be used for
16 collecting and reporting on any delinquent amount arising out of this
17 Order, in accordance with 31 U.S.C. § 7701.
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19
20 L. Pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15
21 U.S.C. § 1681b(a)(1), any consumer reporting agency may furnish a
22 consumer report concerning Defendants to the FTC, which shall be
23 used for purposes of collecting and reporting on any delinquent
24 amount arising out of this Order.
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ORDER ACKNOWLEDGMENTS

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

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

1 C. From each individual or entity to which a Defendant delivered a copy
2 of this Order, that Defendant must obtain, within 30 days, a signed
3 and dated acknowledgment of receipt of this Order.
4

5 **COMPLIANCE REPORTING**

6 **XII. IT IS FURTHER ORDERED** that Defendants make timely submissions to
7 the FTC:
8

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

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

- 5
- 6 2. Additionally, the Individual Defendant must: (a) identify all
7 telephone numbers and all email, Internet, physical, and postal
8 addresses, including all residences; (b) identify all titles and
9 roles in all business activities, including any business for which
10 such Defendant performs services whether as an employee or
11 otherwise and any entity in which such Defendant has any
12 ownership interest; and (c) describe in detail such Defendant's
13 involvement in each such business, including title, role,
14 responsibilities, participation, authority, control, and any
15 ownership.

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

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- 24 1. Each Defendant must report any change in: (a) any designated
25 point of contact; or (b) the structure of any Corporate
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1 Defendant or any entity that Defendant has any ownership
2 interest in or directly or indirectly controls that may affect
3 compliance obligations arising under this Order, including:
4 creation, merger, sale, or dissolution of the entity or any
5 subsidiary, parent, or affiliate that engages in any acts or
6 practices subject to this Order.
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9 2. Additionally, the Individual Defendant must report any change
10 in: (a) name, including aliases or fictitious name, or residence
11 address; or (b) title or role in any business activity, including
12 any business for which such Defendant performs services
13 whether as an employee or otherwise and any entity in which
14 such Defendant has any ownership interest, and identify its
15 name, physical address, and Internet address, if any.
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19 C. Each Defendant must submit to the FTC notice of the filing of any
20 bankruptcy petition, insolvency proceeding, or any similar proceeding
21 by or against such Defendant within 14 days of its filing.
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23 D. Any submission to the FTC required by this Order to be sworn under
24 penalty of perjury must be true and accurate and comply with 28
25 U.S.C. § 1746, such as by concluding: “I declare under penalty of
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1 perjury under the laws of the United States of America that the
2 foregoing is true and correct. Executed on:_____” and supplying the
3 date, signatory’s full name, title (if applicable), and signature.
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5 E. Unless otherwise directed by a FTC representative in writing, all
6 submissions to the FTC pursuant to this Order must be emailed to
7 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal
8 Service) to: Associate Director for Enforcement, Bureau of Consumer
9 Protection, Federal Trade Commission, 600 Pennsylvania Avenue
10 NW, Washington, DC 20580. The subject line must begin: *FTC v.*
11 *Nelson Gamble & Associates, et al.*, Matter Number X120048.
12
13

14 **RECORDKEEPING**

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16 **XIII. IT IS FURTHER ORDERED** that Defendants must create certain records
17 for 20 years after entry of the Order, and retain each such record for 5 years.
18 Specifically, each Corporate Defendant and the Individual Defendant for any
19 business in which that Defendant, individually or collectively with any other
20 Defendants, is a majority owner or directly or indirectly controls, must
21 maintain the following records:
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1 perjury; appear for depositions; and produce documents, for
2 inspection and copying. The FTC is also authorized to obtain
3 discovery, without further leave of court, using any of the procedures
4 prescribed by Federal Rules of Civil Procedure 29, 30 (including
5 telephonic depositions), 31, 33, 34, 36, 45, and 69.
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8 B. For matters concerning this Order, the FTC is authorized to
9 communicate directly with each Defendant. Each Defendant must
10 permit representatives of the FTC to interview any employee or other
11 person affiliated with any Defendant who has agreed to such an
12 interview. The person interviewed may have counsel present.
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15 C. The FTC may use all other lawful means, including posing, through
16 its representatives, as consumers, suppliers, or other individuals or
17 entities, to Defendants or any individual or entity affiliated with
18 Defendants, without the necessity of identification or prior notice.
19 Nothing in this Order limits the Commission's lawful use of
20 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15
21 U.S.C. §§ 49, 57b-1.
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RETENTION OF JURISDICTION

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

IT IS SO ORDERED, this _____ day of _____ 2013.

JOSEPHINE STATON TUCKER
UNITED STATES DISTRICT JUDGE