

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

SEREIKA SAVARIAU and
LAWRENCE GOODISON,

Defendant(s).

Case No. 1:14-cv-01414-RBW

ORDER FOR PERMANENT INJUNCTION

Plaintiff, Federal Trade Commission ("FTC"), commenced this civil action on August 19, 2014, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act ("CROA"), 15 U.S.C. §1679h(b). The FTC amended its complaint on January 29, 2015, naming Sereika Savariau and Lawrence Goodison (collectively, "Defendants") as defendants. (ECF No. 21). Defendants failed to file an answer or otherwise defend this action, and the Clerk entered default against Defendants, pursuant to Federal Rule of Civil Procedure 55(a), on July 1, 2015. The FTC now has moved this Court for entry of a judgment by default and permanent injunction, pursuant to Federal Rules of Civil Procedure 55(b)(2), against Defendants. The Court, having considered the memoranda and exhibits filed in support of said motion, and all other pleadings and files in this action, and now being fully advised in the premises, **GRANTS** the FTC's Motion and **HEREBY ORDERS, ADJUDGES, AND DECREES** as follows:

FINDINGS OF FACT

1. The FTC brings this action pursuant to Section 13(b) of the FTC Act, 15 U.S.C. §§ 53(b), and Section 410(b) of CROA, 15 U.S.C. §1679h(b). The FTC seeks both permanent injunctive relief and monetary relief on behalf of injured consumers for alleged deceptive and unfair acts or practices by Defendants in connection with purported credit repair services.

2. The FTC has authority under Section 13(b) of the FTC Act and Section 410(b) of CROA to seek the relief it has requested.

3. The Court has jurisdiction over the subject matter of this action and has jurisdiction over Defendants. Venue in the District of Columbia is proper, and the Amended Complaint states a claim upon which relief may be granted against Defendants under Section 13(b) of the FTC Act and Section 410(b) of CROA.

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

5. Process and service of process as to Defendants is proper.

6. Neither Defendant is an infant or an incompetent or in military service or otherwise exempted under the Soldiers' and Sailors' Civil Relief Act of 1940.

7. Defendants failed to answer or otherwise file any response to the Complaint. Accordingly, Defendants are in default for failure to plead or otherwise defend in this action.

8. Through websites and other online and print promotional materials, Defendants falsely represented that their businesses, American Bill Pay Organization and American Benefits Foundation were, or were closely affiliated with, the federal government and official federal government debt relief programs. Defendants touted a supposed program that would provide up to \$75,000 in government payments to consumers' creditors, and misappropriated government

agency seals and the President's image, voice, and signature. Defendants leveraged their false government affiliation representations to convince consumers to use their debt relief and credit repair services, and extracted advance fees from consumers of approximately \$1,000.

Defendants extracted advance fees from many consumers but provided no services; their offers of debt relief and credit repair by way of \$75,000 in government payments to consumers' creditors were entirely false.

9. As alleged in Count I of the Amended Complaint Defendants issued false and misleading representations that they would substantially reduce consumers' debts and improve consumers' credit ratings, scores, or limits. These misleading representations were likely to mislead consumers acting reasonably under the circumstances. Therefore, Defendants' practices constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

10. As alleged in Count II of the Amended Complaint, Defendants issued false and misleading representations that their businesses were associated or affiliated with the United States government, and that their debt relief and credit repair programs were funded and/or governed by the United States government. These misleading representations were likely to mislead consumers acting reasonably under the circumstances. Therefore, Defendants' practices constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

11. As alleged in Count III of the Amended Complaint, Defendants in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), made untrue or misleading representations to consumers that they would improve

consumers' credit ratings, scores, or limits. Defendants also made untrue or misleading representations to consumers and that their businesses were associated or affiliated with the United States government, and their debt relief and credit repair programs were funded and/or governed by the United States government. Therefore, Defendants practices violated Section 404(a)(3) of CROA, 15 U.S.C. § 1679b(a)(3).

12. As alleged in Count IV of the Amended Complaint, Defendants in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), charged or received money or other valuable consideration for the performance of credit repair services that Defendants have agreed to perform before such services were fully performed. Therefore, Defendants practices violated Section 404(b) of CROA, 15 U.S.C. § 1679b(b).

13. Sereika Savariau and Lawrence Goodison formulated, directed, controlled, had the authority to control, or participated in the foregoing statutory violations, as evidenced by service provider documents identifying them as controlling the content of the websites at issue, and financial institution documents identifying them as recipients of numerous payments from consumers. Both individuals are also named in FTC consumer complaints.

14. Defendants have caused consumer injury in the amount of at least \$28,000.03.

15. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and Section 410(b) of CROA, 15 U.S.C. § 1679h(b), empower this Court to issue injunctive and other relief against violations of the FTC Act and CROA, and in the exercise of its equitable jurisdiction, to order restitution and the disgorgement of profits resulting from Defendants' unlawful acts or practices, and issue other ancillary equitable relief.

16. Defendants are likely to continue to engage in the activities alleged in the Amended Complaint or otherwise violate Section 5 of the FTC Act and CROA, unless they are prohibited from doing so by order of the Court.

17. It is proper in this case to enter an equitable monetary judgment against Defendants for violations of Section 5 of the FTC Act and CROA. Defendants who have violated Section 5 of the FTC Act and CROA can be held jointly and severally liable for the total amount of the consumer injury. The FTC is entitled to judgment against Defendants in the amount of \$28,000.03, the injury caused to consumers by Defendants, even though this amount may exceed their unjust enrichment.

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

19. The entry of this Order is in the public interest.

DEFINITIONS

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

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including, without limitation, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash, wherever located, and shall include both existing assets and assets acquired after the date of entry of this Order.

2. "Credit repair product or service" means any service, in return for payment of money or other consideration, for the express or implied purpose of: (1) improving any consumer's credit record, credit history, or credit rating; or (2) providing advice or assistance to

any consumer with regard to any activity or service the purpose of which is to improve a consumer's credit record, credit history, or credit rating.

3. "Debt relief product or service" means any product, service, plan, or program represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt or obligation between a person and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector.

4. "Defendants" means Sereika Savariau and Lawrence Goodison and by whatever names they might be known.

5. "Document(s)" is equal in scope and synonymous in meaning to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and any other data compilations from which information can be obtained. A draft or non-identical copy is a separate document within the meaning of the term.

6. "Financial institution" means any bank, savings and loan institution, credit union, or any financial depository of any kind, including but not limited to brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

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

ORDER

**I. PROHIBITED BUSINESS PRACTICES PURSUANT TO THE FEDERAL
TRADE COMMISSION ACT**

IT IS THEREFORE ORDERED that Defendants and their successors, assigns, officers, agents, employees, and attorneys, and those persons 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 debt relief product or service or credit repair product or service, are hereby permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, either orally or in writing, expressly or by implication, any material fact, including, but not limited to:

A. That any Defendant or any other person will reduce substantially consumers' debts or improve consumers' credit ratings, scores, or limits;

B. That any Defendant or any other person is affiliated, associated, acting in partnership or under contract with, the United States government or any agency or subdivision thereof;

C. The existence, status, or qualifications for any debt relief product or service or any credit repair product or service; or

D. That any person is eligible or qualified for, or that any person's debt or credit is eligible or qualified for, any debt relief product or service or any credit repair product or service.

II. PROHIBITED BUSINESS ACTIVITIES PURSUANT TO THE CREDIT REPAIR ORGANIZATIONS ACT

IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers, agents, employees, and attorneys, and those persons 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 credit repair service, are hereby permanently restrained and enjoined from:

A. Making or using untrue or misleading representations to induce consumers to purchase their services, including, but not limited to, misrepresenting: (1) that any Defendant or any other person will improve substantially consumers' credit ratings, scores, or limits, and (2) that any Defendant or any other person is affiliated, associated, acting in partnership, or under contract with, the United States government or any agency or subdivision thereof; or

B. Charging or receiving money or other valuable consideration for the performance of any credit repair service, before such service is fully performed.

III. ORDER TO THIRD PARTIES TO DISABLE WEBSITES, BLOG, FACEBOOK WEBPAGE, AND VIDEOS

IT IS FURTHER ORDERED that any person or entity, including any website host, video-sharing platform, blog-publishing service, or social media host, hosting any website, blog, video, social media, or promotion shared on the Internet by or for Defendants or their officers, agents, employees, or attorneys, and those persons in active concert or participation with Defendants shall take any steps necessary to ensure that any website, blog, video, social media marketing, or other promotion of debt relief or credit repair services offered by the Defendants,

or any website, blog, video, social media marketing, or other promotion that claims or implies government affiliation, including any that is operating, in whole or in part, under the names American Bill Pay, americanbillpay.org, American Benefits Foundation, or benefitsfoundation.org, and including the Blogspot article at billpaymentgovernmentassistance.blogspot.com, the YouTube channel <http://www.youtube.com/channel/UCKyyKQY99Uai6n56MuDgW7w>, and the Facebook webpage at <https://www.facebook.com/pages/American-Benefits-Foundation/429242070544258>, as well as any website, blog, or video that is substantially identical in appearance to any of the above-listed websites, Blogspot article, YouTube videos, or Facebook webpage, are disabled and no longer viewable or accessible to persons using the Internet.

CONSUMER INFORMATION

- IV. IT IS FURTHER ORDERED** that Defendants and their officers, agents, 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 directly or indirectly:
- A. Failing to provide sufficient consumer information to enable the FTC to administer efficiently consumer redress. If a representative of the FTC requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the FTC, within 14 days.
 - B. Disclosing, using, or benefitting from consumer information, including the name, address, telephone number, email address, social security number, other

identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account) of any person that any Defendant obtained prior to entry of this Order in connection with the sale of any debt relief product or service or credit repair product or service.

- C. Failing to destroy such consumer information in all forms in their possession, custody, or control within thirty (30) days after receipt of written direction to do so from a representative of the FTC.
- D. **Provided, however,** that consumer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by a law, regulation, or court order.

MONETARY JUDGMENT

V. IT IS FURTHER ORDERED that:

- A. Judgment in the amount of \$28,000.03 is entered in favor of the FTC against Defendants, with post-judgment interest at the legal rate, for equitable monetary relief, including but not limited to consumer redress, and for paying any attendant expenses of administering any redress fund. The monetary judgment set forth in this Section V is enforceable against any asset, real or personal, whether located within the United States or outside the United States, owned jointly by, on behalf of, for the benefit of, or in trust by or for, Defendants, whether held as tenants in common, joint tenants with or without the right of survivorship, tenants by the entirety, and/or community property.
- B. In partial satisfaction of the judgment against Defendants, any financial or brokerage institution, escrow agent, title company, commodity trading company,

business entity, or person, whether located within the United States or outside the United States, that holds, controls or maintains accounts or assets of, on behalf of, or for the benefit of, Defendants, whether real or personal, whether located within the United States or outside the United States, shall turn over such account or asset to the FTC or its designated agent within ten (10) business days of receiving notice of this Order by any means, including but not limited to via facsimile.

- C. All money paid to the FTC pursuant to this Order may be deposited into a fund administered by the FTC or its designee to be used for equitable relief, including but not limited to consumer redress and any attendant expenses for the administration of any redress funds. If a representative of the FTC decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the FTC may apply any remaining money for such other equitable relief, including but not limited to consumer information remedies, as the FTC determines to be reasonably related to the practices alleged in the Amended Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as equitable disgorgement. Defendants have no right to challenge any actions the FTC or its representatives may take pursuant to this Subsection.
- D. Pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), any consumer reporting agency may furnish a consumer report concerning Defendants to the FTC, which shall be used for purposes of collecting and reporting on any delinquent amount arising out of this Order.

ORDER ACKNOWLEDGMENTS

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

- A. Defendants, 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 20 years after entry of this Order, a Defendant for any business that he or she, individually or collectively with any other Defendant, is the majority owner or directly or indirectly controls, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (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. In any other business, such as one in which a Defendant is an employee without any ownership or control, he or she must deliver a copy of this Order to all principals and managers of the business before participating in conduct related to the subject matter of this Order. 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.
- C. From each individual or entity to which a Defendant delivered a copy of this Order, he or she must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

COMPLIANCE REPORTING

VII. IT IS FURTHER ORDERED that Defendants make timely submissions to the FTC:

- A. One year after entry of this Order, Defendants must submit a compliance report, sworn under penalty of perjury.

1. Each Defendant must: (a) identify his or her primary physical, postal, and email addresses, telephone number, as designated points of contact, which representatives of the FTC may use to communicate with him or her; (b) identify all of his or her businesses by all of their names, physical, postal, email, and Internet addresses, and telephone numbers; (c) describe the activities of each business, including the products and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Defendant must describe if he or she knows or should know due to his or her own involvement); (d) describe in detail whether and how he or she is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the FTC;
 2. Additionally, each Defendant must: (a) identify all telephone numbers and physical, postal, email, and Internet addresses, including all residences; (b) identify all business activities, including any business for which he or she performs services whether as an employee or otherwise and any entity in which he or she has any ownership interest; and (c) describe in detail his or her involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.
- B. For 20 years following entry of this Order, Defendants must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any entity that he or she has any ownership interest in or directly or indirectly controls that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
 2. Additionally, each Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which he or she performs services whether as an employee or otherwise and any entity in which he or she has any ownership interest, and identify its name, physical address, and Internet address, if any.
- C. Defendants must submit to the FTC notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against him or her within 14 days of its filing.
- D. Any submission to the FTC required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.
- E. Unless otherwise directed by a FTC representative in writing, all submissions to the FTC pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for

Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *FTC v. American Bill Pay, et al.*, Matter Number X140052.

RECORDKEEPING

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

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

COMPLIANCE MONITORING

IX. IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Order and any failure to transfer any assets as required by this Order:

- A. Within 14 days of receipt of a written request from a representative of the FTC, each Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents, for inspection and copying. The FTC is also authorized to obtain discovery, without further leave of Court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.
- B. For matters concerning this Order, the FTC is authorized to communicate directly with Defendants. Each Defendant must permit representatives of the FTC to interview any employee or other person affiliated with him who has agreed to such an interview. The person interviewed may have counsel present.
- C. The FTC may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

ENTRY OF JUDGMENT

- X. **IT IS FURTHER ORDERED** that there is no just reason for delay of entry of this judgment, and that, pursuant to Federal Rule of Civil Procedure 54(b), the Clerk immediately shall enter this Order as a final judgment as to Defendants.

RETENTION OF JURISDICTION

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

SO ORDERED this 21st day of September, 2015, nunc pro tunc to September 11, 2015.

REGGIE B. WALTON
United States District Judge