

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

Federal Trade Commission,

Plaintiff,

v.

**Mortgages Para Hispanos.Com
Corporation and**

**Daniel Moises Goldberg,
an individual also known as
Daniel Martinez,**

Defendants.

Civil Action No. 4:06cv19

HON. MICHAEL H. SCHNEIDER
United States District Judge

HON. DON D. BUSH
United States Magistrate Judge

STIPULATED FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION

Plaintiff, the Federal Trade Commission (“Commission”), commenced this action by filing its Complaint pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), charging Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg with unfair or deceptive acts and practices relating to Defendants’ activities in connection with brokering, originating, and closing mortgage loans. The Complaint alleges that Defendants’ deceptive acts and practices violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Plaintiff, through its counsel, and Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg, through their counsel, have agreed to entry of this Final Judgment

and Order by this Court in order to resolve all matters in dispute in this action. The Commission and the Defendants have consented to entry of this Final Judgment and Order without trial or adjudication of any issue of law or fact herein and without the Defendants admitting liability for any of the violations alleged in the Complaint or for any wrongdoing whatsoever.

Being fully advised in the premises and acting upon the joint motion of the parties to enter this Final Judgment and Order,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and all parties thereto;
2. The Complaint states a claim upon which relief may be granted against the Defendants under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b), as amended;
3. Venue in this district is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c);
4. The activities of the Defendants are in or affecting commerce as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44;
5. Plaintiff Federal Trade Commission has the authority under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b), to seek the relief it has requested;
6. Entry of this Final Judgment and Order is in the public interest; and
7. Defendants have waived all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, and all rights to seek judicial review or otherwise challenge the validity of this

Final Judgment and Order.

DEFINITIONS

8. For purposes of this Final Judgment and Order, the following definitions shall apply:

- a. "Brokering" shall mean engaging in the solicitation, origination, negotiation, or referral of a loan for consumers for a fee, commission, or other valuable consideration;
- b. "Credit" shall mean the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment;
- c. "Document" is defined as provided in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term;
- d. "Fees" shall mean any charge imposed as an incident to or a condition of the extension of credit (except interest), including, but not limited to, origination fees, points, mortgage broker fees, yield spread premiums, settlement fees, and document preparation fees;
- e. "Loan consummation" shall mean the time the consumer becomes contractually obligated on the loan transaction (*i.e.*, the time of closing and not the date the rescission period expires);

- f. "Mortgage loan" shall mean an extension of credit secured by real property; and
- g. "Person" shall mean any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

ORDER

I. SECTION 5 OF THE FTC ACT

IT IS THEREFORE ORDERED that, in connection with the advertising, marketing, soliciting, brokering, originating, closing, offering for sale, or sale of any mortgage loan or other extension of credit, Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg, their officers, agents, servants, employees, attorneys, and all other persons or entities in active concert or participation with them who receive actual notice of this Final Judgment and Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, affiliate or other device, are hereby permanently restrained and enjoined from making any misrepresentation, expressly or by implication, about the terms, costs, or other conditions of any loan or other extension of credit, including, but not limited to, misrepresenting:

- A. The monthly payment amount, interest rate, annual percentage rate, finance charge, and/or the term of repayment; and
- B. The amount of cash to be disbursed to the borrower out of the loan proceeds.

II. OTHER EQUITABLE RELIEF

A. **IT IS FURTHER ORDERED** that, in connection with every transaction in which Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg, their officers, agents, servants, employees, attorneys, and all other persons or entities in active

concert or participation with them who receive actual notice of this Final Judgment and Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, affiliate or other device, offer the consumer a mortgage loan on behalf of any lender, Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall furnish a disclosure substantially similar to the notice set forth in **Appendix A** (“Disclosure Statement”) and a consumer education brochure to the consumer. The Disclosure Statement shall be mailed, at no cost to the consumer, either by certified mail, at least five (5) business days before loan consummation, or by overnight mail, at least four (4) business days before loan consummation. The Disclosure Statement shall be set forth in a clear and conspicuous manner, in 100% black ink against a white background, on a single page. The Disclosure Statement shall be printed in 14-point type or larger, in Times New Roman or a similar font. For any consumer for whom Defendants have reason to believe that the consumer’s primary language is Spanish, the Disclosure Statement and consumer education brochure shall be furnished in Spanish and English. The consumer education brochure provided shall be the FTC’s brochure entitled “Need A Loan? Think Twice About Using Your Home as Collateral,” as posted on the FTC’s Web site in pdf format, or another similar brochure designated by the FTC. Defendants shall retain a copy of each Disclosure Statement and proof of delivery for five (5) years from the date of loan consummation.

B. IT IS FURTHER ORDERED that, in connection with the advertising, marketing, soliciting, brokering, originating, closing, offering for sale, or sale of any mortgage loan or other extension of credit, Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg, their officers, agents, servants, employees, attorneys, and all other

persons or entities in active concert or participation with them who receive actual notice of this Final Judgment and Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, affiliate or other device, are hereby permanently restrained and enjoined from conducting any mortgage loan closing. Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall ensure that an independent settlement agent conducts the closing for each mortgage loan that they broker. Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall pay any cost imposed for the settlement agent to conduct the closing at the consumer's home, if the consumer so chooses.

III. MONETARY JUDGMENT

A. **IT IS FURTHER ORDERED** that judgment in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) is entered against Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg; *provided*, however, that upon the fulfillment of the payment obligations of Paragraphs III(B) and III(C) of this Final Judgment and Order by Defendants, this judgment shall be suspended until further order of the Court, and *provided further* that this judgment shall be subject to the conditions set forth in Paragraph IV of this Final Judgment and Order.

B. Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall be jointly and severally liable for payment of equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, and for paying any attendant expenses of administration of any redress fund, in the amount of TEN THOUSAND DOLLARS (\$10,000).

C. Within ten (10) days of the date of entry of this Final Judgment and Order, Defendants

Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall turn over the entire payment of TEN THOUSAND DOLLARS (\$10,000) to the Commission in the form of a wire transfer or certified or cashier's check made payable to the Commission, or such agent as the Commission may direct.

D. Time is of the essence for the payment specified above. In the event that Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg do not fulfill, or only partially fulfill, the payment obligations set forth in this Paragraph, Defendants shall be immediately liable for payment of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000), which is the entire amount of the judgment, plus interest, less any payments already made. Notwithstanding any other provision of this Final Judgment and Order, Defendants agree that, if they fail to meet the payment obligations set forth in this Paragraph, the facts as alleged in the Complaint filed in this matter shall be taken as true in any subsequent litigation filed by the Commission to enforce its rights pursuant to this Final Judgment and Order, including, but not limited to, a nondischargeability complaint in any subsequent bankruptcy proceeding.

E. All funds paid pursuant to this Final Judgment and Order shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the Treasury as disgorgement. Defendants Mortgages Para

Hispanos.Com Corporation and Daniel Moises Goldberg shall have no right to challenge the Commission's choice of remedies under this Section.

F. Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg shall have no right to contest the manner of distribution chosen by the Commission. No portion of any payments under the judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment.

IV. FINANCIAL STATEMENTS

A. **IT IS FURTHER ORDERED** that the Commission's agreement to and the Court's approval of this Final Judgment and Order are expressly premised upon the truthfulness, accuracy, and completeness of the financial statements and information provided to the Commission by Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg on or about June 18, 2006, which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Final Judgment and Order.

B. **IT IS FURTHER ORDERED** that if the Commission should have evidence that the above-referenced financial statements and information failed to disclose any material asset the value of which exceeds \$1,000, materially misrepresented the value of any asset, or made any other material misrepresentation or omission, the Commission may move that the Court reopen this Final Judgment and Order for the sole purpose of allowing the Commission to modify the monetary liability of Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg. If the Court finds that either Defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation or omission in the above-referenced financial statements and information, the Court shall reinstate the

suspended judgment against such Defendant, in favor of the Commission, in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000), which the Defendants and the Commission stipulate is the amount of consumer injury caused by the Defendants, as set forth in Paragraph III of this Final Judgment and Order. *Provided*, however, that in all other respects this Final Judgment and Order shall remain in full force and effect unless otherwise ordered by the Court. Any proceedings instituted under this Paragraph shall be in addition to and not in lieu of any other proceedings the Commission may initiate to enforce this Final Judgment and Order. Solely for the purposes of reopening or enforcing this Paragraph, Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg waive any right to contest any of the allegations set forth in the Complaint filed in this matter.

V. UPDATED LOAN INFORMATION

IT IS FURTHER ORDERED that Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg will provide the Commission and/or its designated agent with mortgage loan data in the Defendants' possession concerning consumers who obtained mortgage loans, or attempted to obtain mortgage loans, from Defendants from January 2000 to the date of this Final Judgment and Order, that may be needed to provide redress to consumers. Such data include, but are not limited to: name of borrower, last known address, any telephone number(s) in Defendants' possession, social security number, date of loan consummation, loan amount, amount of broker fees, monthly payment amount, number of payments, interest rate, and whether the interest rate is fixed or adjustable, amount and date of any balloon payment, and amount of any refunds paid by Defendants. Defendants shall provide such data within fourteen (14) days after receiving a written request by the Commission or its

designated agent, or such longer period as may be agreed upon by the Commission. The Commission may submit a request pursuant to this Paragraph as soon as this Final Judgment and Order is filed with the Court (and before entry of the Final Judgment and Order, in which case the fourteen-day period shall begin upon entry of the Final Judgment and Order).

VI. MONITORING COMPLIANCE OF SALES PERSONNEL

IT IS FURTHER ORDERED that Defendants Mortgages Para Hispanos.Com Corporation and Daniel Moises Goldberg, their officers, agents, servants, employees, attorneys, and all other persons or entities in active concert or participation with them who receive actual notice of this Final Judgment and Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, affiliate or other device, in connection with any business where any Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where the business involves the advertising, marketing, soliciting, brokering, originating, closing, offering for sale, or sale of any mortgage loan or other extension of credit, are hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Paragraphs I and II of this Final Judgment and Order. Such steps shall include adequate monitoring of sales presentations or other calls with customers, which shall also include, at a minimum, listening to the oral representations made by persons engaged in brokering loans and establishing a procedure for receiving and responding to consumer complaints;

B. Failing promptly to investigate fully any consumer complaint received by any

