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12 **UNITED STATES DISTRICT COURT**  
13 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

<p>14 <b>FEDERAL TRADE COMMISSION,</b></p> <p>15 Plaintiff,</p> <p>16 v.</p> <p>17 <b>FORENSIC CASE MANAGEMENT</b></p> <p>18 <b>SERVICES, INC., <i>et al.</i>,</b></p> <p>19 Defendants,</p> <p>20 and</p> <p>21 <b>KESTER-ARCHWOOD, LLC, <i>et al.</i>,</b></p> <p>22 Relief Defendants.</p>	<p>Case No. LACV11-7484 (RGK)</p>
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25 **[Proposed] FINAL JUDGMENT AND ORDER FOR MONETARY RELIEF**  
26 **AS TO RELIEF DEFENDANTS VESPER COLLINS, LLC, RAMILLIES,**  
27 **LLC, AND INNSBRUCK, LLC**  
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1 Plaintiff Federal Trade Commission (“FTC” or “Commission”) commenced  
2 this civil action on September 12, 2011 against defendants Forensic Case  
3 Management Services, Inc.; Specialized Recovery, Inc.; Commercial Receivables  
4 Acquisition, Inc.; David M. Hynes II; James Hynes; Kevin Medley; Heather True;  
5 Frank E. Lindstrom, Jr.; and Lorena Quiroz-Hynes (hereinafter collectively  
6 “Defendants”). The FTC brought this action pursuant to Sections 13(b) and 19 of  
7 the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and  
8 Section 814 of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. §  
9 1692l, to obtain preliminary and permanent injunctive and other equitable relief for  
10 Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the  
11 FDCPA, 15 U.S.C. § 1692-1692p, in connection with the marketing and sale of  
12 debt collection services, and the collection of debts. On September 13, 2011, the  
13 Court entered a temporary restraining order against Defendants. (Docket Entry  
14 [“DE”] 9.) On September 27, 2011, the Court entered a preliminary injunction  
15 against Defendants. (DE47-1.) On June 12, 2012, the FTC amended its Complaint  
16 (“First Amended Complaint”), adding claims against relief defendants Vesper  
17 Collins, LLC, Innsbruck, LLC, Ramillies, LLC, and Kester-Archwood, LLC  
18 (hereinafter collectively “Relief Defendants”). (DE160.)

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26 The FTC and relief defendants Vesper Collins, LLC, Innsbruck, LLC, and  
27 Ramillies, LLC (hereinafter collectively “Settling Relief Defendants” or “Settling  
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1 Defendants”) having agreed in the Stipulation for Final Judgment and Order for  
2 Monetary Relief as to Relief Defendants Vesper Collins, LLC, Ramillies, LLC,  
3 and Innsbruck, LLC, hereby request that the Court enter this Final Judgment and  
4 Order for Monetary Relief as to Relief Defendants Vesper Collins, LLC, Ramillies,  
5 LLC, and Innsbruck, LLC (“Order”) to resolve all matters in dispute between the  
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7 FTC and Settling Defendants in this action.

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9 **THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND**  
10 **DECREED** as follows:

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12 **FINDINGS**

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14 By stipulation of the parties and being advised of the premises, the Court  
15 finds:

- 16  
17 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the  
18 FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the FDCPA, 15  
19 U.S.C. § 1692*l*. The First Amended Complaint seeks, *inter alia*,  
20  
21 disgorgement from the Relief Defendants of all funds and assets received by  
22 them that are traceable to Defendants’ unlawful acts or practices.
- 23  
24 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act, and  
25 Section 814 of the FDCPA, to seek the relief it has requested, and the First  
26 Amended Complaint states a claim upon which relief can be granted against  
27 Settling Defendants.  
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- 1 3. This Court has jurisdiction over the subject matter of this case pursuant to 28  
2 U.S.C. §§ 1331, 1337(a), and 1345, 15 U.S.C. §§ 53(b), 57b, and 1692l, and  
3 has jurisdiction over Settling Defendants. Venue in the Central District of  
4 California is proper under 28 U.S.C. § 1391(b)-(d), and 15 U.S.C. § 53(b).
- 5  
6 4. Settling Defendants neither admit nor deny any of the allegations in the First  
7 Amended Complaint, except as specifically stated in this Order. Only for  
8 purposes of this action, Settling Defendants admit the facts necessary to  
9 establish jurisdiction.  
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- 11  
12 5. Settling Defendants waive all rights to appeal or otherwise challenge or  
13 contest the validity of this Order.  
14
- 15 6. Settling Defendants waive any claim that they may have held under the  
16 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution  
17 of this action through the date of this Order, and agree to bear their own  
18 costs and attorneys' fees. The Settling Defendants further waive and release  
19 any claim they may have against the FTC, its employees, representatives, or  
20 agents that relate to this action.  
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- 22  
23 7. This action and the relief awarded herein are in addition to, and not in lieu  
24 of, other remedies that may be provided by law, including both civil and  
25 criminal remedies.  
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- 27  
28 8. Entry of this Order is in the public interest.

**DEFINITIONS**

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

1. **“And”** and **“or”** shall be understood to have both conjunctive and disjunctive meanings.
2. **“Asset”** or **“Assets”** means any legal equitable interest in, right to, or claim to, any real or personal property, including, but not limited to: goods, instruments, equipment, fixtures, general intangibles, inventory, checks, or notes (as these terms are defined in the Uniform Commercial Code), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located.
3. **“Commission”** or **“FTC”** means the Federal Trade Commission.
4. **“Consumer”** means any natural person.
5. **“Defendants”** means Forensic Case Management Services, Inc.; Specialized Recovery, Inc.; Commercial Receivables Acquisition, Inc.; David M. Hynes II; James Hynes; Kevin Medley; Heather True; Frank E. Lindstrom, Jr.; and Lorena Quiroz-Hynes, individually, collectively, or in any combination. The relief defendants are expressly excluded from this definition.
6. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in the Federal Rules of Civil Procedure 34(a), and includes writing,

1 drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic  
2 correspondence, including e-mail and instant messages, photographs, audio  
3 and video recordings, contracts, accounting data, advertisements (including,  
4 but not limited to, advertisements placed on the World Wide Web), FTP  
5 Logs, Server Access Logs, USENET Newsgroup postings, World Wide Web  
6 pages, books, written or printed records, handwritten notes, telephone logs,  
7 telephone scripts, receipt books, ledgers, personal and business canceled  
8 checks and check registers, bank statements, appointment books, computer  
9 records, and other data compilations from which information can be  
10 obtained and translated, if necessary, through detection devices into  
11 reasonably usable form. A draft or non-identical copy is a separate  
12 document within the meaning of the term.  
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- 18 7. **“Material”** means likely to affect a person’s choice of, or conduct regarding,  
19 goods or services.  
20  
21 8. **“Permanent Receiver”** means Thomas W. McNamara, appointed as  
22 Permanent Receiver in the Preliminary Injunction in this matter (DE 47-1).  
23  
24 9. **“Person”** means a natural person, organization, or other legal entity,  
25 including a corporation, partnership, proprietorship, association, cooperative,  
26 or any other group or combination acting as an entity.  
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1 10. “*Relief Defendants*” means Vesper Collins, LLC, Innsbruck, LLC,  
2 Ramillies, LLC, and Kester-Archwood, LLC, individually, collectively, or in  
3 any combination.  
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5 11. “*Settling Relief Defendants*” or “*Settling Defendants*” means: (1) Vesper  
6 Collins, LLC f/k/a DMHT Holding, LLC; (2) Ramillies, LLC; and (3)  
7 Innsbruck, LLC, individually, collectively, or in any combination.  
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10 **ORDER**

11 **MONETARY RELIEF**

12 **I. IT IS ORDERED** that:

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14 A. Judgment is hereby entered against relief defendant Vesper Collins,  
15 LLC in the amount of TWO HUNDRED THIRTY-FIVE  
16 THOUSAND NINE HUNDRED FORTY-TWO DOLLARS  
17 (\$235,942). In satisfaction of the judgment against Vesper Collins,  
18 LLC, the following institutions shall, within ten (10) business days  
19 from receipt of a copy of this Order, transfer to the FTC or its  
20 designated agent all funds held in the designated accounts below as  
21 follows:  
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24  
25 1. Charles Schwab shall transfer to the FTC or its designated  
26 agent all funds held as of September 15, 2011 in account  
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1                   number xxxx7417 in the name of DMHT Holding LLC, which  
2                   amount was approximately \$232,002 at that time; and

- 3  
4           2.     JP Morgan Chase shall transfer to the FTC or its designated  
5                   agent all funds held in account number xxxxx1560 in the name  
6                   of Vesper Collins LLC, which amount is approximately \$3,940.

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8     B.     Judgment is hereby entered against relief defendant Innsbruck, LLC in  
9             the amount of FORTY-SEVEN THOUSAND FIVE HUNDRED  
10            FORTY-FIVE DOLLARS (\$47,545). In satisfaction of the judgment  
11            against Innsbruck, LLC, the following institutions shall, within ten  
12            (10) business days from receipt of a copy of this Order, transfer to the  
13            FTC or its designated agent all funds held in the designated accounts  
14            below as follows: JP Morgan Chase shall transfer to the FTC or its  
15            designated agent all funds held in account number xxxxx7492 in the  
16            name of Innsbruck LLC, which amount is approximately \$47,545.

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21     C.     Judgment is hereby entered against relief defendant Ramillies, LLC in  
22             the amount of ONE HUNDRED TWENTY THOUSAND DOLLARS  
23            (\$120,000).

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25           1.     In partial satisfaction of the judgment against Ramillies, LLC,  
26                   the following institutions shall, within ten (10) business days  
27                   from receipt of a copy of this Order, transfer to the FTC or its  
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1 designated agent all funds held in the designated accounts  
2 below as follows: Charles Schwab shall transfer to the FTC or  
3 its designated agent all investment gains realized since  
4 September 15, 2011 and any and all additional funds held in  
5 account number xxxx7417 in the name of DMHT Holding  
6 LLC, which amount is approximately \$35,000;  
7

8  
9 2. Ramillies shall also pay to the FTC or its designated agent the  
10 remaining balance of the ONE HUNDRED TWENTY  
11 THOUSAND DOLLARS (\$120,000) judgment, within two  
12 hundred seventy (270) business days from receipt of a copy of  
13 this Order.  
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16 D. To effect the surrender of the funds identified in subsections I.A.1,  
17 I.A.2, I.B, and I.C, the court directs that the entities holding the funds  
18 or their successors shall, within ten (10) business days of the date of  
19 receipt of this Order, remit the funds to the Commission by certified  
20 check(s) or other guaranteed funds payable to the FTC, Financial  
21 Management Office, or by wire transfer in accordance with directions  
22 provided by counsel for the Commission. To the extent any identified  
23 nonparty cannot comply with this subsection without the assistance of  
24 one or more of the Settling Defendants, such party must, within three  
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1 (3) business days of receiving this Order, notify the Settling  
2 Defendant(s) and counsel for the Commission of its inability to  
3 comply. Such notification shall specify the actions by the Settling  
4 Defendant(s) that are necessary to comply with this Order. The  
5 Settling Defendant(s) shall immediately complete any action  
6 necessary to facilitate the identified nonparty's ability to timely  
7 comply with this subsection, and the failure of the Settling  
8 Defendant(s) to complete such action within ten (10) days shall be  
9 deemed a violation of the Order and interest at the rate prescribed in  
10 28 U.S.C. § 1961(a) shall immediately begin to accrue.

15 E. In the event of default on any obligation to make payment under this  
16 Order, interest, computed pursuant to 28 U.S.C. § 1961(a), shall  
17 accrue from the date of default to the date of payment, and the entire  
18 amount of the judgment, less any amounts previously paid pursuant to  
19 this Order, together with interest, shall immediately become due and  
20 payable. The Settling Defendants shall be liable for all payments  
21 required by this Order and any interest on such payments.

25 F. All funds paid pursuant to this Order shall be deposited into a fund  
26 administered by the Commission or its agents to be used for equitable  
27 relief, including, but not limited to, consumer redress, any attendant  
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1 expenses for the administration of redress, and to satisfy any Court  
2 authorized payments to the Permanent Receiver. In the event that  
3 direct redress to consumers is wholly or partially impracticable, or  
4 funds remain after redress is completed, the Commission may apply  
5 any remaining funds for such other equitable relief (including  
6 consumer information remedies) as it determines to be reasonably  
7 related to Defendants' practices alleged in the First Amended  
8 Complaint. Any funds not used for such equitable relief shall be  
9 deposited to the United States Treasury as equitable disgorgement.  
10 Settling Defendants shall have no right to challenge the Commission's  
11 choice of remedies under this Section. Settling Defendants shall have  
12 no right to contest the manner of distribution chosen by the  
13 Commission.  
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19 G. Settling Defendants relinquish dominion and all legal and equitable  
20 right, title, and interest in all assets transferred pursuant to this Order  
21 and may not seek the return of any assets, directly or indirectly,  
22 through counsel or otherwise.  
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25 H. The facts alleged in the First Amended Complaint filed in this action  
26 shall be taken as true without further proof in any subsequent civil  
27 litigation by or on behalf of the Commission, including in a  
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1 proceeding to enforce its rights to any payment or monetary judgment  
2 pursuant to this Order. Settling Defendants further stipulate and agree  
3 that the facts alleged in the First Amended Complaint establish all  
4 elements necessary to sustain an action by the Commission pursuant  
5 to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. §  
6 523(a)(2)(A), and that this Order shall have collateral estoppel effect  
7 for such purposes.  
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- 11 I. The judgment entered pursuant to this Section is equitable monetary  
12 relief, solely remedial in nature, and not a fine, penalty, punitive  
13 assessment or forfeiture.  
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- 15 J. In accordance with 31 U.S.C. § 7701, Settling Defendants are hereby  
16 required, unless they have done so already, to furnish to the  
17 Commission their taxpayer identifying numbers and/or social security  
18 numbers, which shall be used for the purposes of collecting and  
19 reporting on any delinquent amount arising out of this Order.  
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- 22 K. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
23 § 1681b(1), any consumer reporting agency may furnish a consumer  
24 report concerning any Settling Defendant to the FTC, which shall be  
25 used for purposes of collecting and reporting on any delinquent  
26 amount arising out of this Order.  
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**LIFTING OF ASSET FREEZE**

**II. IT IS FURTHER ORDERED** that the freeze of Settling Defendants’ assets set forth in the preliminary injunction, entered by this court on September 27, 2011, shall be lifted to the extent necessary to turn over the Settling Defendants’ assets as required by Section I of this Order, and, shall be lifted permanently immediately upon completion of the turn-over.

**IT IS SO ORDERED**, this 3rd day of January, 2013.



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R. GARY KLAUSNER  
UNITED STATES DISTRICT JUDGE

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