



The parties to this Stipulated Permanent Injunction and Final Order as to Defendant Debt Relief USA, Inc. (“Order”) have been represented by the attorneys whose names appear hereafter. Plaintiff Federal Trade Commission and Robert Newhouse, solely in his capacity as Chapter 7 Trustee of DRUSA, have agreed to entry of this Order by this Court to resolve all matters of dispute between them in this action.

**NOW THEREFORE**, Plaintiff Federal Trade Commission and Trustee having requested the Court to enter this Order,

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

**FINDINGS**

1. This Court has jurisdiction of the subject matter of this case and of all parties.
2. Venue in this district is proper under 28 U.S.C. § 1391(b) and (c), and 15 U.S.C. § 53(b).
3. The activities of Defendant DRUSA are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The allegations of the Complaint state a claim upon which relief may be granted against Defendant DRUSA under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).
5. Plaintiff has authority under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to seek the relief it has requested.
6. On June 18, 2009 (“Petition Filing Date”), DRUSA filed a petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, in the United States Bankruptcy Court for the Northern District of Texas, Case No. 09-33836-SGJ (“Bankruptcy Case”). On June 25, 2009, the Bankruptcy Court converted the Bankruptcy Case to a Chapter 7

proceeding. Subsequently, Robert Newhouse was appointed Chapter 7 Trustee in the Bankruptcy Case.

7. The Commission's action, including the enforcement of a judgment other than a money judgment obtained in this action, is not stayed by 11 U.S.C. § 362(a)(1), (2), (3), or (6) because it is an exercise of the Commission's police or regulatory power as a governmental unit pursuant to 11 U.S.C. § 362(b)(4) and, thus, falls within an exception to the automatic stay.

8. Trustee has entered into this Order freely and without coercion. Trustee further acknowledges that he has read the provisions of this Order and is prepared to abide by them. Trustee admits no liability for any of the matters alleged in the complaint.

9. Trustee waives all rights to seek appellate review or otherwise challenge or contest the validity of this Order.

10. Trustee waives all claims that may arise under the Equal Access to Justice Act, 20 U.S.C. § 2412, concerning the prosecution of this action to date. Trustee also waives any claim against Plaintiff and its employees, representatives, or agents.

11. The Trustee has filed a Motion to Compromise Controversy in the Bankruptcy Case for the claim of the Attorney General of the State of Texas, which arose as a result of the action styled *State of Texas v. Debt Relief USA, Inc.*, Cause No. D-1-GV-09-00157, filed in the 53<sup>rd</sup> District Court in Travis County, Texas, on August 18, 2009 ("Texas Action"). In that action, the Attorney General alleged that Defendant DRUSA engaged in false, deceptive, and misleading acts and practices, and sought monetary relief for injured consumers. The acts and practices alleged in the Attorney General's action are similar to those the Commission alleges violated Section 5 of the FTC Act.

12. The Trustee has obtained the Bankruptcy Court's approval to enter into this Order and take any and all action necessary and appropriate to implement and effectuate the terms and conditions of this Order.

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

14. Each party shall bear its own costs and attorneys' fees incurred in this action.

### **ORDER**

#### **I. PERMANENT CESSATION OF BUSINESS ACTIVITIES**

**IT IS ORDERED** that Defendant DRUSA shall not engage in any business and Trustee, or any successor trustee appointed in the Bankruptcy Case, shall not seek authority to operate the business of Defendant DRUSA pursuant to section 721 of the Bankruptcy Code, 11 U.S.C. § 721, or otherwise.

#### **II. DUTY TO PROTECT CUSTOMER INFORMATION**

**IT IS FURTHER ORDERED** that Defendant DRUSA, and each of its officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from:

A. Disclosing, selling, using, or receiving any benefit from customer 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 which was obtained by any Defendant prior to entry of this Order in connection with Defendants' debt relief service; and

B. Failing to dispose of customer information described in Subsection A of this Section, titled “Duty to Protect Customer Information,” in all forms in its possession, custody, or control, no later than thirty (30) days after Trustee files a Final Report in the Bankruptcy Case. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed. Alternatively, if Trustee is in possession of any customer information, Trustee may abandon or dispose of any such customer list or identifying information by transferring such list or information, including all copies, to the Commission, or pursuant to the terms of an order entered by the Bankruptcy Court.

*Provided, however,* that customer 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.

### **III. ACCESS TO CORPORATE DOCUMENTS AND DATA**

**IT IS FURTHER ORDERED** that Trustee shall make available to the Commission, for inventory and copying, all correspondence, email, financial data including tax returns, and any other documents, computer equipment, and electronically stored information, in Trustee’s possession, custody, or control, that contain information about Defendant DRUSA’s business and assets at the Commission’s expense. The Commission shall return each item produced for inventory or copying to Trustee within five (5) business days from the date and time of Trustee’s delivery of each such item.

**IT IS FURTHER ORDERED** that the Trustee, to the extent he has possession, custody, or control of computer equipment or electronically stored information described above, shall

provide the Commission with any necessary means of access to the computer equipment or electronically stored information, including, but not limited to, computer access codes and passwords.

**IT IS FURTHER ORDERED** that the Trustee shall provide notice to the Commission of the proposed abandonment of any corporate books or records of Defendant DRUSA, and upon the Commission's designation, the Trustee shall transfer such books and records to the Commission or dispose of the books and records in the same manner prescribed in the Section of this Order titled "Duty to Protect Customer Information."

**IV. OBLIGATIONS OF THE BANKRUPTCY TRUSTEE**

**IT IS FURTHER ORDERED** that Trustee consents to the entry of this Order only in his fiduciary capacity as Chapter 7 Trustee for DRUSA, and not individually. The Trustee's obligations under this Order include only the obligations set forth in this Order.

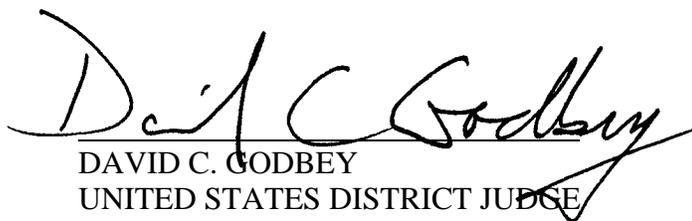
**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that nothing in this Judgment shall be construed to impose liability upon Trustee for actions consistent with the Bankruptcy Code and pursuant to Bankruptcy Court order; provided, however, that Trustee shall not take actions inconsistent with this Judgment or seek to collaterally attack the provisions of this Judgment in Bankruptcy Court. Nothing in this Judgment shall be construed to require Trustee to violate an order issued by the Bankruptcy Court.

**V. RETENTION OF JURISDICTION**

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

**IT IS SO ORDERED.**

SIGNED September 27, 2011.

  
DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE

The parties, by their respective counsel, consent to the terms and conditions of the Stipulated Final Judgment and Order for Permanent Injunction as set forth above and consent to the entry of it.

**SO STIPULATED AND AGREED:**

By: /s/ Robert Newhouse, Trustee  
Robert Newhouse, solely in his capacity as  
Chapter 7 Trustee of the bankruptcy estate  
of Debt Relief USA, Inc.

Date: 12-12-10

/s/ Linda S. LaRue  
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ATTORNEYS FOR CHAPTER 7 TRUSTEE, ROBERT NEWHOUSE

Date: 12-9-10

**FOR PLAINTIFF FEDERAL TRADE COMMISSION:**

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DEANYA T. KUECKELHAN  
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/s/ Shereen El Domeiri

Date: 8/18/2011

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