

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

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FEDERAL TRADE COMMISSION,)
)
	Plaintiff,)
)
	v.)
)
CREDIT RESTORATION BROKERS, LLC, a)
Florida limited liability company, also d/b/a)
CLEAR CREDIT SAM SKY and SAM SKY)
CREDIT GUY,)
)
DEBT NEGOTIATION ASSOCIATES, LLC, a)
Florida limited liability company,)
)
SAM TARAD SKY, individually and as an owner,)
officer, or director of Credit Restoration)
Brokers, LLC, and Debt Negotiation Associates,)
LLC,)
)
KURT A. STREYFFELER, P.A., a Florida)
corporation, and)
)
KURT A. STREYFFELER, individually and as)
an owner, officer, or director of)
Kurt A. Streyffeler, P.A.,)
)
	Defendants.)
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STIPULATED SETTLEMENT ORDER WITH
DEFENDANTS CREDIT RESTORATION BROKERS, LLC, DEBT
NEGOTIATION ASSOCIATES, LLC, AND SAM TARAD SKY

Plaintiff Federal Trade Commission ("FTC" or "Commission") pursuant to Sections 13(b) and 19 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, 15 U.S.C. § 1679h(b), filed its Complaint for injunctive and other relief, alleging that Credit Restoration Brokers, LLC, also

doing business as Clear Credit Sam Sky and as Sam Sky Credit Guy, Debt Negotiation Associates, LLC, Sam Tarad Sky, individually and as an owner, officer, or director of Credit Restoration Brokers, LLC, and Debt Negotiation Associates, LLC, and Kurt A. Streyffeler, P.A., and Kurt A. Streyffeler, individually and as an owner, officer, or director of Kurt A. Streyffeler, P.A., engaged in acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Credit Repair Organizations Act, 15 U.S.C. §§ 1679-1679j.

Defendants Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky, having been represented by counsel, and acting by and through said counsel, have consented to the entry of this Stipulated Settlement Order for Permanent Injunction and Final Judgment ("Order") without a trial or adjudication of any issue of law or fact herein.

NOW THEREFORE, the Plaintiff and Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky, having requested that the Court enter this Order, and the Court having considered the Order reached between the parties, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

FINDINGS

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b). Pursuant to these statutes, the Commission has the authority to seek the relief contained herein.

2. The Commission's Complaint states a claim upon which relief may be granted under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b) and 57b, and the Credit Repair Organizations Act, 15 U.S.C. §§ 1679-1679j.

3. This Court has jurisdiction over the subject matter of this case and has jurisdiction over the parties hereto.

4. Venue in the United States District Court for the Middle District of Florida is proper pursuant to 28 U.S.C. § 1391(b) and (c) and 15 U.S.C. § 53(b).

5. The alleged activities of Defendants Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky, are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

6. Defendants Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky, without admitting the allegations set forth in the Commission's Complaint and without any admission or finding of liability thereunder, agree to entry of this Order.

7. Defendants Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky waive: (a) all rights to seek judicial review or otherwise challenge or contest the validity of this Order; (b) any claim that they may have against the Commission, its employees, representatives, or agents; (c) all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996); and (d) any rights to attorney's fees that may arise under said provision of law. The Commission and Defendants Credit Restoration Brokers, LLC, Debt Negotiation Associates, LLC, and Sam Tarad Sky, each shall bear their own costs and attorney's fees incurred in this action.

8. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

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

DEFINITIONS

1. **“Plaintiff”** means the Federal Trade Commission.
2. **“Settling Individual Defendant”** means Sam Tarad Sky.
3. **“Settling Corporate Defendants”** means Credit Restoration Brokers, LLC, also doing business as Clear Credit Sam Sky and as Sam Sky Credit Guy, and Debt Negotiation Associates, LLC, and their successors and assigns.
4. **“Settling Defendants”** means the Settling Individual Defendant and the Settling Corporate Defendants, individually, collectively, or in any combination.
5. **“Credit repair service”** means any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of:
 - a. improving any consumer’s credit record, credit history, or credit rating; or
 - b. 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.
6. **“Clearly and Prominently”** means:
 - a. in print communications, the message shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears;
 - b. in communications disseminated orally, the message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear it and comprehend it;
 - c. in communications made through an electronic medium (such as television, video, radio and interactive media such as the Internet, online services and software), the message shall be presented simultaneously in both the audio and the visual portions of the

communication; *provided however*, that for television, video, and radio communications of sixty (60) seconds duration or less, the message presented simultaneously shall be "*Fees and conditions apply. Ask for details.*";

d. if any communication is presented solely through oral, written, visual or audio means, the message shall be made through the same means; and

e. regardless of the medium used to disseminate it, the message shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the message shall be used in any communication.

7. "**Customer**" means any person who has paid, or may be required to pay, for goods or services offered for sale or sold by the Defendants.

8. "**Debt relief service**" means any service, including debt management plans, debt settlement, debt negotiation, and for-profit credit counseling, represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more unsecured creditors, servicers, or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a consumer to an unsecured creditor, servicer, or debt collector.

9. "**Document**" or "**documents**" is synonymous in meaning and equal in scope 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 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.

10. “Material” means likely to affect a person’s choice of, or conduct regarding, goods or services.

11. “Person” means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

**I. PROHIBITED BUSINESS ACTIVITIES PURSUANT TO THE
CREDIT REPAIR ORGANIZATIONS ACT**

IT IS THEREFORE ORDERED that Settling Defendants, their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale, sale, or provision of any credit repair service or financial related good or service, are hereby permanently restrained and enjoined from violating, or assisting others in violating, any provision of the Credit Repair Organizations Act, 15 U.S.C. §§ 1679-1679j, including, but not limited to:

A. By making or using untrue or misleading statements, or statements that should be known, upon the exercise of reasonable care, to be untrue or misleading, to consumer reporting agencies with respect to consumers’ credit worthiness, credit standing, or credit capacity in violation of Section 404(a)(1), 15 U.S.C. § 1679b(a)(1);

B. By making or using any untrue or misleading representation to induce consumers to purchase credit repair services in violation of Section 404(a)(3), 15 U.S.C. § 1679b(a)(3);

C. By charging or receiving any money or other valuable consideration for the performance of any credit repair service before all such services are fully performed in violation of Section 404(b), 15 U.S.C. § 1679b(b); or

D. By failing to include in consumer contracts or agreements a conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, which reads as follows, "You may cancel this contract without penalty or obligation at any time before midnight of the third business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right," in violation of Section 406(b)(4), 15 U.S.C. § 1679d(b)(4).

II. PROHIBITED BUSINESS ACTIVITIES PURSUANT TO THE FTC ACT

IT IS THEREFORE ORDERED that Settling Defendants, their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale, sale, or provision of any good or service, including, but not limited to, any credit repair service or any debt relief 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, misrepresenting:

1. Their ability to improve or otherwise affect a consumer's credit report or profile or ability to obtain credit;
2. That consumers who purchase debt relief services will be able to satisfy their debts by paying substantially less than the full amount of those debts;

3. The total cost to purchase, receive, or use any good or service;

4. Any material restrictions, limitations, or conditions to purchase, receive, or use any good or service;

5. Any material aspect of the nature or terms of a refund, cancellation, exchange, or repurchase policy for any good or service; and

6. Any material aspect of the performance, efficacy, nature, or central characteristics of any good or service;

B. Representing that consumers who purchase debt relief services will be able to satisfy their debts by paying substantially less than the full amount of those debts unless the representation is true, non-misleading, and, at the time it is made, Settling Defendants possess and rely upon competent and reliable evidence that substantiates the representation;

C. Failing to disclose the following terms clearly and prominently, and contemporaneously, whenever a Settling Defendant represents, expressly or by implication, that consumers who purchase debt relief services will obtain (a) a specific reduction or specific range of reductions of consumers' interest rates; or (b) any specific percentage of reduction, range of percentages, or words to the equivalent effect of a specific percentage, including, but not limited to, terms such as "\$0.30 on the dollar" and "\$0.50 on the dollar," of the consumer's total amount of unsecured debt owed at the time the consumer enrolls in the service:

1. All fees and costs that will be charged for these services, including when and how such fees and costs will be paid by consumers;

2. The approximate time period before settlements will be achieved on behalf of consumers, based on the prior historical experience of the average consumer who enrolls in a debt relief service; and

3. That consumers' balances will typically increase during this time period until settlements for all accounts are actually achieved.

III. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in favor of the Commission and against Settling Defendants, jointly and severally, for equitable monetary relief, including, but not limited to, consumer redress, in the amount of two million four hundred ninety-two thousand dollars (\$2,492,000), *provided, however*, that the judgment for equitable monetary relief shall be suspended subject to the conditions set forth in Section IV of this Order.

B. All funds paid pursuant to this 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 such equitable relief. Settling Defendants shall cooperate fully to assist the Commission in identifying consumers who may be entitled to redress pursuant to this Order. If the Commission determines, in its sole discretion, 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 practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Settling Defendants shall have no right to challenge the Commission's choice of remedies under this Section. Settling Defendants shall have no right to contest the manner of distribution chosen by the Commission. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment or forfeiture;

C. Settling Defendants relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law. Settling Defendants shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise;

D. In accordance with 31 U.S.C. § 7701, as amended, Settling Defendants are hereby required, unless they already have done so, to furnish to the Commission their respective taxpayer identifying numbers (Social Security numbers or employer identification numbers), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Settling Defendants' relationship with the government. Settling Individual Defendant is further required, unless he already has done so, to provide the Commission with clear, legible, and full-size photocopies of all valid driver's licenses that he possesses, which will be used for reporting and compliance purposes;

E. Settling Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including, but not limited to, a nondischargeability complaint in any bankruptcy case. Settling Defendants further stipulate and agree that the facts alleged in the Complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 532(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 532(a)(2)(A); and

F. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

IV. RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

A. By agreeing to this Order, Settling Defendants reaffirm and attest to the truthfulness, accuracy, and completeness of the financial statements signed by or on behalf of Settling Individual Defendant, Settling Corporate Defendant Credit Restoration Brokers, LLC, and Settling Corporate Defendant Debt Negotiation Associates, LLC, and affirmed by Settling Individual Defendant on November 2, 2009, and provided to the Commission, including all attachments and subsequent amendments and corrections thereto. Plaintiff's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of Settling Defendants' financial condition, as represented in the financial statements referenced above, which contain material information upon which Plaintiff relied in negotiating and agreeing to the terms of this Order;

B. If, upon motion of the FTC, the Court finds that any of the Settling Defendants failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from such Settling Defendant's financial statement or supporting documents, the entire amount of the suspended judgment as to such Settling Defendant, less any amounts paid by the Settling Defendants, shall become immediately due and payable as to that defaulting Settling Defendant, *provided*, however, that, in all other respects, this Order shall remain in full force and effect, unless otherwise ordered by the Court; and

C. Any proceedings instituted under this Section shall be in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United

States might initiate to enforce this Order. For purposes of this Section, Settling Defendants waive any right to contest any of the allegations in the Commission's Complaint.

V. PROHIBITION ON COLLECTING ACCOUNTS

IT IS FURTHER ORDERED that Settling Defendants, their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from attempting to collect, collecting, selling, assigning, or otherwise transferring any right to collect payment from any consumer who purchased or agreed to purchase any credit repair service or any debt relief service from any Defendant prior to the date of entry of this Order.

VI. DEBT RELIEF TRUST ACCOUNTS

IT IS FURTHER ORDERED that, with respect to any trust account established with NoteWorld, LLC, by or on behalf of a consumer who purchased Settling Defendants' debt relief services before the entry date of this Order, Settling Defendants shall:

- A. Within five days after the date that this Order is entered, notify NoteWorld, LLC, to cease immediately any transfers of fees or other payments to Settling Defendants;
- B. For any fee or other payment received by Settling Defendants from NoteWorld, LLC, after the date that this Order is entered, return such fees or other payments to the account from which the fee or other payment was received within five days of receipt;
- C. Within ten days after the date that this Order is entered, mail by first class United States mail and also send by electronic mail the notice, attached hereto as Attachment A, to each of Settling Defendants' customers who purchased Settling Defendants' debt relief services

before the entry date of this Order and established, or in whose name was established, a trust account with NoteWorld, LLC;

D. Within ten days of completing the distribution of the notice required by Subsection C of this Section, Settling Defendants shall provide counsel for the Commission with the names of all persons to whom such notice was sent along with such person's address, email address, and telephone number; the date the notice was sent; and a statement made under penalty of perjury as follows:

I sent or caused to be sent the attached notice to the persons on the attached list at the address and/or email address identified on the list, as required by Part VI of the Order among the Federal Trade Commission, Sam Sky, Credit Restoration Brokers, and Debt Negotiation Associates entered in *Federal Trade Commission v. Credit Restoration Brokers, et al.*, Case No. _____, by the United States District Court for the Middle District of Florida on _____ (Date) .

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____
Sam Tarad Sky

Provided, however, that this Section VI is expressly conditioned on Settling Defendants' representation that the only accounts established by or on behalf of consumers who purchased Settling Defendants' debt relief services are accounts with NoteWorld, LLC.

VII. PROHIBITIONS REGARDING CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Settling Defendants, their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly

or through any trust, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from:

A. Disclosing, using, or benefiting 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, mortgage, or other financial account), of any person which any Settling Defendant obtained prior to entry of this Order in connection with the advertising, marketing, promotion, offering for sale, sale, or provision of any credit repair service or any debt relief service; and

B. Failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. 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, *provided, however*, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or as required by law, regulation, court order, or as necessary to comply with Parts VI and XI of this Order.

VIII. MONITORING COMPLIANCE OF SALES PERSONNEL

IT IS FURTHER ORDERED that, in connection with any business where (1) a Settling Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where (2) the business is engaged in, or is assisting others engaged in the advertising, marketing, promotion, offering for sale, sale, or provision of any credit repair service or any debt relief service, such Settling Defendant, and its or his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any

of them who receive actual notice of this Order by personal service or otherwise, 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 Sections I and II of this Order. These steps shall include adequate monitoring of sales presentations, whether by telephone or face-to-face, or other calls with consumers, and shall also include, at a minimum, the following: (1) listening to the oral representations made by persons engaged in sales or other customer service functions; (2) establishing a procedure for receiving and responding to consumer complaints; and (3) ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

B. Failing promptly to investigate fully any consumer complaint received by any business to which this Section applies; and

C. Failing to take adequate corrective action with respect to any employee or independent contractor whom such Settling Defendant determines is not complying with this Order. This corrective action may include training, disciplining, and/or terminating such employee or independent contractor.

IX. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Order:

A. Within ten (10) days of receipt of written notice from a representative of the Commission, Settling Defendants each shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and

copying; appear for deposition; and provide entry during normal business hours to any business location in each Settling Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to use all other lawful means, including, but not limited to:

1. Obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and 69;

2. Having its representatives pose as consumers and suppliers to Settling Defendants, their employees, or any other entity managed or controlled in whole or in part by any Settling Defendant, without the necessity of identification or prior notice; and

C. Settling Defendants each shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present, *provided, however*, that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

X. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

A. For a period of five (5) years from the date of entry of this Order,

1. Settling Individual Defendant shall notify the Commission of the

following:

a. Any changes in such Settling Individual Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

b. Any changes in Settling Individual Defendant's employment status (including self-employment), and any change in Settling Individual Defendant's ownership in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Settling Individual Defendant is affiliated with, employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of Settling Individual Defendant's duties and responsibilities in connection with the business or employment; and

c. Any changes in Settling Individual Defendant's name or use of any aliases or fictitious names within ten (10) days of the date of such change;

2. Settling Defendants shall notify the Commission of any changes in structure of any Settling Corporate Defendant, or any business entity that any Settling Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including, but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a

change in the business name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any such change in the business entity about which a Settling Defendant learns less than thirty (30) days prior to the date such action is to take place, such Settling Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge;

B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of five (5) years, Settling Defendants each shall provide a written report to the FTC, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

1. For Settling Individual Defendant:

- a. Settling Individual Defendant's then-current residence address, mailing addresses, and telephone numbers;
- b. Settling Individual Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that Settling Individual Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of Settling Individual Defendant's duties and responsibilities in connection with the business or employment; and
- c. Any other changes required to be reported under Subsection A of this Section.

2. For all Settling Defendants:

- a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order;" and

b. Any other changes required to be reported under Subsection A of this Section;

C. Each Settling Defendant shall notify the Commission of the filing of a bankruptcy petition by such Settling Defendant within fifteen (15) days of filing;

D. For the purposes of this Order, Settling Defendants shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, N.W., Room NJ-2122
Washington, DC 20580
RE: *FTC v. Credit Restoration Brokers*

Provided, that, in lieu of overnight courier, Settling Defendants may send such reports or notifications by first-class mail, but only if Settling Defendants contemporaneously send an electronic version of such report or notification to the Commission at: DEBrief@ftc.gov; and

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Settling Defendant.

XI. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Settling Corporate Defendants, and Settling Individual Defendant for any business for which he is the majority owner or directly or indirectly controls, are hereby restrained and enjoined from failing to create and retain the following records:

A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;

C. Customer files containing the names, addresses, telephone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly or indirectly, such as through a third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials;

F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including, but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting;" and

G. Copies of all documents including, but not limited to, correspondence, including electronic mail, that refer or relate to compliance with Part VI of this Order.

XII. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Settling Defendants shall deliver copies of the Order as directed below:

A. Settling Corporate Defendants: Settling Corporate Defendants must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its

employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Settling Corporate Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure;

B. Settling Individual Defendant as control person: For any business that Settling Individual Defendant controls, directly or indirectly, or in which Settling Individual Defendant has a majority ownership interest, Settling Individual Defendant must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon Settling Individual Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure;

C. Settling Individual Defendant as employee or non-control person: For any business where Settling Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, Settling Individual

Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct; and

D. Settling Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that each Settling Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

XIV. SEVERABILITY

IT IS FURTHER ORDERED that the provisions of this Order are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

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XV. 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.

JUDGMENT IS THEREFORE ENTERED in favor of the Plaintiff and against Settling Defendants, pursuant to all the terms and conditions recited above.

IT IS SO ORDERED.

Dated: March 11, 2010

Charlene Edwards Honeywell
United States District Judge

SO STIPULATED:

Dated: JANUARY 19, 2010

WILLARD K. TOM
General Counsel

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Dated: 12-07-09

Sam Taradsky
SAM TARAD SKY, individually, and
as an owner, officer, or director of Credit
Restoration Brokers, LLC, d/b/a Clear
Credit Sam Sky and Sam Sky Credit Guy,
and Debt Negotiation Associates, LLC