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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

CAPITAL ACQUISITIONS AND
MANAGEMENT CORP., a corporation;

RM FINANCIAL SERVICES, INC., a corporation;

REESE WAUGH, individually and as an officer
of Capital Acquisitions and Management Corp.
and RM Financial Services, Inc.;

JEROME KUEBLER, individually and as an
officer of Capital Acquisitions and Management
Corp.;

SCOTT R. FRANSON, individually and as an
owner and manager of Capital Acquisitions
and Management Corp.; and

MARIO BIANCHI, individually and as a manager
of Capital Acquisition & Management Company,

Defendants.

Case No. **04C50147**

CONSENT DECREE

WHEREAS, Plaintiff, the United States of America, has commenced this action by filing the
Complaint herein; Defendants have waived service of the Summons and Complaint; the parties have

1 | been represented by the attorneys whose names appear hereafter; and the parties have agreed to
 2 | settlement of this action upon the following terms and conditions, without adjudication of any issue of
 3 | fact or law and without Defendants admitting liability for any of the matters alleged in the Complaint;

4 | **THEREFORE**, on the joint motion of Plaintiff and Defendants, it is hereby **ORDERED**,
 5 | **ADJUDGED**, and **DECREED** as follows:

- 6 | 1. This Court has jurisdiction of the subject matter and of the parties.
- 7 | 2. The Complaint states a claim upon which relief may be granted against the Defendants
 8 | under Sections 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act ("FTC Act"),
 9 | 15 U.S.C. §§ 45(m)(1)(A), 53b, and 56(a), and Section 814 of the Fair Debt Collection Practices Act
 10 | ("FDCPA"), 15 U.S.C. §1692i.
- 11 | 3. For purposes of this Consent Decree ("Decree"), the definitions set forth in the FDCPA,
 12 | 15 U.S.C. § 1692a, shall apply.

13 |
 14 | **CIVIL PENALTY**

15 | 4. Defendants, their successors and assigns, shall pay to Plaintiff, pursuant to Section
 16 | 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), a civil penalty in the amount of Three Hundred
 17 | Thousand Dollars (\$300,000.00), due and payable on or before the fifth day following entry of this
 18 | Decree. Defendants are jointly and severally responsible for paying the penalty. Unless otherwise
 19 | directed, payment shall be made by electronic fund transfer in accordance with procedures specified by
 20 | the Office of Consumer Litigation, Civil Division, United States Department of Justice, Washington,
 21 | D.C. 20530.

22 | 5. In the event of any default in payment, which default continues for ten (10) days beyond
 23 | the due date of payment, the entire unpaid penalty, together with interest, as computed pursuant to
 24 | 28 U.S.C. § 1961 from the date of default to the date of payment, shall immediately become due and
 25 | payable.

26 | **INJUNCTION**

27 | 6. Defendants, their successors and assigns, their officers, agents, servants, employees,
 28 | account representatives, and attorneys engaged in debt collection activities, and those persons in active

1 concert or participation with any one or more of them who receive actual notice of this Decree by
2 personal service or otherwise, are hereby permanently enjoined, directly or through any corporation,
3 subsidiary, division, partnership or other device, in connection with the collection of a "debt" from a
4 "consumer," as those terms are defined in Section 803(5) and (3), respectively, of the FDCPA, 15
5 U.S.C. § 1692a(5) and (3), from:

- 6 (A) Communicating with a consumer at any unusual time or place or a time or place
7 known or which should be known by Defendants as inconvenient to the
8 consumer, including but not limited to the consumer's place of employment, in
9 violation of Section 805(a)(1) or (3) of the FDCPA, 15 U.S.C. §1692c(a)(1) or
10 (3);
- 11 (B) Except as provided in Section 804 of the FDCPA, communicating with any
12 person other than the consumer, the consumer's attorney, a consumer reporting
13 agency if otherwise permitted by law, the creditor, the creditor's attorney, or the
14 debt collector's attorney, in connection with the collection of a debt, for any
15 purpose other than to obtain location information about the consumer not
16 previously known to Defendants, unless Defendants have the prior consent of
17 the consumer given directly to Defendants, or the express permission of a Court
18 of competent jurisdiction, or Defendants can show that such communication is
19 reasonably necessary to effectuate a post-judgment judicial remedy, in violation
20 of Section 805(b) of the FDCPA, 15 U.S.C. §1692c(b);
- 21 (C) Except as provided in Section 805(c)(1)-(3), communicating with a consumer
22 with respect to a debt after a consumer has notified Defendants in writing that
23 the consumer refuses to pay a debt or that the consumer wishes Defendants to
24 cease further communication with the consumer, in violation of Section 805(c)
25 of the FDCPA, 15 U.S.C. §1692c(c);
- 26 (D) Engaging in conduct the natural consequence of which is to harass, oppress, or
27 abuse any person, in violation of Section 806 of the FDCPA, 15 U.S.C. §1692d,
28 including but not limited to:

- 1 (1) using obscene or profane language, or language the natural consequence
2 of which is to abuse the hearer, in violation of Section 806(2) of the
3 FDCPA, 15 U.S.C. §1692d(2); or
4 (2) causing a telephone to ring or engaging any person in telephone
5 conversation repeatedly or continuously with the intent to annoy, abuse
6 or harass, in violation of Section 806(5) of the FDCPA, 15 U.S.C.
7 §1692d(5);

8 (E) Using any false, deceptive, or misleading representations or means, in
9 connection with the collection of any debt, in violation of Section 807 of the
10 FDCPA, 15 U.S.C. §1692e, including but not limited to:

- 11 (1) falsely representing the character, amount, or legal status of any debt, in
12 violation of Section 807(2)(A) of the FDCPA, 15 U.S.C. §1692e(2)(A);
13 (2) falsely representing or implying that any individual is an attorney or that
14 any communication is from an attorney, in violation of Section 807(3) of
15 the FDCPA, 15 U.S.C. §1692e(3);
16 (3) representing or implying that nonpayment of any debt will result in the
17 arrest or imprisonment of any person or the seizure, garnishment,
18 attachment, or sale of any property or wages of any person unless such
19 action is lawful and Defendants or the Creditor intend to take such
20 action, in violation of Section 807(4) of the FDCPA, 15 U.S.C.
21 §1692e(4);
22 (4) threatening to take any action that cannot legally be taken, including but
23 not limited to threatening to communicate with employers or other third
24 parties, except as provided in Section 804 of the FDCPA, or threatening
25 to take any action that is not intended to be taken, in violation of Section
26 807(5) of the FDCPA, 15 U.S.C. § 1692e(5);
27 (5) threatening to communicate or communicating to persons, including
28 consumer reporting agencies, credit information that Defendants know or

1 should have known to be false, in violation of Section 807(8) of the
2 FDCPA, 15 U.S.C. § 1692e(8); or

3 (6) using false representations or deceptive means to collect or attempt to
4 collect a debt or obtain information concerning a consumer, in violation
5 of Section 807(10) of the FDCPA, 15 U.S.C. § 1692e(10).

6 (F) Continuing to attempt to collect a debt or any portion thereof when a consumer has
7 notified Defendants in writing that a debt or any portion thereof is disputed and before
8 verification of the debt is provided, in violation of Section 809(b) of the FDCPA, 15
9 U.S.C. § 1692g(b); and

10 (G) Engaging in any other act or practice that would violate the FDCPA, as amended, 15
11 U.S.C. § 1692.

12 NOTICE REQUIREMENTS

13
14 7. For a period of four (4) years from the date of entry of this Decree, Defendants and their
15 successors and assigns, shall make the following disclosure clearly and conspicuously on each written
16 collection communications that is sent to a consumer:

17 This company must comply with a federal law that
18 provides consumers with certain rights. One of these is
19 the right to have us stop communicating with you about
20 this debt. If you write to us and ask us to stop
21 communicating with you about this debt, we will. But if
22 you owe this debt, you will still owe it and, under the law,
23 we may still contact you for two reasons:

- 24 • To advise you that we intend to pursue specific
25 remedies permitted by law; or
- 26 • To advise you that our efforts are being terminated.

27 You may contact us if you have a complaint about the way
28 we are collecting this debt. Please direct your complaints
to: Compliance Director, CAMCO, Inc., P.O. Box 5087,
Rockford, Illinois 61125. You can also call us toll-free at
1-877-298-0845 between 9:00 A.M. Central Time and
5:00 P.M. Central Time Monday - Friday.

This law is enforced by the Federal Trade Commission,
Washington, D.C. 20580. You may write to the Federal
Trade Commission at 915 Second Avenue, Suite 2896,

1 Seattle, Washington 98174, to complain about the way we
2 are collecting this debt. You can also file your complaint
3 online at www.ftc.gov, or call the FTC at 1-877-FTC-
4 HELP.

5 8. Defendants, and their successors and assigns, shall provide a copy of the following
6 notice to all officers, servants, agents, and employees having responsibility with respect to the
7 collection of debts, within thirty (30) days of the date of entry of this Decree, and to each employee
8 hired for a period of four (4) years after that date, no later than the time the employee assumes
9 responsibility with respect to the collection of debts, and shall secure from each such person a signed
10 statement acknowledging receipt of a copy of the notice:

11 Debt collectors must comply with the federal Fair Debt
12 Collection Practices Act, which limits our activities in
13 trying to collect money from consumers. Most
14 importantly, Section 805 of the Act prohibits you from
15 contacting a consumer at work if you know or should
16 know it is inconvenient for the consumer, or from
17 communicating with any person other than the consumer
18 for any purpose other than to obtain location information
19 about the consumer not previously known. In addition,
20 Section 807 of the Act prohibits you from representing or
21 implying that any action, including legal action, will be
22 taken unless, at the time of the representation, the action
23 is lawful and there is a clear intent to take the action.
24 Individual debt collectors may be financially liable for
25 their violations of the Act.

18 **DISTRIBUTION OF CONSENT DECREE AND FD CPA**

- 19 9. For a period of four (4) years from the date of entry of this Decree,
- 20 (A) Defendants Capital Acquisitions and Management Corp. ("CAMCO") and RM
21 Financial Services, Inc. ("RM Financial") shall deliver a copy of this Decree to
22 all principals, officers, directors, managers, employees, agents and
23 representatives having responsibilities with respect to the subject matter of this
24 Decree, and shall secure from each such person a signed and dated statement
25 acknowledging receipt of the Decree. Defendants CAMCO and RM Financial
26 shall deliver this Decree to current personnel within thirty (30) days after the
27 date of service of this Decree, and to new personnel within thirty (30) days after
28 the person assumes such position or responsibilities.

1 (B) Defendants Reese Waugh, Jerome Kuebler, Scott R. Franson, and Mario Bianchi
2 shall deliver a copy of this Decree to the principals, officers, directors, managers,
3 and employees under their control for any business that: (1) employs or
4 contracts for personal services from any individual Defendant; and (2) has
5 responsibilities with respect to the subject matter of this Decree. Each
6 individual Defendant shall secure from each such person a signed and dated
7 statement acknowledging receipt of the Decree within thirty (30) days after the
8 date of service of the Decree or the commencement of the employment
9 relationship.
10

11 RECORD KEEPING PROVISIONS

12 10. For a period of five (5) years from the date of entry of this Decree, Defendants
13 CAMCO, RM Financial, Reese Waugh, Jerome Kuebler, Scott R. Franson, and Mario Bianchi, and
14 their agents, employees, officers, corporations, successors, and assigns, and those persons in active
15 concert or participation with them who receive actual notice of this Decree by personal service or
16 otherwise, are hereby restrained and enjoined from failing to create and retain the following records:

- 17 (A) Accounting records that reflect the revenues generated in connection with the
18 collection of debts, and the disbursement of such revenues;
- 19 (B) Personnel records accurately reflecting: the name, address, and telephone
20 number of each person employed in any capacity in connection with the
21 collection of debts, including as an independent contractor; that person's job title
22 or position; the date upon which the person commenced work; and the date and
23 reason for the person's termination, if applicable;
- 24 (C) For every consumer complaint, whether received directly, indirectly, or through
25 a third party, records that include:
- 26 (1) any complaint and the date received, and the nature of any complaints as
27 reflected in any notes, logs or memoranda, including a description of the
28 conduct alleged; and

- 1 (2) the basis of the complaint, including the names of any debt collectors or
2 supervisors complained about; the nature of any investigation conducted
3 concerning the validity of any complaint; all documents relating to the
4 disposition of the complaint, including records of all contacts with the
5 consumer, Defendants' response to the complaint and the response date,
6 whether the complaint was resolved, the date of resolution; and any
7 action taken to correct alleged conduct that violates the FDCPA.
8

9 **COMPLIANCE MONITORING**

10 11. For the purpose of monitoring and investigating compliance with any provision of this
11 Decree,

- 12 (A) Within ten (10) days of receipt of written notice from a representative of the
13 Federal Trade Commission ("Commission" or "FTC"), Defendants CAMCO,
14 RM Financial, Reese Waugh, Jerome Kuebler, Scott R. Franson, and Mario
15 Bianchi shall submit additional written reports, sworn to under penalty of
16 perjury; produce documents for inspection and copying; appear for deposition;
17 and/or provide entry during normal business hours to any business location in
18 such Defendant's possession or direct or indirect control to inspect the business
19 operation;
- 20 (B) In addition, the Commission is authorized to monitor compliance with this
21 Decree by all other lawful means, including but not limited to obtaining
22 discovery from any person without further leave of court, using the procedures
23 prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45; *provided* that nothing in
24 this Decree shall limit the Commission's lawful use of compulsory process,
25 pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain
26 any documentary material, tangible things, testimony or information relevant to
27 unfair or deceptive acts or practices in affecting commerce (within the meaning
28 of 15 U.S.C. § 45(a)(1)); and

1 (C) Defendants CAMCO, RM Financial, Reese Waugh, Jerome Kuebler, Scott R.
2 Franson, and Mario Bianchi shall permit representatives of the Commission to
3 interview any employer, consultant, independent contractor, representative,
4 agent or employee who has agreed to such an interview, relating in any way to
5 any conduct subject to this Decree. The person interviewed may have counsel
6 present.

7
8 **COMPLIANCE REPORTING BY DEFENDANTS**

9 12. In order that compliance with the provisions of this Decree may be monitored:

10 (A) For a period of three (3) years from the date of entry of this Decree,

11 (1) Defendants Reese Waugh, Jerome Kuebler, Scott R. Franson, and Mario
12 Bianchi, shall notify the Commission of the following:

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

16 (b) Any changes in Defendant's employment status (including self-
17 employment) within ten (10) days of the date of such change.

18 Such notice shall include the name and address of each business
19 that the Defendant is affiliated with, employed by, or performs
20 services for; a statement of the nature of the business; and a
21 statement of the Defendant's duties and responsibilities in
22 connection with the business;

23 (c) Any changes in Defendant's name or use of any aliases or
24 fictitious names; and

25 (2) Defendants CAMCO, RM Financial, Reese Waugh, Jerome Kuebler,
26 Scott R. Franson, and Mario Bianchi, shall notify the Commission of any
27 changes in corporate structure that may affect compliance obligations
28 arising under this Decree, including but not limited to a dissolution,

1 assignment, sale, merger or other action that would result in the
2 emergence of a successor corporation; the creation or dissolution of a
3 subsidiary, parent or affiliate that engages in any acts or practices subject
4 to this Decree; the filing of a bankruptcy petition; or a change in the
5 corporate name or address, at least thirty (30) days prior to such change,
6 *provided* that, with respect to any proposed change in the corporation
7 about which the Defendants learn less than thirty (30) days prior to the
8 date such action is to take place, Defendants shall notify the Commission
9 as soon as is practicable after obtaining such knowledge.

- 10 (B) Within ninety (90) days of the date of the entry of this Decree, and once each
11 year thereafter for three (3) years, on the anniversary of that date, Defendants
12 CAMCO, RM Financial, Reese Waugh, Jerome Kuebler, Scott R. Franson, and
13 Mario Bianchi, shall each file with the Director, Federal Trade Commission,
14 Northwest Region, 915 Second Avenue, Suite 2896, Seattle, Washington 98174,
15 a written report to the FTC, sworn to under penalty of perjury, setting forth in
16 detail the manner and form in which they have complied and are complying with
17 this Decree. This report shall include, but not be limited to, any changes
18 required to be reported pursuant to subparagraph (A) above.
- 19 (C) For the purposes of this Decree, Defendants shall, unless otherwise directed by
20 the Commission's authorized representatives, mail all written notifications to the
21 Commission to:

22 Regional Director, Northwest Region
23 Federal Trade Commission
24 915 Second Avenue, Suite 2896
25 Seattle, WA 98174

26 Re: Re: United States of America v. Capital Acquisition &
27 Management Company, et al., Civil Action No. _____
28

TAX IDENTIFICATION NUMBERS

13. Defendants shall, in accordance with 31 U.S.C. § 7701, furnish to the Commission their respective taxpayer identification numbers (social security number or employee identification number) which shall be used for purposes of collecting and reporting on any delinquent amount arising out of such persons' relationship with the government.

ACKNOWLEDGMENT OF RECEIPT OF DECREE BY DEFENDANTS

14. Each Defendant, within five (5) business days of receipt of this Decree as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Decree.

RETENTION OF JURISDICTION

15. This Court shall retain jurisdiction of this matter for the purpose of enabling any of the parties to this Consent Decree to apply to the Court at anytime for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Consent Decree, for the enforcement of compliance therewith, or for the punishment of violations thereof.

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

DATED: _____

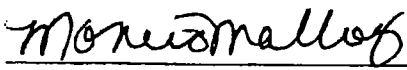
United States District Judge

The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Decree as set forth above and consent to the entry thereof. Defendants waive any right that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

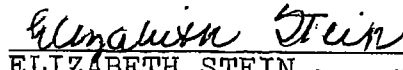
FOR THE UNITED STATES OF AMERICA:

PETER D. KEISLER
Assistant Attorney General
Civil Division
United States Department of Justice

PATRICK J. FITZGERALD
United States Attorney
Northern District of Illinois



MONICA V. MALLORY
Assistant United States Attorney
308 West State Street, Ste. 300
Rockford, Illinois 61101
(815) 987-4444

EUGENE M. THIROLF
Director


ELIZABETH STEIN
Office of Consumer Litigation
Civil Division
United States Department of Justice
Washington, D.C. 20530


FOR THE FEDERAL TRADE COMMISSION:

CHARLES A. HARWOOD
Regional Director, Northwest Region
Federal Trade Commission

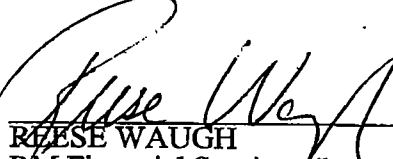

NADINE S. SAMTER
Attorney
Federal Trade Commission
Northwest Region
915 Second Avenue, Suite 2896
Seattle, WA 98174
(206) 220-4479

FOR THE DEFENDANTS:

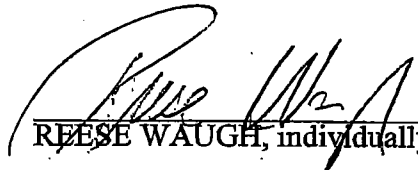
FOR CAPITAL AQUISITIONS & MANAGEMENT CORP.:

By: 
REESE WAUGH
Capital Aquisitions & Management Corp.

FOR RM FINANCIAL SERVICES, INC.:

By: 
REESE WAUGH
RM Financial Services, Inc.

FOR REESE WAUGH:


REESE WAUGH, individually

FOR JEROME KUEBLER:


JEROME KUEBLER, individually

FOR SCOTT R. FRANSON:


SCOTT R. FRANSON, individually

FOR MARIO BIANCHI:


MARIO BIANCHI, individually

COUNSEL FOR DEFENDANTS:



Michael J Hayes
S. Patrick McKey
Lawrence N. Hill
Gardner Carton & Douglas
191 N. Wacker Drive
Suite 3700
Chicago, IL 60606
(312) 569-1000

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