

CLERK'S OFFICE

"LODGED"

Please have this [redacted] and place it in the United States Attorney's box. Thank you.

GARY PLESSMAN, AUSA, CIVIL DIVISION - LOS ANGELES

Room 7516, Federal Building  
300 North Los Angeles Street  
Los Angeles, CA 90012  
Telephone (213) 894-2474  
Facsimile (213) 894-2380  
[gary.plessman@usdoj.gov](mailto:gary.plessman@usdoj.gov)

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,  
Plaintiff,

v. CREDIT FOUNDATION OF AMERICA,  
a California corporation; et al,  
Defendants.

CV06-3654 ABC(VBKx)

Case No.

STIPULATED JUDGMENT AND  
ORDER FOR PERMANENT  
INJUNCTION AS TO  
DEFENDANTS CREDIT  
FOUNDATION OF AMERICA,  
TTT MARKETING SERVICES,  
INC., SURE GUARD CREDIT  
CORPORATION, INC.,  
ANTHONY P. CARA, TODD A.  
RODRIGUEZ, AND WALTER F.  
VILLAUME

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission ("FTC" or "Commission"), has commenced this action by filing the complaint herein. Defendants Credit Foundation of America, TTT Marketing Services, Inc., Sure Guard Credit Corporation, Inc., Anthony P. Cara, Todd A. Rodriguez, and Walter F. Villaume (collectively "Defendants") have waived service of the summons and

1 the complaint and have agreed to settlement of this action without adjudication of  
2 any issue of fact or law.

3 **THEREFORE**, on joint motion of the parties, it is hereby **ORDERED**,  
4 **ADJUDGED AND DECREED** as follows:

5  
6 **FINDINGS**

7 1. This Court has jurisdiction over the subject matter and the parties  
8 pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345 and 1355, and 15 U.S.C.  
9 §§ 45(m)(1)(A), 53(b), 56(a), and 57b.

10 2. Venue is proper as to all parties in this District.

11 3. The activities of Defendants are in or affecting commerce, as defined  
12 in Section 4 of the FTC Act, 15 U.S.C. § 44.

13 4. The complaint states a claim upon which relief may be granted  
14 against Defendants under Sections 5(a), 5(m)(1)(A), 13(b) and 19 of the Federal  
15 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), and  
16 57b.

17 5. Defendants have entered into this Stipulated Judgment and Order for  
18 Permanent Injunction (“Order”) freely and without coercion. Defendants further  
19 acknowledge that they have read the provisions of this Order and are prepared to  
20 abide by them.

21 6. By entering into this Stipulation, the Defendants do not admit to the  
22 allegations of the complaint, other than the jurisdictional facts.

23 7. This Order does not constitute, nor shall it be interpreted to  
24 constitute, either an admission by the Defendants of any wrongdoing or a finding  
25 by the Court that the Defendants have engaged in any violations of law.

26 8. Plaintiff and Defendants hereby waive all rights to appeal or  
27 otherwise challenge or contest the validity of this Order.  
28



1           3.     “Billing information” means any data that enables any person to  
2 access a customer's account, such as a credit card, checking, savings, share or  
3 similar account, utility bill, mortgage loan account, or debit card.

4           4.     “Credit counseling” means providing individualized financial advice  
5 to a consumer about his or her finances or credit that helps the consumer  
6 understand the financial alternatives available to him or her, with the goal of  
7 improving the consumer’s knowledge of personal financial management.

8           5.     “Customer” means any person who is or may be required to pay for  
9 goods or services offered through telemarketing.

10          6.     “Debt management plan,” “debt management program,” or “DMP”  
11 means a plan or program that involves or purports to involve (a) a consumer  
12 paying one consolidated periodic payment to the program to cover the debts that  
13 are included in the program; and (b) the program disbursing payments to the  
14 creditors of the consumer.

15          7.     “Debt management services” means:

16               (a) receiving money from a consumer for the purpose of distributing  
17 one or more payments to or among one or more creditors of the consumer in full or  
18 partial payment of the consumer's obligation;

19               (b) arranging or assisting a consumer to arrange for the distribution  
20 of one or more payments to or among one or more creditors of the consumer in full  
21 or partial payment of the consumer's obligation;

22               (c) exercising direct or indirect control, or arranging for the exercise  
23 of such control, over funds of a consumer for the purpose of distributing payments  
24 to or among one or more creditors of the consumer in full or partial payment of the  
25 consumer's obligation; or

26               (d) acting or offering to act, for a fee, as an intermediary between a  
27 consumer and one or more creditors of the consumer for the purpose of adjusting,  
28

1 settling, discharging, reaching a compromise on or otherwise altering the terms of  
2 payment of the consumer's obligation.

3 8. "Defendants" means Credit Foundation of America, Inc., TTT  
4 Marketing Services, Inc., Sure Guard Credit Corporation, Inc., Anthony P. Cara,  
5 Todd A. Rodriguez, and Walter F. Villaume.

6 9. "Established business relationship" means a relationship between the  
7 seller and a person based on: (a) the person's purchase, rental, or lease of the  
8 seller's goods or services or a financial transaction between the person and the  
9 seller, within the eighteen (18) months immediately preceding the date of the  
10 telemarketing call; or (b) the person's inquiry or application regarding a product or  
11 service offered by the seller, within the three (3) months immediately preceding  
12 the date of a telemarketing call.

13 10. "National Do Not Call Registry" means the National Do Not Call  
14 Registry, which is the "do-not-call" registry maintained by the Commission  
15 pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).

16 11. "Seller" means any person who, in connection with a telemarketing  
17 transaction, provides, offers to provide, or arranges for others to provide goods or  
18 services to the customer in exchange for consideration, whether or not such person  
19 is under the jurisdiction of the Commission.

20 12. "Telemarketer" means any person who, in connection with  
21 telemarketing, initiates or receives telephone calls to or from a customer or donor.

22 13. The "Telemarketing Sales Rule" or "Rule" means the FTC Rule  
23 entitled "Telemarketing Sales Rule," 16 C.F.R. Part 310, attached hereto as  
24 Appendix A.

25 14. "Telemarketing" means a plan, program, or campaign which is  
26 conducted to induce the purchase of goods or services or a charitable contribution,  
27 by use of one or more telephones and which involves more than one interstate  
28 telephone call. The term does not include the solicitation of sales through the

1 mailing of a catalog which: contains a written description or illustration of the  
2 goods or services offered for sale; includes the business address of the seller;  
3 includes multiple pages of written material or illustrations; and has been issued not  
4 less frequently than once a year, when the person making the solicitation does not  
5 solicit customers by telephone but only receives calls initiated by customers in  
6 response to the catalog and during those calls takes orders only without further  
7 solicitation. For purposes of the previous sentence, the term “further solicitation”  
8 does not include providing the customer with information about, or attempting to  
9 sell, any other item included in the same catalog which prompted the customer’s  
10 call or in a substantially similar catalog. The following acts or practices are  
11 exempt from this Rule: telephone calls in which the sale of goods or services or  
12 charitable solicitation is not completed, and payment or authorization of payment  
13 is not required, until after a face-to-face sales or donations presentation by the  
14 seller or charitable organizations, *provided, however*, that this exemption does not  
15 apply to the requirements of §§ 310.4(a)(1), (a)(7), (b), and (c).

16 15. “Outbound telephone call” means a telephone call initiated by a  
17 telemarketer to induce the purchase of goods or services or to solicit a charitable  
18 contribution.

19 16. “Person” means any individual, group, unincorporated association,  
20 limited or general partnership, corporation, or other business entity.

## 21 **ORDER**

### 22 **I. PROHIBITION AGAINST DECEPTIVE MARKETING PRACTICES**

23  
24 **IT IS FURTHER ORDERED** that, in connection with the marketing,  
25 providing, or assisting in the marketing or providing of debt management  
26 programs, debt management services, or credit counseling, whether directly,  
27 indirectly, in concert with others, or through any intermediary, business entity or  
28

1 device, Defendants, and each of them, and their successors, assigns, officers,  
2 agents, servants, employees, attorneys, joint venturers, and any other persons in  
3 active concert or participation with them who receive actual notice of this Order  
4 by personal service or otherwise, whether acting directly or through any  
5 corporation, subsidiary, division or other device, are hereby permanently  
6 restrained and enjoined from:

7 A. Making any false representations that a particular consumer has been  
8 pre-approved for participation in a debt management plan with a particular  
9 creditor or is guaranteed acceptance in a debt management plan at a particular  
10 interest rate or payment level by a particular creditor;

11 B. Making any false representations about the benefits that consumers  
12 will receive through enrolling in a debt management plan or the timing in which  
13 such benefits will be received. This includes misrepresentations that:

14 1. Consumers who purchase debt management services will  
15 receive interest rate reductions from particular creditors or that interest charges on  
16 credit card debt will be reduced to as low as zero percent;

17 2. Consumers will save money if they purchase debt management  
18 services because they will repay their debts for reduced amounts or in a shorter  
19 period of time;

20 3. Consumers will receive debt management services before their  
21 next credit card billing cycle;

22 4. Consumers will receive help from credit counselors who will  
23 provide them with individual credit counseling;

24 5. Enrolling in a DMP will quickly stop or lessen debt collection  
25 efforts by consumers' creditors;

26 6. The interest rate on consumers' debts will be reconfigured to be  
27 calculated as simple interest rather than compound interest; and  
28



1 deceptive practices prohibitions of the Telemarketing Sales Rule, 16 C.F.R.  
2 § 310.3.

3 **Provided, however,** that if the Commission promulgates rules that modify or  
4 supersede the Telemarketing Sales Rule, in whole or in part, the Defendants must  
5 comply fully and completely with all applicable requirements thereof, on and after  
6 the effective date of any such rules.

7  
8 **III. PROHIBITION AGAINST ABUSIVE TELEMARKETING**  
9 **PRACTICES**

10 **IT IS FURTHER ORDERED** that, in connection with telemarketing,  
11 Defendants, and each of them, and their successors, assigns, officers, agents,  
12 servants, employees, attorneys, joint venturers, and any other persons in active  
13 concert or participation with them who receive actual notice of this Order by  
14 personal service or otherwise, whether acting directly or through any corporation,  
15 subsidiary, division or other device, are hereby permanently restrained and  
16 enjoined from engaging in, or assisting other persons to engage in:

17 A. Initiating any outbound telephone call to a person's telephone number  
18 on the National Do Not Call Registry of persons who do not wish to receive  
19 outbound telephone calls to induce the purchase of goods or services unless:

20 1. The seller has obtained the express agreement, in writing, of  
21 such person to place calls to that person. Such written agreement must clearly  
22 evidence such person's authorization that calls made by or on behalf of a specific  
23 party may be placed to that person, and must include the telephone number to  
24 which the calls may be placed and the signature of that person; or

25 2. The seller has an established business relationship with such  
26 person and that person has not stated that he or she does not wish to receive  
27 outbound telephone calls from the seller;

1 B. Initiating any outbound telephone call to telephone numbers within  
2 given area codes without first paying the required annual fees for access to the  
3 telephone numbers within those area codes that are included in the National Do  
4 Not Call Registry when Defendants do not have the established business  
5 relationship or express authorization described in Section III.A of this Order;

6 C. Initiating any outbound telephone call to a person when that person  
7 has previously stated that he or she does not wish to receive an outbound  
8 telephone call made by or on behalf of the seller whose goods or services are  
9 being offered or made by or on behalf of the charitable organization for which a  
10 charitable contribution is being solicited;

11 D. Engaging in any act or practice that has the effect of denying or  
12 interfering, directly or indirectly, with a person's right to be placed on any entity-  
13 specific do-not-call list; and

14 E. Engaging in any other act or practice that violates the prohibitions on  
15 abusive telemarketing acts or practices in the Telemarketing Sales Rule, 16 C.F.R.  
16 § 310.4, the recordkeeping requirements, 16 C.F.R. § 310.5, or the provisions  
17 governing fees for access to the National Do Not Call Registry, 16 C.F.R. § 310.8.  
18 *Provided, however*, that this Section III shall not apply to any situation where  
19 Defendants are exempt from complying with the Do Not Call requirements under  
20 the Telemarketing Sales Rule, 16 C.F.R. § 310.4(b)(1)(A) and (B), or are engaged  
21 in assisting any person that is exempt.  
22

#### 23 **IV. MONITORING CUSTOMER CONTACTS AND SERVICE**

24 IT IS FURTHER ORDERED that Defendants, and each of them, and their  
25 successors, assigns, officers, agents, servants, employees, attorneys, joint  
26 venturers, and any other persons in active concert or participation with them who  
27 receive actual notice of this Order by personal service or otherwise, whether acting  
28 directly or through any corporation, subsidiary, division or other device, in

1 connection with the marketing, providing, or assisting in any manner or in any  
2 capacity whatsoever in the marketing or providing of debt management programs,  
3 debt management services, or credit counseling, whether directly, indirectly, in  
4 concert with others, or through any intermediary, business entity or device, are  
5 hereby permanently restrained and enjoined from:

6 A. Failing to ensure that, prior to enrolling customers in a debt  
7 management program, each telemarketer, whether employed directly by  
8 Defendants or by Defendants' agents, is provided with initial and rebuttal scripts  
9 and sales materials that are authorized by the debt management services provider  
10 and that comply with this Order. Defendants shall require and ensure that each  
11 telemarketer uses such scripts and sales materials;

12 B. Failing to take reasonable steps sufficient to monitor and ensure that  
13 telemarketers and other personnel, whether employed directly by Defendants or by  
14 Defendants' agents, who are engaged in sales or customer service functions,  
15 comply with this Order. Such monitoring shall include ensuring that lists of phone  
16 numbers that are used to contact consumers include only numbers that are  
17 authorized to be called under the Telemarketing Sales Rule. Such monitoring  
18 shall also include using non-commissioned employees to listen to a representative  
19 sample of the oral presentations made by persons engaged in sales or other  
20 customer service functions and keep records regarding any misrepresentations;  
21 *provided, however*, that this Section does not authorize or require Defendants to  
22 take any steps that violate any federal, state or local laws;

23 C. Failing to maintain and provide personnel, whether employees or  
24 independent contractors, who are adequately trained and certified to meet  
25 standards that are generally acceptable in the credit counseling profession;

26 D. Failing to maintain and provide adequate procedures to ensure that  
27 consumers' monthly consolidated payments are timely transferred to creditors;  
28

1 E. Failing to maintain and provide adequate procedures for receiving  
2 and promptly investigating and responding to consumer complaints;

3 F. Failing to ascertain the number and nature of consumer complaints  
4 regarding potentially violative telephone calls or sales practices in which each  
5 employee or independent contractor is involved; and

6 G. Failing to take corrective action with respect to any employee or  
7 independent contractor who Defendants determine, whether as a result of  
8 monitoring or through consumer complaints, is not complying with this Order;  
9 such corrective action may include training, disciplining or terminating such  
10 employee or independent contractor.

## 11 12 **V. USE OF CUSTOMER DATA**

13 **IT IS FURTHER ORDERED** that Defendants, and each of them, and their  
14 successors, assigns, officers, agents, servants, employees, attorneys, joint  
15 venturers, and any other persons in active concert or participation with them who  
16 receive actual notice of this Order by personal service or otherwise, whether acting  
17 directly or through any corporation, subsidiary, division or other device, and  
18 persons or entities in active concert or participation with them who receive actual  
19 notice of this Order, are hereby permanently restrained and enjoined from:

20 A. Selling, renting, leasing, transferring, or otherwise disclosing the  
21 name, address, telephone number, billing information, e-mail address or other  
22 identifying information of any person who submitted such information to  
23 Defendants or their agents in connection with debt management plans, programs,  
24 or services, at any time prior to entry of this Order; and

25 B. Using or benefitting from, for commercial purposes, the name,  
26 address, telephone number, billing information, e-mail address or other identifying  
27 information of any person who submitted such information to Defendants or their  
28

1 agents in connection with debt management plans, programs, or services, at any  
2 time prior to entry of this Order;

3 ***Provided, however,*** that Defendants may transfer or disclose such identifying  
4 information (i) for the purpose of making payments on debts on behalf of  
5 consumers; (ii) to another entity engaged in debt management services, for the  
6 purpose of providing continuity of processing accounts of consumers under  
7 Defendants' debt management plans; (iii) with the express written consent of the  
8 person whose information is disclosed; (iv) to a law enforcement agency; or (v) as  
9 required or authorized by any law, regulation or court order.

10  
11 **VI. JUDGMENT FOR CIVIL PENALTY AND CONSUMER REDRESS**

12 **IT IS FURTHER ORDERED** that monetary judgment is hereby entered  
13 against Defendants, jointly and severally, as follows:

14 A. Defendants must pay to the Commission \$606,745.00 as restitution  
15 for consumer injury. Prior to March 17, 2006, Defendants shall turn over the full  
16 amount of the restitution to their attorney, who shall hold the entire sum for no  
17 purpose other than payment to the Commission after entry of this Order by the  
18 Court. Within five (5) days of receipt of notice of entry of this Order, Defendants'  
19 attorney shall transfer the restitution payment in the form of a certified check made  
20 payable to and delivered to the Commission, or by wire transfer in accordance  
21 with directions provided by the Commission. All funds paid pursuant to this  
22 Paragraph shall be deposited into a fund administered by the Commission or its  
23 agent to be used for equitable relief, including but not limited to consumer redress,  
24 and any attendant expenses for the administration of such equitable relief.  
25 Defendants shall cooperate in identifying and locating consumers entitled to  
26 restitution under this Order. The Commission will use reasonable efforts to  
27 distribute restitution funds to consumers. In the event that direct redress to  
28

1 consumers is wholly or partially impracticable or funds remain after redress is  
2 completed, the Commission may apply any remaining funds for such other  
3 equitable relief (including consumer information remedies) as it determines to be  
4 reasonably related to the Defendants' practices alleged in the Complaint. Any  
5 funds not used for such equitable relief shall be deposited to the U.S. Treasury as  
6 disgorgement. Defendants shall have no right to challenge the Commission's  
7 choice of remedies under this Section. Defendants shall have no right to contest  
8 the manner of distribution chosen by the Commission.

9 B. Defendants must pay to the Plaintiff \$250,000.00 as a civil penalty,  
10 pursuant to Section 5(m)(1)(A) of the Federal Trade Commission Act, 15 U.S.C.  
11 § 45(m)(1)(A). Prior to March 20, 2006, Defendants shall turn over the full  
12 amount of the civil penalty to their attorney, who shall hold the entire sum for no  
13 purpose other than payment to the Treasurer of the United States after entry of this  
14 Order by the Court. Within five (5) days of receipt of notice of the entry of this  
15 Order, Defendants' attorney shall transfer the civil penalty payment in the form of  
16 a wire transfer or certified or cashier's check made payable to the Treasurer of the  
17 United States. The check or written confirmation of the wire transfer shall be  
18 delivered to: Director, Office of Consumer Litigation, U.S. Department of Justice  
19 Civil Division, P.O. Box 386, Washington, DC 20044. The cover letter  
20 accompanying the check shall include the title of this litigation and a reference to  
21 DJ# 102-3345.

22 C. In the event of default on any payment required to be made by this  
23 Section, the entire unpaid amount, together with interest computed under 28  
24 U.S.C. § 1961 -- accrued from the date of default until the date of payment -- shall  
25 be immediately due and payable. Defendants agree that, in such event, the facts as  
26 alleged in the complaint filed in this action shall be taken as true in any  
27 subsequent litigation filed by Plaintiff or the Commission to enforce their rights  
28 pursuant to this Order, including but not limited to a nondischargeability

1 complaint in any subsequent bankruptcy proceeding. In the event of any partial  
2 default, funds shall be applied first to satisfy the judgment for consumer restitution  
3 and second to satisfy the judgment for civil penalties.

4 D. Defendants shall cooperate fully with Plaintiff and the Commission  
5 and their agents in all attempts to collect the amount due pursuant to this Section if  
6 Defendants fail to pay fully the amount due at the time specified herein. In such  
7 an event, Defendants agree to provide Plaintiff and the Commission with their  
8 federal and state tax returns for the preceding two years, and to complete new  
9 standard-form financial disclosure forms fully and accurately within ten (10)  
10 business days of receiving a request from Plaintiff or the Commission to do so.  
11 Defendants further authorize Plaintiff and the Commission to verify all  
12 information provided on their financial disclosure forms with all appropriate third  
13 parties, including but not limited to financial institutions.

14 E. In accordance with 31 U.S.C. § 7701, Defendants are hereby required,  
15 unless they have done so already, to furnish to Plaintiff and the Commission their  
16 taxpayer identifying number(s) (social security numbers or employer identification  
17 numbers) which shall be used for purposes of collecting and reporting on any  
18 delinquent amount arising out of Defendants' relationship with the government.

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

## 22 23 **VII. ACCURACY OF FINANCIAL INFORMATION**

24 **IT IS FURTHER ORDERED** that Plaintiff's and the Commission's  
25 agreement to and the Court's approval of this Order are expressly premised upon  
26 the truthfulness, accuracy, and completeness of the financial information relating  
27 to payments made by and refunds made to Defendants' current and former  
28 customers, submitted by Defendants to the Commission. If, upon motion by the

1 Plaintiff, this Court finds that any of Defendants' financial information materially  
2 misstated the amount of any customer payments or refunds, the Plaintiff may  
3 request that this Order be reopened for the purpose of requiring additional  
4 restitution from each Defendant who made such misrepresentation or omission;  
5 *provided, however*, that in all other respects this Order shall remain in full force  
6 and effect unless otherwise ordered by this Court; and *provided further*, that  
7 proceedings instituted under this Paragraph are in addition to, and not in lieu of,  
8 any other civil or criminal remedies available by law. Solely for the purposes of  
9 reopening or enforcing this Paragraph, Defendants waive any right to contest any  
10 of the allegations set forth in the complaint filed in this matter.  
11

#### 12 **VIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

13 **IT IS FURTHER ORDERED** that each Defendant, within five (5)  
14 business days of receipt of this Order as entered by the Court, must submit to the  
15 Commission a truthful sworn statement acknowledging receipt of this Order.  
16

#### 17 **IX. DISTRIBUTION OF ORDER BY DEFENDANTS**

18 **IT IS FURTHER ORDERED** that, for a period of three (3) years from the  
19 date of entry of this Order, Defendants shall deliver copies of the Order as directed  
20 below:

21 A. Each corporate Defendant must deliver a copy of this Order to all of  
22 its principals, officers, directors, and managers. Each corporate Defendant also  
23 must deliver a copy of this Order to all of its employees, agents, and  
24 representatives who engage in conduct related to the subject matter of this Order.  
25 For current personnel, delivery shall be within five (5) days of service of the Order  
26 upon the corporate Defendant. For new personnel, delivery shall occur prior to  
27 them assuming their responsibilities;  
28

1 B. For any business engaged in conduct related to the subject matter of  
2 this Order that any individual Defendant controls, directly or indirectly, or in  
3 which that individual Defendant has a majority ownership interest, that individual  
4 Defendant must deliver a copy of this Order to all principals, officers, directors,  
5 and managers of that business. That individual Defendant must also deliver a  
6 copy of this Order to all employees, agents, and representatives of that business  
7 who engage in conduct related to the subject matter of this Order. For current  
8 personnel, delivery shall be within five (5) days of service of this Order upon the  
9 Defendant. For new personnel, delivery shall occur prior to them assuming their  
10 responsibilities;

11 C. For any business where any individual Defendant is not a controlling  
12 person of a business but otherwise engages in conduct related to the subject matter  
13 of this Order, that Defendant must deliver a copy of this Order to all principals and  
14 managers of such business before engaging in such conduct; and

15 D. Defendants must secure a signed and dated statement acknowledging  
16 receipt of the Order, within thirty (30) days of delivery, from all persons receiving  
17 a copy of this Order pursuant to this Section.  
18

## 19 X. COMPLIANCE REPORTING BY DEFENDANTS

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

22 A. For a period of three (3) years from the date of entry of this Order,  
23 each individual Defendant shall notify the Commission of the following:

24 1. Any changes in residence, mailing addresses, and telephone  
25 numbers of the individual Defendant, within ten (10) days of the date of such  
26 change;

27 2. Any changes in employment status (including self-  
28 employment) of the individual Defendant, and any change in the ownership of the

1 individual Defendant in any business entity, within ten (10) days of the date of  
2 such change. Such notice shall include the name and address of each business that  
3 the individual Defendant is affiliated with, employed by, creates or forms, or  
4 performs services for; a statement of the nature of the business; and a statement of  
5 the individual Defendant's duties and responsibilities in connection with the  
6 business or employment; and

7 3. Any changes in the individual Defendant's name or use of any  
8 aliases or fictitious names; and

9 4. Any changes in the corporate structure of a corporate  
10 Defendant or any business entity that an individual Defendant directly or  
11 indirectly controls, or has an ownership interest in, that may affect compliance  
12 obligations arising under this Order including, but not limited, to a dissolution,  
13 assignment, sale, merger, or other action that would result in the emergence of a  
14 successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that  
15 engages in any acts or practices subject to this Order; the filing of a bankruptcy  
16 petition; or a change in the corporate name or address, at least thirty (30) days  
17 prior to such change, *provided* that, with respect to any proposed change in the  
18 corporation about which any Defendant learns less than thirty (30) days prior to  
19 the date such action is to take place, that Defendant shall notify the Commission as  
20 soon as is practicable after obtaining such knowledge;

21 B. One hundred eighty (180) days after the date of entry of this Order,  
22 Defendants shall provide a written report to the Commission, sworn to under  
23 penalty of perjury, setting forth in detail the manner and form in which they have  
24 complied and are complying with this Order. This report shall include, but not be  
25 limited to:

26 1. For each individual Defendant:

27 a. The then-current residence address, mailing addresses,  
28 and telephone numbers of the individual Defendant;

- 1                   b.     The then-current employment and business addresses  
2                             and telephone numbers of the individual Defendant, a  
3                             description of the business activities of each such  
4                             employer or business, and the title and responsibilities of  
5                             the individual Defendant, for each such employer or  
6                             business; and
- 7                   c.     Any other changes required to be reported under  
8                             Subparagraph A of this Section;

9                   2.     For all Defendants:

- 10                   a.     A copy of each acknowledgment of receipt of this Order,  
11                             obtained pursuant to Section IX; and
- 12                   b.     Any other changes required to be reported under  
13                             Subparagraph A of this Section;

14                   C.     For the purposes of this Order, Defendants shall, unless otherwise  
15                   directed by the Commission's authorized representatives, mail all written  
16                   notifications to the Commission to:

17                             Associate Director of Enforcement  
18                             Federal Trade Commission  
19                             600 Pennsylvania Ave., N.W.  
20                             Washington, D.C. 20580

21                             Re: United States of America v. Credit Foundation of America, et al.

22                   D.     For purposes of compliance reporting and monitoring required by this  
23                   Order, the Commission is authorized to communicate directly with Defendants.

24   **XI. COMPLIANCE MONITORING**

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

27                   A.     Within ten (10) days of receipt of written notice from a representative  
28                   of the Commission, each Defendant shall submit additional written reports, sworn

1 to under penalty of perjury; produce documents for inspection and copying; appear  
2 for deposition; and/or provide entry during normal business hours to any business  
3 location in such Defendant's possession or direct or indirect control to inspect the  
4 business operation;

5 B. In addition, the Commission is authorized to monitor compliance with  
6 this Order by all other lawful means including, but not limited to, the following:

7 1. Obtaining discovery from any person, without further leave of  
8 court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and  
9 45; and

10 2. Posing as consumers or suppliers to any Defendant or any  
11 Defendant's employees, or any other entity managed or controlled in whole or in  
12 part by any Defendant, without the necessity of identification or prior notice; and

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

## 22 23 **XII. RECORD KEEPING PROVISIONS**

24 **IT IS FURTHER ORDERED** that, for a period of six (6) years from the  
25 date of entry of this Order, Defendants, in connection with the provision of debt  
26 management programs, debt management services, or credit counseling, are  
27 hereby restrained and enjoined from failing to create and retain the following  
28 records:





1 **FOR THE PLAINTIFF:**

2 **FOR THE UNITED STATES OF AMERICA**

3  
4 PETER D. KEISLER  
Assistant Attorney General, Civil Division  
U.S. DEPARTMENT OF JUSTICE

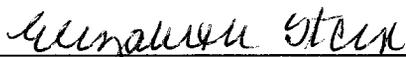
5  
6 DEBRA W. YANG  
United States Attorney  
LEON W. WEIDMAN  
Assistant United States Attorney  
Chief, Civil Division

8  
9  
10 

---

GARY PLESSMAN  
Assistant United States Attorney  
Chief, Civil Fraud Section  
11 Room 7516, Federal Building  
12 300 North Los Angeles Street  
Los Angeles, CA 90012  
Telephone (213) 894-2474  
13 Facsimile (714) 894-2380  
[gary.plessman@usdoj.gov](mailto:gary.plessman@usdoj.gov)

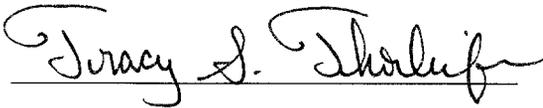
14  
15 EUGENE M. THIROLF  
Director  
16 Office of Consumer Litigation

17   
18 

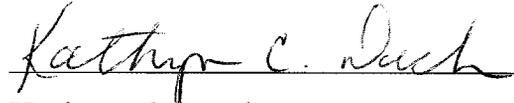
---

ELIZABETH STEIN  
Trial Attorney  
19 Office of Consumer Litigation  
U.S. Department of Justice  
20 P.O. Box 386  
Washington, D.C. 20044  
21 Telephone (202) 307-0066  
22 Facsimile (202) 514-8742

1 **FOR THE FEDERAL TRADE COMMISSION**

2 

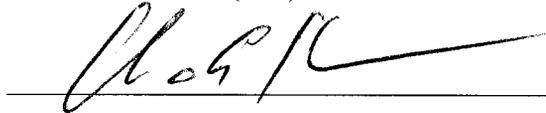
3 Tracy S. Thorleifson  
4 Federal Trade Commission  
5 915 Second Avenue, Suite 2896  
6 Seattle, WA 98174  
7 206-220-6350  
8 206-220-6366 (fax)

7 

8 Kathryn C. Decker  
9 Federal Trade Commission  
10 915 Second Avenue, Suite 2896  
11 Seattle, WA 98174  
12 206-220-6350  
13 206-220-6366 (fax)

12 

13 Robert J. Schroeder  
14 Federal Trade Commission  
15 915 Second Avenue, Suite 2896  
16 Seattle, WA 98174  
17 206-220-6350  
18 206-220-6366 (fax)

17 

18 Charles A. Harwood  
19 Federal Trade Commission  
20 915 Second Avenue, Suite 2896  
21 Seattle, WA 98174  
22 206-220-6350  
23 206-220-6366 (fax)

1 **FOR DEFENDANTS:**

2   
\_\_\_\_\_

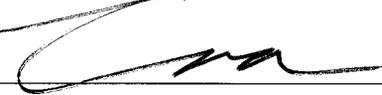
3 Credit Foundation of America

4   
\_\_\_\_\_

5 TTT Marketing Services, Inc.

6   
\_\_\_\_\_

7 Sure Guard Credit Corporation, Inc.

8   
\_\_\_\_\_

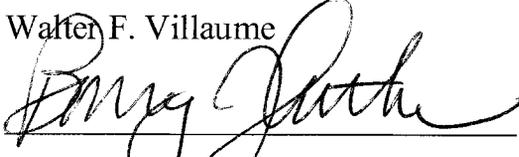
9 Anthony P. Cara

10   
\_\_\_\_\_

11 Todd A. Rodriguez

12   
\_\_\_\_\_

13 Walter F. Villaume

14   
\_\_\_\_\_

15 Barry J. Cutler  
16 Baker & Hostetler LLP  
17 1050 Connecticut Avenue NW, Suite 1100  
18 Washington, DC 20036  
19 202-861-1572  
20 Attorney for Defendants  
21

1 REASONS FOR SETTLEMENT

2 This statement accompanies the three Stipulated Judgments and Orders for  
3 Permanent Injunction (“stipulated orders”) in full settlement of an action brought  
4 to recover penalties and other equitable relief from defendants for engaging in acts  
5 and practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), and the  
6 Commission’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310. The  
7 stipulated orders are with three separate groups of defendants: (1) Credit  
8 Foundation of America, Inc., TTT Marketing Services, Inc., Sure Guard Credit  
9 Corporation, Inc., Anthony Cara, Walter Villeneuve, and Todd Rodriguez (the  
10 “CFA defendants”); (2) Credit Defenders of America, Inc., and Robert Brown (the  
11 “Credit Defenders defendants”); and (3) Credit Shelter of America, Inc., and  
12 Bryan Taylor (the “Credit Shelter defendants”).

13 Pursuant to Section 5(m)(3) of the Federal Trade Commission Act, 15  
14 U.S.C. § 45(m)(3), the Commission hereby sets forth its reasons for settlement by  
15 entry of the stipulated orders:

16 The order with the CFA defendants holds them liable for  
17 \$606,745.00 as restitution for consumer injury. The  
18 order with the Credit Defenders defendants holds Credit  
19 Defenders of America, Inc. liable for \$70,000 as  
20 restitution for consumer injury. The order with the  
21 Credit Shelter defendants holds them liable for  
22 \$102,540.00, which is suspended based on financial  
23 information provided by these defendants.<sup>1</sup> Together,  
24 these judgments will provide substantial restitution for  
25 consumers who have been injured by the defendants’  
26 alleged practices.

27 In addition, the order with the CFA defendants holds  
28 them liable for payment of \$250,000 in civil penalties for  
their alleged violations of the Commission’s TSR. Using  
this amount as the basis for the civil penalty is  
appropriate in light of the factors set forth in 15 U.S.C. §  
45(m)(1). In addition, the Commission believes that this  
penalty will serve as an effective deterrent in this context  
for future violations of the TSR.

Moreover, the strong injunctive provisions in the  
stipulated orders will help protect consumers from future  
harm. For example, the stipulated orders include  
comprehensive injunctive relief relating to: (1) deceptive  
practices in the debt management and credit counseling  
context; and (2) compliance with the TSR provisions  
relating to abusive telemarketing practices, including the  
Do Not Call provisions.

---

<sup>1</sup>If, however, either of the Credit Shelter defendants are found to have made a material misrepresentation or omission in their financial disclosures, then the entire judgment amount will become immediately due and payable. See Section VII of the Credit Shelter order.

1 For the foregoing reasons, the Commission believes that settlement by entry  
2 of the attached stipulated orders is justified and within the public interest.

3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28