

DWIGHT C. HOLTON

Acting United States Attorney

ROBERT D. NESLER, OSB #853790

Assistant United States Attorney

1000 SW Third Avenue, Suite 600

Portland, Oregon 97204

Telephone: (503) 727-1069

FAX: (503) 727-1117

Internet Email Address: bob.nesler@usdoj.gov

WILLARD K. TOM

General Counsel

ROBERT J. SCHROEDER

Regional Director

NADINE SAMTER

ELEANOR DURHAM

Federal Trade Commission

915 Second Ave., Suite 2896

Seattle, WA 98174

Telephone: (206) 220-6350

FAX: (206) 220-6366

Internet Email Address: nsamter@ftc.gov, edurham@ftc.gov

Attorneys for Plaintiff

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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LOW PAY, INC., dba LPC Inc.,
lowpaycard.com, and mylpcard.com; LP
CAPITAL HOLDINGS, INC.; CENTURY
LUXURY, INC.; THE MARDAN
AFRASIABI LIVING TRUST; MARDAN M.
AFRASIABI aka DAN AFRASIABI; and
RAMIN RAHIMI,

Defendants.

Case No. 3:09 CV-1265 BR

**CONSENT DECREE AS TO
DEFENDANTS LOW PAY, INC., LP
CAPITAL HOLDINGS, INC., THE
MARDAN AFRASIABI LIVING
TRUST, AND MARDAN M.
AFRASIABI**

Plaintiff, the Federal Trade Commission ("Commission"), has filed its Complaint pursuant to

Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Act (“Telemarketing Act”), 15 U.S.C. §§ 6101 - 6108, charging defendants Low Pay, Inc., LP Capital Holdings, Inc., Century Luxury, Inc., The Mardan Afrasiabi Living Trust, Mardan M. Afrasiabi, and Ramin Rahimi with violating Section 5 of the FTC Act and the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310. Defendants The Mardan Afrasiabi Living Trust, Mardan M. Afrasiabi, Low Pay, Inc., and LP Capital Holdings, Inc., (“Settling Defendants”), have been represented by counsel, and acting by and through said counsel, have consented to entry of this Consent Decree (“Order”) to resolve all matters of dispute between them and the Commission in this action, without a trial or adjudication of any issue of law or fact.

NOW, THEREFORE, the Commission and the Settling Defendants having requested the Court to enter this Order, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and personal jurisdiction over Settling Defendants.
2. The Complaint states a claim upon which relief may be granted against the Settling Defendants under Sections 5, 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45, 53(b), and 57b, and under the TSR, 16 C.F.R. § 310.
3. Venue is proper in the District of Oregon under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).
4. The activities of the Settling Defendants are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. The Settling Defendants have read and fully understand the Complaint against them and the provisions of this Order, and they enter into this Order freely and without coercion, and acknowledge that they understand the provisions of this Order and are prepared to abide by its terms.

6. The Settling Defendants waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order.

7. The Settling Defendants waive and release any claim that they may have against the Commission, its employees, agents, and representatives.

8. The Settling Defendants have waived any and all rights 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) concerning the prosecution of this action to the date of this Order, and any right to attorneys' fees that may arise under said provision of law.

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

10. This Order is for settlement purposes only, and does not constitute and shall not be interpreted to constitute an admission by the Settling Defendants or a finding that the law has been violated as alleged in the Complaint, or that the facts alleged in the Complaint, other than the jurisdictional facts, are true.

11. Each party shall bear its own costs and attorneys' fees.

12. Entry of this Order is in the public interest and the interest of the parties.

DEFINITIONS

1. "Asset or assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to, chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), and all cash, wherever located.

2. **“Assisting others”** means providing goods or services to another person or entity, with knowledge or conscious avoidance of knowledge that the other person or entity is engaged in any act or practice that violates Section 5 of the FTC Act or the Telemarketing Sales Rule, including but not limited to the following: (a) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; (b) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material; (c) providing names of, or assisting in the generation of, potential customers; (d) hiring, recruiting, or training personnel; (e) advising or acting as a consultant to others in connection with any business offering credit related goods or services; or (f) performing marketing services of any kind.

3. **“Clearly and conspicuously”** 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. If the information is contained in a multi-page document, the disclosure shall appear on the first page;
- b. in communications disseminated orally, the message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear 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, if any, and visual, if any, portions of the communication. In any communication presented solely through visual or audio means, the message may be made through the same means in which the communication is presented. In any communication disseminated by means of an interactive electronic medium such as software, the Internet, or online services, a disclosure must be unavoidable and presented prior to the consumer incurring any

financial obligation. Any audio message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. Any visual message shall be of a size and shade, with a degree of contrast to the background against which it appears, and shall appear on the screen for a duration and in a location sufficiently noticeable for an ordinary consumer to read and comprehend it; and

d. 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.

4. **“Consumer”** means an actual or potential purchaser, customer, licensee, or lessee, regardless of whether that person is a corporation, limited liability corporation, partnership, association, other business or governmental entity, or natural person, and regardless of whether the purchase is made for business purposes or for personal or household purposes.

5. **“Corporate Settling Defendants”** means Low Pay, Inc., also dba LPC, Inc., lowpaycard.com, and mylpc.com; and LP Capital Holdings, Inc., and their successors and assigns.

6. **“Credit-related products or services”** includes, but is not limited to, credit cards, lines of credit, loans, and interest rate reduction, credit counseling, debt settlement, debt negotiation, mortgage modification, foreclosure rescue or assistance, and mortgage refinancing services.

7. **“Document”** 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.

8. **“Individual Settling Defendants”** means Mardan M. Afrasiabi, also known as Dan Afrasiabi, and The Mardan Afrasiabi Living Trust.

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

10. **“Person”** means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

11. **“Settling Defendants”** means all the Individual Settling Defendants and the Corporate Settling Defendants, individually, collectively, or in any combination

12. **“Telemarketing Sales Rule” or “Rule” or “TSR”** means the FTC Rule entitled “Telemarketing Sales Rule,” 16 C.F.R. § 310, or as it may be hereafter amended.

13. **“The Financial Statements”** means those financial documents provided by Low Pay, Inc., LP Capital Holdings, Inc., The Mardan Afrasiabi Living Trust, or Mardan Afrasiabi, and described in Subsection III.A of this Order.

14. **“The Brokerage Account”** means the Charles Schwab account identified in the Financial Statements.

15. **“The Property”** means the single family residence located at 15281 Springbrook Ct. Lake Oswego, Clackamas County, Oregon 97034-3615, Assessor’s Parcel Number: 21E08DA02600, Tax Account Number: 244827, Legal Description: SEC 08 TWN 2S RNG 1E, together with all dwelling houses, other structures, improvements, appurtenances, hereditaments and other rights appertaining or belonging thereto.

16. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively as necessary to make the applicable phrase or sentence inclusive rather than exclusive.

I. PROHIBITED CONDUCT

IT IS THEREFORE ORDERED that, in connection with the advertising, promoting, offering

for sale, or sale of any product or service, Settling Defendants, and their officers, agents, servants, employees, salespersons, and attorneys, and all other persons in active concert or participation with 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. Misrepresenting, or assisting others in misrepresenting, expressly or by implication,

that:

1. A credit card or other credit-related product or service can be used to fully finance purchases;
2. A credit card or other credit-related product or service provides access to a no fee, low cost, or guaranteed cash advance benefit;
3. Consumers will improve their credit ratings by using a credit card or other credit-related product or service; or
4. Consumers can cancel and obtain a refund of one or more fees by returning specified items within a specified time period;

B. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact, including but not limited to misrepresentations about:

1. The total cost to purchase, receive, or use the goods or services;
2. Any material restrictions, limitations, or conditions to purchase, receive, or use the goods or services;
3. Any material aspect of the nature or terms of a refund, cancellation, exchange, or repurchase policy for the goods or services; or
4. Any material aspect of the performance, efficacy, nature, or central characteristics of the goods or services;

C. Failing to clearly and conspicuously disclose, before consumers are asked to pay money, submit consideration, or submit billing or bank account information: all fees and costs; all material conditions, limitations, or restrictions applicable to the purchase, receipt, or use, of the product or service that is the subject of the offer; if a representation is made about a refund or cancellation policy, all material terms and conditions of such policy; or if there is a policy of not making refunds or cancellations, this policy; and all material terms and conditions of any offer, including, but not limited to:

1. The amount, timing, and manner of payment of all fees, charges, or other required payments;
2. Any down payment or other charge required to be paid prior to making purchases using the product or service; and
3. Any other restriction or condition on the use of the product or service or the benefits offered in connection with the product or service; and

D. Violating any provision of the TSR, 16 C.F.R. § 310, including, but not limited to:

1. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), by misrepresenting, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristics of the goods or services that are the subject of a sales offer;
2. Section 310.3(a)(1)(i) of the TSR, 16 C.F.R. § 310.3(a)(1)(i), by failing to disclose truthfully, in a clear and conspicuous manner, before a consumer pays for any goods or services offered, the total costs to purchase, receive, or use the goods or services that are the subject of a sales offer;
3. Section 310.3(a)(1)(ii) of the TSR, 16 C.F.R. § 310.3(a)(1)(ii), by failing to disclose truthfully, in a clear and conspicuous manner, before a consumer pays

for the goods or services offered, all material restrictions, limitations, or conditions to purchase, receive, or use the goods or services that are the subject of a sales offer;

4. Section 310.3(a)(1)(iii) of the TSR, 16 C.F.R. § 310.3(a)(1)(iii), if the seller has a policy of not making refunds, cancellations, exchanges, or repurchases, a statement informing the customer that this is the seller's policy; or, if the seller has made a representation about a refund or cancellation policy, failing to disclose truthfully, in a clear and conspicuous manner, before a consumer pays for the goods or services offered, all the material terms and conditions of such policy;
5. Section 310.4(a)(4) of the TSR, 16 C.F.R. § 310.4(a)(4), by requesting or receiving payment of a fee or consideration in advance of consumers obtaining a loan or other extension of credit when the consumer has been guaranteed or represented a high likelihood of success in obtaining or arranging the loan or other extension of credit for such consumers;
6. Section 310.4(a)(6) of the TSR, 16 C.F.R. § 310.4(a)(6), by causing billing information to be submitted for payment without the express informed consent of the consumer; and
7. Section 310.3(b) of the TSR, 16 C.F.R. § 310.3(b), by providing substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any act or practice that violates §§ 310.3(a), (c) or (d), or § 310.4 of the TSR.

II. MONETARY RELIEF

IT IS FURTHER ORDERED that:

A. Judgment is entered in favor of the Commission and against Settling Defendants, jointly and severally, for equitable monetary relief in the amount of Twenty-Eight Million, Five Hundred Thousand Dollars (\$28,500,000.00), *provided, however*, that the judgment for equitable monetary relief shall be suspended against Individual Settling Defendants upon satisfaction of the obligations imposed by Subsections II. B, C, D, E and G.

B. Within ten (10) days of the date of entry of this Order, Individual Settling Defendants shall liquidate The Brokerage Account and, in accordance with directions provided by the Commission, shall pay to the Commission, by wire transfer, certified check, or money order, the proceeds from the liquidation of The Brokerage Account less the capital gains tax paid or owed on any capital gains realized from the liquidation of The Brokerage Account.

C. Within twelve (12) months of the date of entry of this Order, and in accordance with directions provided by the Commission, Mardan Afrasiabi shall pay to the Commission, by wire transfer, certified check, or money order either: 1) the sum of one-hundred thirty thousand and four hundred dollars (\$130,400.00), or 2) the proceeds from the sale of The Property, less the balance of the mortgage on The Property, reasonable and customary brokerage fees, commissions, and closing costs.

D. To secure the payment required by Subsection II. C of this Order, Mardan Afrasiabi hereby grants to the Commission a lien on and security interest in The Property. Mardan Afrasiabi represents and acknowledges that the Commission is relying on the material representation that he is the sole owner in fee simple of The Property, that title to The Property is marketable, and that The Property currently is not encumbered by any other lien, mortgage, deed of trust, assignment, pledge, security interest or other interest except as disclosed to the Commission in the Financial Statements.

Mardan Afrasiabi represents that none of the encumbrances on The Property are in default. Mardan Afrasiabi further agrees that, as of the date on which he signs this Order, he shall refrain from transferring, converting, encumbering, selling, assigning, or otherwise disposing of The Property, except with the express prior written permission of counsel for the Commission.

E. Mardan Afrasiabi shall cooperate fully with the Commission and be responsible for preparing, executing, and recording the necessary documents and taking whatever additional steps the Commission deems necessary or desirable to perfect, evidence, and effectuate its lien and security interest granted herein. No later than five (5) days after the date on which the Commission authorizes staff to sign this Order, Mardan Afrasiabi shall prepare, execute and deliver (at his expense) to the Commission a mortgage or deed of trust in form and substance satisfactory to the Commission (the "Security Documents") and take such other steps as the Commission may require to perfect, evidence, and effectuate its lien, security interest, and assignment and to carry out the purposes of this Order. The Commission shall not record the Security Documents until after the Court's entry of this Order. In the event that the Court does not enter this Order, within five (5) days after receipt of the Court's denial of this Order, the FTC shall return the Security Documents to Mardan Afrasiabi. Mardan Afrasiabi shall be responsible for paying all costs and fees (including attorneys' fees and filing fees) required in connection with the lien and security interest granted herein, including all fees and costs related to the preparation, execution, delivery, filing, continuation, and termination of such lien and security interest and to carry out the purposes of this Order;

F. Upon Mardan Afrasiabi's timely completion of the payment required by Subsection II. C of this Order, the Commission agrees to release the lien and security interest granted herein and Mardan Afrasiabi shall be responsible for preparing and filing (at his expense) any termination or other statements reasonably required in connection therewith. The Commission shall also promptly release

said lien and security interest to the extent necessary to permit the sale or encumbrance of part or all of The Property if the proceeds of such sale or financing are remitted directly to the Commission immediately upon closing of such sale or financing in partial or complete satisfaction of this Order and Mardan Afrasiabi shall pay all fees and costs related to such release, including filing fees;

G. In the event that Mardan Afrasiabi does not timely complete the payment required by Subsection II. C of this Order, Mardan Afrasiabi agrees that on the 365th day after entry of this Order he will take all actions necessary to transfer title to The Property to the Receiver appointed in Subsection II. H of this Order to liquidate The Property, and shall fully cooperate with the Receiver to liquidate The Property. In the event that the Property transfers to the Receiver, Mardan Afrasiabi hereby releases and waives any statutory, common law, or other homestead exemption that may apply to The Property and shall not declare and claim any homestead exemption in The Property. Mardan Afrasiabi may use and occupy the premises at the sole discretion of, and in accordance with the terms set by the Receiver, which use and occupancy shall not unduly interfere with the Receiver's sale of The Property. As long as he occupies the property, Mardan Afrasiabi shall maintain and take no action to diminish the value of The Property; he shall remain current on all amounts due and payable on The Property, including but not limited to tax, insurance, reasonable and necessary maintenance, and similar fees; and he shall cause existing insurance coverage for The Property to remain in full force until The Property is liquidated by the Receiver and shall notify insurance carrier(s) immediately of the appointment of the Receiver and request that the Receiver and the United States be added to the insurance policy or policies as additional insureds thereunder.

H. Michael Grassmueck, of Portland, Oregon, is hereby appointed as Receiver with all the rights and powers of an equity receiver over The Property for the limited purpose of selling The Property. The Receiver shall be the agent of this Court and solely the agent of this Court in acting as

Receiver under this Order. The Receiver shall be accountable directly to this Court. The Receiver shall comply with all local rules and laws governing federal equity receivers. Upon receipt of The Property, he is authorized to take all steps necessary to liquidate The Property. The proceeds from such liquidation shall be paid to the Commission, by wire transfer, certified check, or money order, less the balance of the mortgage on The Property, reasonable and customary brokerage fees, commissions, and closing costs and, upon approval of the Court, the Receiver's fees and the costs incurred by the Receiver.

I. Mardan Afrasiabi agrees that he will not, whether acting directly or through any corporation, partnership, limited liability company, division, subsidiary, trade name, or other entity or device, submit to any federal or state tax authority any tax return, amended tax return, or other official document that takes a deduction for, or seeks a tax refund or any other tax benefit for, the payments that he is to make pursuant to Subsections II. B, and C of this Order, or for the transfer to the Receiver of The Property made pursuant to Subsection II.G of this Order.

J. To ensure Mardan Afrasiabi's compliance with Subsection II. I of this Order, and to ensure that capital gains taxes Mardan Afrasiabi incurs as a result of the liquidation of the Brokerage Account pursuant to Subsection II. B of this Order are paid, he shall deliver to the Commission a copy of each of the Settling Defendants' original and amended federal and state tax returns for the 2009 and 2010 tax years and, if the sale of The Property occurs in 2011, original and amended federal and state tax returns for the 2011 tax year, within ten (10) days after each such return and amended return is officially filed with the Internal Revenue Service or a state tax authority;

K. All funds paid pursuant to this Order shall be deposited into a fund administered by the Commission or its designated agent to be used for equitable relief, including, but not limited to, consumer restitution and any attendant expenses for the administration of any restitution fund. Settling

Defendants shall cooperate in identifying and locating consumers entitled to restitution under this Order. In the event that direct restitution to consumers is wholly or partially impracticable or funds remain after restitution 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 Settling Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the Treasury as disgorgement. Settling Defendants shall be notified as to how the funds are disbursed but shall have no right to challenge the Commission's choice of remedies under this Section of the Order;

L. In accordance with 31 U.S.C. § 7701, each Settling Defendant is hereby required, unless that Settling Defendant has done so already, to furnish to the Commission the Settling Defendant's taxpayer identifying number (social security number or employer identification number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of that Settling Defendant's relationship with the government;

M. The Commission and Settling Defendants acknowledge and agree that no portion of this judgment for equitable monetary relief shall be deemed a fine, penalty, punitive assessment, or forfeiture;

N. 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 return of, the funds, directly or indirectly, through counsel or otherwise; and

O. Settling Defendants agree that the facts 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 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A).

III. 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 that Settling Defendants prepared and transmitted to the Commission on June 1, 2009 (FTC Financial Statement of Individual and Corporate Defendants); July 31, 2009, (Low Pay P&L); October 1, 2009 (Afrasiabi Balance Sheet and residence appraisal); November 3, 2009, (Low Pay balance sheet and equipment lease guaranties); November 6, 2009 (brokerage statements); December 9 and 11, 2009 (letters); December 23, 2009 (Low Pay Accounts Payable); May 7, 2010 (updated FTC Financial Statement of Individual and Corporate Defendants) (collectively referred to as "Financial Statements"). The Commission'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, which contain material information upon which the Commission relied in negotiating and agreeing to the terms of this Order;

B. If, upon motion by the Commission, this Court finds that any Settling Defendant has (1) failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in, or omission from, the Financial Statements, or (2) failed to make timely payment to the Commission pursuant to Subsection II. B, then as to that Settling Defendant, judgment in the amount of twenty-eight million, five-hundred thousand dollars (\$28,500,00.00), less amounts already paid shall become immediately due, and interest computed pursuant to 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance. *Provided, however*, that in all other respects, this Order shall remain in full force and effect unless otherwise ordered by this Court; and

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

IV. CUSTOMER LISTS

IT IS FURTHER ORDERED that Settling Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons in active concert or participation with 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, or any of them, are permanently restrained and enjoined from:

A. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, credit card number, bank account number, or other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Settling Defendant obtained prior to entry of this Order in connection with marketing any credit-related products or services; 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, except that information relating to active accounts shall be disposed of within thirty (30) days from the date that the account is deactivated, and in any event no later than September 30, 2010. 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

required by a law, regulation, or court order.

V. CEASING COLLECTION ON ACCOUNTS

IT IS FURTHER ORDERED that Settling Defendants, their successors and assigns, and their officers, agents, directors, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, trust, corporation, subsidiary, division or other device, or any of them, are hereby permanently restrained and enjoined from attempting to secure payment for any processing fee, activation fee, annual or member fee, renewal fee, minimum monthly payment, or any other fee or payment charged to consumers in connection with the Low Pay membercard or merchant card, or merchandise, on any account established prior to entry of this Order.

VI. MONITORING EMPLOYEES

IT IS FURTHER ORDERED that Settling Defendants, and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promoting, offering for sale, or sale of any credit-related products or services, 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 telemarketing, sales, or customer service functions, comply with Sections I, IV, and V of this Order. Such steps shall include adequate monitoring of calls with customers, and shall also include, at a minimum, the following: (1) listening to the oral representations made by persons engaged in telemarketing, sales, or customer service functions; (2) providing a customer response center available by toll-free number or by email that will receive and respond to customer complaints and inquiries within a reasonable and specified time period; and (3) ascertaining

the number and nature of customer complaints regarding transactions in which each employee or independent contractor is involved; *provided, however*, that this Section does not authorize or require Settling Defendants to take any steps that violate any federal, state, or local law;

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

C. Failing to take corrective action with respect to any telemarketer, sales person, or customer service representative whom Settling Defendants determine is not complying with this Order, which may include training, disciplining, and/or terminating such person.

VII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of (i) monitoring and investigating compliance with any provision of this Order, and (ii) investigating the accuracy of any Settling Defendant's financial statements upon which the Commission's agreement to this Order is expressly premised:

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

VIII. 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 three (3) years from the date of entry of this Order,
1. Each Individual Settling Defendant shall notify the Commission of the following:
 - a. Any changes in such Settling Defendant's residence address, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in such Settling Defendant's employment status (including self-employment), and any change in such Settling Defendant's ownership in any business entity. Such notice shall include the name and address of each business that such Settling 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 such Settling Defendant's duties and responsibilities in connection with the business or employment; and

c. Any changes in such Settling Defendant's name or use of any aliases or fictitious names;

2. Settling Defendants shall notify the Commission of any changes in the structure of any Corporate Settling 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 proposed 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 three (3) years, Settling Defendants each shall provide a written report to the Commission, 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 each Individual Settling Defendant:

a. Such Settling Defendant's then-current residence address, mailing

addresses, and telephone numbers;

- b. Such Settling Defendant's then-current employment status (including self-employment), including the name, addresses and telephone numbers of each such business that such Settling Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of such Settling Defendant's duties and responsibilities in connection with the business or employment; and
- c. Any other changes required to be reported under Paragraph 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 the 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
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, D.C. 20580
Re: FTC v. Low Pay, Inc., et al., Civ. No. 09-1265

Provided, however, 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 required by this Order, the Commission is authorized to communicate directly with each Settling Defendant.

IX. RECORD KEEPING

IT IS FURTHER ORDERED that, for a period of six (6) years from the date of entry of this Order, Settling Corporate Defendants and Settling Individual Defendants, for any business which they individually or collectively are the majority owner, or directly or indirectly control, 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, phone 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, indirectly or through any third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials, including direct mail solicitations and webpages; and

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 Commission pursuant to the Section titled "Compliance Reporting."

X. DISTRIBUTION OF ORDER

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

A. Corporate Settling Defendants: Each Corporate Settling Defendant 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 entitled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Corporate Settling 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. Individual Settling Defendant as Control Person: For any business that an Individual Settling Defendant controls, directly or indirectly, or in which such Individual Settling Defendant has a majority ownership interest, such Individual Settling 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 such Individual Settling 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. Individual Settling Defendant as employee or non-control person: For any business where an Individual Settling Defendant is not a controlling person of a business but otherwise engages in the advertising, promoting, offering for sale, or sale of any credit-related products or services, such Individual Settling 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.

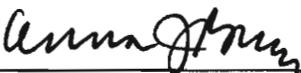
XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER

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.

XII. 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.

DATED this 10th day of September, 2010



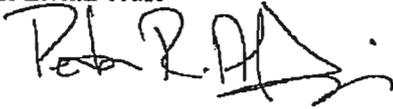
UNITED STATES DISTRICT JUDGE
THE HONORABLE ANNA J. BROWN

Presented by:

DEFENDANTS LOW PAY, INC., LP CAPITAL HOLDINGS, INC.,
CENTURY LUXURY, INC., TRUSTEE OF THE MARDAN
AFRASIABI LIVING TRUST, AND MARDAN M. AFRASIABI

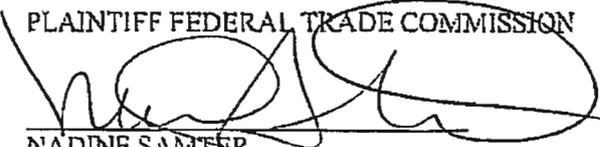


MARDAN M. AFRASIABI, individually
and as a director and/or officer of
Low Pay, Inc., LP Capital Holdings, Inc.,
Century Luxury, Inc., and trustee of The Mardan
Afrasiabi Living Trust



PETER AFRASIABI
One LLP
4000 MacArthur Blvd., West Tower, Suite 1100
Newport Beach, CA 92660
Attorney for Defendants Low Pay, Inc., LP Capital Holdings, Inc.,
Century Luxury, Inc., trustee of The Mardan
Afrasiabi Living Trust, and Mardan M. Afrasabi

PLAINTIFF FEDERAL TRADE COMMISSION



NADINE SAMTER
ELEANOR DURHAM
Federal Trade Commission
915 Second Avenue, Suite 2896
Seattle, WA 98174
Attorneys for Plaintiff Federal Trade Commission

CERTIFICATE OF SERVICE

I hereby certify that on August 31, 2010, I electronically filed the foregoing **CONSENT DECREE AS TO DEFENDANTS LOW PAY, INC., LP CAPITAL HOLDINGS, INC., THE MARDAN AFRASIABI LIVING TRUST, AND MARDAN M. AFRASIABI** with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to the following:

DWIGHT C. HOLTON
Acting United States Attorney
ROBERT D. NESLER, OSB #853790
Assistant United States Attorney
1000 SW Third Avenue, Suite 600
Portland, Oregon 97204
Telephone: (503) 727-1069
FAX: (503) 727-1117
Internet E-mail Address: bob.nesler@usdoj.gov

MICHAEL L. MALLOW
Loeb & Loeb LLP
10100 Santa Monica Blvd., Suite 2200
Los Angeles, California 90067
Telephone: (310) 282-2287
FAX: (310) 919-3883
Internet E-mail Address: mmallow@loeb.com

Counsel For Defendants Century Luxury, Inc., and Ramin Rahimi

PETER AFRASIABI
One LLP
535 Anton Boulevard, Suite 850
Costa Mesa, California 92626
Telephone: (714) 434-8753
FAX: (714) 434-8756
Internet E-Mail Address: pafraziabi@onellp.com

Counsel For Defendants Low Pay, Inc., LP Capital Holdings, Inc., The Mardan Afrasiabi Living Trust, and Mardan Afrasiabi

Dated: August 31, 2010

s/Eleanor Durham
Eleanor Durham