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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

U.S. HOMEOWNERS RELIEF, INC.,  
*et al.*,

Defendants.

Case No. SACV10-1452 JST (PJWx)

STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AS TO  
DEFENDANTS DAMON GRANT  
CARRIGER,  
DLD CONSULTING, LLC, AND  
D.G.C. CONSULTING, LLC

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on September 27, 2010, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, to obtain preliminary and permanent injunctive and other equitable relief for Defendants’ alleged violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage

1 assistance relief services. On September 28, 2010, the Court entered an *ex parte*  
2 Temporary Restraining Order (“TRO”) that included, among other things,  
3 appointment of a temporary receiver, an asset freeze, and immediate access to  
4 Defendants’ business premises. The court terminated the receivership on  
5 November 9, 2010. The FTC and Defendants Damon Grant Carriger, DLD  
6 Consulting, LLC, and D.G.C. Consulting, LLC, (“Settling Defendants”) hereby  
7 stipulate to the entry of this Stipulated Final Judgment and Order for Permanent  
8 Injunction and Other Equitable Relief (“Order”).

9 **FINDINGS**

10 By stipulation of the parties and being advised of the premises, the Court  
11 finds:

- 12 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the  
13 FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Complaint seeks both permanent  
14 injunctive relief and equitable monetary relief for the Settling Defendants’ alleged  
15 deceptive acts or practices as alleged therein.
- 16 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act to  
17 seek the relief it has requested, and the Complaint states a claim upon which relief  
18 can be granted against the Settling Defendants.
- 19 3. This Court has jurisdiction over the subject matter of this case and has  
20 jurisdiction over the Settling Defendants. Venue in the Central District of  
21 California is proper.
- 22 4. The activities of the Settling Defendants, as alleged in the Complaint, are in  
23 or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- 24 5. The FTC and the Settling Defendants stipulate and agree to entry of this  
25 Order, without trial or final adjudication of any issue of fact or law, to settle and  
26 resolve all matters in dispute arising from the conduct of the Settling Defendants  
27 alleged in the Complaint to the date of entry of this Order. This settlement does  
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1 not settle and resolve any matters not alleged in the Complaint. The Settling  
2 Defendants do not admit any of the allegations set forth in the Complaint, other  
3 than the jurisdictional facts, merely by stipulating and agreeing to the entry of this  
4 Order.

5 6. The Settling Defendants waive all rights to seek judicial review or otherwise  
6 challenge or contest the validity of this Order. The Settling Defendants also waive  
7 any claim that they may have held under the Equal Access to Justice Act,  
8 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this  
9 Order. Each settling party shall bear its own costs and attorneys fees.

10 7. This action and the relief awarded herein are in addition to, and not in lieu  
11 of, other remedies as may be provided by law, including both civil and criminal  
12 remedies.

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

14 ORDER

15 Definitions

16 For purposes of this Order, the following definitions shall apply:

17 1. **“Asset” or “Assets”** means any legal or equitable interest in, right to,  
18 or claim to any real or personal property, including, but not limited to, “goods,”  
19 “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,”  
20 “checks,” or “notes” (as these terms are defined in the Uniform Commercial Code),  
21 lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of  
22 stock, lists of consumer names, accounts, credits, premises, receivables, funds, and  
23 all cash, wherever located.

24 2. **“Assisting others”** includes, but is not limited to:

25 a. performing customer service functions including, but not  
26 limited to, receiving or responding to consumer complaints;

1           b.     formulating or providing, or arranging for the formulation or  
2     provision of, any advertising or marketing material, including, but not  
3     limited to, any telephone sales script, direct mail solicitation, or the text of  
4     any Internet website, email, or other electronic communication;

5           c.     formulating or providing, or arranging for the formulation or  
6     provision of, any marketing support material or service, including but not  
7     limited to, web or Internet Protocol addresses or domain name registration  
8     for any Internet websites, affiliate marketing services, or media placement  
9     services;

10          d.     providing names of, or assisting in the generation of, potential  
11     customers;

12          e.     performing marketing, billing, or payment services of any kind;  
13     and

14          f.     acting or serving as an owner, officer, director, manager, or  
15     principal of any entity.

16          3.     **“Competent and reliable evidence”** means tests, analyses, research,  
17     studies, or other evidence based on the expertise of professionals in the relevant  
18     area, that has been conducted and evaluated in an objective manner by persons  
19     qualified to do so, using procedures generally accepted in the profession to yield  
20     accurate and reliable results.

21          4.     **“Consumer”** means any natural person.

22          5.     **“Customer”** means any person who has paid, or may be required to  
23     pay, for products, services, plans, or programs offered for sale or sold by any other  
24     person.

25          6.     **“Debt relief product or service”** means any product, service, plan, or  
26     program represented, expressly or by implication, to renegotiate, settle, or in any  
27     way alter the terms of payment or other terms of the debt or obligation, including  
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1 but not limited to a tax debt or obligation, between a person and one or more  
2 unsecured creditors or debt collectors, including but not limited to, a reduction in  
3 the balance, interest rate, or fees owed by a person to an unsecured creditor or debt  
4 collector.

5 7. **“Defendants”** means U.S. Homeowners Relief, Inc., also d/b/a  
6 Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American Lending  
7 Review, Inc., also d/b/a American Law Center; New Life Solutions, Inc.; D.G.C.  
8 Consulting, LLC; DLD Consulting, LLC; Paul Bain; Macie Bain; Aminullah  
9 Sarpas; and Damon Grant Carriger.

10 8. **“Document”** is synonymous in meaning and equal in scope to the  
11 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,  
12 drawings, graphs, charts, photographs, audio and video recordings, computer  
13 records, and other data compilations from which the information can be obtained  
14 and translated, if necessary, through detection devices into reasonably usable form.  
15 A draft or non-identical copy is a separate document within the meaning of the  
16 term.

17 9. **“Federal homeowner relief or financial stability program”** means  
18 any program (including its sponsoring agencies, telephone numbers, and Internet  
19 websites) operated or endorsed by the United States government to provide relief  
20 to homeowners or stabilize the economy, including but not limited to:

- 21 a. the Making Home Affordable Program;
- 22 b. the Financial Stability Plan;
- 23 c. the Troubled Asset Relief Program and any other program  
24 sponsored or operated by the United States Department of the Treasury;
- 25 d. the HOPE for Homeowners program, any program operated or  
26 created pursuant to the Helping Families Save Their Homes Act, and any  
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1 other program sponsored or operated by the Federal Housing  
2 Administration; or

3 e. any program sponsored or operated by the United States  
4 Department of Housing and Urban Development (“HUD”), the HOPE NOW  
5 Alliance, the Homeownership Preservation Foundation, or any other HUD-  
6 approved housing counseling agency.

7 10. **“Financial related product or service”** means any product, service,  
8 plan, or program represented, expressly or by implication, to:

9 a. provide any consumer, arrange for any consumer to receive, or  
10 assist any consumer in receiving, credit, debit, or stored value cards;

11 b. improve, or arrange to improve, any consumer’s credit record,  
12 credit history, or credit rating;

13 c. provide advice or assistance to any consumer with regard to any  
14 activity or service the purpose of which is to improve a consumer’s credit  
15 record, credit history, or credit rating;

16 d. provide any consumer, arrange for any consumer to receive, or  
17 assist any consumer in receiving, a loan or other extension of credit; or

18 e. provide any consumer, arrange for any consumer to receive, or  
19 assist any consumer in receiving any service represented, expressly or by  
20 implication, to renegotiate, settle, or in any way alter the terms of payment  
21 or other terms of the debt or obligation, including but not limited to a tax  
22 debt or obligation, between a consumer and one or more secured creditors,  
23 servicers, or debt collectors.

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

26 12. **“Mortgage assistance relief product or service”** means any  
27 product, service, plan, or program, offered or provided to the consumer in  
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1 exchange for consideration, that is represented, expressly or by implication, to  
2 assist or attempt to assist the consumer with any of the following:

3 a. stopping, preventing, or postponing any mortgage or deed of  
4 trust foreclosure sale for the consumer's dwelling, any repossession of the  
5 consumer's dwelling, or otherwise saving the consumer's dwelling from  
6 foreclosure or repossession;

7 b. negotiating, obtaining, or arranging a modification of any term  
8 of a dwelling loan, including a reduction in the amount of interest, principal  
9 balance, monthly payments, or fees;

10 c. obtaining any forbearance or modification in the timing of  
11 payments from any dwelling loan holder or servicer on any dwelling loan;

12 d. negotiating, obtaining, or arranging any extension of the period  
13 of time within which the consumer may (i) cure his or her default on a  
14 dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling,  
15 or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;

16 e. obtaining any waiver of an acceleration clause or balloon  
17 payment contained in any promissory note or contract secured by any  
18 dwelling; or

19 f. negotiating, obtaining, or arranging (i) a short sale of a  
20 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a  
21 dwelling loan other than a sale to a third party that is not the dwelling loan  
22 holder.

23 The foregoing shall include any manner of claimed assistance, including, but not  
24 limited to, auditing or examining a consumer's mortgage or home loan application.

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

3 14. **“Settling Defendants”** means Damon Grant Carriger, DLD  
4 Consulting, LLC, and D.G.C. Consulting, LLC.

5 a. **“Corporate Settling Defendants”** means DLD Consulting,  
6 LLC, and D.G.C. Consulting, LLC, and their successors and assigns.

7 b. **“Individual Settling Defendant”** means Damon Grant  
8 Carriger.

9  
10 **I.**

11 **BAN ON MARKETING DEBT RELIEF SERVICES**

12 **IT IS FURTHER ORDERED** that the Settling Defendants, whether acting  
13 directly or through any other person, are permanently restrained and enjoined  
14 from:

15 A. Advertising, marketing, promoting, offering for sale, or selling any  
16 debt relief product or service; and

17 B. Assisting others engaged in advertising, marketing, promoting,  
18 offering for sale, or selling any debt relief product or service.

19 **II.**

20 **BAN ON MARKETING MORTGAGE ASSISTANCE RELIEF  
21 PRODUCTS AND SERVICES**

22 **IT IS THEREFORE ORDERED** that the Settling Defendants, whether acting  
23 directly or through any other person, are permanently restrained and enjoined  
24 from:

25 A. Advertising, marketing, promoting, offering for sale, or selling any  
26 mortgage assistance relief product or service; and

27 B. Assisting others engaged in advertising, marketing, promoting,  
28 offering for sale, or selling any mortgage assistance relief product or service.



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**III.**

**PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL  
RELATED PRODUCTS OR SERVICES**

**IT IS FURTHER ORDERED** that the Settling Defendants and their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any financial related product or service, are hereby permanently restrained and enjoined from:

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

1. The terms or rates that are available for any loan or other extension of credit, including but not limited to:
  - a. closing costs or other fees;
  - b. the payment schedule, the monthly payment amount(s), or other payment terms, or whether there is a balloon payment; interest rate(s), annual percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw amount, or outstanding balance; the loan term, the draw period, or maturity; or any other term of credit;
  - c. the savings associated with the credit;
  - d. the amount of cash to be disbursed to the borrower out of the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any third parties;
  - e. whether the payment of the minimum amount specified each month covers both interest and principal, and

1 whether the credit has or can result in negative  
2 amortization;

- 3 f. that the credit does not have a prepayment penalty or that  
4 no prepayment penalty and/or other fees or costs will be  
5 incurred if the consumer subsequently refinances; and  
6 g. that the interest rate(s) or annual percentage rate(s) are  
7 fixed rather than adjustable or adjustable rather than  
8 fixed;

9 2. Any person's ability to improve or otherwise affect a  
10 consumer's credit record, credit history, or credit rating or ability to  
11 obtain credit;

12 3. That any person can improve any consumer's credit record,  
13 credit history, or credit rating by permanently removing negative  
14 information from the consumer's credit record, credit history, or credit  
15 rating, even where such information is accurate and not obsolete; and

16 4. That a consumer will receive legal representation;

17 B. Advising a customer that the customer cannot or should not contact,  
18 communicate with, or make payments to the customer's lender or servicer; and

19 C. Advertising or assisting others in advertising credit terms other than  
20 those terms that actually are or will be arranged or offered by a creditor or lender.

21 **IV.**

22 **PROHIBITED MISREPRESENTATIONS RELATING TO ANY  
23 PRODUCT OR SERVICE**

24 **IT IS FURTHER ORDERED** that the Settling Defendants and their  
25 officers, agents, servants, employees, and attorneys, and those persons or entities in  
26 active concert or participation with any of them who receive actual notice of this  
27 Order by personal service, facsimile transmission, email, or otherwise, whether  
28 acting directly or through any corporation, subsidiary, division, or other device, in

1 connection with the advertising, marketing, promotion, offering for sale or sale of  
2 any product, service, plan, or program are hereby permanently restrained and  
3 enjoined from misrepresenting or assisting others in misrepresenting, expressly or  
4 by implication, any material fact, including but not limited to:

5 A. Any material aspect of the nature or terms of any refund, cancellation,  
6 exchange, or repurchase policy, including, but not limited to, the likelihood of a  
7 consumer obtaining a full or partial refund, or the circumstances in which a full or  
8 partial refund will be granted to the consumer;

9 B. That any person is affiliated with, endorsed or approved by, or  
10 otherwise connected to any other person; government entity; any federal  
11 homeowner relief or financial stability program; public, non-profit, or other non-  
12 commercial program; or any other program;

13 C. That they themselves provide the product, service, plan, or program;

14 D. That any person providing a testimonial has purchased, received, or  
15 used the product, service, plan, or program;

16 E. That the experience represented in a testimonial of the product,  
17 service, plan, or program represents the person's actual experience resulting from  
18 the use of the product, service, plan, or program under the circumstances depicted  
19 in the advertisement;

20 F. The total costs to purchase, receive, or use, or the quantity of, the  
21 product, service, plan, or program;

22 G. Any material restriction, limitation, or condition on purchasing,  
23 receiving, or using the product, service, plan, or program;

24 H. That any person has implemented reasonable and appropriate  
25 measures to protect consumers' non-public personal information against  
26 unauthorized access; or

1 I. Any material aspect of the performance, efficacy, nature, or  
2 characteristics of the product, service, plan, or program.

3 **V.**

4 **SUBSTANTIATION FOR BENEFIT, PERFORMANCE,  
AND EFFICACY CLAIMS**

5 **IT IS FURTHER ORDERED** that the Settling Defendants and their  
6 officers, agents, servants, employees, and attorneys, and those persons or entities in  
7 active concert or participation with any of them who receive actual notice of this  
8 Order by personal service, facsimile transmission, email, or otherwise, whether  
9 acting directly or through any corporation, subsidiary, division, or other device, in  
10 connection with the advertising, marketing, promotion, offering for sale, or sale of  
11 any financial related product or service are hereby permanently restrained and  
12 enjoined from making any representation or assisting others in making any  
13 representation, expressly or by implication, about the benefits, performance, or  
14 efficacy of any financial related product or service, unless, at the time such  
15 representation is made, the Settling Defendants possess and rely upon competent  
16 and reliable evidence that substantiates that the representation is true.

17 **VI.**

18 **PROHIBITED TELEMARKETING ACTIVITIES**

19 **IT IS FURTHER ORDERED** that the Settling Defendants and their  
20 successors, assigns, officers, agents, servants, employees, and attorneys, and those  
21 persons or entities in active concert or participation with any of them who receive  
22 actual notice of this Order by personal service or otherwise, whether acting directly  
23 or through any corporation, subsidiary, division, or other device, in connection  
24 with the telemarketing, advertising, marketing, promotion, offering for sale or sale  
25 of any good or service, are hereby permanently restrained and enjoined from  
26 violating, or assisting others in violating, any provision of the Telemarketing Sales  
27 Rule, 16 C.F.R. Part 310, including, but not limited to:

1 A. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), by  
2 misrepresenting, directly or by implication, any material aspect of the performance,  
3 efficacy, nature, or central characteristic of any good or service;

4 B. Section 310.3(a)(2)(iv) of the TSR, 16 C.F.R. § 310.3(a)(2)(iv), by  
5 misrepresenting, directly or by implication, the seller's refund, cancellation,  
6 exchange, or repurchase policies; and

7 C. Section 310.3(a)(2)(vii) of the TSR, 16 C.F.R. § 310.3(a)(2)(vii), by  
8 misrepresenting, directly or by implication, affiliation with, or endorsement by,  
9 any government or third-party organization.

10 **VII.**

11 **PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

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

18 A. Disclosing, using, or benefitting from customer information, including  
19 the name, address, telephone number, email address, social security number, other  
20 identifying information, or any data that enables access to a customer's account  
21 (including a credit card, bank account, or other financial account) of any person  
22 that any Settling Defendant obtained prior to entry of this Order in connection with  
23 the advertising, marketing, promotion, offering for sale or sale of any mortgage  
24 assistance relief service or any debt relief service; and

25 B. Failing to dispose of such customer information in all forms in their  
26 possession, custody, or control within thirty (30) days after entry of this Order.  
27 Disposal shall be by means that protect against unauthorized access to the customer  
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1 information, such as by burning, pulverizing, or shredding any papers, and by  
2 erasing or destroying any electronic media, to ensure that the customer information  
3 cannot practicably be read or reconstructed.

4 *Provided, however,* that customer information need not be disposed of, and  
5 may be disclosed, to the extent requested by a government agency or required by a  
6 law, regulation, or court order.

## 7 **VIII.**

### 8 **MONETARY JUDGMENT**

9 **IT IS FURTHER ORDERED** that:

10 A. Judgment is entered, as equitable monetary relief, in favor of the FTC  
11 and against Settling Defendants, jointly and severally, in the amount of two  
12 million, one hundred thirty-nine thousand, sixty-one dollars (\$2,139,061.00), less  
13 the sum of any amounts paid to the FTC pursuant to judgments in this action  
14 relating to other Defendants.

15 B. Any funds received by the FTC pursuant to this Section shall be  
16 deposited into a fund administered by the FTC or its agent to be used for equitable  
17 relief, including but not limited to consumer redress and any attendant expenses for  
18 the administration of any redress funds. In the event that direct redress to  
19 consumers is wholly or partially impracticable or funds remain after redress is  
20 completed, the FTC may apply any remaining funds for such other equitable relief,  
21 including but not limited to consumer information remedies, as the FTC determines  
22 to be reasonably related to the practices alleged in the Complaint. Any funds not  
23 used for such equitable relief shall be deposited to the U.S. Treasury as equitable  
24 disgorgement. The Settling Defendants shall have no right to challenge the FTC's  
25 choice of remedies or the manner of distribution.

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

3 D. The Settling Defendants agree that the facts as alleged in the  
4 Complaint filed in this action shall be taken as true without further proof in any  
5 bankruptcy case or subsequent civil litigation pursued by the FTC to enforce its  
6 rights to any payment or money judgment pursuant to this Order, including but not  
7 limited to a nondischargeability complaint in any bankruptcy case. The Settling  
8 Defendants further stipulate and agree that the facts alleged in the Complaint  
9 establish all elements necessary to sustain an action by the FTC pursuant to Section  
10 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this  
11 Order shall have collateral estoppel effect for such purposes.

12 E. The judgment entered pursuant to this Section is equitable monetary  
13 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or  
14 forfeiture.

15 F. Upon request, the Settling Defendants are hereby required, in  
16 accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification  
17 numbers, which shall be used for purposes of collecting and reporting on any  
18 delinquent amount arising out of this Order.

19 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
20 § 1681b(1), any consumer reporting agency may furnish a consumer report  
21 concerning any Settling Defendant to the FTC, which shall be used for purposes of  
22 collecting and reporting on any delinquent amount arising out of this Order.

23 **IX.**

24 **ASSET FREEZE**

25 **IT IS FURTHER ORDERED** that, upon entry of this Order, the freeze of  
26 the Settling Defendants' assets shall be dissolved.

**X.**

**COOPERATION WITH FTC COUNSEL**

IT IS FURTHER ORDERED that Settling Defendants shall, in connection with this action or any subsequent investigation related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear or, in the case of the Corporate Settling Defendants, cause their officers, employees, representatives, or agents to appear at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Settling Defendants shall appear or, in the case of the Corporate Settling Defendants, cause their officers, employees, representatives, or agents to appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint, without the service of a subpoena.

**XI.**

**COMPLIANCE MONITORING**

IT IS FURTHER ORDERED that, for the purpose of monitoring Settling Defendants' compliance with this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission, each Settling Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents, for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.



1 B. For matters concerning this Order, the Commission is authorized to  
2 communicate directly with each Settling Defendant. Settling Defendants must  
3 permit representatives of the Commission to interview any employee or other  
4 person affiliated with any Settling Defendant who has agreed to such an interview.  
5 The person interviewed may have counsel present.

6 C. The Commission may use all other lawful means, including posing,  
7 through its representatives, as consumers, suppliers, or other individuals or entities,  
8 to the Settling Defendants or any individual or entity affiliated with the Settling  
9 Defendants, without the necessity of identification or prior notice. Nothing in this  
10 Order limits the Commission's lawful use of compulsory process, pursuant to  
11 Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

## 12 XII.

### 13 COMPLIANCE REPORTING

14 IT IS FURTHER ORDERED that Settling Defendants make timely  
15 submissions to the Commission:

16 A. One year after entry of this Order, each Settling Defendant must  
17 submit a compliance report, sworn under penalty of perjury.

- 18 1. Each Settling Defendant must: (a) designate at least one  
19 telephone number and an email, physical, and postal address as points  
20 of contact, which representatives of the Commission may use to  
21 communicate with the Settling Defendant; (b) identify all of that  
22 Defendant's businesses by all of their names, telephone numbers, and  
23 physical, postal, email, and Internet addresses; (c) describe the  
24 activities of each business, including the products and services  
25 offered, the means of advertising, marketing, and sales, and the  
26 involvement of any other Defendant (which Individual Defendant  
27 must describe if he knows or should know due to his own  
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1 involvement); (d) describe in detail whether and how that Defendant  
2 is in compliance with each Section of this Order; and (e) provide a  
3 copy of each Order Acknowledgment obtained pursuant to this Order,  
4 unless previously submitted to the Commission;

5 2. Additionally, the Individual Settling Defendant must: (a)  
6 identify all telephone numbers and all email, Internet, physical, and  
7 postal addresses, including all residences; (b) identify all titles and  
8 roles in all business activities, including any business for which such  
9 Defendant performs services whether as an employee or otherwise and  
10 any entity in which such Defendant has any ownership interest; and  
11 (c) describe in detail such Defendant's involvement in each such  
12 business, including title, role, responsibilities, participation, authority,  
13 control, and any ownership.

14 B. For 20 years following entry of this Order, each Settling Defendant  
15 must submit a compliance notice, sworn under penalty of perjury, within 14 days  
16 of any change in the following:

17 1. Each Settling Defendant must report any change in: (a) any  
18 designated point of contact; or (b) the structure of the Corporate  
19 Settling Defendants or any entity that Defendant has any ownership  
20 interest in or directly or indirectly controls that may affect compliance  
21 obligations arising under this Order, including: creation, merger, sale,  
22 or dissolution of the entity or any subsidiary, parent, or affiliate that  
23 engages in any acts or practices subject to this Order.

24 2. Additionally, the Individual Settling Defendant must report any  
25 change in: (a) name, including aliases or fictitious name, or residence  
26 address; or (b) title or role in any business activity, including any  
27 business for which such Defendant performs services whether as an  
28

1 employee or otherwise and any entity in which such Defendant has  
2 any ownership interest, and identify its name, physical address, and  
3 Internet address, if any.

4 C. Each Settling Defendant must submit to the Commission notice of the  
5 filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding  
6 by or against such Defendant within 14 days of its filing.

7 D. Any submission to the Commission required by this Order to be  
8 sworn under penalty of perjury must be true and accurate and comply with 18  
9 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under  
10 the laws of the United States of America that the foregoing is true and correct.  
11 Executed on:\_\_\_\_\_” and supplying the date, signatory’s full name, title (if  
12 applicable), and signature.

13 E. Unless otherwise directed by a Commission representative in writing,  
14 all submissions to the Commission pursuant to this Order must be emailed to  
15 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
16 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
17 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
18 subject line must begin: FTC v. U.S. Homeowners Relief, Inc., et al., X 100050.

### 19 XIII.

#### 20 RECORDKEEPING

21 IT IS FURTHER ORDERED that Settling Defendants must create certain  
22 records for 20 years after entry of the Order, and to retain each such record for 5  
23 years. Specifically, Corporate Settling Defendants and Individual Settling  
24 Defendant, for any business in which that Defendant, individually or collectively  
25 with any other Defendants, is a majority owner or directly or indirectly controls,  
26 must maintain the following records:

1 A. Accounting records showing the revenues from all goods or services  
2 sold, all costs incurred in generating those revenues, and the resulting net profit or  
3 loss;

4 B. Personnel records showing, for each person providing services,  
5 whether as an employee or otherwise, that person's: name, addresses, and  
6 telephone numbers; job title or position; dates of service; and, if applicable, the  
7 reason for termination;

8 C. Customer files showing the names, addresses, telephone numbers,  
9 dollar amounts paid, and the quantity and description of goods or services  
10 purchased;

11 D. Complaints and refund requests, whether received directly or  
12 indirectly, such as through a third party, and any response;

13 E. All records necessary to demonstrate full compliance with each  
14 provision of this Order, including all submissions to the Commission; and

15 F. A copy of each advertisement or other marketing material.

16 **XIV.**

17 **ORDER ACKNOWLEDGMENT**

18 IT IS FURTHER ORDERED that Settling Defendants obtain  
19 acknowledgments of receipt of this Order:

20 A. Each Settling Defendant, within 7 days of entry of this Order, must  
21 submit to the Commission an acknowledgment of receipt of this Order sworn  
22 under penalty of perjury.

23 B. For 5 years after entry of this Order, the Individual Settling Defendant  
24 for any business that such Defendant, individually or collectively with any other  
25 Defendant, is the majority owner or directly or indirectly controls, and each  
26 Corporate Defendant, must deliver a copy of this Order to: (1) all principals,  
27 officers, directors, and managers; (2) all employees, agents, and representatives

1 who participate in conduct related to the subject matter of the Order; and (3) any  
2 business entity resulting from any change in structure as set forth in the Section  
3 titled Compliance Reporting. Delivery must occur within 7 days of entry of this  
4 Order for current personnel. To all others, delivery must occur before they assume  
5 their responsibilities.

6 C. From each individual or entity to which a Settling Defendant  
7 delivered a copy of this Order, that Defendant must obtain, within 30 days, a  
8 signed and dated acknowledgment of receipt of this Order.

9 **XV.**

10 **RETENTION OF JURISDICTION**

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

13  
14 **IT IS SO ORDERED**, this 5th day of December, 2011.

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17  
18 

19 \_\_\_\_\_  
Josephine Staton Tucker  
United States District Judge