

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CWB SERVICES, LLC, *et al.*,

Defendants.

Case No. 4:14-cv-00783-DW

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AGAINST
TIMOTHY A. COPPINGER; CWB
SERVICES, LLC; ORION
SERVICES, LLC; SANDPOINT
CAPITAL, LLC; SANDPOINT, LLC;
NAMAKAN CAPITAL, LLC
(Delaware); NAMAKAN CAPITAL,
LLC (Nevis); BASSETERRE
CAPITAL, LLC (Delaware) and
BASSETERRE CAPITAL, LLC
(Nevis).**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1601-1666j; and the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C. §§ 1693-1693r. The Commission and Defendants Timothy A. Coppinger; CWB Services, LLC; Orion Services, LLC; Sandpoint Capital, LLC; Sandpoint, LLC; Basseterre Capital, LLC (Nevis), Basseterre Capital, LLC (Delaware), Namakan Capital, LLC (Nevis); and Namakan Capital, LLC (Delaware) (collectively, the “Settling Defendants”) stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive and unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45; TILA, 15 U.S.C. §§ 1601-1666j, and its implementing Regulation Z, 12 C.F.R. Part 1026; and EFTA, 15 U.S.C. §§ 1693-1693r and its implementing Regulation E, 12 C.F.R. Part 1005 in the offering or extension of credit in the form of high-fee, short-term “payday” loans, and the marketing, servicing, and collection of those loans.
3. Settling Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Settling Defendants admit the facts necessary to establish jurisdiction.
4. Settling Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.
5. Settling Defendants and the Commission waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

- A. “**Asset**” means any legal or equitable interest in, right to, or claim to, any real or personal property, including, without limitation, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash, wherever located.

- B. **“Debt”** means any obligation or alleged obligation to pay money arising out of a transaction, whether or not such obligation has been reduced to judgment.
- C. **“Consumer credit”** means credit offered or extended to a natural person primarily for personal, family, or household purposes.
- D. **“Retail sale”** means the sale of goods or products to natural persons.
- E. **“Settling Corporate Defendants”** means CWB Services, LLC; Orion Services, LLC; Sandpoint Capital, LLC; Sandpoint, LLC; Basseterre Capital, LLC (Nevis); Basseterre Capital, LLC (Delaware); Namakan Capital, LLC (Nevis); and Namakan Capital, LLC (Delaware), and their successors, assigns, affiliates, or subsidiaries, and each of them by whatever names each might be known.
- F. **“Settling Defendants”** means Timothy A. Coppinger and the Settling Corporate Defendants, individually, collectively, or in any combination.
- G. **“Settling Individual Defendant”** means Timothy A. Coppinger.

ORDER

BAN ON LENDING

- I. **IT IS THEREFORE ORDERED** that Settling Defendants, whether directly or through an intermediary, are permanently restrained and enjoined from, or assisting others engaged in:
- A. Providing any consumer, arranging for any consumer, or assisting any consumer in receiving, any loan or other extension of consumer credit;
- B. Advertising, marketing, promoting, or offering any loan or other extension of

consumer credit;

C. Attempting to collect or collecting payments on any loan or other extension of consumer credit;

D. Communicating with consumers regarding any loan or other extension of consumer credit; and

E. Selling, assigning, gifting, conveying, or otherwise transferring any purported consumer debt to a third party, including any debt broker, debt buyer, or debt collector.

Provided, however, that this provision does not affect the Settling Individual Defendant's ability to accept employment and undertake duties and responsibilities with an entity that (1) accepts payment for retail sales by several methods, including, but not limited to, payment by credit; (2) offers or extends consumer credit, if the offering or extension of consumer credit is incidental to a retail sale; or (3) sells, assigns, or otherwise transfers the right to collect payments on the extension of consumer credit to a third-party debt collector or debt broker, if the extension of that consumer credit was incidental to a retail sale.

PROHIBITED MISREPRESENTATIONS AND PRACTICES

II. IT IS FURTHER ORDERED that Settling Defendants and Settling Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any good or service are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication any fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy,

nature, or central characteristics.

PROHIBITION ON UNAUTHORIZED CHARGES

III. IT IS FURTHER ORDERED that Settling Defendants and Settling Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from causing debits to be made from any consumer's bank or other financial account, and from billing any consumer for any charge, without the consumer's express, informed consent.

REQUIREMENT OF WRITTEN AUTHORIZATION FOR PREAUTHORIZED ELECTRONIC TRANSFERS

IV. IT IS FURTHER ORDERED that Settling Defendants and Settling Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby permanently restrained and enjoined from causing a debit to be made from any natural person's demand deposit, savings deposit, or other asset account:

A. without obtaining written authorization from that person for any electronic fund transfers authorized in advance to recur at substantially regular intervals from that account; and

B. providing to that person a copy of his or her written authorization signed or similarly authenticated by the person.

CERTAIN CONSUMER DEBTS EXTINGUISHED

V. IT IS FURTHER ORDERED that all consumer debt currently owed to and owned by the Settling Corporate Defendants is hereby extinguished. Settling Corporate Defendants shall void and not report to any consumer reporting agency any extinguished consumer debt. If

Settling Corporate Defendants have reported any extinguished consumer debt to a consumer-reporting agency, Settling Corporate Defendants shall promptly notify any such consumer reporting agencies that the information reported regarding the debt is inaccurate and the tradeline should be promptly deleted.

MONETARY JUDGMENT AND PARTIAL SUSPENSION

VI. IT IS FURTHER ORDERED that:

A. Judgment in the amount of Thirty-two Million, One Hundred Sixteen Thousand, Five Hundred and Thirty-five Dollars (\$32,116,535) is entered in favor of the Commission against Settling Defendants, jointly and severally, as equitable monetary relief.

B. To the extent Settling Defendants have not already done so, Settling Defendants are ordered to transfer and relinquish to the court-appointed Receiver in this case, Larry E. Cook, or to his designated agent the following assets within seven (7) days of entry of this Order, unless otherwise stated:

1. Dominion and all legal and equitable right, title, and interest in, as well as any amounts receivable from, the following entities, their successors, assigns, affiliates, or subsidiaries, and each of them by whatever names each might be known, whether those rights, titles, interest, and amounts receivable are held by one or more Settling Defendants; Running Girls, LLC; or the Coppinger Family Living Trust; C2 Supply, LLC; TopGard, LLC; JoeOptions, LLC; Leadify, LLC, also d/b/a EdgeTheory; PMF Investment Club; Orange Leap, LLC; and CirqueIndy, LLC; and
2. All funds in the following accounts:

- a. Two accounts at Missouri Bank in the name of Timothy A. Coppinger with the account numbers XXX and XXX ;
- b. An account at Missouri Bank in the name of Jane M. Coppinger Irrev. Life Ins. Trust with the account number XXX ;
- c. An account at Missouri Bank in the name of Timothy Coppinger Trust with the account number XXX ;
- d. An account at Missouri Bank in the name of DWTC Enterprises LLC with the account number XXX ;
- e. An account at Missouri Bank in the name of C2 Supply LLC with the account number XXX ; and
- f. An account at Wells Fargo Bank in the name of Running Girls LLC with the account number XXXXXX .

C. Settling Defendants shall cooperate fully with the Receiver and shall execute any instrument or document presented by the Receiver, and do whatever else the Receiver deems necessary or desirable to effect the transfers required by Section VI.B. Upon such transfers, the property shall be assets of the receivership estate.

D. Upon the completion of all transfers described in Section VI.B above, the remainder of the judgment is suspended as to Individual Defendant Coppinger, subject to the Subsections below.

E. The Commission's agreement to the suspension of part of the judgment is

expressly premised upon the truthfulness, accuracy, and completeness of Settling Defendants' sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

1. the Financial Statement of Individual Defendant Timothy A. Coppinger, signed on November 1, 2014, including the attachments; and
2. the Financial Statements of Settling Corporate Defendants signed by Timothy A. Coppinger on September 22, 2014, including the attachments.

F. The suspension of the judgment will be lifted if, upon motion by the Commission, the Court finds that any Settling Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

G. If the suspension of the judgment is lifted, the judgment becomes immediately due as to Settling Individual Defendant in the amount specified in Subsection A above (which the parties stipulate only for purposes of this Section represents the consumer injury alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

VII. IT IS FURTHER ORDERED that:

A. Settling Corporate Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets held by them or for their benefit and may not seek return of any assets from the Receiver.

B. Settling Individual Defendant relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order, as well as in any assets of

the receivership estate that are subsequently transferred back to Settling Individual Defendant after the date of entry of this Order, and may not seek the return of any assets.

C. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

D. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

E. Settling Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Settling Defendants previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

F. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Settling Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Settling Defendants have no right to challenge any actions the Commission or its

representatives may take pursuant to this Subsection.

G. The asset freeze is hereby modified to permit the transfers identified in Section VI above. Upon completion of those transfers, the asset freeze is dissolved.

CUSTOMER INFORMATION

VIII. IT IS FURTHER ORDERED that Settling Defendants and Settling Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Settling Defendants must provide it, in the form prescribed by the Commission, within 14 days.

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Settling Defendant obtained prior to entry of this Order; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days of receipt of written direction to do so from a representative of the Commission.

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 law, regulation, or court order.

COOPERATION

IX. IT IS FURTHER ORDERED that Settling Defendants must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Settling Defendants shall also continue to cooperate with the Receiver and his representatives until termination of the Receivership. Settling Defendants must provide truthful and complete information, evidence, and testimony. Individual Defendant Coppinger must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena.

ORDER ACKNOWLEDGMENTS

X. IT IS FURTHER ORDERED that Settling Defendants obtain acknowledgments of receipt of this Order:

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

B. For 15 years after entry of this Order, Individual Defendant Coppinger, for any business that he, individually or collectively with any other Settling Defendants, is the majority owner or controls directly or indirectly must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, payment processors, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the

Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

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

COMPLIANCE REPORTING

XI. IT IS FURTHER ORDERED that Settling Defendants make timely submissions to the Commission:

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

1. Each Settling Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Settling Defendant (which Individual Defendant Coppinger must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of

each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

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

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

1. Each Settling Defendant must report any change in: any entity that Individual Defendant Coppinger has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
2. Additionally, Individual Defendant Coppinger must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such Defendant performs services whether as an employee or otherwise and any

entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

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

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. CWB Services, LLC et al.: Coppinger, X140065.

RECORDKEEPING

XII. IT IS FURTHER ORDERED that Settling Defendants must create certain records for 15 years after entry of the Order, and retain each such record for 5 years. Specifically, Individual Defendant Coppinger, for any business that he, individually or collectively with any other Settling Defendant, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and
- E. a copy of each unique advertisement or other marketing material.

COMPLIANCE MONITORING

XIII. IT IS FURTHER ORDERED that, for the purpose of monitoring Settling Defendants' compliance with this Order, including the financial representations upon which part of the judgment was suspended and any failure to transfer any assets as required by 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.
- B. For matters concerning this Order, the Commission is authorized to communicate directly with each Settling Defendant. Settling Defendants must permit representatives of the Commission to interview any employee or other person affiliated with any Settling Defendant

who has agreed to such an interview. The person interviewed may have counsel present.

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

D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Defendant Coppinger, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

RECEIVERSHIP

XIV. IT IS FURTHER ORDERED that, upon entry of this Order, the Order Entering Stipulated Preliminary Injunction With An Asset Freeze, Appointment of a Receiver, and Other Equitable Relief, as amended [Docket Entries 34, 149] ("PI") shall expire except as to the provisions regarding the duties and authority of the court-appointed receiver set forth in Sections XI through XV of the PI. The court-appointed receiver must complete all duties and the PI shall expire within 180 days after the date of entry of this Order, but any party or the court-appointed receiver may request that the Court extend that receiver's term for good cause. All assets recovered by the court-appointed receiver after the date of entry of this Order on behalf of any Receivership Defendant, as defined in the PI, shall be transferred to the Commission within 60 days to be used in accordance with Section VII of this Order. The asset freeze set forth in Section VI of the PI shall expire pursuant to Section VII.G of this Order.

RETENTION OF JURISDICTION

XV. IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this _____ day of _____, 2015.

UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR PLAINTIFF:

FEDERAL TRADE COMMISSION

 /s/Matthew J. Wilshire
Rebecca M. Unruh, DC Bar #488731
Matthew J. Wilshire, DC Bar #483702
Lisa A. Rothfarb, MD Bar
Federal Trade Commission
600 Pennsylvania Ave., N.W., Mail Stop CC-10232
Washington, D.C. 20580
Telephone: 202-326-3565 (Unruh)
Fax: 202-326-3768
runruh@ftc.gov, mwilshire@ftc.gov, lrothfarb@ftc.gov

Date: July 1, 2015

/s/Charles M. Thomas

Date: July 1, 2015

Charles M. Thomas, MO Bar #28522
Assistant United States Attorney
Charles Evans Whittaker Courthouse
400 East Ninth Street, Room 5510
Kansas City, MO 64106
Telephone: (816) 426-3130
Facsimile: (816) 426-3165
E-mail: charles.thomas@usdoj.gov

Attorneys for Plaintiff Federal Trade Commission

FOR SETTling DEFENDANTS:

/s/ Patrick A. McInerney
Patrick A. McInerney, MO Bar #37638
DENTONS US LLP
4520 Main Street, Suite 1100
Kansas City, MO 64111
Telephone: 816-460-2400
Fax: 816-531-7545
Patrick.mcinerney@dentons.com

Date: May 7, 2015

*COUNSEL for Defendants Timothy A. Coppinger;
CWB Services, LLC; Orion Services, LLC;
Sandpoint Capital, LLC; Sandpoint, LLC;
Basseterre Capital, LLC (Nevis); Basseterre Capital, LLC (Delaware);
Namakan Capital, LLC (Nevis); and Namakan Capital, LLC (Delaware)*

SETTLING DEFENDANT:

Timothy A. Coppinger

/s/Timothy A. Coppinger Date: May 7, 2015
Timothy A. Coppinger, Individually and on behalf of
CWB Services, LLC; Orion Services, LLC;
Sandpoint Capital, LLC; Sandpoint, LLC;
Basseterre Capital, LLC (Nevis); Basseterre Capital, LLC (Delaware);
Namakan Capital, LLC (Nevis); and Namakan Capital, LLC (Delaware)