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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DENNY LAKE, *et al.*

Defendants.

Case No. SACV 15-00585-CJC(JPRx)

**STIPULATED FINAL ORDER
FOR PERMANENT INJUNCTION
AND MONETARY JUDGMENT
AGAINST RELIEF DEFENDANT
CORTNEY GONSALVES**

Judge: Hon. Cormac J. Carney
Courtroom 9B

1 Plaintiff Federal Trade Commission (“Commission”) filed its Complaint for
2 Permanent Injunction and Other Equitable Relief on April 14, 2015, pursuant to
3 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15
4 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse
5 Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and the 2009
6 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678
7 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability
8 Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123
9 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the
10 Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-
11 203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”),
12 12 U.S.C. § 5538. The Commission and Relief Defendant Cortney Gonsalves
13 (“Gonsalves”) stipulate to the entry of this Stipulated Final Order for Permanent
14 Injunction and Monetary Judgment Against Relief Defendant Cortney Gonsalves
15 (“Order”) to resolve all matters in dispute in this action between them.

16 THEREFORE, IT IS ORDERED as follows:

17 **FINDINGS**

- 18 1. This Court has jurisdiction over this matter.
- 19 2. The Complaint charges that Relief Defendant Gonsalves received,
20 directly or indirectly, funds or assets that are traceable to funds obtained from
21 consumers as a result of deceptive acts and practices in violation of Section 5 of
22 the FTC Act, 15 U.S.C. § 45, the Mortgage Assistance Relief Services (“MARS”)
23 Rule, 12 C.F.R. § 1015, and the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part
24 310. These deceptive acts and practices included, without limitation, falsely
25 stating that consumers were approved for government-backed home loan
26 modifications and taking advance fees for MARS.

1 3. Relief Defendant Gonsalves is not a *bona fide* purchaser with legal
2 and equitable title to these funds or assets, and instead holds the funds and assets in
3 constructive trust for the benefit of these consumers.

4 4. Except as expressly specified herein, Gonsalves neither admits nor
5 denies the allegations in the Complaint. Only for purposes of this action,
6 Gonsalves admits the facts necessary to establish jurisdiction.

7 5. Gonsalves waives any claim that she may have under the Equal
8 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
9 through the date of this Order, and agrees to bear her own costs and attorney fees.

10 6. Gonsalves waives any claim that she may have against the
11 Commission, the Receiver, or their agents.

12 7. Gonsalves and the Commission waive all rights to appeal or otherwise
13 challenge or contest the validity of this Order.

14 **DEFINITIONS**

15 For the purposes of this Order, the following definitions apply:

16 A. **“Financial product or service”** means any product, service, plan, or
17 program represented, expressly or by implication, to:

18 1. provide any consumer, arrange for any consumer to receive, or
19 assist any consumer in receiving, a loan or other extension of credit;

20 2. provide any consumer, arrange for any consumer to receive, or
21 assist any consumer in receiving, credit, debit, or stored value cards;

22 3. improve, repair, or arrange to improve or repair, any
23 consumer’s credit record, credit history, or credit rating; or

24 4. provide advice or assistance to improve any consumer’s credit
25 record, credit history, or credit rating.

26 B. **“Other Defendants”** includes: Brian Pacios (a/k/a Brian Barry and
27 Brian Kelly), Chad Caldaronello (a/k/a Chad Carlson and Chad Johnson), Justin
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1 Moreira (a/k/a Justin Mason, Justin King, and Justin Smith), Derek Nelson (a/k/a
2 Dereck Wilson), Denny Lake (also d/b/a JD United, U.S. Crush, Advocacy
3 Division, Advocacy Department, Advocacy Agency, and Advocacy Program),
4 C.C. Enterprises, Inc. (also d/b/a HOPE Services, Trust Payment Center, and
5 Retention Divisions), and D.N. Marketing, Inc. (also d/b/a HAMP Services and
6 Trial Payment Processing), including their successors, assigns, affiliates, or
7 subsidiaries, and each of them by whatever names each might be known.

8 C. “**Relief Defendant**” means Cortney Gonsalves.

9 **ORDER**

10 **I. MONETARY JUDGMENT**

11 IT IS ORDERED that:

12 A. Judgment in the amount of Two Hundred-Eighteen Thousand, Seven
13 Hundred Sixty-Eight Dollars (\$218,768) as equitable monetary relief is entered in
14 favor of the Commission and against Relief Defendant.

15 B. Any entity or person, including Defendant or any financial institution,
16 holding Relief Defendant’s frozen assets must transfer those assets to the Receiver
17 in accordance with the Receiver’s instructions, within seven days of the entry of
18 this Order. Those assets include: Wells Fargo account no. XXXXXX2953; Wells
19 Fargo account no. XXXXXX0392; and Wells Fargo account no. XXXXXX1575.
20 After the Receiver’s court-approved fees have been fully satisfied, the Receiver
21 must transfer the balance to the Commission.

22 C. Relief Defendant shall take all steps necessary to assist in the transfer
23 of all frozen assets, including those identified in Subsection B. In the event it is
24 necessary to execute additional documents to transfer, liquidate, or assign Relief
25 Defendant’s assets or any other assets surrendered under this Order, Relief
26 Defendant shall execute such documents within three days of a request from a
27 representative of the Commission.
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1 D. The Asset Freeze in the Preliminary Injunction is modified only with
2 respect to Relief Defendant Gonsalves. Once all of Relief Defendant's frozen
3 assets are transferred in accordance with subsection B, the Asset Freeze will
4 dissolve with respect to Relief Defendant Gonsalves.

5 E. Relief Defendant relinquishes dominion and all legal and equitable
6 right, title, and interest in all assets transferred pursuant to this Order and may not
7 seek the return of any assets.

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

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

17 H. Relief Defendant acknowledges that her Social Security number,
18 which she previously submitted to the Commission, may be used for collecting and
19 reporting on any delinquent amount arising out of this Order, in accordance with
20 31 U.S.C. § 7701.

21 I. All money paid to the Commission pursuant to this Order may be
22 deposited into a fund administered by the Commission or its designee to be used
23 for equitable relief, including consumer redress and any attendant expenses for the
24 administration of any redress fund. If a representative of the Commission decides
25 that direct redress to consumers is wholly or partially impracticable or money
26 remains after redress is completed, the Commission may apply any remaining
27 money for such other equitable relief (including consumer information remedies)
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1 as it determines to be reasonably related to Relief Defendant's practices alleged in
2 the Complaint. Any money not used for such equitable relief is to be deposited to
3 the U.S. Treasury as disgorgement. Relief Defendant has no right to challenge any
4 actions the Commission or its representatives may take pursuant to this Subsection.

5 J. The Commission may request any tax-related information, including
6 tax returns and other filings, that Relief Defendant has the authority to release.
7 Within 14 days of receipt of a written request from a representative of the
8 Commission, Relief Defendant must take all necessary steps (such as filing a
9 completed IRS Form 4506 or 8821) to cause the Internal Revenue Service or other
10 tax authority to provide the information directly to the Commission.

11 **II. COOPERATION**

12 IT IS FURTHER ORDERED that Relief Defendant must fully cooperate
13 with representatives of the Commission in this case and in any investigation related
14 to or associated with the transactions or the occurrences that are the subject of the
15 Complaint. Relief Defendant must provide truthful and complete information,
16 evidence, and testimony. Relief Defendant must appear for interviews, discovery,
17 hearings, trials, and any other proceedings that a Commission representative may
18 reasonably request upon 5 days written notice, or other reasonable notice, at such
19 places and times as a Commission representative may designate, without the
20 service of a subpoena.

21 **III. ORDER ACKNOWLEDGMENTS**

22 IT IS FURTHER ORDERED that:

23 A. Relief Defendant, within 7 days of entry of this Order, must submit to
24 the Commission an acknowledgment of receipt of this Order sworn under penalty
25 of perjury.

26 B. Unless otherwise directed by a Commission representative in writing,
27 all submissions to the Commission pursuant to this Order must be emailed to
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1 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
2 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
3 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
4 subject line must begin: *FTC v. Lake* – Cortney Gonsalves, X150052.

5 **IV. COMPLIANCE MONITORING**

6 IT IS FURTHER ORDERED that, for the purpose of monitoring Relief
7 Defendant's compliance with this Order, including any failure to transfer any
8 assets as required by this Order:

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

16 B. For matters concerning this Order, the Commission is authorized to
17 communicate directly with Relief Defendant. Relief Defendant must permit
18 representatives of the Commission to interview any employee or other person
19 affiliated with her who has agreed to such an interview. The person interviewed
20 may have counsel present.

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

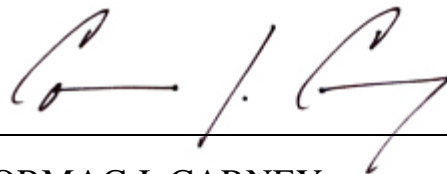
1 D. Upon written request from a representative of the Commission, any
2 consumer reporting agency must furnish consumer reports concerning Relief
3 Defendant pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
4 §1681b(a)(1).

5 **V. RETENTION OF JURISDICTION**

6 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
7 matter for all purposes of construction, modification, and enforcement of this
8 Order.

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11 **IT IS SO ORDERED**, this 4th day of December, 2015.

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14 Dated: December 4, 2015



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16 CORMAC J. CARNEY

17 UNITED STATES DISTRICT JUDGE
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