

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK



FEDERAL TRADE COMMISSION, and

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of the
State of New York,

Plaintiffs,

v.

CAMPBELL CAPITAL LLC, *et al.*,

Defendants.

Case No. 18-cv-1163-LJV-MJR

STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT WITH
INDIVIDUAL DEFENDANT
ROBERT HEIDENREICH

Plaintiffs, Federal Trade Commission (“Commission”) and People of the State of New York, by the Attorney General of the State of New York (“NY AG”, together with the Commission, “Plaintiffs”), filed their Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), for a permanent injunction, civil penalties for violations of New York state law, 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), Section 814 of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692l, New York Executive Law § 63(12), and New York General Business Law Article 22-A, § 349, and Article 29-H, § 602. Plaintiffs and Robert Heidenreich agree to the entry of this Stipulated Order and Monetary Judgment with Individual Defendant Robert Heidenreich (“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.

SO ORDERED

LAWRENCE J. VILARDO
United States District Judge
DATED: 2-7-2020

2. The Complaint charges that defendants participated in deceptive and unlawful debt collection practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, the FDCPA, 15 U.S.C. §§ 1692 – 1692p, N.Y. Executive Law § 63(12), N.Y. General Business Law § 349, and N.Y. General Business Law § 601.
3. Individual Defendant Robert Heidenreich neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Individual Defendant Robert Heidenreich admits the facts necessary to establish jurisdiction.
4. Individual Defendant Robert Heidenreich waives any claim that he 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 agrees to bear his own costs and attorney fees.
5. Individual Defendant Robert Heidenreich and Plaintiffs waive all rights to appeal or otherwise challenge or contest the validity of this Order. Individual Defendant Robert Heidenreich waives all rights to appeal or otherwise challenge or contest the validity of any default judgment order against the Corporate Defendants entered in this action.

DEFINITIONS

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

1. **“Corporate Defendants”** means Campbell Capital LLC (“Campbell”), Kahl, Heidenreich, and Nemmer LLC (“KHN”), Urban, Heidenreich, Melendez, and Associates, LLC (“UHM”), J & V Receivables LLC (“J&V Receivables”), Rich Financial LLC (“Rich Financial”), and BCH & Associates Ltd. (“BCH”), and

their successors, assigns, affiliates, or subsidiaries, and each of them by whatever names each might be known.

2. **“Credit Repair Service”** means selling, providing, or performing any service (or representing that such service can or will be sold, provided, or performed) through the use of any instrumentality of interstate commerce or the mails, in return for the payment of money or other valuable consideration, for the express or implied purpose of (i) improving any consumer’s credit record, credit history, or credit rating, or (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).
3. **“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.
4. **“Debt Collection Activities”** means any activities of a Debt Collector to collect or attempt to collect, directly or indirectly, a Debt owed or due, or asserted to be owed or due.
5. **“Debt Collector”** means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any Debts, or who regularly collects or attempts to collect, directly or indirectly, Debts owed or due or asserted to be owed or due another. The term also includes any creditor who, in the process of collecting its own Debts, uses any name other than its own which would indicate that a third person is collecting or attempting to collect such Debts. The term also includes any person to the extent that such person collects or attempts to collect any Debt that was in default at the time it was obtained by such person.

6. **“Defendants”** means Individual Defendant Robert Heidenreich and the Corporate Defendants, individually, collectively, or in any combination, and each of them by whatever names each might be known.
7. **“Financial-related Product or Service”** means any product, service, plan, or program represented, expressly or by implication, to:
 - A. provide to any consumer, arrange for any consumer to receive, or assist any consumer in receiving, an extension of consumer credit;
 - B. provide to any consumer, arrange for any consumer to receive, or assist any consumer in receiving, a Credit Repair Service; or
 - C. provide to any consumer, arrange for any consumer to receive, or assist any consumer in receiving, any Secured or Unsecured Debt Relief Product or Service.
8. **“Individual Defendant”** means Robert Heidenreich.
9. **“Person”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
10. **“Receiver”** means James C. Thoman.
11. **“Secured or Unsecured Debt Relief Product or Service”** means:
 - A. With respect to any mortgage, loan, Debt, or obligation between a Person and one or more secured or unsecured creditors or Debt Collectors, any product, service, plan, or program represented, expressly or by implication, to:
 - i. stop, prevent, or postpone any mortgage or deed of foreclosure sale

- for a Person's dwelling, any other sale of collateral, any repossession of a Person's dwelling or other collateral, or otherwise save a Person's dwelling or other collateral from foreclosure or repossession;
- ii. negotiate, obtain, or arrange a modification, or renegotiate, settle, or in any way alter any terms of the mortgage, loan, Debt, or obligation, including a reduction in the amount of interest, principal balance, monthly payments, or fees owed by a Person to a secured or unsecured creditor or Debt Collector;
 - iii. obtain any forbearance or modification in the timing of payments from any secured or unsecured holder or servicer of any mortgage, loan, Debt, or obligation;
 - iv. negotiate, obtain, or arrange any extension of the period of time within which a Person may (a) cure his or her default on the mortgage, loan, Debt, or obligation, (b) reinstate his or her mortgage, loan, Debt, or obligation, (c) redeem a dwelling or other collateral, or (d) exercise any right to reinstate the mortgage, loan, Debt, or obligation or redeem a dwelling or other collateral;
 - v. obtain any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling or other collateral; or
 - vi. negotiate, obtain, or arrange (a) a short sale of a dwelling or other collateral, (b) a deed-in-lieu of foreclosure, or (c) any other

disposition of a mortgage, loan, Debt, or obligation other than a sale to a third party that is not the secured or unsecured loan holder.

The foregoing shall include any manner of claimed assistance, including auditing or examining a Person's application for the mortgage, loan, Debt, or obligation.

- B. With respect to any loan, Debt, or obligation between a Person and one or more unsecured creditors or Debt Collectors, any product, service, plan, or program represented, expressly or by implication, to:
- i. repay one or more unsecured loans, Debts, or obligations; or
 - ii. combine unsecured loans, Debts, or obligations into one or more new loans, Debts, or obligations.

ORDER

I. BAN ON DEBT COLLECTION ACTIVITIES

IT IS ORDERED that Individual Defendant Robert Heidenreich, whether acting directly or through an intermediary, is permanently restrained and enjoined from:

- A. Participating in Debt Collection Activities; and
- B. Advertising, marketing, promoting, offering for sale, selling, distributing, buying, or processing payments on any Debt or any information regarding a consumer relating to a Debt.

II. PROHIBITION AGAINST MISREPRESENTATIONS RELATING TO FINANCIAL-RELATED PRODUCTS OR SERVICES

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich and his agents, employees, and attorneys, and all other persons in active concert or participation with him, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale or sale of any Financial-related Product or Service, are 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;
 2. Any person's ability to improve or otherwise affect a consumer's credit record, credit history, or credit rating or ability to obtain credit;
 3. That any person can improve any consumer's credit record, credit history, or credit rating by permanently removing negative information from the consumer's credit record, credit history, or credit rating, even where such information is accurate and not obsolete;
 4. Any aspect of any Secured or Unsecured Debt Relief Product or Service, including but not limited to, the amount of savings a consumer will receive from purchasing, using, or enrolling in such Secured or Unsecured Debt Relief Product or Service; the amount of time before which a consumer will receive settlement of that consumer's Debts; or the reduction or cessation of collection calls;
 5. That a consumer will receive legal representation;

6. That any particular outcome or result from a Financial-related Product or Service is guaranteed, assured, highly likely or probable, or very likely or probable;
 7. The nature or terms of any refund, cancellation, exchange, or repurchase policy, including but not limited to the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be provided to the consumer; and
 8. Any other fact material to consumers concerning any Financial-related Product 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; and
- B. Advertising or assisting others in advertising credit terms other than those terms that actually are or will be arranged or offered by a creditor or lender.

III. MONETARY JUDGMENT AND PARTIAL SUSPENSION

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of 1.7 Million Dollars (\$1,700,000) is entered in favor of Plaintiffs against Individual Defendant Robert Heidenreich as equitable monetary relief.
- B. Individual Defendant Robert Heidenreich is ordered to pay to the Commission Thirty Thousand Dollars (\$30,000), which, as Individual Defendant Robert Heidenreich stipulates, his undersigned counsel holds in escrow for no purpose other than payment to Plaintiffs. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions

previously provided by a representative of the Commission. Upon such payment, the remainder of the judgment is suspended subject to the Subsections below

- C. Plaintiffs' agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Individual Defendant Robert Heidenreich's sworn financial statements and related documents (collectively, "Financial Attestations") submitted to Plaintiffs, namely:
1. The Financial Statement of Individual Defendant Robert Heidenreich signed on November 20, 2018, including the typed attachment;
 2. The deposition of Individual Defendant Robert Heidenreich, conducted on December 13, 2018 and March 22, 2019.
- D. The suspension of the judgment will be lifted as to Individual Defendant Robert Heidenreich if, upon motion by Plaintiffs, the Court finds that Individual Defendant Robert Heidenreich failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the Financial Attestations identified above.
- E. If the suspension of the judgment is lifted, the judgment becomes immediately due as to Individual Defendant Robert Heidenreich 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.
- F. Individual Defendant Robert Heidenreich relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order

and may not seek the return of any assets.

- G. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of Plaintiffs, including in a proceeding to enforce their rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.
- H. The facts alleged in the Complaint establish all elements necessary to sustain an action by Plaintiffs 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.
- I. Individual Defendant Robert Heidenreich acknowledges that his Social Security Number, which he previously submitted to Plaintiffs, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.
- J. All money paid to Plaintiffs pursuant to this Order may be deposited into a fund administered by Plaintiffs or their designees to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If representatives of the Plaintiffs decide that direct redress to consumers is wholly or partially impracticable or that funds remain after redress is completed, Plaintiffs may apply any remaining funds for such other equitable relief (including consumer information remedies) as they determine to be reasonably related to the practices alleged in the Complaint. Any funds paid to the Commission that are not used for such equitable relief shall be deposited into the United States Treasury as disgorgement. Individual Defendant Robert

Heidenreich has no right to challenge any actions that Plaintiffs or their representatives may take pursuant to this Subsection.

- K. The asset freeze is modified to permit the payment identified in the Monetary Judgment Section. Upon completion of that payment, the asset freeze as to Individual Defendant Robert Heidenreich is dissolved.

IV. CONSUMER INFORMATION

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich and his agents, employees, and attorneys, and all other persons in active concert or participation with him, who receive actual notice of this Order are permanently restrained and enjoined from directly or indirectly:

- A. Failing to provide sufficient consumer information to enable Plaintiffs to efficiently administer consumer redress. If a representative of either Plaintiff requests in writing any information related to redress, Individual Defendant Robert Heidenreich must provide it, in the form prescribed by Plaintiffs, within 14 days.
- B. Disclosing, using, or benefitting from consumer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a consumer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the collection or attempted collection of any Debt; and
- C. Failing to destroy such consumer information in all forms in his possession, custody, or control within 30 days after entry of this Order.

Provided, however, that consumer 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.

V. COOPERATION

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich must fully cooperate with representatives of Plaintiffs in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Individual Defendant Robert Heidenreich must provide truthful and complete information, evidence, and testimony. Individual Defendant Robert Heidenreich must appear for interviews, discovery, hearings, trials, and any other proceedings that Plaintiffs' representatives may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as Plaintiffs' representatives may designate, without the service of a subpoena.

VI. COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich must fully cooperate with representatives of the Receiver to enable the Receiver to timely complete his duties relating to the Receivership.

VII. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich obtain acknowledgments of receipt of this Order:

- A. Individual Defendant Robert Heidenreich, within 7 days of entry of this Order, must submit to Plaintiffs an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 20 years after entry of this Order, Individual Defendant Robert Heidenreich

for any business that he 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; and (2) 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 Individual Defendant Robert Heidenreich delivered a copy of this Order, Individual Defendant Robert Heidenreich must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

VIII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich make timely submissions to Plaintiffs:

- A. One year after entry of this Order, Individual Defendant Robert Heidenreich must submit a compliance report, sworn under penalty of perjury:
1. Individual Defendant Robert Heidenreich must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of Plaintiffs may use to communicate with him; (b) identify all of his 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 Defendant (which Individual Defendant

Robert Heidenreich must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how Individual Defendant Robert Heidenreich 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 Plaintiffs.

2. Additionally, Individual Defendant Robert Heidenreich 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 he performs services whether as an employee or otherwise and any entity in which he has any ownership interest; and (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 20 years after entry of this Order, Individual Defendant Robert Heidenreich must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Individual Defendant Robert Heidenreich must report any change in:
 - (a) any designated point of contact; or (b) the structure of any entity that Individual Defendant Robert Heidenreich 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 Robert Heidenreich 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 Individual Defendant Robert Heidenreich performs services whether as an employee or otherwise and any entity in which he has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.
- C. Individual Defendant Robert Heidenreich must submit to Plaintiffs notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against him within 14 days of its filing.
 - D. Any submission to Plaintiffs 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 & NYAG v. Campbell Capital LLC, et al.*, Matter Number X190005. Unless otherwise directed by a NY AG representative in writing, all submissions to the NY AG pursuant to this Order must be emailed

to christopher.boyd@ag.ny.gov or sent by overnight courier (not the U.S. Postal Service) to: Bureau of Consumer Frauds, New York State Office of the Attorney General, 350 Main Street, Suite 300A, Buffalo, New York 14202. The subject line must begin: *FTC & NYAG v. Campbell Capital LLC, et al.*

IX. RECORDKEEPING

IT IS FURTHER ORDERED that Individual Defendant Robert Heidenreich must create certain records for 20 years after entry of the Order, and retain each such record for 5 years. Specifically, for any business in which he, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, Individual Defendant Robert Heidenreich 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, whether received directly or indirectly, such as through a third party, and any response; and
- D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to Plaintiffs.

X. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Individual Defendant Robert Heidenreich's compliance with this Order, including the Financial Attestations 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 Plaintiffs, Individual Defendant Robert Heidenreich 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. Plaintiffs are 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, Plaintiffs are authorized to communicate directly with Individual Defendant Robert Heidenreich. Individual Defendant Robert Heidenreich must permit representatives of either Plaintiff to interview any employee or other person affiliated with him who has agreed to such an interview. The person interviewed may have counsel present.
- C. Plaintiffs may use all other lawful means, including posing, through their representatives as consumers, suppliers, or other individuals or entities, to Individual Defendant Robert Heidenreich or any individual or entity affiliated with him, 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 either Plaintiff, any consumer reporting agency must furnish consumer reports concerning Individual Defendant Robert Heidenreich, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

XI. RETENTION OF JURISDICTION

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

SO ORDERED.

Dated: _____, 2020
Buffalo, New York

LAWRENCE J. VILARDO
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR PLAINTIFFS:

Dated: September 28, 2019

Dated: January 14, 2020

LETITIA JAMES
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FOR DEFENDANT HEIDENREICH:

Dated: September 28, 2019

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DEFENDANT HEIDENREICH:

Dated: September 27, 2019

/s/ Robert Heidenreich
ROBERT HEIDENREICH