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Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on September 12, 2011, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57a, and Section 814 of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692, to obtain preliminary and permanent injunctive and other equitable relief for Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FDCPA, 15 U.S.C. §§ 1692-1692p, in connection with the marketing and sale of debt collection services, and the collection of debt. On September 13, 2011, the Court entered a temporary restraining order against Defendants. On September 27, 2011, the Court entered a preliminary injunction against Defendants.

The FTC and defendant Frank E. Lindstrom, Jr. (“Settling Defendant”) having agreed in the Stipulation for Final Judgment and Order for Permanent Injunction and Monetary Relief as to Defendant Frank E. Lindstrom, Jr., hereby request that the Court enter this Stipulation for Final Judgment and Order for Permanent Injunction and Monetary Relief as to Defendant Frank E. Lindstrom, Jr. (“Order”) to resolve all matters in dispute in this action and Monetary Relief

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1. This is an action by the FTC instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57a, and Section 814 of the FDCPA, 15 U.S.C. § 1692. The Complaint seeks both permanent injunctive relief and equitable monetary relief for Defendants' deceptive and abusive acts or practices as alleged therein.

2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act and Section 814 of the FDCPA to seek the relief it has requested, and the Complaint states a claim upon which relief can be granted against Settling Defendant.

3. This Court has jurisdiction over the subject matter of this case and has jurisdiction over Settling Defendant. Venue in the Central District of California is proper.

4. The activities of Settling Defendant, alleged in the Complaint, are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. The FTC and Settling Defendant stipulate and agree to entry of this Order, without trial or final adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the conduct alleged in the Complaint to the date of entry of the Order. This settlement does not settle and resolve any matters not alleged in the Complaint. Settling Defendant does not admit any of the allegations set forth in the Complaint, other than

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- C. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images on an internet website, email, or other electronic communication;
- D. formulating or providing, or arranging for the formulation or provision of, any debt collection materials, including, but not limited to, any debt collection script, debt collection marketing material, debt collection training manual or other training materials, and debt collection compliance monitoring materials;
- E. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services, or media placement services;
- F. providing names of, or assisting in the generation of, potential customers;
- G. performing marketing, billing, or payment services of any kind; and
- H. acting or serving as an officer, director, manager, or principal of any entity.

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personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

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

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1 other device, in connection with the marketing, sale, or advertisement of any
2 financial-related product or service, or any other product or service, are
3 hereby permanently restrained and enjoined from misrepresenting, or
4 assisting others in misrepresenting, expressly or by implication, any material
5 fact, including but not limited to:
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8 A. That Settling Defendant, whether acting directly or through any other
9 person, has identified assets, people, corporate entities, services, or
10 anything else that can be used to help the consumer, customer, or
11 potential customer in achieving their desired goal (the
12 satisfaction or successful collection of alleged debt, full or partial
13 relief from an outstanding debt obligation, relief from impending
14 foreclosure on a home or personal property, or improvement of a
15 consumer's credit score, credit history, credit rating, or credit report);
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18 B. That Settling Defendant, whether acting directly or through any other
19 person, will undertake certain actions (such as the filing of a
20 lawsuit, the garnishment of wages, seizure of assets, negotiation of
21 a debt settlement plan or mortgage foreclosure relief plan, or any other
22 action to help a consumer either receive a loan, satisfy or settle a debt,
23 collect a debt, or achieve any other desired financial goal) if the
24 consumer pays Settling Defendant a fee;
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- 1 C. That any particular outcome result from the product or service
2 being provided is guaranteed, assured, highly likely or probable, or
3 very likely or probable;
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- 5 D. That a consumer will receive legal representation.
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- 7 E. Any material aspect of the nature or terms of any refund, cancellation,
8 exchange, or repurchase policy, including, but not limited to, the
9 likelihood of a consumer obtaining a full or partial refund, or the
10 likelihood of a consumer obtaining a full or partial refund, or the
11 circumstances in which a full or partial refund will be provided to the
12 consumer;
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- 14 F. The total costs to purchase, receive or use, or the quantity of, the
15 product, service, plan, or program;
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- 17 G. Any material restriction, limitation, or condition on purchasing,
18 receiving, or using the product, service, plan, or program; or
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- 20 H. Any material aspect of the performance, efficacy, nature, or
21 characteristics of the product, service, plan, or program.
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- 1 D. Settling Defendant agrees that ~~facts~~ as alleged in the Complaint
2 filed in this action shall be taken ~~true~~ without further proof in any
3 bankruptcy case or subsequent ~~civil~~ litigation pursued by the
4 Commission to enforce its rights ~~to~~ any payment or money judgment
5 pursuant to this Order, including but not limited to a
6 nondischargeability complaint ~~in~~ any bankruptcy case. Settling
7 Defendant further stipulates and ~~agrees~~ that the facts alleged in the
8 Complaint establish all elements necessary to sustain an action by the
9 Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy
10 Code, 11 U.S.C. § 523(a)(2)(A), ~~and~~ that this Order shall have
11 collateral estoppel effect for such purposes.
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16 E. The judgment entered pursuant to ~~this~~ Section is equitable monetary
17 relief, solely remedial in nature, ~~and~~ not a fine, penalty, punitive
18 assessment or forfeiture.
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21 F. Upon request, Settling Defendant ~~is~~ hereby required, in accordance
22 with 31 U.S.C. § 7701, to furnish to the FTC his tax identification
23 numbers, which shall be used ~~for~~ purposes of collecting and reporting
24 on any delinquent amount arising out of this Order.
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26 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
27 § 1681b(1), any consumer reporting ~~agency~~
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COOPERATION WITH FTC

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3 VI. IT IS FURTHER ORDERED that Settling Defendant shall, in connection
4 with this action or any subsequent investigation or litigation related to or
5 associated with the transactions or the occurrences that are the subject of the
6 FTC's Complaint as it may be amended, cooperate in good faith with the
7 FTC and appear at such places and times as the FTC shall reasonably
8 request, after written notice, for interviews, conferences, pretrial discovery,
9 review of documents, and for such other matters as may be reasonably
10 requested by the FTC. If requested in writing by the FTC, Settling
11 Defendant shall appear and provide truthful testimony in any trial,
12 deposition, or other proceeding related to or associated with the transactions
13 or the occurrences that are the subject of the Complaint as it may be
14 amended, without the service of a subpoena, provided, however, that Settling
15 Defendant shall be entitled to receive any witness fees and expenses
16 allowable pursuant to Federal Rule of Civil Procedure 45.

ORDER ACKNOWLEDGMENTS

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23 VII. IT IS FURTHER ORDERED that Settling Defendant obtain
24 acknowledgments of receipt of this Order:
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- 1 A. Settling Defendant, within 7 days of entry of this Order, must submit
2 to the FTC an acknowledgment of receipt of this Order sworn under
3 penalty of perjury.
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- 5 B. For 15 years after entry of the Order, Settling Defendant for any
6 business that he, individually or collectively with any other
7 Defendant, is the majority owner directly or indirectly controls,
8 must deliver a copy of this Order to: (1) all principals, officers,
9 directors, and managers; (2) all employees, agents, and representatives
10 who participate in conduct related to the subject matter of the Order;
11 and (3) any business entity resulting from any change in structure as
12 set forth in the Section titled Compliance Reporting. Delivery must
13 occur within 7 days of entry of this Order for current personnel. To
14 all others, delivery must occur before they assume their
15 responsibilities.
16
- 17 C. From each individual or entity to which Settling Defendant delivered
18 a copy of this Order, Settling Defendant must obtain, within 30 days,
19 a signed and dated acknowledgment of receipt of this Order.
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21 COMPLIANCE REPORTING

22 VIII. IT IS FURTHER ORDERED that Settling Defendant make timely
23 submissions to the FTC:
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1 business for which Settling Defendant performs services
2 whether as an employee or otherwise and any entity in which
3 Settling Defendant has any ownership interest, and identify its
4 name, physical address, and Internet address, if any.
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7 C. Settling Defendant must submit the FTC notice of the filing of any
8 bankruptcy petition, insolvency proceeding, or any similar proceeding
9 by or against Settling Defendant within 14 days of its filing.
10

11 D. Any submission to the FTC required by this Order to be sworn under
12 penalty of perjury must be true and accurate and comply with 28
13 U.S.C. § 1746, such as by concluding “I declare under penalty of
14 perjury under the laws of the United States of America that the
15 foregoing is true and correct. Executed on: _____” and supplying the
16 date, signatory’s full name, title (if applicable), and signature.
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19 E. Unless otherwise directed by FTC representative in writing, all
20 submissions to the FTC pursuant to this Order must be emailed to
21 Debrief@ftc.gov or sent by overnight courier (not the U.S. Postal
22 Service) to: Associate Director of Enforcement, Bureau of Consumer
23 Protection, Federal Trade Commission, 600 Pennsylvania Avenue
24 NW, Washington, DC 20580. The subject line must begin with “FTC v.
25 Forensic Case Management Services, Inc., et al.” and include the
26 case number, such as “FTC v. Forensic Case Management Services, Inc., et al. 11-110053.”
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1 RECORDKEEPING

2 IX. IT IS FURTHER ORDERED that Settling Defendant must create certain
3 records for 20 years after entry of the Order, and retain each such record for
4 5 years. Specifically, for any business in which Settling Defendant,
5 individually or collectively with any other Defendants, is a majority owner
6 or directly or indirectly controls, Settling Defendant must maintain the
7 following records:
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- 11 A. Accounting records showing the revenues from all goods or services
12 sold, all costs incurred in generating those revenues, and the resulting
13 net profit or loss;
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- 15 B. Personnel records showing, for each person providing services,
16 whether as an employee or otherwise, that person's: name, addresses,
17 and telephone numbers; job title or position; dates of service; and, if
18 applicable, the reason for termination;
- 19
- 20
- 21 C. Customer files obtained after entry of this Order showing the names,
22 addresses, telephone numbers, dollar amounts paid, and the quantity
23 and description of goods or services purchased, to the extent such
24 information is obtained in the ordinary course of business;
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- 26 D. Complaints and refund requests, whether received directly or
27 indirectly, such as through a third party, and any response;
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E. All records necessary to demonstrate full compliance with each

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

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11 RETENTION OF JURISDICTION

12 XI. IT IS FURTHER ORDERED that this Court retains jurisdiction of this
13 matter for purposes of construction, clarification, and enforcement of this
14 Order.
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18 IT IS SO ORDERED, this 13TH day of MARCH 2012.
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21 ~~RAYMOND G. KLAUSNER~~
22 R. GARY KLAUSNER
23 UNITED STATES DISTRICT JUDGE
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