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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ADVANCED MANAGEMENT
SERVICES NW LLC, also d.b.a. AMS
Financial, Rapid Reduction Systems, and
Client Services Group, a Washington
limited liability company;

PDM INTERNATIONAL, INC., also d.b.a.
Priority Direct Marketing International,
Inc., a Delaware corporation;

RAPID REDUCTION SYSTEM'S, LLC, a
Delaware limited liability company;

Ryan David Bishop;

Michael L. Rohlf; and

William D. Fithian,

Defendants.

Civil No. CV-10-0148-LRS

**STIPULATED FINAL
JUDGMENT AND ORDER
FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF AS TO
PDM INTERNATIONAL, INC.
AND WILLIAM D. FITHIAN**

STIP. PERMANENT INJUNCTION AS TO
PDMI AND WILLIAM D. FITHIAN

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ORDER

Definitions

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3 1. **“Asset” or “Assets”** means any legal or equitable interest in, right to,
4 or claim to any real or personal property including, but not limited to, “goods,”
5 “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,”
6 “checks,” or “notes” (as these terms are defined in the Uniform Commercial Code),
7 lines of credit, chattels, leaseholds, contracts, mail or other deliveries.
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1 creditors or debt collectors including, but not limited to, a reduction in the balance,
2 interest rate, or fees owed by a consumer to an unsecured creditor or debt collector.

3 5. **“Document” or “Documents”** means any materials listed in Federal
4 Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts,
5 photographs, audio and video recordings, computer records, digital records, and
6 other data compilations from which information can be obtained and translated, if
7 necessary, into reasonably usable form through detection devices. A draft or
8 nonidentical copy is a separate Document within the meaning of the term.

9 6. **“Financial Institution”** means any bank, savings and loan institution,
10 credit union, or financial depository of any kind including, but not limited to, any
11 brokerage house, trustee, broker-dealer, escrow agent, title company, commodity
12 trading company, or precious metal dealer.

13 7. **“Financial related product or service”** means any product or service
14 represented, directly or by implication, to:

- 15 1. provide any consumer, arrange for any consumer to receive, or
16 assist any consumer in receiving credit, debit, or stored value
17 cards;
- 18 2. improve, or arrange to improve, any consumer’s credit record,
19 credit history, or credit rating;
- 20 3. provide advice or assistance to any consumer with regard to any
21 activity or service the purpose of which is to improve a
22 consumer’s credit record, credit history, or credit rating;
- 23 4. provide any consumer, arrange for any consumer to receive, or
24 assist any consumer in receiving a loan or other extension of
25 credit; or
- 26 5. provide any consumer, arrange for any consumer to receive, or
27 assist any consumer in receiving any service represented,

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expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more secured creditors, servicers, or debt collectors.

8. **“Stipulating Defendants”** means PDM International, Inc., also d.b.a. Priority Direct Marketing International, Inc.; and William D. Fithian.

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payment; interest rate(s), annual percentage rate(s), or
finance charge; the loan amount, the amount of credit, the
draw

1 savings or reduction in interest rate, loan principal, or monthly
2 payment that a consumer will receive from purchasing, using, or
3 enrolling in such mortgage loan modification service or foreclosure
4 relief service; the amount of time before a consumer will receive a
5 mortgage loan modification or relief from foreclosure; the likelihood
6 that a consumer will obtain a modified mortgage loan or relief from
7 foreclosure; or the reduction or cessation of collection calls; or

8 5. That a consumer will receive legal representation;

9 B. Advertising or assisting others in advertising credit terms other than
10 those terms that actually are or will be arranged or offered by a creditor or lender.

11 **IV. PROHIBITED PRACTICES RELATING TO ANY**
12 **GOODS OR SERVICES**

13 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their
14 officers, agents, servants, employees, and attorneys, and those persons or entities in
15 active concert or participation with any of them who receive actual notice of this
16 Order by personal service, facsimile transmission, email, or otherwise, whether
17 acting directly or through any person, business entity, trust, corporation,
18 partnership, limited liability company, subsidiary, division, or other device, or any
19 of them, in connection with the advertising, marketing, promotion, offering for sale
20 or sale of any good, service, plan, or program, are hereby permanently restrained
21 and enjoined from:

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

24 1. Any material aspect of the nature or terms of any refund,
25 cancellation, exchange, or repurchase policy including, but not limited
26 to, the likelihood of a consumer obtaining a full or partial refund, or

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1 satisfaction of the obligations imposed by Subsections A through H of this Section,
2 and subject to the conditions set forth in Section VI of this Order;

3 A. Stipulating Defendants shall relinquish and turn over to the Receiver
4 within five (5) days of entry of this Order all dominion, control, and title to any
5 and all assets of PDMI; Pinnacle Dynamic Marketing, Inc.; and New Dimensions
6 B2B, Inc.; to a 2001 Lexus LS430; and to any assets currently in the possession of
7 the Receivership estate, including funds previously transferred from an account of
8 William D. Fithian, d.b.a. I-Net Yellow Pages, to the Receiver's account pursuant
9 to this Court's Order of July 23, 2010. Within five (5) days of completion of the
10 transfers set forth in this Subsection V.A, the Receiver shall issue from the PDMI
11 receivership account a check in the amount of five thousand U.S. dollars (\$5,000)
12 payable to Stipulating Defendant William D. Fithian so that he may purchase a
13 motor vehicle.

14 B. The Receiver and the Stipulating Defendants hereby assign to the
15 Commission all of their rights, title, and interest to reserve account funds or funds
16 from the merchant accounts in the names of: (i) PDM International, Inc.; (ii) PDM
17 International, a d/b/a a axP, Da trans, title, all a oc, i he of De

VI. RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

A. Plaintiff's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of Stipulating Defendants' financial condition, as represented in the Financial Disclosure Statements and attachments of Defendants William D. Fithian, dated May 14, 2010, and PDM International, Inc., dated May 17, 2010, which contain material information upon which Plaintiff relied in negotiating and agreeing to the terms of this Order;

B. If, upon motion by the FTC, the Court finds that any Stipulating Defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from the Stipulating Defendant's financial statement or supporting documents, the Court will lift the suspension of the judgment against the Stipulating Defendants, in favor of the Commission, and the entire judgment as to the Stipulating Defendants, less any amount previously paid, shall become immediately due and payable as to the Stipulating Defendants. *Provided, however,* that, in all other respects, this Order shall remain in full force and effect, unless otherwise ordered by the Court;

C. Any proceedings instituted under this Section shall be in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law including, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United States might initiate to enforce this Order. For purposes of this Section, the Stipulating Defendants waive any right to contest any of the allegations in the Commission's Complaint.

VII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Stipulating 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

1 Order by personal service, facsimile transmission, email, or otherwise, whether
2 acting directly or through any person, business entity, trust, corporation,
3 partnership, limited liability company, subsidiary, division, or other device, or any
4 of them, are permanently restrained and enjoined from:

5 A. Disclosing, using, or benefitting from customer information, including
6 the name, address, telephone number, email address, social security number, other
7 identifying information, or any data that enables access to an account (including a
8 credit card, bank account, or other financial account), of any person which any
9 Defendant obtained prior to entry of this Order in connection with the marketing of
10 any debt relief service or telemarketing calls delivering prerecorded messages; and

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

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

20 **VIII. PROHIBITION ON COLLECTING ON ACCOUNTS**

21 **IT IS FURTHER ORDERED** that Stipulating Defendants, whether acting
22 directly or through any person, business entity, trust, corporation, partnership,
23 limited liability company, subsidiary, division, or other device, or any of them, are
24 hereby permanently restrained and enjoined from attempting to collect, collecting,
25 or assigning any right to collect payment from any consumer who purchased or
26 agreed to purchase any Defendant's Debt Relief Service.

IX. DISSOLUTION OF ASSET FREEZE

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2 **IT IS FURTHER ORDERED** that the freeze on the assets of Stipulating
3 Defendants shall remain in effect until they have taken all of the actions required
4 by Section V above; *provided, however*, that Stipulating Defendants, with the
5 express written consent of counsel for the Commission, may transfer funds to the
6 extent necessary to make all payments required by Section V. Once Defendants
7 have fully complied with the requirements of Section V, the freeze against the
8 assets of Stipulating Defendants shall be lifted permanently. A financial institution
9 shall be entitled to rely upon a letter from Plaintiff stating that the freeze on the
10 assets of Stipulating Defendants has been lifted.

X. RECEIVERSHIP

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12 **IT IS FURTHER ORDERED** that the appointment of Receiver Dennis L.
13 Roossien, Jr., as to Corporate Defendant PDMI, pursuant to the Temporary
14 Restraining Order entered on May 10, 2010, and extended on May 14, 2010, and
15 the Stipulated Preliminary Injunction entered on June 11, 2010, is hereby
16 continued in full force and effect except as modified by this Section. The Receiver
17 shall complete liquidation of all assets of PDMI. Upon liquidation of the assets of
18 PDMI, the Receiver shall submit his final report and application for fees and
19 expenses, and upon approval of the same by the Court, shall pay any remaining
20 funds to the FTC. Upon the Court's approval of the Receiver's final report, and
21 the payment of any remaining funds to the FTC under this Section, the
22 Receivership over PDMI shall be terminated.

XI. MONITORING COMPLIANCE OF SALES PERSONNEL

23
24 **IT IS FURTHER ORDERED** that, in connection with any business: (1)
25 where a Stipulating Defendant is the majority owner of the business or directly or
26 indirectly controls the business; and (2) where the business is engaged in, or is
27 assisting in, an activity that is prohibited by the Commission's order, the
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1 sale, sale, or provision of any product or service, such Stipulating Defendant, and
2 the Stipulating Defendant's officers, agents, servants, employees, and attorneys,
3 whether acting directly or through any person, business entity, trust, corporation,
4 partnership, limited liability company, subsidiary, division, or other device, or

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1 reports, which are true and accurate and sworn to under penalty of perjury; produce
2 documents for inspection and copying; appear for deposition; and provide entry
3 during normal business hours to any business location in each Stipulation. eHÖ@

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1 in the business name or address, at least thirty (30) days prior to such
2 change, *provided* that, with respect to any such change in the business
3 entity about which a Stipulating Defendant learns less than thirty (30)
4 days prior to the date such action is to take place, such Defendant
5 shall notify the Commission as soon as is practicable after obtaining
6 such knowledge.

7 B. One hundred eighty (180) days after the date of entry of this Order
8 and annually thereafter for a period of three (3) years, Stipulating Defendants each
9 shall provide a written report to the FTC, which is true and accurate and sworn to
10 under penalty of perjury, setting forth in detail the manner and form in which they
11 have complied and are complying with this Order. This report shall include, but
12 not be limited to:

13 1. For Defendant Fithian:

- 14 a. such Defendant's then-current residence address, mailing
15 addresses, and telephone numbers;
- 16 b. such Defendant's then-current employment status
17 (including self-employment), including the name,
18 addresses, and telephone numbers of each business that
19 such Defendant is affiliated with, employed by, or
20 performs services for; a detailed description of the nature
21 of the business; and a detailed description of such
22 Defendant's duties and responsibilities in connection
23 with the business or employment; and
- 24 c. Any other changes required to be reported under
25 Subsection A of this Section.

26 2. For all Stipulating Defendants:

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STIP. PERMANENT INJUNCTI

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- a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled “Distribution of Order;” and
- b. Any other changes required to be reported under Subsection A of this Section.

C. Each Stipulating Defendant shall notify the Commission of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.

D. For the purposes of this Order, Stipulating Defendants shall, unless otherwise directed by the Commission’s authorized representatives, send by overnight courier (not the U.S. Postal Service) all reports and notifications to the Commission that are required by this Order to:

Associate Director for Enforcement
 Bureau of Consumer Protection
 Federal Trade Commission
 600 Pennsylvania Avenue, N.W.
 Washington, D.C. 20580
 Re: FTC v. Advanced Management Services NW LLC, et al.
 Matter No. X100033

Provided that, in lieu of overnight courier, Stipulating Defendants may send such reports or notifications by first-class mail, but only if Stipulating Defendants contemporaneously send an electronic version of such report or notification to the Commission at: DEBrief@ftc.gov.

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Stipulating Defendant.

XIV. RECORDKEEPING

IT IS FURTHER ORDERED that, for a period of six (6) years from the date of entry of this Order, Stipulating Defendants for any business for which they, individually or collectively, are the majority owner or directly or indirectly control,

1 are hereby restrained and enjoined from failing to create and retain the following
2 records:

3 A. Accounting records that reflect the cost of goods or services sold,
4 revenues generated, and the disbursement of such revenues;

5 B. Personnel records accurately reflecting: the name, address, and
6 telephone number of each person employed in any capacity by such business,
7 including as an independent contractor; that person's job title or position; the date
8 upon which the person commenced work; and the date and reason for the person's
9 termination, if applicable;

10 C. Customer files containing the names, addresses, phone numbers,
11 dollar amounts paid, quantity of items or services purchased, and description of
12 items or services purchased, to the extent such information is obtained in the
13 ordinary course of business;

14 D. Complaints and refund requests (whether received directly or
15 indirectly, such as through a third party) and any responses to those complaints or
16 requests;

17 E. Copies of all sales scripts, training materials, advertisements, or other
18 marketing materials; and

19 F. All records and documents necessary to demonstrate full compliance
20 with each provision of this Order, including but not limited to, copies of
21 acknowledgments of receipt of this Order required by the Sections titled
22 "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports
23 submitted to the FTC pursuant to the Section titled "Compliance Reporting."
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XV. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order, Stipulating Defendants shall deliver copies of the Order as directed below:

A. Corporate Defendant: PDMI must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current persons^{etc}

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