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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

U.S. HOMEOWNERS RELIEF, INC.,
et al.,

Defendants.

Case No. SACV10-1452 JST (PJWx)

STIPULATED FINAL JUDGMENT
AND ORDER FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF AS TO
DEFENDANTS DAMON GRANT
CARRIGER,
DLD CONSULTING, LLC, AND
D.G.C. CONSULTING, LLC

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on September 27, 2010, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, to obtain preliminary and permanent injunctive and other equitable relief for Defendants’ alleged violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage

1 assistance relief services. On September 28, 2010, the Court entered an *ex parte*
2 Temporary Restraining Order (“TRO”) that included, among other things,
3 appointment of a temporary receiver, an asset freeze, and immediate access to
4 Defendants’ business premises. The court terminated the receivership on
5 November 9, 2010. The FTC and Defendants Damon Grant Carriger, DLD
6 Consulting, LLC, and D.G.C. Consulting, LLC, (“Settling Defendants”) hereby
7 stipulate to the entry of this Stipulated Final Judgment and Order for Permanent
8 Injunction and Other Equitable Relief (“Order”).

9 **FINDINGS**

10 By stipulation of the parties and being advised of the premises, the Court
11 finds:

- 12 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the
13 FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Complaint seeks both permanent
14 injunctive relief and equitable monetary relief for the Settling Defendants’ alleged
15 deceptive acts or practices as alleged therein.
- 16 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act to
17 seek the relief it has requested, and the Complaint states a claim upon which relief
18 can be granted against the Settling Defendants.
- 19 3. This Court has jurisdiction over the subject matter of this case and has
20 jurisdiction over the Settling Defendants. Venue in the Central District of
21 California is proper.
- 22 4. The activities of the Settling Defendants, as alleged in the Complaint, are in
23 or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- 24 5. The FTC and the Settling Defendants stipulate and agree to entry of this
25 Order, without trial or final adjudication of any issue of fact or law, to settle and
26 resolve all matters in dispute arising from the conduct of the Settling Defendants
27 alleged in the Complaint to the date of entry of this Order. This settlement does
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1 but not limited to a tax debt or obligation, between a person and one or more
2 unsecured creditors or debt collectors, including but not limited to, a reduction in
3 the balance, interest rate, or fees owed by a person to an unsecured creditor or debt
4 collector.

5 7. **“Defedaan”** means U.S. Homeowners Relief, Inc., also d/b/a
6 Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American Lending
7 Review, Inc., also d/b/a American Law Center; New Life Solutions, Inc.; D.G.C.
8 Consulting, LLC; DLD Consulting, LLC; Paul Bain; Macie Bain; Aminullah
9 Sarpas; and Damon Grant Carriger.

10 8. **Doan** is synonymous in meaning and equal in scope to the
11 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,
12 drawings, graphs, charts, photographs, audio and video recordings, computer
13 records, and other data compilations from which the information can be obtained
14 and translated, if necessary, through detection devices into reasonably usable form.
15 A draft or non-identical copy is a separate document within the meaning of the
16 term.

17 9. **Federal home relief financial abilitgain** means
18 any program (including its sponsoring agencies, telephone numbers, and Internet
19 websites) operated or endorsed by the United States government to provide relief
20 to homeowners or stabilize the economy, including but not limited to:

- 21 a. the Making Home Affordable Program;
- 22 b. the Financial Stability Plan;
- 23 c. the Troubled Asset Relief Program and any other program
24 sponsored or operated by the United States Department of the Treasury;

1 other program sponsored or operated by the Federal Housing
2 Administration; or

3 e. any program sponsored or operated by the United States
4 Department of Housing and Urban Development (“HUD”), the HOPE NOW
5 Alliance, the Homeownership Preservation Foundation, or any other HUD-
6 approved housing counseling agency.

7 10. **Financial related service** means any product, service,
8 plan, or program represented, expressly or by implication, to:

9 a. provide any consumer, arrange for any consumer to receive, or
10 assist any consumer in receiving, credit, debit, or stored value cards;

11 b. improve, or arrange to improve, any consumer’s credit record,
12 credit history, or credit rating;

13 c. provide advice or assistance to any consumer with regard to any
14 activity or service the purpose of which is to improve a consumer’s credit
15 record, credit history, or credit rating;

16 d. provide any consumer, arrange for any consumer to receive, or
17 assist any consumer in receiving, a loan or other extension of credit; or

18 e. provide any consumer, arrange for any consumer to receive, or
19 assist any consumer in receiving any service represented, expressly or by
20 implication, to renegotiate, settle, or in any way alter the terms of payment
21 or other terms of the debt or obligation, including but not limited to a tax
22 debt or obligation, between a consumer and one or more secured creditors,
23 servicers, or debt collectors.

24 11. **Material** means likely to affect a person’s choice of, or conduct
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1 exchange for consideration, that is represented, expressly or by implication, to

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1 company, association, cooperative, or any other group or combination acting as an
2 entity.

3 14. **Setig Defedafi** means Damon Grant Carriger, DLD
4 Consulting, LLC, and D.G.C. Consulting, LLC.

5 a. **Cpt Setig Defedafi** means DLD Consulting,
6 LLC, and D.G.C. Consulting, LLC, and their successors and assigns.

7 b. **Idiidal Setig Defedafi** means Damon Grant
8 Carriger.

9
10 **I.**

11 **BAN ON MARKETING DEBT RELIEF SERVICES**

12 **IT IS FURTHER ORDERED** that the Settling Defendants, whether acting
13 directly or through any other person, are permanently restrained and enjoined
14 from:

15 A. Advertising, marketing, promoting, offering for sale, or selling any
16 debt relief product or service; and

17 B. Assisting others engaged in advertising, marketing, promoting,
18 offering for sale, or selling any debt relief product or service.

19 **II.**

20 **BAN ON MARKETING MORTGAGE ASSISTANCE RELIEF**
21 **PRODUCTS AND SERVICES**

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III.

**PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL
RELATED PRODUCTS OR SERVICES**

IT IS FURTHER ORDERED that the Settling 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 Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any financial related product or service, are hereby 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, including but not limited to:
 - a. closing costs or other fees;
 - b. the payment schedule, the monthly payment amount(s), or other payment terms, or whether there is a balloon payment; interest rate(s), annual percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw amount, or outstanding balance; the loan term, the draw period, or maturity; or any other term of credit;
 - c. the savings associated with the credit;
 - d. the amount of cash to be disbursed to the borrower out of the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any third parties;
 - e. whether the payment of the minimum amount specified each month covers both interest and principal, and

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1 connection with the advertising, marketing, promotion, offering for sale or sale of
2 any product, service, plan, or program are hereby permanently restrained and
3 enjoined from misrepresenting or assisting others in misrepresenting, expressly or
4 by implication, any material fact, including but not limited to:

5 A. Any material aspect of the nature or terms of any refund, cancellation,
6 exchange, or repurchase policy, including, but not limited to, the likelihood of a
7 consumer obtaining a full or partial refund, or the circumstances in which a full or
8 partial refund will be granted to the consumer;

9 B. That any person is affiliated with, endorsed or approved by, or
10 otherwise connected to any other person; government entity; any federal
11 homeowner relief or financial stability program; public, non-profit, or other non-
12 commercial program; or any other program;

13 C. That they themselves provide the product, service, plan, or program;

14 D. That any person providing a testimonial has purchased, received, or
15 used the product, service, plan, or program;

16 E. That the experience represented in a testimonial of the product,
17 service, plan, or program represents the person's actual experience resulting from
18 the use of the product, service, plan, or program under the circumstances depicted
19 in the advertisement;

20 F. The total costs to purchase, receive, or use, or the quantity of, the
21 product, service, plan, or program;

22 G. Any material restriction, limitation, or condition on purchasing,
23 receiving, or using the product, service, plan, or program;

24 H. That any person has implemented reasonable and appropriate
25 measures to protect consumers' non-public personal information against
26 unauthorized access; or

1 I. Any material aspect of the performance, efficacy, nature, or
2 characteristics of the product, service, plan, or program.

3 V.

4 **SUBSTANTIATION FOR BENEFIT, PERFORMANCE,
5 AND EFFICACY CLAIMS**

6 **IT IS FURTHER ORDERED** that the Settling Defendants and their
7 officers, agents, servants, employees, and attorneys, and those persons or entities in
8 active concert or participation with any of them who receive actual notice of this
9 Order by personal service, facsimile transmission, email, or otherwise, whether
10 acting directly or through any corporation, subsidiary, division, or other device, in
11 connection with the advertising, marketing, promotion, offering for sale, or sale of
12 any financial related product or service are hereby permanently restrained and
13 enjoined from making any representation or assisting others in making any
14 representation, expressly or by implica

1 A. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), by
2 misrepresenting, directly or by implication, any material aspect of the performance,
3 efficacy, nature, or central characteristic of any good or service;

4 B. Section 310.3(a)(2)(iv) of the TSR, 16 C.F.R. § 310.3(a)(2)(iv), by
5 misrepresenting, directly or by implication, the seller's refund, cancellation,
6 exchange, or repurchase policies; and

7 C. Section 310.3(a)(2)(vii) of the TSR, 16 C.F.R. § 310.3(a)(2)(vii), by
8 misrepresenting, directly or by implication, affiliation with, or endorsement by,
9 any government or third-party organization.

10 VII.

11 PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

12 IT IS FURTHER ORDERED that the Settling Defendants and their
13 successors, assigns, officers, agents, servants, employees, and attorneys, and those
14 persons or entities in active concert or participation with any of them who receive
15 actual notice of this Order by personal service, facsimile transmission, email, or
16 otherwise, whether acting directly or through any corporation, subsidiary, division,
17 or other device, are permanently restrained and enjoined from:

18 A. Disclosing, using, or benefitting from customer information, including
19 the name, address, telephone number, email address, social security number, other
20 identifying information, or any data that enables access to a customer's account
21 (including a credit card, bank account, or other financial account) of any person
22 that any Settling Defendant obtained prior to entry of this Order in connection with
23 the advertising, marketing, promotion, offering for sale or sale of any mortgage
24 assistance relief service or any debt relief service; and

25 B. Failing to dispose of such customer information in all forms in their
26 possession, custody, or control within thirty (30) days after entry of this Order.
27 Disposal shall be by means that protect against unauthorized access to the customer

1 information, such as by burning, pulverizing, or shredding any papers, and by
2 erasing or destroying any electronic media, to ensure that the customer information
3 cannot practicably be read or reconstructed.

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

7 **VIII.**

8 **MONETARY JUDGMENT**

9 **IT IS FURTHER ORDERED** that:

10 A. Judgment is entered, as equitable monetary relief, in favor of the FTC
11 and against Settling Defendants, jointly and severally, in the amount of two
12 million, one hundred thirty-nine thousand, sixty-one dollars (\$2,139,061.00), less
13 the sum of any amounts paid to the FTC

X.

COOPERATION WITH FTC COUNSEL

IT IS FURTHER ORDERED that Settling Defendants shall, in connection with this action or any subsequent investigation related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear or, in the case of the Corporate Settling Defendants, cause their officers, employees, representatives, or agents to appear at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Settling Defendants shall appear or, in the case of the Corporate Settling Defendants, cause their officers, employees, representatives, or agents to appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint, without the service of a subpoena.

XI.

COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Settling Defendants' compliance with 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.

1 B. For matters concerning this Order, the Commission is authorized to
2 communicate directly with each Settling Defendant. Settling Defendants must
3 permit representatives of the Commission to interview any employee or other
4 person affiliated with any Settling Defendant who has agreed to such an interview.
5 The person interviewed may have counsel present.

6 C. The Commission may use all other lawful means, including posing,
7 through its representatives, as consumers,

1 involvement); (d) describe in detail whether and how that Defendant
2 is in compliance with each Section of this Order; and (e) provide a
3 copy of each Order Acknowledgment obtained pursuant to this Order,
4 unless previously submitted to the Commission;

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

14 B. For 20 years following entry of this Order, each Settling Defendant
15 must submit a compliance notice, sworn under penalty of perjury, within 14 days
16 of any change in the following:

17 1. Each Settling Defendant must report any change in: (a) any
18 designated point of contact; or (b) the structure of the Corporate
19 Settling Defendants or any entity that Defendant has any ownership
20 interest in or directly or indirectly controls that may affect compliance
21 obligations arising under this Order, including: creation, merger, sale,
22 or dissolution of the entity or any subsidiary, parent, or affiliate that
23 engages in any acts or practices subject to this Order.

24 2. Additionally, the Individual Settling Defendant must report any
25 change in: (a) name, including aliases or fictitious name, or residence
26 address; or (b) title or role in any business activity, including any
27 business for which such Defendant performs services whether as an
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employee or otherwise and any entity in which such Defendant has any ownership interest, and identify its name, physical address, and Internet address, if any.

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1 who participate in conduct related to the subject matter of the Order; and (3) any
2 business entity resulting from any change in structure as set forth in the Section
3 titled Compliance Reporting. Delivery must occur within 7 days of entry of this
4 Order for current personnel. To all others, delivery must occur before they assume
5 their responsibilities.

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

9 **XV.**

10 **RETENTION OF JURISDICTION**

11 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
12 matter for purposes of construction, modification, and enforcement of this Order.

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14 **IT IS SO ORDERED**, this 5th day of December, 2011.

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19 Josephine Staton Tucker
20 United States District Judge
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