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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 AMINULLAH
SARPAS AND NEW LIFE
SOLUTIONS, INC.

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 Defe

1 assistance relief services. On September 28, 2010, the Court entered an

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STIP. FINAL JUDGMENT AND ORDER
AS TO AMINULLAH SARPAS
AND NEW LIFE SOLUTIONS, INC. - 2

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1 a. performing customer service functions including, but not
2 limited to, receiving or responding to consumer complaints;

3 b. formulating or providing, or arranging for the formulation or
4 provision of, any advertising or marketing material, including, but not
5 limited to, any telephone sales script, direct mail solicitation, or the text of
6 any Internet website, email, or other electronic communication;

7 c. formulating or providing, or arranging for the formulation or
8 provision of, any marketing support material or service, including but not
9 limited to, web or Internet Protocol addresses or domain name registration
10 for any Internet websites, affiliate marketing services, or media placement
11 services;

12 d. providing names of, or assisting in the generation of, potential
13 customers;

14 e. performing marketing, billing, or payment services of any kind;
15 and

16 f. acting or serving as an owner, officer, director, manager, or
17 principal of any entity.

18 3. **“Competent and reliable evidence”** means tests, analyses, research,
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1 6. **“Debt relief product or service”** means any product, service, plan, or
2 program represented, expressly or by implication, to renegotiate, settle, or in any
3 way alter the terms of payment or other terms of the debt or obligation, including
4 but not limited to a tax debt or obligation, between a person and one or more
5 unsecured creditors or debt collectors, including but not limited to, a reduction in
6 the balance, interest rate, or fees owed by a person to an unsecured creditor or debt
7 collector.

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

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

20 9. **“Federal homeowner relief or financial stability program”** means
21 any program (including its sponsoring agencies, telephone numbers, and Internet
22 websites) operated or endorsed by the United States government to provide relief
23 to homeowners or stabilize the economy, including but not limited to:

- 24 a. the Making Home Affordable Program;
- 25 b. the Financial Stability Plan;

1 c. the Troubled Asset Relief Program and any other program
2 sponsored or operated by the United States Department of the Treasury;

3 d. the HOPE for Homeowners program, any program operated or
4 created pursuant to the Helping Families Save Their Homes Act, and any
5 other program sponsored or operated by the Federal Housing
6 Administration; or

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

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

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

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

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

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

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

3 11. **“Material”** means likely to affect a person’s choice of, or conduct
4 regarding, goods or services.

5 12. **“Mortgage assistance relief product or service”** means any
6 product, service, plan, or program, offered or provided to the consumer in
7 exchange for consideration, that is represented, expressly or by implication, to
8 assist or attempt to assist the consumer with any of the following:

9 a. stopping, preventing, or postponing any mortgage or deed of
10 trust foreclosure sale for the consumer’s dwelling, any repossession of the
11 consumer’s dwelling, or otherwise saving the consumer’s dwelling from
12 foreclosure or repossession;

13 b. negotiating, obtaining, or arranging a modification of any term
14 of a dwelling loan, including a reduction in the amount of interest, principal
15 balance, monthly payments, or fees;

16 c. obtaining any forbearance or modification in the timing of
17 payments from any dwelling loan holder or servicer on any dwelling loan;

18 d. negotiating, obtaining, or arranging any extension of the period
19 of time within which the consumer may (i) cure his or her default on a
20 dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling,
21 or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;

22 e. obtaining any waiver of an acceleration clause or balloon
23 payment contained in any promissory note or contract secured by any
24 dwelling; or

25 f. negotiating, obtaining, or arranging (i) a short sale of a
26 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a
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1 dwelling loan other than a sale to a third party that is not the dwelling loan
2 holder.

3 The foregoing shall include any manner of claimed assistance, including, but not
4 limited to, auditing or examining a consumer's mortgage or home loan application.

5 13. **“Person”** means a natural person, an organization or other legal
6 entity, including a corporation, partnership, sole proprietorship, limited liability
7 company, association, cooperative, or any other group or combination acting as an
8 entity.

9 14. **“Settling Defendants”** means Aminullah Sarpas, a.k.a. David Sarpas,
10 and New Life Solutions, Inc.

11 a. **“Corporate Settling Defendant”** means New Life Solutions,
12 Inc., and its successors and assigns.

13 b. **“Individual Settling Defendant”** means Aminullah Sarpas.

14
15 **I.**

16 **BAN ON MARKETING DEBT RELIEF SERVICES**

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

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

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

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1 B. Advising a customer that the customer cannot or should not contact,
2 communicate with, or make payments to the customer's lender or servicer; and

3 C. Advertising or assisting others in advertising credit terms other than
4 those terms that actually are or will be arranged or offered by a creditor or lender.

5 **IV.**

6 **PROHIBITED MISREPRESENTATIONS RELATING TO ANY
7 PRODUCT OR SERVICE**

8 **IT IS FURTHER ORDERED** that the Settling Defendants and their
9 officers, agents, servants, employees, and attorneys, and those persons or entities in
10 active concert or participation with any of them who receive actual notice of this
11 Order by personal service, facsimile transmission, email, or otherwise, whether
12 acting directly or through any corporation, subsidiary, division, or other device, in
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STIP. FINAL JUDGMENT AND ORDER
AS TO AMINULLAH SARPAS
AND NEW LIFE SOLUTIONS, INC. - 12

1 representation is made, the Settling Defendants possess and rely upon competent
2 and reliable evidence that substantiates that the representation is true.

3 **VI.**

4 **PROHIBITED TELEMARKETING ACTIVITIES**

5 **IT IS FURTHER ORDERED** that the Settling Defendants and their
6 successors, assigns, officers, agents, servants, employees, and attorneys, and those
7 persons or entities in active concert or participation with any of them who receive
8 actual notice of this Order by personal service or otherwise, whether acting directly
9 or through any corporation, subsidiary, division, or other device, in connection
10 with the telemarketing, advertising, marketing, promotion, offering for sale or sale
11 of any good or service, are hereby permanently restrained and enjoined from
12 violating, or assisting others in violating, any provision of the Telemarketing Sales
13 Rule, 16 C.F.R. Part 310, including, but not limited to:

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

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

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

23 **VII.**

24 **PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

25 **IT IS FURTHER ORDERED** that the Settling Defendants and their
26 successors, assigns, officers, agents, servants, employees, and attorneys, and those
27 persons or entities in active concert or participation with any of them who receive

1 B. Any funds received by the FTC pursuant to this Section shall be
2 deposited into a fund administered by the FTC or its agent to be used for equitable
3 relief, including but not limited to consumer redress and any attendant expenses for
4 the administration of any redress funds. In the event that direct redress to
5 consumers is wholly or partially impracticable or funds remain after redress is
6 completed, the FTC may apply any remaining funds for such other equitable relief,
7 including but not limited to consumer information remedies, as the FTC determines
8 to be reasonably related to the practices alleged in the Complaint. Any funds not
9 used for such equitable relief shall be deposited to the U.S. Treasury as equitable
10 disgorgement. The Settling Defendants shall have no right to challenge the FTC's
11 choice of remedies or the manner of distribution.

12 C. The Settling Defendants relinquish all dominion, control, and title to
13 the funds paid to the fullest extent permitted by law. The Settling Defendants shall
14 make no claim to or demand for return of the funds, directly or indirectly, through
15 counsel or otherwise.

16 D. The Settling Defendants agree that the facts as alleged in the
17 Complaint filed in this action shall be taken as true without further proof in any
18 bankruptcy case or subsequent civil litigation pursued by the FTC to enforce its
19 rights to any payment or money judgment pursuant to this Order, including but not
20 limited to a nondischargeability complaint in any bankruptcy case. The Settling
21 Defendants further stipulate and agree that the facts alleged in the Complaint
22 establish all elements necessary to sustain an action by the FTC pursuant to Section
23 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this
24 Order shall have collateral estoppel effect for such purposes.

25 E. The judgment entered pursuant to this Section is equitable monetary
26 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or
27 forfeiture.

1 F. Upon request, the Settling Defendants are hereby required, in
2 accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification
3 numbers, which shall be used for purposes of collecting and reporting on any
4 delinquent amount arising out of this Order.

5 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
6 § 1681b(1), any consumer reporting agency may furnish a consumer report
7 concerning any Settling Defendant to the FTC, which shall be used for purposes of
8 collecting and reporting on any delinquent amount arising out of this Order.

9 **IX.**

10 **ASSET FREEZE**

11 **IT IS FURTHER ORDERED** that, upon entry of this Order, the freeze of
12 the Settling Defendants' assets shall be dissolved.

13 **X.**

14 **COOPERATION WITH FTC COUNSEL**

15 **IT IS FURTHER ORDERED** that Settling Defendants shall, in connection
16 with this action or any subsequent investigation related to or associated with the
17 transactions or the occurrences that are the subject of the FTC's Complaint,
18 cooperate in good faith with the FTC and appear or, in the case of the Corporate
19 Settling Defendant, cause its officers, employees, representatives, or agents to
20 appear at such places and times as the FTC shall reasonably request, after written
21 notice, for interviews, conferences, pretrial discovery, review of documents, and
22 for such other matters as may be reasonably requested by the FTC. If requested in
23 writing by the FTC, Settling Defendants shall appear or, in the case of the
24 Corporate Settling Defendant, cause its officers, employees, representatives, or
25 agents to appear and provide truthful testimony in any trial, deposition, or other
26 proceeding related to or associated with the transactions or the occurrences that are
27 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.

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

C. The Commission may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or other individuals or entities, to the Settling Defendants or any individual or entity affiliated with the Settling Defendants, 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.

XII.

COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Settling Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each Settling Defendant must submit a compliance report, sworn under penalty of perjury.

1. Each Settling Defendant must: (a) designate at least one telephone number and an email, physical, and postal address as points

1 business, including title, role, responsibilities, participation, authority,
2 control, and any ownership.

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

6 1. Each Settling Defendant must report any change in: (a) any
7 designated point of contact; or (b) the structure of the Corporate
8 Settling Defendant or any entity that Defendant has any ownership
9 interest in or directly or indirectly controls that may affect compliance
10 obligations arising under this Order, including: creation, merger, sale,
11 or dissolution of the entity or any subsidiary, parent, or affiliate that
12 engages in any acts or practices subject to this Order.

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

20 C. Each Settling Defendant must submit to the Commission notice of the
21 filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding
22 by or against such Defendant within 14 days of its filing.

23 D. Any submission to the Commission required by this Order to be
24 sworn under penalty of perjury must be true and accurate and comply with 18
25 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under
26 the laws of the United States of America that the foregoing is true and correct.
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1 Executed on: _____” and supplying the date, signatory’s full name, title (if
2 applicable), and signature.

3 E. Unless otherwise directed by a Commission representative in writing,
4 all submissions to the Commission pursuant to this Order must be emailed to
5 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
6 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
7 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
8 subject line must begin: FTC v. U.S. Homeowners Relief, Inc., et al., X 100050.

9 **XIII.**

10 **RECORDKEEPING**

11 IT IS FURTHER ORDERED that Settling Defendants must create certain
12 records for 20 years after entry of the Order, and to retain each such record for 5
13 years. Specifically, Corporate Settling Defendant and Individual Settling
14 Defendant, for any business in which that Defendant, individually or collectively
15 with any other Defendants, is a majority owner or directly or indirectly controls,
16 must maintain the following records:

17 A. Accounting records showing the revenues from all goods or services
18 sold, all costs incurred in generating those revenues, and the resulting net profit or
19 loss;

20 B. Personnel records showing, for each person providing services,
21 whether as an employee or otherwise, that person’s: name, addresses, and
22 telephone numbers; job title or position; dates of service; and, if applicable, the
23 reason for termination;

24 C. Customer files showing the names, addresses, telephone numbers,
25 dollar amounts paid, and the quantity and description of goods or services
26 purchased;

1 D. Complaints and refund requests, whether received directly or
2 indirectly, such as through a third party, and any response;

3 E. All records necessary to demonstrate full compliance with each
4 provision of this Order, including all submissions to the Commission; and

5 F. A copy of each advertisement or other marketing material.

6 **XIV.**

7 **ORDER ACKNOWLEDGMENT**

8 IT IS FURTHER ORDERED that Settling Defendants obtain
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