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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

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FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DENNY LAKE, *et al.*

Defendants.

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1 Plaintiff Federal Trade Commission (“Commission”) filed its Complaint for  
2 Permanent Injunction and Other Equitable Relief on April 14, 2015, pursuant to  
3 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15  
4 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse  
5 Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and the 2009  
6 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678  
7 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability  
8 Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123  
9 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the  
10 Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-  
11 203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”),  
12 12 U.S.C. § 5538. The Commission and Defendant Chad Caldaronello (a/k/a Chad  
13 Carlson and Chad Johnson) (“Caldaronello”) stipulate to the entry of this  
14 Stipulated Final Order for Permanent Injunction and Monetary Judgment Against  
15 Defendant Chad Caldaronello (“Order”) to resolve all matters in dispute in this  
16 action between them.

17 THEREFORE, IT IS ORDERED as follows:

18 **FINDINGS**

- 19 1. This Court has jurisdiction over this matter.
- 20 2. The Complaint charges that, with respect to the sale of Mortgage  
21 Assistance Relief Services (“MARS”), Defendant Caldaronello participated in  
22 deceptive acts and practices in violation of Section 5 of the FTC Act, 15 U.S.C. §  
23 45, the MARS Rule, 12 C.F.R. § 1015, and the Telemarketing Sales Rule (“TSR”),  
24 16 C.F.R. Part 310. These deceptive acts and practices included, without  
25 limitation, falsely stating that consumers were approved for government-backed  
26 home loan modifications and taking advance fees for MARS.



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- 6. performing billing or payment services of any kind;
- 7. acting or serving as an owner,





1 **III. BAN ON TELEMARKETING**

2 IT IS FURTHER ORDERED that Defendant is permanently restrained and  
3 enjoined from engaging or participating in telemarketing, directly or through an  
4 intermediary, including, but not limited to, by consulting, brokering, planning,  
5 investing, marketing, or by providing customer service, billing, or payment  
6 services.

7 **IV. PROHIBITED USE OF ALIASES**

8 IT IS FURTHER ORDERED  
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1 judgment pursuant to this Order, such as a nondischargeability complaint in any  
2 bankruptcy case.

3 G. The facts alleged in the Complaint establish all elements necessary to  
4 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the  
5 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral  
6 estoppel effect for such purposes.

7 H. Defendant acknowledges that his Social Security number, which he  
8 previously submitted to the Commission, ma  
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1 **VII. CUSTOMER INFORMATION**

2 IT IS FURTHER ORDERED that Defendant, his officers, agents,  
3 employees, and attorneys, and all others in active concert or participation with any  
4 of them, who receive actual notice of this Order, are permanently restrained and  
5 enjoined from directly or indirectly:

6 A. disclosing, using, or benefitting from customer information, including  
7 the name, address, telephone number, email address, Social Security Number,  
8 other identifying information, or any data that enables access to a customer's  
9 account (including a credit card, bank account, or other financial account), that any  
10 defendant obtained prior to entry of this Order in connection with the marketing or  
11 promotion of mortgage assistance relief products or services or debt relief products  
12 or services; and

13 B. failing to destroy such customer information in all forms in their  
14 possession, custody, or control within 10 days after entry of this Order.

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

18 **VIII. COOPERATION**

19 IT IS FURTHER ORDERED that Defendant must fully cooperate with  
20 representatives of the Commission in this case and in any investigation related to  
21 or associated with the transactions or the occurrences that are the subject of the  
22 Complaint. Defendant must provide truthful and complete inf.227 1(ay3aa f 5maPaethe selos.63

1 **IX. ORDER ACKNOWLEDGMENTS**

2 IT IS FURTHER ORDERED that Defendant obtain acknowledgments of  
3 receipt of this Order:

4 A. Defendant, within 7 days of entry of this Order, must submit to the  
5 Commission an acknowledgment of receipt of this Order sworn under penalty of  
6 perjury.

7 B. For 20 years after entry of this Order, for any business that Defendant,  
8 individually or collectively with any other any defendants, is the majority owner or  
9 controls directly or indirectly, Defendant must deliver a copy of this Order to: (1)  
10 all principals, officers, directors, and LLC managers and members; (2) all  
11 employees, agents, and representatives whose work relates to financial products;

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1 E. Unless otherwise directed by a Commission representative in writing,  
2 all submissions to the Commission pursuant to this Order must be emailed to  
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
5 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
6 subject line must begin: *FTC v. Lake* – Chad Caldaronello, X150052.

7 **XI. RECORDKEEPING**

8 IT IS FURTHER ORDERED that Defendant must create certain records for  
9 20 years after entry of the Order, and retain each such record for 5 years.  
10 Specifically, Defendant and any business that Defendant, individually or  
11 collectively with any other defendants, is a majority owner or controls directly or  
12 indirectly, must create and retain the following records:

13 A. accounting records showing the revenues from all products, services,  
14 plans, or programs sold;

15 B. personnel records showing, for each person providing services,  
16 whether as an employee or otherwise, that person's: name, addresses, telephone  
17 numbers, job title or position, dates of service, and (if applicable) the reason for  
18 termination;

19 C. records of all consumer complaints and refund requests, whether  
20 received directly or indirectly, such as through a third party, and any response;

21 D. all records necessary to demonstrate full compliance with each  
22 provision of this Order, including all submissions to the Commission; and

23 E. a copy of each unique advertisement or other marketing material.

24 **XII. COMPLIANCE MONITORING**

25 IT IS FURTHER ORDERED that, for the purpose of monitoring  
26 Defendant's compliance with this Order, including any failure to transfer any  
27 assets as required by this Order:  
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1           A.     Within 14 days of receipt of a written request from a representative of  
2 the Commission, Defendant must: submit additional compliance reports or other  
3 requested information, which must be sworn under penalty of perjury; appear for  
4 depositions; and produce documents for inspection and copying. The Commission  
5 is also authorized to obtain discovery, without further leave of court, using any of  
6 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including  
7 telephonic depositions), 31, 33, 34, 36, 45, and 69.

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

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

19           D.     Upon written request from a representative of the Commission, any  
20 consumer reporting agency must furnish  
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1 **XIII. RETENTION OF JURISDICTION**

2 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this  
3 matter for all purposes of construction, modification, and enforcement of this  
4 Order.

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7 **IT IS SO ORDERED**, this 3<sup>rd</sup> day of November, 2015.

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10 Dated: \_November 3, 2015

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13 CORMAC J. CARNEY  
14 UNITED STATES DISTRICT JUDGE