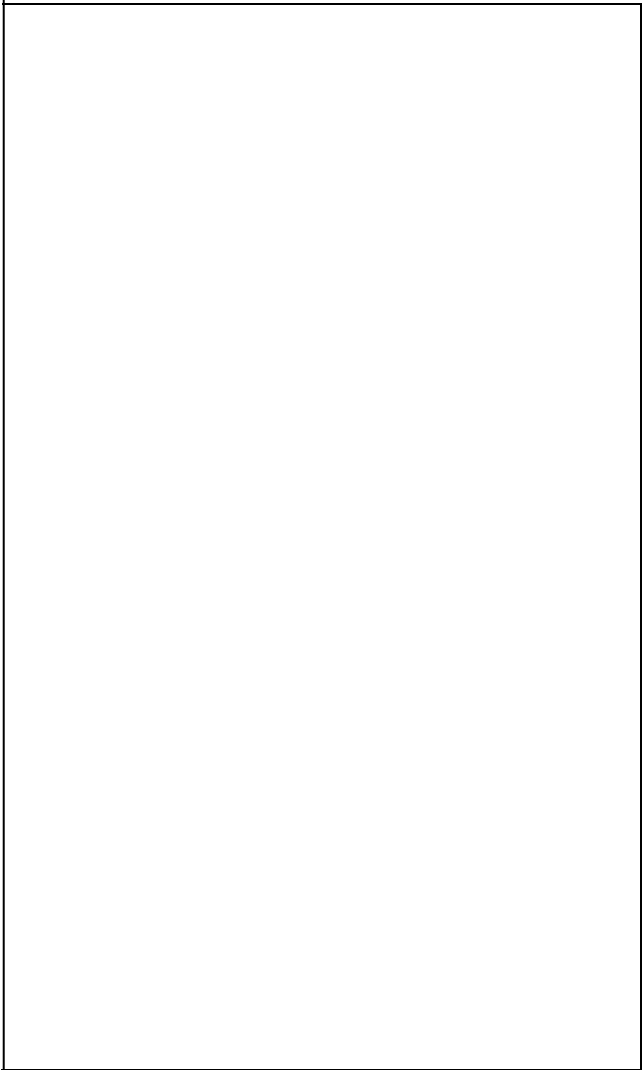


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1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
2 Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”),
3 pursuant to Sections 13(b) of the Federal Trade Commission Act (“FTC Act”), 15
4 U.S.C. § 53(b) and the Telemarketing and Consumer Fraud and Abuse Act
5 (“Telemarketing Act”), 15 U.S.C. §§ 101-6108. The FTC and Defendants M&T
6 Financial Group, American Counseling Center Corp., and Salar Tahour
7 (“Defendants”) stipulate to the entry of this Stipulated Order for Permanent
8 Injunction and Monetary Judgment (“Order”) to resolve matters in dispute in
9 this action between them.

10 THEREFORE, IT IS ORDERED as follows:

11 FINDINGS

- 12 1. This Court has jurisdiction over this matter.
- 13 2. The Complaint charges that Defendants participated in deceptive acts or
14 practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), and the
15 Telemarketing Sales Rule, 16 C.F.R. § 310, in connection with the marketing and
16 sale of student loan debt relief services.
- 17 3. Defendants neither admit nor deny any of the allegations in the Complaint,
18 except as specifically stated in this Order. Only for purposes of this action,
19 Defendants admit the facts necessary to establish jurisdiction.
- 20 4. Defendants waive any claim that they may have under the Equal Access to
21 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through
22 the date of this Order, and agree to bear their own costs and attorney fees.
- 23 5. Defendants and the FTC waive all rights to appeal or otherwise challenge or
24 contest the validity of this Order.

25 DEFINITIONS

- 26 A. “Assisting others” includes:
 - 27 1. performing customer service functions, including receiving or
28 responding to consumer complaints;

1 2. formulating or providing, oarranging for the formulation or
2 provision of, any advertising or marketing material, including any telephone sales
3 script, direct mail solicitation, or the design, text, or use of images of any Internet
4 website, email, or other electronic communication;

5 3. formulating or providing, oarranging for the formulation or
6 provision of, any marketing support materials, including web or Internet
7 Protocol addresses or domain name registrations for any Internet websites, affiliate
8 marketing services, or media placement services;

9 4. providing names of, or assisting in the generation of, potential
10 customers;

11 5. performing marketing, billing, or payment services of any kind; or

12 6. acting or serving as an officer, director, manager, or principal
13 of any entity.

14 B. "Corporate Defendants" means M&T Financial Group, also d/b/a StuDebt,
15 Student Debt Relief Group, SDRG, Student Loan Relief Counselors, SLRC,
16 Capital Advocates Group, Student Loan Financial Aid, and SLFAid, and American
17 Counseling Center Corp., also d/b/a Student Debt Relief Group, SDRG,
18 Student Loan Relief Counselors, SLRC, Capital Advocates Group, Student Loan
19 Financial Aid, and SLFAid, and their successors and assigns, as well as any
20 subsidiaries, and any fictitious business entities or businesses created or used
21 by these entities, or any of them.

22 C. "Defendants" means the Individual Defendant and the Corporate
23 Defendants, individually, collectively, or in any combination.

24 D. "Financial product or service" means any product, service, plan, or
25 program represented, expressly or by implication, to:

26 1. provide any consumer or arrange for any consumer to receive, or assist
27 any consumer in receiving, a loan or other extension of credit;

28 2. provide any consumer or arrange for any consumer to receive, or assist

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any consumer in receiving, credit, debit, or stored value cards;

3. improve, repair, or arrange to improve or repair, any consumer's credit record, credit history, or credit rating; or

4. provide advice or assistance to improve any consumer's credit recordi0 >>

- 1 a. repay one or more unsecured loans, debts, or obligations; or
- 2 b. combine unsecured loans, debts, or obligations into one or more
- 3 new loans, debts, or obligations.

4 K. "Seller" means any person who, in connection with a telemarketing
 5 transaction, provides, offers to provide, or arranges for others to provide goods or
 6 services to the customer in exchange for consideration, whether or not such person
 7 is under the jurisdiction of the Commission.

8 L. "Telemarketing" means any plan, program, or campaign which is
 9 conducted to induce the purchase of goods or services or a charitable contribution
 10 by use of one or more telephones and which involves more than one interstate
 11 telephone call.

12 I.

13 BAN ON SECURED AND UNSECURED
 14 DEBT RELIEF PRODUCTS AND SERVICES

15 IT IS ORDERED that Defendants are permanently restrained and enjoined
 16 from advertising, marketing, promoting, offering for sale, or selling, or assisting
 17 others in the advertising, marketing, promoting, offering for sale, or selling, of any
 18 secured or unsecured debt relief product or service.

19 II.

20 PROHIBITION AGAINST MISREPRESENTATIONS
 21 RELATING TO FINANCIAL PRODUCTS AND SERVICES

22 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
 23 employees, and attorneys, shall all other persons in active concert or participation
 24 with any of them, who receive actual notice of this Order, whether acting directly
 25 or indirectly, in connection with the advertising, marketing, promoting, offering for
 26 sale, or selling of any financial product or service, are permanently restrained and
 27 enjoined from misrepresenting, or assisting others in misrepresenting, expressly or
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1 by implication:

2 A. the terms or rates that are available for a loan or other extension of credit,
3 including:

4 1. closing costs or other fees;

5 2. the payment schedule, monthly payment amount(s), any balloon
6 payment, or other repayment terms;

7 3. the interest rate(s), annual percentage rate(s), or finance charge(s), and
8 whether they are fixed or adjustable;

9 4. the loan amount, credit amount, draw amount, or outstanding balance;
10 the loan term, draw period, or maturity; or any other term of credit;

11 5. the amount of cash to be disbursed to the borrower out of the
12 proceeds, or the amount of cash to be disbursed on behalf of the borrower to any
13 third parties;

14 6. whether any specified minimum payment amount covers both interest
15 and principal, and whether the credit balance can result in negative amortization; or

16 7. that the credit does not have a prepayment penalty or whether
17 subsequent refinancing may trigger a prepayment penalty and/or other fees;

18 B. the ability to improve or otherwise affect a consumer's credit record, credit
19 history, credit rating, or ability to obtain credit, including that a consumer's credit

20 record, credit history, credit rating, or ability to obtain credit can be improved by
21 permanently removing current, accurate negative information from the consumer's
22 credit record or history;

23 C. that a consumer will receive legal representation; or

24 D. any other fact material to consumers concerning any good or service, such
25 as: the total costs; any material restrictions, limitations, or conditions; or any
26 material aspect of its performance, efficacy, nature, or central characteristics.

27 III.

28 PROHIBITION AGAINST MISREPRESENTATIONS

RELATING TO ANY PRODUCTS OR SERVICES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advising, marketing, promoting, offering for sale, or selling of any product, service, plan, or program, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

A. any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including the likelihood of a consumer obtaining a full or partial refund, or the circumstances under which a full or partial refund will be granted to the consumer;

B. that any person is affiliated with, endorsed or approved by, or otherwise connected to any other person; governmental entity; public, non-profit, or other nonhereditary

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1 benefits, performance, or efficacy of a financial product or service, unless the
2 representation is non-misleading, and at the time such representation is made,
3 Defendants possess and rely upon competent and reliable evidence that is sufficient
4 in quality and quantity based on standards generally accepted in the relevant fields,
5 when considered in light of the entire body of relevant and reliable evidence, to
6 substantiate that the representation is true.

7 V.

8 PROHIBITION AGAINST UNLAWFUL TELEMARKETING PRACTICES

9 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
10 employees, and attorneys, and all other persons in active concert or participation
11 with any of them, who receive actual notice of this Order, whether acting directly
12 or indirectly, in connection with telemarketing, are permanently restrained and
13 enjoined from engaging in, causing others to engage in, or assisting in (assistus

14 engaging in any of the following practices:

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1 IT IS FURTHER ORDERED that:

2 A. Judgment in the amount of Eleven Million, Six Hundred Ninety-Four
3 Thousand, Three Hundred Forty Seven Dollars and Forty-Nine Cents.

4 (\$11,694,347.49) is entered in favor of the Commission against Individual
5 Defendant and Corporate Defendants, jointly and severally, as equitable monetary
6 relief.

7 B. Individual Defendant is ordered to pay to the Commission Three Hundred
8 Seventy Nine Thousand, Five Hundred Ninety Six Dollars and Sixty-Two Cents
9 (\$379,596.62). Such payment must be made within seven (7) days of entry of this
10 Order by electronic fund transfer in accordance with instructions previously
11 provided by a representative of the Commission.

12 C. Individual Defendant is further ordered to cooperate fully with the Receiver
13 and take such steps as the Receiver may require to sell and effectively convey title
14 to the purchaser of the real property located at 791 N. Bundy Drive, Los Angeles,
15 California 90049-2340, identified in Individual Defendant's financial statement
16 dated October 4, 2017. Such steps shall include but are not limited to providing
17 the Receiver power of attorney with respect to the property within fourteen (14)
18 days of entry of this Order, transferring possession of the property to the Receiver,
19 and signing all documents necessary for sale and conveyance of the title of the
20 property to the purchaser. Until the Receiver has completed the sale of the
21 property, Individual Defendant shall continue to insure, maintain, and take no
22 action to diminish the value of the property. As part of the sale of the property, the
23 Receiver shall use or assign the proceeds of

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B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

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

D. Defendants acknowledge that their Taxpayer Identification Numbers and Social Security Number, which Defendants previously submitted to the Commission, may be used for collection and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

E. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and defendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

VIII.

1 October 10, 2017 (Dkt. No. 42) is modified to permit the payments and other
2 transfers identified in Section VI above. The freeze on the Receivership
3 Defendants' assets shall remain in effect until such time as the Receiver receives
4 payment of all Court-approved fees and expenses of Receiver and the Receiver
5 is discharged pursuant to Section X of this Order. Upon completion of all
6 payments and other obligations identified in Sections VI and X, the asset freeze
7 is dissolved as to Defendants. A financial institution shall be entitled to rely upon
8 a letter from a representative of the Commission stating that the freeze on a
9 Defendant's assets has been lifted.

10 IX.

11 CUSTOMER INFORMATION

12 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
13 employees, attorneys, and all other persons or entities in active concert or
14 participation with any of them, who receive actual notice of this Order, are
15 permanently restrained and enjoined from directly or indirectly:

16 A. failing to provide sufficient customer information to enable the Commission
17 to efficiently administer consumer redress. If a representative of the Commission
18 requests in writing any information related to redress, Defendants must provide it,
19 in the form prescribed by the Commission, within 14 days.

20 B. disclosing, using, or benefitting from customer information, including the
21 name, address, telephone number, email address, social security number, FSA ID,
22 other identifying information, or any data that enables access to a customer's
23 account (including a student loan account, credit card, bank account, or other
24 financial account), that any Defendant obtained prior to entry of this Order in
25 connection with the marketing and sale of student relief services; and

26 C. failing to destroy such customer information in all forms in their possession,
27 custody, or control within 30 days after receipt of written direction to do so from a
28 representative of the Commission.

1 Provided however, that customer information need not be disposed of, and

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1 application for fees and expenses, distribute to the Commission any remaining
2 liquid assets; and

3 B. Upon completion of the above tasks, the duties of the receivership
4 over the Receivership Defendants shall terminate and the Receiver shall be
5 discharged.

6 XI.

7 ORDER ACKNOWLEDGMENTS

8 IT IS FURTHER ORDERED that Defendants obtain acknowledgments of
9 receipt of this Order:

10 A. Each Defendant, within 7 days of entry of this Order, must submit to the
11 Commission an acknowledgment of receipt of this Order sworn under penalty of
12 perjury.

13 B. For 5 years after entry of this Order, each individual Defendant for any business
14 that such Defendant, individually or collectively with any other Defendants, is the
15 majority owner or controls directly or indirectly, and each Corporate Defendant,
16 must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
17 managers and members; (2) all employees exercising managerial responsibilities for
18 and all agents, and representatives who participate in conduct related to the subject
19 matter of the Order; and (3) any business entity resulting from any change in
20 structure as set forth in the Section 17(d) Compliance Reporting. Delivery must
21 occur within 7 days of entry of this Order for current personnel. For all others,
22 delivery must occur before they assume their responsibilities.

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

26 XII.

27 COMPLIANCE REPORTING

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

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

1. Each Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, Individual Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest; and (c) describe in

1 Defendant has any ownership interest in or controls directly or indirectly that may
2 affect compliance obligations arising under this Order, including: creation, merger,
3 sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages
4 in any acts or practices subject to this Order.

5 2. Additionally, Individual Defendant must report any change in: (a)
6 name, including aliases or fictitious names, residence address, (b) title or role
7 in any business activity, including any business for which such Defendant
8 performs services whether as an employee or otherwise and any entity in which
9 such Defendant has any ownership interest, and identify the name, physical
10 address, and any Internet address of the business or entity.

11 C. Each Defendant must submit to the Commission notice of the filing of any
12 bankruptcy petition, insolvency proceeding, or similar proceeding by or against
13 such Defendant within 14 days of its filing.

14 D. Any submission to the Commission required by this Order to be sworn under
15 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746,
16 such as by concluding: "I declare under penalty of perjury under the laws of the
17 United States of America that the foregoing is true and correct. Executed on:
18 _____" and supplying the date, signatory's full name, (if applicable), and
19 signature.

20 E. Unless otherwise directed by a Commission representative in writing, all
21 submissions to the Commission pursuant to this Order must be emailed to
22 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
23 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
24 Trade Commission, 600 Pennsylvania Ave NW, Washington, DC 20580. The
25 subject line must begin: FTC v. M&T Financial Group, Inc., X 170051.

26 XIII.

27 RECORDKEEPING

1 the procedures prescribed by Federal Rule of Civil Procedure 29, 30 (including
2 telephonic depositions), 33, 34, 36, 45, and 69.

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

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

14 D. Upon written request from a representative of the Commission, any
15 consumer reporting agency must furnish consumer reports concerning Individual
16 Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
17 §1681b(a)(1).

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