

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

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|---|---|-------------------------------------|
| FEDERAL TRADE COMMISSION, and                   | ) |                                     |
|   | ) |                                     |
| STATE OF ILLINOIS,                              | ) |                                     |
|   | ) |                                     |
| Plaintiffs,                                     | ) | Case No. 1:16-cv-3463               |
|   | ) |                                     |
| v.  | ) | Judge Rebecca R. Pallmeyer          |
|   | ) |                                     |
| STARK LAW, LLC, an Illinois limited liability   | ) | Magistrate Judge Sheila M. Finnegan |
| company, also doing business as STARK           | ) |                                     |
| RECOVERY;                                       | ) |                                     |
|   | ) |                                     |
| STARK LEGAL, LLC, an Illinois limited liability | ) |                                     |

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owner, member, and/or manager of STARK LAW, )  
LLC, and STARK LEGAL, LLC; and )  
)  
PREETESH PATEL, individually, and as an owner )  
and/or manager of ASHTON ASSET )  
MANAGEMENT, INC., CHM CAPITAL GROUP, )  
LLC, HKM FUNDING, LTD., and PACIFIC )  
CAPITAL HOLDINGS, INC.; )  
)  
Defendants. )  
\_\_\_\_\_ )

**STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION  
AND OTHER EQUITABLE RELIEF AS TO DEFENDANT GAURAV MOHINDRA**

Plaintiffs, Federal Trade Co

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record, credit history, or credit rating, or (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).

3.

C. Provide to any consumer, arrange for any consumer to receive, or assist any consumer in receiving, any secured or unsecured debt relief product or service.

8. “**Individual Defendants**” means Defendants Hirsh Mohindra, Gaurav Mohindra, and Preetesh Patel, and by whatever other names each may be known.

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

10. “**Plaintiffs**” means the Federal Trade Comm



**I.**

**BAN ON DEBT COLLECTION ACTIVITIES**

**IT IS THEREFORE ORDERED** that Stipulating Defendant, whether acting directly or through an intermediary, is permanently restrained and enjoined from:

A. Participating in debt collection activities; and

B. Advertising, marketing, promoting, offering for sale, selling, buying, or

processing payments on any consumer or commercial debt or any consumer information relating

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credit record, credit history, or credit rating, even where such information is accurate and not obsolete;

4. Any aspect of any secured or unsecured debt relief product or service, including but not limited to, the amount of savings a consumer will receive from purchasing, using, or enrolling in such secured or unsecured debt relief product or service; the amount of time before which a consumer will receive settlement of that consumer's debts; or the reduction or cessation of collection calls;

5. That a consumer will receive legal representation;

6. That any particular outcome or result from a financial-related product or service is guaranteed, assured, highly likely or probable, or very likely or probable;

7. The nature or terms of any refund, cancellation, exchange, or repurchase policy, including, but not limited to, the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be provided to the consumer; and

8. Any other fact material to consumers concerning any financial-related product or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics; and

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

### **III.**

#### **MONETARY JUDGMENT AND PARTIAL SUSPENSION**

**IT IS FURTHER ORDERED** that:



A. Judgment in the amount of forty-seven million, two-hundred twenty thousand,

expenses incurred by the Receiver in such sale or liquidation, by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission.

D. The Ambriance Drive Property:

1. Stipulating Defendant, individually and in his capacity as the beneficiary of that certain trust agreement dated August 19, 2014, and known as Trust Number [REDACTED], State Bank of Countryside, Trustee, is ordered, no later than seven (7) days after entry of this Order, to take all steps that the Receiver may require, including, but not limited to, executing any directions to the land trustee, deeds and other documents, and providing any necessary documents and info

3. The stay of actions described in Section VIII.F of the Preliminary Injunction applies to the Ambriance Drive Property. The Receiver is authorized to issue any process and commence any proceedings necessary to prevent any person from clouding or encumbering title to, or attempting to obtain possession or control over, the Ambriance Drive Property.

4. Stipulating Defendant shall fully cooperate with and assist Plaintiffs, the Receiver, and the Receiver's professionals in this case in any proceeding against or involving the Ambriance Drive Property. This cooperation and assistance shall include, but not be limited to, providing any information that is reasonably necessary to enable Plaintiffs or the Receiver to exercise their authority and discharge their responsibilities under the applicable orders of the Court.

E. Stipulating Defendant is ordered to liquidate the real property located at 512 North McClurg Court, #1901, Chicago, Illinois 60611 (the "McClurg Court Condominium"), identified in the Financial Statement of Individual Defendant Gaurav Mohindra, signed on July 18, 2016, and turn over one-half of all Real Property Net Proceeds related to the sale or auction of the McClurg Court Condominium to the Commission in accordance with instructions provided by a representative of the Commission within seven (7) bus



G. Plaintiffs' agreement to the suspension of part of the judgment against Stipulating Defendant is expressly premised upon the truthfulness, accuracy, and completeness of Stipulating Defendant's sworn financial statement and related documents (collectively, "financial representations") submitted to Plaintiffs, namely:

1. The Financial Statement of Individual Defendant Gaurav Mohindra signed on July 18, 2016, including the attachments;
2. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated July 14, 2017, including the attachments;
3. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated July 13, 2017;
4. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated July 6, 2017, including the attachment;
5. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated May 12, 2017, including the attachment;
6. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated May 4, 2017, including the attachment;
7. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated April 26, 2017, including the attachments;
8. The e-mail from Stipulating Defendant's counsel to Plaintiffs' counsel dated April 7, 2017, including the attachments;
9. The e-mails from Stipulating Defendant's counsel to Plaintiffs' counsel dated March 23, 2017, including the attachments; and

10. The Declaration of Gaurav Kumar Mohindra, Pursuant to 28 U.S.C. § 1746, executed on July 18, 2017.

H. The suspension of the judgment will be lifted as to Stipulating Defendant if, upon motion by any Plaintiff, the Court finds that Stipulating Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

I. If the suspension of the judgment is lifted, the judgment becomes immediately due as to Stipulating Defendant in the amount specified in Subsection A above (which the parties stipulate only for purposes of this Section represents the consumer injury alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

J. Stipulating Defendant relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

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

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

M. Stipulating Defendant acknowledges that his Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Stipulating Defendant

previously submitted to Plaintiffs, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

N. All money paid to Plaintiffs pursuant to this Order may be deposited into a fund administered by Plaintiffs or their designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If representatives of Plaintiffs decide that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, Plaintiffs may apply any remaining money for such other equitable relief (including consumer information remedies) as Plaintiffs determine to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for equitable relief shall be split evenly between the Commission and the State of Illinois. Any money paid to the Commission not used for equitable relief shall be deposited to the U.S. Treasury as disgorgement. Any money paid to the State of Illinois not used for equitable relief may be used to the full extent authorized by the State's laws, including, but not limited to, as payment for the State's costs of investigating and litigating the instant case. Stipulating Defendant has no right to challenge any actions Plaintiffs or their representatives may take pursuant to this Subsection.

O. The asset freeze is modified to permit the transfers identified in this Section. Upon completion of those transfers, the asset freeze as to Stipulating Defendant only is dissolved.

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appear for interviews, discovery, hearings, trials, and any other proceedings that a Plaintiffs' representative may reasonably request upon five (5) days written notice, or other reasonable notice, at such places and times as a Plaintiffs' representative may designate, without the service of a subpoena.

**VI.**

**COOPERATION WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Stipulating Defendant must fully cooperate with and assist the Receiver and the Receiver's professionals in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint and the duties imposed on, or powers granted to, the Receiver by any current or future order of the Court. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver and the Receiver's professionals that is reasonably necessary to enable the Receiver to exercise his authority and discharge his responsibilities under the applicable orders of the Court. Stipulating Defendant must provide truthful and complete information, evidence, and testimony. Stipulating Defendant must appear for interviews, discovery, hearings, trials, and any other proceedings that the Receiver or the Receiver's professionals may reasonably request upon five (5) days written notice, or other reasonable notice, at such places and times as the Receiver may reasonably designate, without the service of a subpoena.

**VII.**

**ORDER ACKNOWLEDGMENTS**

**IT IS FURTHER ORDERED** that Stipulating Defendant obtains acknowledgments of receipt of this Order:

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Stipulating Defendant has any ownership interest; (3) describe in detail Stipulating Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership; (4) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of Plaintiffs may use to communicate with Stipulating Defendant; (5) identify all of Stipulating Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (6) 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 Stipulating Defendant must describe if he knows or should know due to his own involvement); (7) describe in detail whether and how Stipulating Defendant is in compliance with each Section of this Order; and (8) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

B. For twenty (20) years after entry of this Order, Stipulating Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following: (1) name, including aliases or fictitious name, or residence address; (2) title or role in any business activity, including any business for which Stipulating Defendant performs services whether as an employee or otherwise and any entity in which Stipulating Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity; (3) any designated point of contact; or (4) the structure of any entity that Stipulating Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

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

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

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

E. A copy of each unique advertisement or other marketing material; and

F. Copies of agreements, applications, and contracts with suppliers, payment processors, and list brokers.

**X.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring Stipulating Defendant's compliance with this Order, including the financial representations upon which part of the judgment was suspended and any failure to transfer any assets as required by this Order:

A. Within fourteen (14) days of receipt of a written request from a representative of any Plaintiff, Stipulating 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. Plaintiffs also are 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, Plaintiffs are authorized to communicate directly with Stipulating Defendant. Stipulating Defendant must permit representatives of any

any person or other person affiliated with Stimulant Defendants has Plaintiff to inform

Plaintiff to inform

Plaintiff to inform

any individual affiliated with Stimulant Defendants with the

Plaintiff to inform

Plaintiff to inform

Plaintiff to inform

DAVID W. WILSON  
Director, General Counsel

OSAMADIGAN

Assistant Secretary



www.dhs.gov

A. *Exemption 1*

1. *Exemption 1*

2. *Exemption 1*

3. *Exemption 1*