

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

		Case no. SACV14-01033 JLS
		(RNBx)
FEDERAL TRADE COMMISSION,		
Plaintiff,		STIPULATED ORDER FOR
		PERMANENT INJUNCTION
v.		AND MONETARY
		JUDGMENT AS TO
CD CAPITAL INVESTMENTS, LLC, et al.)		DEFENDANT GABRIEL
		DREWS STEWART
Defendant.		
		Judge: Hon. Josephine L. Staton

Plaintiff, Federal Trade Commission ("Commission") filed its Complaint, as amended ("Complaint"), for permanent injunction and other equitable relief in this matter, pursuant to Section 13(b) and (c) of the FTC Act ("FTC Act"), 15 U.S.C. §§ 53b and 57b.

The Commission and Defendant Gabriel Drews Stewart have stipulated to entry of this Stipulated Order for Permanent Injunction and Monetary Judgment as to Defendant Gabriel Drews Stewart ("Order") to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 1 text, or use of images of any Internet website, email, or other
- 2 electronic communication;
- 3 3. formulating or providing, or arranging for the formulation or
- 4 provision of, any marketing support material or service,
- 5 including web or Internet Protocol addresses or domain name
- 6 registration for any Internet websites, affiliate marketing
- 7 services, or media placement services;
- 8 4. providing names of, or assisting in the generation of, potential
- 9 customers;
- 10 5. performing marketing, billing, or payment services of any kind;
- 11 or
- 12 6. acting or serving as an owner, officer, director, manager, or
- 13 principal of any entity.

14 B. "Financial product or service" means any product, service, plan, or

15 program represented, expressly or by implication, to:

- 16 1. provide any consumer, or arrange for any consumer to receive, or
- 17 assist any consumer in receiving, a loan or other extension of
- 18 credit;
- 19 2. provide any consumer, or arrange for any consumer to receive, or
- 20 assist any consumer in receiving, credit, debit, or stored value
- 21 cards;
- 22 3. improve, repair, or arrange to improve or repair, any
- 23 consumer's credit record, credit history, or credit rating; or
- 24 4. provide advice or assistance to improve any consumer's credit
- 25 record, credit history, or credit rating.

26 C. "Judgment Defendants" means Tuan D. Duong, Christian D.

27 Quezada, CD Capital Investments, LLC, CD Capital, LLC, and GDS

28 Information Services, Inc., each of whom is identified in and subject

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

to the Court’s Permanent Injunction and Order for Equitable Relief in this action dated August 22, 2016 (Docket No. 172).

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

E. “Secured or unsecured debt relief product or service” means:

1. With respect to any mortgage, loan, debt, or obligation between a person and one or more secured or unsecured creditors or debt collectors, any product, service, plan, or program represented, expressly or by implication, to:

a. stop, prevent, or postpone any legal proceedings by or against the person

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- reinstated his or her mortgage, loan, debt, or obligation,
- (iii) redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the mortgage, loan, debt, or obligation or redeem a dwelling or other collateral;
- e. obtain any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling or other collateral; or
- f. negotiate, obtain, or arrange for: (i) a short sale of a dwelling or other collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a mortgage, loan, debt, or obligation other than a sale to a third party that is not the secured or unsecured loan holder.

The foregoing shall include any manner of claimed assistance, including auditing or examining a person's application for the mortgage, loan, debt, or obligation.

2. With respect to any loan, debt, or obligation between a person and one or more unsecured creditors or debt collectors, any product, service, plan, or program represented, expressly or by implication, to:

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

F. "Stipulating Defendant" means Gabriel Drews Stewart, by this name, and any other names by which he might be known.

ORDER

I. BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCTS AND SERVICES

IT IS ORDERED that the Stipulating Defendant is permanently restrained and enjoined from advertising, marketing, promoting, offering for sale, or selling or assisting others in the advertising, marketing, promoting, offering for sale, or selling, any secured or unsecured debt relief product or service.

Provided, that if the Stipulating Defendant holds a license in good standing from the appropriate licensing agency, or is employed by a broker that holds a license in good standing from the appropriate agency, Section I shall not prohibit the Stipulating Defendant from doing or negotiating to do one or more of the following acts for another, unless such act is marketed as a way to save a person's home from foreclosure or repossession: selling or offering to sell, buying or offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property in a purchase money real estate transaction; or arranging or negotiating to arrange a purchase money mortgage or the refinancing of a mortgage. This proviso shall not be construed to limit the licensing or regulatory powers of any federal, state, or local government agency or other entity regulating real estate agents.

II. PROHIBITION AGAINST MISREPRESENTATIONS RELATING TO FINANCIAL PRODUCTS AND SERVICES

IT IS FURTHER ORDERED that the Stipulating Defendant, his officers, agents, employees, and attorneys, and all other persons in active concert or participation with him, who receive actual notice of this Order, whether acting directly or indirectly in connection with the advertising, marketing, promoting, offering for sale or selling of any financial product or

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

5 III. PROHIBITION AGAINST MISREPRESENTATIONS RELATING
6 TO ANY PRODUCTS OR SERVICES

7 IT IS FURTHER ORDERED that the Stipulating Defendant and his
8 officers, agents, employees, and attorneys, and all other persons in active
9 concert or participation with him, who receive actual notice of this Order,
10 whether acting directly or indirectly, in connection with the advertising,
11 marketing, promoting, offering for sale, or selling of any product, service,
12 plan, or program, are permanently restrained and enjoined from
13 misrepresenting, or assisting others in misrepresenting, expressly or by
14 implication:

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

19 B. that any person is affiliated with, endorsed or approved by, or
20 otherwise connected to any other person; government entity; public,
21 non-profit, or other non-commercial program; or any other program;

22 C. the nature, expertise, position, or job title of any person who provides
23 any product, service, plan, or program; or

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

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IV.

MONETARY JUDGMENT AND PARTIAL SUSPENSION

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of one million seven hundred eighty four thousand eight hundred sixty four dollars (\$1,784,864) is entered in favor of the Commission and against the Stipulating Defendant, jointly and severally with the Judgment Defendants, as equitable monetary relief.
- B. The Stipulating Defendant is ordered to pay the Commission one hundred five thousand four hundred eighty seven dollars (\$105,487). The remainder of the judgment is suspended as to the Stipulating Defendant.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

1 E. All money paid to the Commission pursuant to this Order may be
2 deposited into a fund administered by the Commission or its designee
3 to be used for equitable relief, including consumer redress and any
4 attendant expenses for the administration of any redress fund. If a
5 representative of the Commission decides that direct redress to
6 consumers is wholly or partially impracticable or money remains after
7 redress is completed, the Commission may apply any remaining
8 money for such other equitable relief (including consumer information
9 remedies) as it determines to be reasonably related to the Stipulating
10 Defendant's practices alleged in the Complaint. Any money not used
11 for such equitable relief is to be deposited to the U.S. Treasury as
12 disgorgement. The Stipulating Defendant has no right to challenge
13 any actions the Commission or its representatives may take pursuant
14 to this Subsection.

15 VI.

16 CUSTOMER INFORMATION

17 IT IS FURTHER ORDERED that the Stipulating Defendant, his officers,
18 agents, employees, and attorneys, and other persons in active concert or
19 participation with him, who receive actual notice of this Order, whether acting
20 directly or indirectly, are permanently restrained and enjoined from directly or
21 indirectly:

22 A. Failing to provide sufficient customer information to enable the
23 Commission to efficiently administer consumer redress. If a
24 representative of the Commission requests in writing any information
25 related to redress, the Stipulating Defendant must provide it, in the
26 form prescribed by the Commission, within 14 days.

27 B. Disclosing, using, or benefitting from customer information, including
28 the name, address, telephone number, email address, social security

1 number, other identifying information, or any data that enables access
2 to a customer's account (including a credit card, bank account, or
3 other financial account), that any Defendant obtained prior to entry of
4 this Order in connection with the marketing of any financial product
5 or service.

6 C. Failing to destroy such customer information in all forms in their
7 possession, custody, or control within 30 days after entry of this Order
8 Provided, however, that customer information need not be disposed of, and
9 may be disclosed, to the extent requested by a government agency or
10 required by law, regulation, or court order.

11 VII.

12 COOPERATION

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

3. describes in detail the Stipula

5

10

15

20

25

1 A. Within 14 days of receipt of a written request from a representative of
2 the Commission, the Stipulating Defendant must: submit additional
3 compliance reports or other requested information, which must be
4 sworn under penalty of perjury; appear for depositions; and produce
5 documents for inspection and copying. The Commission also is
6 authorized to obtain discovery, without further leave of court, using
7 lud0018telephonicuce

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

XII.

RETENTION OF JURISDICTION

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

IT IS SO ORDERED this 21st day of February.



United States District Judge