

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

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FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Case No. 12-cv-5743
	)	
v.	)	Judge Gary Feinerman
	)	
FREEDOM COMPANIES MARKETING, INC.,	)	Magistrate Judge Young B. Kim
a Minnesota corporation, also d/b/a Freedom	)	
Companies, Freedom Financial Mortgage,	)	
Advantage Solutions Group, <i>et al.</i> ,	)	
	)	
Defendants.	)	

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**STIPULATED ORDER FOR PERMANENT INJUNCTION AND FINAL JUDGMENT**

Plaintiff Federal Trade Commission (“Commission” or “FTC”), filed its First Amended Complaint for a Permanent Injunction and Other Equitable Relief in this matter, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), 12 U.S.C. § 5538, to secure temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement of ill-gotten gains, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322 (effective December 29, 2010, except for Section 322.5, which became effective

on January 31, 2011), recodified as Mortgage Assistance Relief Services (Regulation O), 12 C.F.R. Part 1015 (effective December 30, 2011) ("MARS Rule").

Plaintiff and Defendants Freedom Companies Marketing, Inc., Freedom Companies Lending, Inc., Freedom Companies, Inc., Freedom Information Services, Inc., Haiti Management, Inc., Grupo Marketing Dominicana, David F. Preiner, and Daniel Hungria have agreed to entry of this Stipulated Final Judgment and Order for Permanent Injunction ("Order") by this Court in order to resolve all claims against Defendants in this action. Plaintiff and Defendants have consented to entry of this Order without trial or adjudication of any issue of law or fact herein.

**NOW THEREFORE**, Plaintiff and Defendants, having requested the Court to enter this Order, and the Court having considered the Order reached between the parties, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

**FINDINGS**

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 626 of the Omnibus Act as clarified by Section 511 of the Credit Card Act and amended by Section 1097 of the Dodd-Frank Act. Pursuant to these Sections of the FTC Act and the Omnibus Act, the Commission has the authority to seek the relief contained herein.

2. The Commission's First Amended Complaint asserts a claim upon which relief may be granted under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b, and Section 626 of the Omnibus Act as clarified by Section 511 of the Credit Card Act and amended by Section 1097 of the Dodd-Frank Act.

3. This Court has jurisdiction over the subject matter of this case and personal

jurisdiction over the parties.

4. Venue, process, and service of process are proper.

5. The activities of Defendants, as alleged in the First Amended Complaint, are “in or affecting commerce” as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

6. Defendants neither admit nor deny any of the allegations set forth in the Commission’s First Amended Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.

7. Defendants waive: (a) all rights to seek judicial review or otherwise challenge or contest the validity of this Order; (b) any claim that any of them may have against the Commission, its employees, representatives, or agents; (c) all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996); and (d) any rights to attorney’s fees that may arise under said provision of law. The Commission and Defendants shall each bear their own costs and attorney’s fees incurred in this action.

8. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

9. Entry of this Order is in the public interest.

#### DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. “**Asset**” or “**Assets**” means any legal or equitable interest in, right to, or claim to, any real or personal property, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” or “notes,” (as these terms are defined in the Uniform Commercial Code), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises,

receivables, funds, and all cash, wherever located.

2. **“Assisting others”** includes, but is not limited to:

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

B. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;

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

D. providing names of, or assisting in the generation of, potential customers;

E. performing marketing, billing, or payment services of any kind; and

F. acting or serving as an owner, officer, director, manager, or principal of any entity.

3. **“Corporate Defendants”** means Freedom Companies Marketing, Inc., Freedom Companies Lending, Inc., Freedom Companies, Inc., Freedom Information Services, Inc., Haiti Management, Inc., and Grupo Marketing Dominicana, or any of them, by whatever other names each may be known, and their successors and assigns, as well as any subsidiaries, affiliates, and any fictitious business entities or business names created or used by these entities, including Freedom Companies and Freedom Financial Mortgage.

4. **“Debt relief product or service”** means any product, service, plan, or program

represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt or obligation, including but not limited to a tax debt or obligation, between a person and one or more unsecured creditors or debt collectors, including but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector.

5. **“Defendants”** means all of the Individual and the Corporate Defendants, individually, collectively, or in any combination.

6. **“Document”** or **“Documents”** means any materials listed in Federal Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, into reasonably usable form through detection devices. A draft or nonidentical copy is a separate Document within the meaning of the term.

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

- A. the Making Home Affordable Program;
- B. the Financial Stability Plan;
- C. the Troubled Asset Relief Program and any other program sponsored or operated by the United States Department of the Treasury;
- D. the HOPE for Homeowners program, any program operated or created pursuant to the Helping Families Save Their Homes Act, and any other program sponsored or operated by the Federal Housing Administration; or



E. any program sponsored or operated by the United States Department of Housing and Urban Development ("HUD"), the HOPE NOW Alliance, the Homeownership Preservation Foundation, or any other HUD-approved housing counseling agency.

8. **"Financial related product or service"** means any product, service, plan, or program represented, expressly or by implication, to:

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

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

C. provide advice or assistance to any consumer with regard to any activity or service the purpose of which is to improve a consumer's credit record, credit history, or credit rating;

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

E. provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving a debt relief product or service; or

F. provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving any service represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of any debt or obligation (other than a debt or obligation secured by a mortgage on a consumer's dwelling), including but not limited to a tax debt or obligation, between a consumer and one or more secured creditors, servicers, or debt collectors.

9. **"Financial Institution"** means any bank, savings and loan institution, credit

union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

10. **“Individual Defendants”** means David F. Preiner and Daniel Hungria, and by whatever other names they may be known.

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

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

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

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

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

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

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

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

12. **"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.

13. **"Plaintiff"** means the Federal Trade Commission ("Commission" or "FTC").

I.

**PERMANENT BAN ON MORTGAGE ASSISTANCE  
RELIEF PRODUCTS OR SERVICES**

**IT IS THEREFORE ORDERED** that Defendants, whether acting directly or through any person, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, are hereby permanently restrained and enjoined from:

A. Advertising, marketing, promoting, offering for sale, or selling any mortgage assistance relief product or service; and

B. Assisting others engaged in advertising, marketing, promoting, offering for sale, or selling any mortgage assistance relief product or service.

II.

**PROHIBITED MISREPRESENTATIONS RELATING TO  
FINANCIAL RELATED PRODUCTS OR SERVICES**

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, servants,



employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any financial related product or service, are hereby permanently restrained and enjoined from:

- A. Misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including but not limited to:
1. The terms or rates that are available for any loan or extension of credit;
  2. Any person's ability to improve or otherwise affect a consumer's credit record, credit history, credit rating, or ability to obtain credit;
  3. That any person can improve any consumer's credit record, credit history, or credit rating by permanently removing negative information from the consumer's credit record, credit history, or credit rating, even where such information is accurate and not obsolete;
  4. Any aspect of any 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 debt relief product or service; the amount of time before which a consumer will receive settlement of the consumer's debts; or the reduction or cessation of collection calls; and
  5. That a consumer will receive legal representation;
- 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.

**PROHIBITED MISREPRESENTATIONS RELATING TO  
ANY PRODUCTS OR SERVICES**

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any product, service, plan, or program are hereby permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including but not limited to:

A. Any material aspect of the performance, efficacy, nature, or characteristics of the product, service, plan, or program;

B. That any person is affiliated with, endorsed or approved by, or otherwise connected to any other person, government entity, any federal homeowner relief or financial stability program, public, non-profit, or other non-commercial program, or any other program;

C. The total cost to purchase, receive, or use, or the quantity of the product, service, plan, or program;

D. Any material restriction, limitation, or condition on purchasing, receiving, or using the product, service, plan or program; and

E. Any material aspect of 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 granted to the

consumer.

IV.

**MONETARY JUDGEMENT**

**IT IS FURTHER ORDERED** that:

A. Judgment is hereby entered in favor of the Commission, and against Defendants, jointly and severally, for equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, in the amount of Two Million Three Hundred and Ninety thousand dollars (\$2,390,000.00), the total amount of consumer injury caused by the activities alleged in the Commission's First Amended Complaint; *provided, however*, that the Judgment for equitable monetary relief shall be suspended upon the satisfaction of the obligations imposed by Subsection B of this Section, and subject to the conditions set forth in Section V of this Order.

B. Defendant David F. Preiner shall, within five (5) days of the date of entry of this Order, pay to the Commission, in equitable monetary relief, including, but not limited to, consumer redress or disgorgement, the balance in the following bank accounts on which he is the sole signatory:

1. BMO Harris Bank, N.A.: Freedom Companies Marketing, Inc., account ending in 9003; Freedom Companies Lending, Inc., account ending in 8996; Freedom Companies, Inc., account ending in 8961;
2. TD Ameritrade: Freedom Companies, Inc., account ending in 0298;
3. Regions Bank: Freedom Information Services, Inc., accounts ending in 8192 and 1985; Haiti Management, Inc., accounts ending in 8206 and 1993;
4. SunTrust Banks, Inc.: Freedom Information Services, Inc., accounts

ending in 5543 and 8182; Haiti Management, Inc., accounts ending in 5550 and 8190; and

5. Great Eastern Bank: Freedom Information Services, Inc., account ending in 0212.

Payment shall be made to the Commission by electronic fund transfer in accordance with directions provided by the Commission, or by certified check or other guaranteed funds payable to and delivered to the Commission.

C. Time is of the essence for the payments specified above. In the event of any default by Defendants on any obligation imposed under this Section, including, but not limited to, Defendant David F. Preiner's failure to timely and completely fulfill his payment obligations under Subsection B of this Section:

1. The judgment imposed herein will not be suspended, and the full amount of that judgment shall immediately become due and payable, plus interest from the date of entry of this Order pursuant to 28 U.S.C. § 1961, as amended, less any amounts already paid; and

2. The Commission shall be entitled to immediately exercise any and all rights and remedies against Defendants and their property to collect the full amount of the judgment and interest thereon, less any amounts already paid.

D. All funds paid pursuant to this Order shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress, and any attendant expenses for the administration of such equitable relief. Defendants shall cooperate fully to assist the Commission in identifying consumers who may be entitled to redress pursuant to this Order. If the Commission determines, in its sole discretion, that direct redress to consumers is wholly or partially impracticable or funds remain after redress

is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the First Amended Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Section. Defendants shall have no right to contest the manner of distribution chosen by the Commission. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

E. In accordance with 31 U.S.C. § 7701, as amended, Defendants are hereby required, unless they already have done so, to furnish to the Commission their respective taxpayer identifying numbers (social security numbers or employer identification numbers), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendants' relationship with the government. Defendants are further required, unless they have already done so, to provide the Commission with clear, legible and full-size photocopies of all valid driver's licenses that they possess, which will be used for reporting and compliance purposes.

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

G. Defendants agree that the facts as alleged in the First Amended Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including but not limited to a nondischargeability complaint in any

bankruptcy case. Defendants further stipulate and agree that the facts alleged in the First Amended 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), or any similar proceeding initiated in a foreign jurisdiction, and that this Order shall have collateral estoppel effect for such purposes.

H. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

V.

**RIGHT TO REOPEN**

**IT IS FURTHER ORDERED** that:

A. Plaintiff's agreement to, and the Court's approval of, this Order is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' financial condition, as represented in the financial statements they submitted to the Commission, namely the financial statements of Freedom Companies, Inc., dated July 31, 2012, or of David F. Preiner, dated July 30, 2012, and of Daniel Hungria, dated August 15, 2012, which contain material information upon which the Commission relied in negotiating and agreeing to the terms of this Order;

B. If, upon motion of the Commission, the Court finds that any Defendant failed to disclose any material Asset, materially misrepresented the value of any Asset, or made any other material misrepresentation in or omission from his sworn financial statement or supporting documents, the judgment entered in Section IV shall be reinstated and become immediately due and payable as to that Defendant (less any amounts already paid). *Provided, however*, that, in all



other respects, this Order shall remain in full force and effect, unless otherwise ordered by the Court; and

C. Any proceedings instituted under this Section shall be in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United States might initiate to enforce this Order. For purposes of this Section, Defendants waive any right to contest any of the allegations in the Commission's First Amended Complaint.

#### VI.

#### DISSOLUTION OF ASSET FREEZE

**IT IS FURTHER ORDERED** that the freeze on the Assets of the Defendants pursuant to the Stipulated Preliminary Injunctions entered in this action shall remain in effect until Defendant David F. Preiner has taken all the actions required by Section IV above, *provided, however,* that Defendant David F. Preiner, with the express written consent of counsel for the Commission, may transfer funds to the extent necessary to make all payments required by Section IV. Once Defendant David F. Preiner has fully complied with the requirements of Section IV, the freeze against Defendants' Assets shall be lifted permanently. A financial institution shall be entitled to rely upon a letter from Plaintiff stating that the freeze on the Defendants' Assets has been lifted.

#### VII.

#### PROHIBITIONS REGARDING CONSUMER INFORMATION

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly

or through any trust, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from:

A. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with the marketing or sale of any mortgage assistance relief product or service; and

B. Failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed.

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

### VIII.

#### PROHIBITION ON COLLECTING ON ACCOUNTS

**IT IS FURTHER ORDERED** that Defendants, and their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly, or through any trust, corporation, partnership, limited liability company, subsidiary, division, or other device, are hereby permanently restrained and enjoined from attempting to collect,

collecting, or assigning any right to collect payment from any consumer who purchased or agreed to purchase any mortgage assistance relief product or service from any Defendant.

**IX.**

**DISPOSITION OF MONEY ORDERS AND UNCASHED CHECKS**

**IT IS FURTHER ORDERED** that Defendants waive and release all rights, claims, and interests in all money orders, uncashed checks and other forms of payment previously and hereafter sent by consumers in response to Defendants' advertising, marketing, promoting, offering for sale, or selling of any mortgage assistance relief product or service. Said money orders, uncashed checks, or other forms of payment held by the Commission pursuant to the Temporary Restraining Order and Preliminary Injunctions issued in this action, shall not be cashed, but shall be returned to their makers by the Commission or its agent; and the Commission or its agent is authorized for this purpose to open any mail addressed to any Defendant that is or has been forwarded to the Commission and to dispose of such mail as the Commission, in its sole discretion, determines to be appropriate. In the event that the makers of the money orders, uncashed checks or other forms of payment cannot be located, or the Commission determines that returning the items is otherwise impracticable, the Commission or its agent shall dispose of the payment, in a manner that the Commission, in its sole discretion, determines to be appropriate.

Third parties, including Offix Solutions LLC and Chicago Business Center Inc., receiving any such additional money orders, uncashed checks or other forms of payment on behalf of any Defendant shall forward such additional uncashed items by overnight courier to: Federal Trade Commission, Midwest Region, 55 West Monroe Street, Suite 1825, Chicago, Illinois 60603. The Commission shall dispose of any such additional money orders, uncashed

checks and other forms of payment pursuant to this Section.

**X.**

**ORDER ACKNOWLEDGMENTS**

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

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

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

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

**XI.**

**COMPLIANCE REPORTING**

**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) designate at least one telephone number and an email, physical, and postal address as 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 products and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual Defendants must describe if they know or should know due to their 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, each Individual Defendant must: (a) identify all telephone numbers and all email, Internet, physical, and postal addresses, including all residences; (b) identify all titles and roles in 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 detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.
- B. For 20 years following entry of this Order, each Defendant must submit a

compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that Defendant has any ownership interest in or directly or indirectly controls 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.
2. Additionally, each Individual Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, 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 identify its name, physical address, and Internet address, if any.

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

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



E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *FTC v. Freedom Companies Marketing, Inc. et al. (X120036)*.

## XII.

### RECORDKEEPING

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

- A. Accounting records showing the revenues from all goods or services sold, all costs incurred in generating those revenues, and the resulting net profit or loss;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name, addresses, and telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination;
- C. 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; and
- E. A copy of each advertisement or other marketing material.

**XIII.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants' 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 14 days of receipt of a written request from a representative of the Commission, each 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 Defendant. Defendant must permit representatives of the Commission to interview any employee or other person affiliated with any 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 Defendants or any individual or entity affiliated with 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.

**XIV.**

**COOPERATION WITH FTC COUNSEL**

**IT IS FURTHER ORDERED** that Defendants shall, in connection with this action or

any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear, or cause their officers, employees, representatives, or agents to appear, at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Defendants shall appear, or cause their officers, employees, representatives, or agents to appear, and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint, without the service of a subpoena.

**XV.**

**SEVERABILITY**

**IT IS FURTHER ORDERED** that the provisions of this Order are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

XVI.

JURISDICTION

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

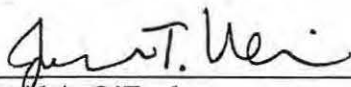
SO ORDERED, this 21 day of December, 2012.



Hon. Gary Feinerman  
United States District Judge  
Northern District of Illinois

SO STIPULATED:

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Companies Lending, Inc., Freedom  
Companies, Inc., Freedom Information  
Services, Inc., Haiti Management, Inc., and  
Grupo Marketing Dominicana



Daniel Hungria