

1 WILLARD K. TOM  
2 General Counsel  
3 CHRISTOPHER T. KOEGEL  
4 SEENA D. GRESSIN, CA Bar No. 163368 (inactive)  
5 REBECCA M. UNRUH  
6 ckoegel@ftc.gov; sgressin@ftc.gov; runruh@ftc.gov  
7 Federal Trade Commission  
8 600 Pennsylvania Avenue, N.W., NJ-3158  
9 Washington, DC 20580  
10 P: (202) 326-3224; F: (202) 326-3768

11 RAYMOND E. McKOWN  
12 rmckown@ftc.gov  
13 Federal Trade Commission  
14 10877 Wilshire Blvd., Ste. 700  
15 Los Angeles, CA 90024  
16 P: (310) 824-4343; F: (310) 824-4380

17 Attorneys for Plaintiff  
18 FEDERAL TRADE COMMISSION

19 **UNITED STATES DISTRICT COURT**  
20 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

21 \_\_\_\_\_ )  
22 **FEDERAL TRADE COMMISSION,** )  
23 )  
24 Plaintiff, )  
25 )  
26 v. )  
27 )  
28 **FORENSIC CASE MANAGEMENT** ) Case No. LACV11-7484-(RGK)  
**SERVICES, INC., et al.,** )  
29 )  
30 Defendants. )  
31 \_\_\_\_\_ )

32 **[Proposed] FINAL JUDGMENT AND ORDER FOR PERMANENT**  
33 **INJUNCTION AND MONETARY RELIEF AS TO DEFENDANT**  
34 **KEVIN MEDLEY**

1  
2 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on  
3 September 12, 2011, pursuant to Sections 13(b) and 19 of the Federal Trade  
4 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the  
5 Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692l, to obtain  
6 preliminary and permanent injunctive and other equitable relief for Defendants’  
7 violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FDCPA, 15 U.S.C.  
8 §§ 1692-1692p, in connection with the marketing and sale of debt collection  
9 services, and the collection of debts. On September 13, 2011, the Court entered a  
10 temporary restraining order against Defendants. On September 27, 2011, the Court  
11 entered a preliminary injunction against Defendants.  
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16 The FTC and defendant Kevin Medley (“Settling Defendant”) having agreed  
17 in the Stipulation for Final Judgment and Order for Permanent Injunction and  
18 Monetary Relief as to Defendant Kevin Medley, hereby request that the Court  
19 enter this Final Judgment and Order for Permanent Injunction and Monetary Relief  
20 as to Defendant Kevin Medley (“Order”) to resolve all matters in dispute in this  
21 action between Settling Defendant and the FTC.  
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## 24 FINDINGS

25 By stipulation of the parties and being advised of the premises, the Court  
26 finds:  
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- 1 1. This is an action by the FTC instituted under Sections 13(b) and 19 of the  
2 FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 814 of the FDCPA, 15  
3 U.S.C. § 1692*l*. The Complaint seeks both permanent injunctive relief and  
4 equitable monetary relief for Defendants' deceptive and abusive acts or  
5 practices as alleged therein.  
6
- 7 2. The FTC has the authority under Sections 13(b) and 19 of the FTC Act and  
8 Section 814 of the FDCPA to seek the relief it has requested, and the  
9 Complaint states a claim upon which relief can be granted against Settling  
10 Defendant.  
11
- 12 3. This Court has jurisdiction over the subject matter of this case and has  
13 jurisdiction over Settling Defendant. Venue in the Central District of  
14 California is proper.  
15
- 16 4. The activities of Settling Defendant, as alleged in the Complaint, are in or  
17 affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.  
18
- 19 5. The FTC and Settling Defendant stipulate and agree to entry of this Order,  
20 without trial or final adjudication of any issue of fact or law, to settle and  
21 resolve all matters in dispute arising from the conduct alleged in the  
22 Complaint to the date of entry of this Order. This settlement does not settle  
23 and resolve any matters not alleged in the Complaint. Settling Defendant  
24 does not admit any of the allegations set forth in the Complaint, other than  
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1 jurisdictional facts or as provided in Section IV.D, merely by stipulating and  
2 agreeing to the entry of this Order.  
3

4 6. Settling Defendant waives all rights to seek judicial review or otherwise  
5 challenge or contest the validity of this Order. Settling Defendant also  
6 waives any claim that he may have held under the Equal Access to Justice  
7 Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date  
8 of this Order. Each settling party shall bear its own costs and attorneys'  
9 fees.  
10

11  
12 7. This action and the relief awarded herein are in addition to, and not in lieu  
13 of, other remedies as may be provided by law, including both civil and  
14 criminal remedies.  
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16 8. Entry of this Order is in the public interest.  
17

### 18 **DEFINITIONS**

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

- 20  
21 1. ***“Assisting others”*** includes, but is not limited to:  
22 A. performing customer service functions, including, but not limited to,  
23 receiving or responding to consumer complaints;  
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25 B. performing debt collection or debt collection marketing services of  
26 any kind;  
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- C. 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;
- D. formulating or providing, or arranging for the formulation or provision of, any debt collection materials, including, but not limited to, any debt collection script, debt collection marketing material, debt collection training manual or other training materials, and debt collection compliance monitoring materials;
- E. 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;
- F. providing names of, or assisting in the generation of, potential customers;
- G. performing marketing, billing, or payment services of any kind; and
- H. acting or serving as an owner, officer, director, manager, or principal of any entity.

- 1 2. **“Consumer”** means any natural person.
- 2 3. **“Customer”** means any person who has paid, or may be required to pay, for  
3 products, services, plans, or programs offered for sale or sold by any other  
4 person.  
5
- 6 4. **“Creditor”** means any person or entity who offers or extends credit creating  
7 a debt or to whom a debt is owed, but such term does not include any person  
8 or entity to the extent such person or entity receives an assignment or  
9 transfer of a debt in default solely for the purpose of facilitating collection of  
10 such debt.  
11
- 12 5. **“Credit”** means the right granted by a creditor to a debtor to defer payment  
13 of debt or to incur debt and defer its payment.  
14
- 15 6. **“Credit repair services”** means using any instrumentality of interstate  
16 commerce or the mails to sell, provide, or perform any service, in return for  
17 the payment of money or other valuable consideration, for the express or  
18 implied purpose of (i) improving any consumer’s credit record, credit  
19 history, or credit rating, or (ii) providing advice or assistance to any  
20 consumer with regard to any activity or service described in clause (i).  
21
- 22 7. **“Debt collection activities”** means any activities of a debt collector to collect  
23 or attempt to collect, directly or indirectly, a debt owed or due, or asserted to  
24 be owed or due.  
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1 8. ***“Debt collector”*** means any person who uses any instrumentality of  
2 interstate commerce or the mails in any business the principal purpose of  
3 which is the collection of any debts, or who regularly collects or attempts to  
4 collect, directly or indirectly, debts owed or due or asserted to be owed or  
5 collect, directly or indirectly, debts owed or due or asserted to be owed or  
6 due another. Notwithstanding the exclusion provided by the last clause of  
7 the immediately-preceding sentence, the term includes any creditor who, in  
8 the process of collecting his own debts, uses any name other than his own  
9 which would indicate that a third person is collecting or attempting to collect  
10 such debts.

11 9. ***“Debt relief services”*** means any program or service represented, directly or  
12 by implication, to renegotiate, settle, or in any way alter the terms of  
13 payment or other terms of the debt between a person and one or more  
14 unsecured creditors or debt collectors, including, but not limited to, a  
15 reduction in the balance, interest rate, or fees owed by a person to an  
16 unsecured creditor or debt collector.

17 10. ***“Extension of consumer credit”*** means credit offered or extended to a  
18 consumer primarily for personal, family, or household purposes.

19 11. ***“FDCPA-Covered Debt”*** means any obligation or alleged obligation of a  
20 consumer to pay money arising out of a transaction in which the money,  
21 property, or services that are the subject of the transaction are primarily for  
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1 personal, family, or household purposes, whether or not such obligation has  
2 been reduced to judgment.  
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4 12. ***“Financial-related product or service”*** means any product, service, plan, or  
5 program represented, expressly or by implication, to:

6  
7 A. provide any consumer, arrange for any consumer to receive, or assist  
8 any consumer in receiving, an extension of consumer credit;

9  
10 B. provide any consumer, arrange for any consumer to receive, or assist  
11 any consumer in receiving, credit repair services;

12  
13 C. provide any consumer, arrange for any consumer to receive, or assist  
14 any consumer in receiving, mortgage assistance relief services;

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16 D. provide any consumer, arrange for any consumer to receive, or assist  
17 any consumer in receiving, debt relief services; or

18  
19 E. provide, or arrange for a customer to receive, assistance in the  
20 collection of any outstanding debt or financial obligation owed to that  
21 customer by a third party.

22 13. ***“Material fact”*** means any fact that is likely to affect a person’s choice of,  
23 or conduct regarding, goods or services.  
24

25 14. ***“Mortgage assistance relief services”*** means any service, plan, or program,  
26 offered or provided to a consumer in exchange for consideration, that is  
27 represented, expressly or by implication, to assist or attempt to assist the  
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1 consumer with any of the following: (a) stopping, preventing, or postponing  
2 any mortgage or deed of trust foreclosure sale for the consumer's dwelling,  
3 any repossession of the consumer's dwelling, or otherwise saving the  
4 consumer's dwelling from foreclosure or repossession; (b) negotiating,  
5 obtaining, or arranging a modification of any term of a dwelling loan,  
6 including a reduction in the amount of interest, principal balance, monthly  
7 payments, or fees; (c) obtaining any forbearance or modification in the  
8 timing of payments from any dwelling loan holder or servicer on any  
9 dwelling loan; (d) negotiating, obtaining, or arranging any extension of the  
10 period of time within which the consumer may cure his or her default on a  
11 dwelling loan, reinstate his or her dwelling loan, redeem a dwelling, or  
12 exercise any right to reinstate a dwelling loan or redeem a dwelling; (e)  
13 obtaining any waiver of an acceleration clause or balloon payment contained  
14 in any promissory note or contract secured by any dwelling; or (f)  
15 negotiating, obtaining, or arranging a short sale of a dwelling, a deed-in-lieu  
16 of foreclosure, or any other disposition of a dwelling other than a sale to a  
17 third party who is not the dwelling loan holder.

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25 15. ***Person*** means any natural person, organization, or other legal entity,  
26 including a corporation, partnership, proprietorship, association, cooperative,  
27 or any other group or combination acting as an entity.  
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1 16. “*Settling Defendant*” means defendant Kevin Medley.

2 **ORDER**

3 **DEBT COLLECTION BAN**

4  
5 **I. IT IS THEREFORE ORDERED** that Settling Defendant, whether acting  
6 directly or through any other person, is permanently restrained and enjoined  
7 from:  
8

9 A. Engaging in debt collection activities or assisting others engaged in  
10 debt collection activities;  
11

12 B. Advertising, marketing, promoting, offering for sale, or selling any  
13 debt collection products or services; and  
14

15 C. Assisting others engaged in advertising, marketing, promoting,  
16 offering for sale, or selling any debt collection products or services;  
17

18 **Provided, however,** that nothing in this Order shall be read as an exception  
19 to this Section I.

20 **PROHIBITED MARKETING MISREPRESENTATIONS**

21  
22 **II. IT IS FURTHER ORDERED** that Settling Defendant and his officers,  
23 agents, servants, employees, and attorneys, and those persons or entities in  
24 active concert or participation with him who receive actual notice of this  
25 Order by personal service, facsimile transmission, email, or otherwise,  
26 whether acting directly or through any corporation, subsidiary, division, or  
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1 other device, in connection with the marketing, sale, or advertisement of any  
2 financial-related product or service, or any other product or service, are  
3 hereby permanently restrained and enjoined from misrepresenting, or  
4 assisting others in misrepresenting, expressly or by implication, any material  
5 fact, including but not limited to:  
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7  
8 A. That Settling Defendant, whether acting directly or through any other  
9 person, has identified assets, people, corporate entities, services, or  
10 anything else that can be used to help the consumer, customer, or  
11 potential customer in achieving their desired goal (*e.g.*, the  
12 satisfaction or successful collection of an alleged debt, full or partial  
13 relief from an outstanding debt obligation, relief from impending  
14 foreclosure on a home or personal property, or improvement of a  
15 consumer's credit score, credit history, credit rating, or credit report);  
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17  
18 B. That Settling Defendant, whether acting directly or through any other  
19 person, will undertake certain actions (*e.g.*, such as the filing of a  
20 lawsuit, the garnishment of wages, the seizure of assets, negotiation of  
21 a debt settlement plan or mortgage foreclosure relief plan, or any other  
22 action to help a consumer either receive a loan, satisfy or settle a debt,  
23 collect a debt, or achieve any other desired financial goal) if the  
24 consumer pays Settling Defendant a fee;  
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- C. That any particular outcome or result from the product or service being provided is guaranteed, assured, highly likely or probable, or very likely or probable;
- D. That a consumer will receive legal representation.
- 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 provided to the consumer;
- F. The total costs to purchase, receive, or use, or the quantity of, the product, service, plan, or program;
- G. Any material restriction, limitation, or condition on purchasing, receiving, or using the product, service, plan, or program; or
- H. Any material aspect of the performance, efficacy, nature, or characteristics of the product, service, plan, or program.

1           **PROHIBITION AGAINST DISCLOSING CONSUMER INFORMATION**

2           **III. IT IS FURTHER ORDERED** that Settling Defendant and his successors,  
3  
4           assigns, officers, agents, servants, employees, and attorneys, and those  
5           persons or entities in active concert or participation with him who receive  
6           actual notice of this Order by personal service, facsimile transmission, email,  
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8           or otherwise, whether acting directly or through any corporation, subsidiary,  
9           division, or other device, are permanently restrained and enjoined from:

- 10  
11           A.    Disclosing, using, or benefitting from consumer information,  
12                including the name, address, telephone number, email address, social  
13                security number, other identifying information, or any data that  
14                enables access to a consumer's account (including a credit card, bank  
15                account, or other financial account) of any person that Settling  
16                Defendant obtained prior to entry of this Order in connection with the  
17                advertising, marketing, promotion, offering for sale, sale, or provision  
18                of any financial-related product or service, and  
19  
20           B.    Failing to dispose of such consumer information in all forms in their  
21                possession, custody, or control within thirty (30) days after entry of  
22                this Order. Disposal shall be by means that protect against  
23                unauthorized access to the consumer information, such as by burning,  
24                pulverizing, or shredding any papers, and by erasing or destroying any  
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1 electronic media, to ensure that the consumer information cannot  
2 practicably be read or reconstructed.  
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4 **Provided, however,** that consumer information need not be disposed of, and  
5 may be disclosed, to the extent requested by a government agency or  
6 required by a law, regulation, or court order.  
7

8 **MONETARY RELIEF**

9 **IV. IT IS FURTHER ORDERED** that:  
10

11 A. Judgment is hereby entered against Settling Defendant Kevin Medley  
12 in the amount of THREE HUNDRED NINETY THOUSAND TWO  
13 HUNDRED THIRTY-SIX DOLLARS (\$390,236), without an  
14 admission of liability, *provided, however,* that, as long as the Court  
15 makes no finding, as provided in Section V of this Order, that Settling  
16 Defendant materially misrepresented or omitted the nature, existence,  
17 or value of any asset, the judgment shall be suspended upon his  
18 payment to the FTC or its designated agent of SEVENTEEN  
19 THOUSAND FIVE HUNDRED DOLLARS (\$17,500) as follows:  
20

- 21
- 22 1. In satisfaction of the judgment against Settling Defendant  
23 Kevin Medley, JPMorgan Chase Bank, N.A. shall transfer to  
24 the FTC or its designated agent SEVENTEEN THOUSAND  
25 FIVE HUNDRED DOLLARS (\$17,500) of the funds held in  
26  
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1 account number xxxxxx1820 in the name of Kevin D. Medley  
2 within ten (10) business days of the date of entry of this Order.  
3  
4 After this transfer of funds is completed, JPMorgan Chase  
5 Bank, N.A. account numbers xxxxxx1820 and xxxxxx5981  
6 shall no longer be subject to the asset freeze.  
7

8 B. Any funds received by the FTC pursuant to this Section shall be  
9 deposited into a fund administered by the FTC or its agent to be used  
10 for equitable relief, including but not limited to consumer redress and  
11 any attendant expenses for the administration of any redress funds. In  
12 the event that direct redress to consumers is wholly or partially  
13 impracticable or funds remain after redress is completed, the FTC  
14 may apply any remaining funds for such other equitable relief,  
15 including but not limited to consumer information remedies, as the  
16 FTC determines to be reasonably related to the practices alleged in the  
17 Complaint. Any funds not used for such equitable relief shall be  
18 deposited to the U.S. Treasury as equitable disgorgement. Settling  
19 Defendant shall have no right to challenge the FTC's choice of  
20 remedies or the manner of distribution.  
21

22 C. Settling Defendant relinquishes all dominion, control, and title to the  
23 funds paid to the fullest extent permitted by law. Settling Defendant  
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1 shall make no claim to or demand for return of the funds, directly or  
2 indirectly, through counsel or otherwise.

3  
4 D. Settling Defendant agrees that the facts as alleged in the Complaint  
5 filed in this action shall be taken as true without further proof in any  
6 bankruptcy case or subsequent civil litigation pursued by the  
7 Commission to enforce its rights to any payment or money judgment  
8 pursuant to this Order, including but not limited to a  
9 nondischargeability complaint in any bankruptcy case. Settling  
10 Defendant further stipulates and agrees that the facts alleged in the  
11 Complaint establish all elements necessary to sustain an action by the  
12 Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy  
13 Code, 11 U.S.C. § 523(a)(2)(A), and that this Order shall have  
14 collateral estoppel effect for such purposes.

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19 E. The judgment entered pursuant to this Section is equitable monetary  
20 relief, solely remedial in nature, and not a fine, penalty, punitive  
21 assessment or forfeiture.

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24 F. Upon request, Settling Defendant is hereby required, in accordance  
25 with 31 U.S.C. § 7701, to furnish to the FTC his tax identification  
26 numbers, which shall be used for purposes of collecting and reporting  
27 on any delinquent amount arising out of this Order.  
28



1 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
2 § 1681b(1), any consumer reporting agency may furnish a consumer  
3 report concerning Settling Defendant to the FTC, which shall be used  
4 for purposes of collecting and reporting on any delinquent amount  
5 arising out of this Order.  
6  
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### 8 **RIGHT TO REOPEN**

9 **V. IT IS FURTHER ORDERED** that the FTC's agreement to, and the Court's  
10 approval of, this Order is expressly premised on the truthfulness, accuracy  
11 and completeness of Settling Defendant's financial statements previously  
12 submitted to the FTC. If, upon motion by the FTC, the Court finds that the  
13 financial statement of Settling Defendant contains any material  
14 misrepresentation or omission, the judgment entered in Section IV of this  
15 Order shall be reinstated and become immediately due and payable as to  
16 such Settling Defendant; *provided, however*, that in all other respects this  
17 Order shall remain in full force and effect unless otherwise ordered by the  
18 Court; and, *provided further*, that proceedings instituted under this provision  
19 would be in addition to, and not in lieu of, any other civil or criminal  
20 remedies as may be provided by law, including any other proceedings that  
21 the FTC may initiate to enforce this Order. For purposes of this Section,  
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1 Settling Defendant waives any right to contest any of the allegations in the  
2 Complaint.  
3

4 **COOPERATION WITH FTC**

5 **VI. IT IS FURTHER ORDERED** that Settling Defendant Kevin Medley shall,  
6 in connection with this action or any subsequent investigation or litigation  
7 related to or associated with the transactions or the occurrences that are the  
8 subject of the FTC's Complaint as it may be amended, cooperate in good  
9 faith with the FTC and appear at such places and times as the FTC shall  
10 reasonably request, after written notice, for interviews, conferences, pretrial  
11 discovery, review of documents, and for such other matters as may be  
12 reasonably requested by the FTC. If requested in writing by the FTC,  
13 Settling Defendant Kevin Medley shall appear and provide truthful  
14 testimony in any trial, deposition, or other proceeding related to or  
15 associated with the transactions or the occurrences that are the subject of the  
16 Complaint as it may be amended, without the service of a subpoena,  
17 provided, however, that Settling Defendant Kevin Medley shall be entitled  
18 to receive any witness fees and expenses allowable pursuant to Federal Rule  
19 of Civil Procedure 45.  
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**ORDER ACKNOWLEDGMENTS**

**VII. IT IS FURTHER ORDERED** that Settling Defendant obtain

acknowledgments of receipt of this Order:

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

B. For 15 years after entry of this Order, Settling Defendant for any business that he, individually or collectively with any other Defendant, is the majority owner or directly or indirectly controls, 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 Settling Defendant delivered a copy of this Order, Settling Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

**COMPLIANCE REPORTING**

**VIII. IT IS FURTHER ORDERED** that Settling Defendant make timely submissions to the FTC:

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

1. Settling Defendant must: (a) designate at least one telephone number and an email, physical, and postal address as points of contact, which representatives of the FTC may use to communicate with Settling Defendant; (b) identify all of Settling 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 Settling Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how Settling 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 FTC;

1           2.     Additionally, Settling Defendant must: (a) identify all  
2           telephone numbers and all email, Internet, physical, and postal  
3           addresses, including all residences; (b) identify all titles and  
4           roles in all business activities, including any business for which  
5           Settling Defendant performs services whether as an employee  
6           or otherwise and any entity in which Settling Defendant has any  
7           ownership interest; and (c) describe in detail Settling  
8           Defendant's involvement in each such business, including title,  
9           role, responsibilities, participation, authority, control, and any  
10          ownership.  
11

12           B.     For 20 years following entry of this Order, Settling Defendant must  
13          submit a compliance notice, sworn under penalty of perjury, within 14  
14          days of any change in the following:  
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16           1.     Settling Defendant must report any change in: (a) any  
17          designated point of contact; or (b) the structure of any entity  
18          that Settling Defendant has any ownership interest in or directly  
19          or indirectly controls that may affect compliance obligations  
20          arising under this Order, including: creation, merger, sale, or  
21          dissolution of the entity or any subsidiary, parent, or affiliate  
22          that engages in any acts or practices subject to this Order.  
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1           2.     Additionally, Settling Defendant must report any change in: (a)  
2                     name, including aliases or fictitious name, or residence address;  
3  
4                     or (b) title or role in any business activity, including any  
5                     business for which Settling Defendant performs services  
6                     whether as an employee or otherwise and any entity in which  
7                     Settling Defendant has any ownership interest, and identify its  
8                     name, physical address, and Internet address, if any.  
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11     C.     Settling Defendant must submit to the FTC notice of the filing of any  
12             bankruptcy petition, insolvency proceeding, or any similar proceeding  
13             by or against Settling Defendant within 14 days of its filing.  
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15     D.     Any submission to the FTC required by this Order to be sworn under  
16             penalty of perjury must be true and accurate and comply with 28  
17             U.S.C. § 1746, such as by concluding: “I declare under penalty of  
18             perjury under the laws of the United States of America that the  
19             foregoing is true and correct. Executed on:\_\_\_\_\_” and supplying the  
20             date, signatory’s full name, title (if applicable), and signature.  
21

22  
23     E.     Unless otherwise directed by a FTC representative in writing, all  
24             submissions to the FTC pursuant to this Order must be emailed to  
25             [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not the U.S. Postal  
26             Service) to: Associate Director for Enforcement, Bureau of Consumer  
27  
28

1 Protection, Federal Trade Commission, 600 Pennsylvania Avenue  
2 NW, Washington, DC 20580. The subject line must begin: *FTC v.*  
3 *Forensic Case Management Services, Inc., et al.*, X110053.  
4

5 **RECORDKEEPING**

6  
7 **IX. IT IS FURTHER ORDERED** that Settling Defendant must create certain  
8 records for 20 years after entry of the Order, and retain each such record for  
9 5 years. Specifically, for any business in which Settling Defendant,  
10 individually or collectively with any other Defendants, is a majority owner  
11 or directly or indirectly controls, Settling Defendant must maintain the  
12 following records:  
13  
14

- 15 A. Accounting records showing the revenues from all goods or services  
16 sold, all costs incurred in generating those revenues, and the resulting  
17 net profit or loss;  
18  
19 B. Personnel records showing, for each person providing services,  
20 whether as an employee or otherwise, that person's: name, addresses,  
21 and telephone numbers; job title or position; dates of service; and, if  
22 applicable, the reason for termination;  
23  
24 C. Customer files obtained after entry of this Order showing the names,  
25 addresses, telephone numbers, dollar amounts paid, and the quantity  
26  
27  
28

1 and description of goods or services purchased, to the extent such  
2 information is obtained in the ordinary course of business;

3  
4 D. Complaints and refund requests, whether received directly or  
5 indirectly, such as through a third party, and any response;

6  
7 E. All records necessary to demonstrate full compliance with each  
8 provision of this Order, including all submissions to the FTC.

9  
10 **COMPLIANCE MONITORING**

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

15  
16 A. Within 14 days of receipt of a written request from a representative of  
17 the FTC, Settling Defendant must: submit additional compliance  
18 reports or other requested information, which must be sworn under  
19 penalty of perjury; appear for depositions; and produce documents, for  
20 inspection and copying. The FTC is also authorized to obtain  
21 discovery, without further leave of court, using any of the procedures  
22 prescribed by Federal Rules of Civil Procedure 29, 30 (including  
23 telephonic depositions), 31, 33, 34, 36, 45, and 69.  
24  
25  
26  
27  
28




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

6  
7  
8 C. The FTC may use all other lawful means, including posing, through  
9 its representatives, as consumers, suppliers, or other individuals or  
10 entities, to Settling Defendant or any individual or entity affiliated  
11 with Settling Defendant, without the necessity of identification or  
12 prior notice. Nothing in this Order limits the FTC's lawful use of  
13 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15  
14 U.S.C. §§ 49, 57b-1.  
15  
16  
17

18 **RETENTION OF JURISDICTION**

19 **XI. IT IS FURTHER ORDERED** that this Court retains jurisdiction of this  
20 matter for purposes of construction, modification, and enforcement of this  
21 Order.  
22

23  
24 **IT IS SO ORDERED**, this 14th day of March, 2012.

25   
26 \_\_\_\_\_  
27 R. GARY KLAUSNER  
28 UNITED STATES DISTRICT JUDGE