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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Federal Trade Commission,

Plaintiff,

vs.

Premier Nationwide Corporation, an Arizona
Corporation, d.b.a. Premier Savings; and

Eric C. Synstad,

Defendants.

Civil No.12-0009-PHX-GMS

**STIPULATED FINAL
JUDGMENT AND ORDER
FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

On January 3, 2012, Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), filed its Complaint to secure temporary, preliminary, and permanent injunctive and other equitable relief 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 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, for Defendants’ acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with the marketing and sale of credit card debt consolidation and debt relief services. On January 5, the Court entered a Temporary Restraining Order

1 (“TRO”), which enjoined Defendants from, among other things,
2 misrepresenting their products and services, violating the TSR, and disposing
3 of their assets. The TRO was subsequently extended by stipulation of all
4 parties, and on January 27, 2012, a Stipulated Preliminary Injunction was
5 entered as to all parties.

6 Plaintiff FTC and Defendants have agreed to entry of this Stipulated
7 Final Judgment and Order for Permanent Injunction (“Order”).

8 **NOW, THEREFORE**, Plaintiff Federal Trade Commission and
9 Defendants having requested the Court to enter this Order,

10 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as
11 follows:

12 **FINDINGS**

- 13 1. This Court has jurisdiction over the subject matter and the
14 parties.
- 15 2. Venue is proper in the District of Arizona.
- 16 3. The activities of Defendants are in or affecting commerce, as
17 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- 18 4. Defendants are telemarketers or sellers for purposes of the TSR.
- 19 5. The Complaint states a claim upon which relief may be granted
20 against both Defendants under Sections 5(a), 13(b), and 19 of the FTC Act, 15
21 U.S.C. §§ 45(a), 53(b), and 57b; and under the TSR, 16 C.F.R. Part 310.
- 22 6. Defendants waive: (a) any right to seek judicial review or
23 otherwise challenge or contest the validity of this Order; (b) any claim that they
24 may have against the Commission, its employees, representatives, or agents;
25 (c) any claim under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as*
26 *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996); and (d) any right to
27 attorneys’ fees that may arise under said provision of law. The Commission
28 and Defendants shall each bear their own costs and attorney’s fees incurred in

1 this action.

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

4 8. Entry of this Order is in the public interest.

5 9. Defendants neither admit nor deny the allegations set forth in the
6 Complaint. This Order does not constitute and shall not be interpreted to
7 constitute either an admission by Defendants, or a finding by the Court, of any
8 liability or wrongdoing by any of the Defendants or any violation of any law,
9 rule, or regulation.

10 10. This Order resolves all issues between the Commission and the
11 Defendants raised in the Commission's Complaint.

12 11. Defendants have entered into this Order freely and without
13 coercion. Defendants acknowledge that they have read the provisions of this
14 Order, understand them, and are prepared to abide by them.

15 DEFINITIONS

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

17 1. "Asset" or "Assets" means any legal or equitable interest in,
18 right to, or claim to, any real or personal property, including, but not limited to,
19 "goods," "instruments," "equipment," "fixtures," "general intangibles,"
20 "inventory," "checks," or "notes" (as these terms are defined in the Uniform
21 Commercial Code), lines of credit, chattels, leaseholds, contracts, mail or other
22 deliveries, shares of stock, lists of consumer names, accounts, credits, premises,
23 receivables, funds, and all cash, wherever located.

24 2. "Assisting others" includes but is not limited to: (1) performing
25 customer service functions including, but not limited to, receiving or
26 responding to consumer complaints; (2) formulating or providing, or arranging
27 for the formulation or provision of, any sales script or other marketing material;
28 (3) providing names of, or assisting in the generation of, potential customers;

1 (4) performing or providing marketing or billing services of any kind; (5)
2 acting as an officer or director of a business entity; (6) providing telemarketing
3 services; or (7) providing a merchant account for processing charges.

4 3. **“Clear and conspicuous”** means: (1) if presented in writing, the
5 information shall be in type size and location sufficient for an ordinary
6 consumer to read and comprehend it, and shall be disclosed in a manner that
7 would be easily recognizable and understandable in language and syntax to an
8 ordinary consumer. If the information is contained in a multi-page print
9 document, the disclosure shall appear on the first page; (2) if presented orally,
10 the information shall be disclosed in a volume, cadence, and syntax sufficient
11 for an ordinary consumer to hear and comprehend; and (3) nothing contrary to
12 any information disclosed shall be imparted at or near the time of the
13 disclosure.

14 4. **“Competent and reliable evidence”** means tests, analyses,
15 research, studies, or other evidence based on the expertise of professionals in
16 the relevant area, that has been conducted and evaluated in an objective manner
17 by persons qualified to do so, using procedures generally accepted in the
18 profession to yield accurate and reliable results.

19 5. **“Consumer”** means any natural person.

20 6. **“Corporate Defendant”** means Premier Nationwide
21 Corporation, d.b.a. Premier Savings, and its successors and assigns, and any
22 fictitious business entities or business names created or used by these entities,
23 or any of them.

24 7. **“Customer”** means any person who has paid, or may be required
25 to pay, for products, services, plans, or programs offered for sale or sold by any
26 other person.

27 8. **“Debt relief service”** means any program or service represented,
28 directly or by implication, to renegotiate, settle, or in any way alter the terms of

1 payment or other terms of the debt between a person and one or more
2 unsecured creditors or debt collectors, including, but not limited to, a reduction
3 in the balance, interest rate, or fees owed by a person to an unsecured creditor
4 or debt collector.

5 9. **“Defendants”** means the Individual Defendant and Corporate
6 Defendant, individually, collectively, or in any combination.

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

14 11. **“Financial institution”** means any bank, savings and loan
15 institution, credit union, or any financial depository of any kind, including, but
16 not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title
17 company, commodity trading company, or precious metal dealer.

18 12. **“Financial related product or service”** means any product or
19 service represented, directly or by implication, to:

- 20 A. provide any consumer, arrange for any consumer to receive, or
21 assist any consumer in receiving credit, debit, or stored value
22 cards;
- 23 B. improve, or arrange to improve, any consumer’s credit record,
24 credit history, or credit rating;
- 25 C. provide advice or assistance to any consumer with regard to any
26 activity or service the purpose of which is to improve a
27 consumer’s credit record, credit history, or credit rating;
- 28 D. provide any consumer, arrange for any consumer to receive, or

1 assist any consumer in receiving a loan or other extension of
2 credit; or
3 E. provide any consumer, arrange for any consumer to receive, or
4 assist any consumer in receiving any service represented,
5 expressly or by implication, to renegotiate, settle, or in any way
6 alter the terms of payment or other terms of the debt between a
7 consumer and one or more secured creditors, servicers, or debt
8 collectors.

9 13. **“Individual Defendant”** means Eric C. Synstad.

10 14. **“Material”** means likely to affect a person’s choice of, or
11 conduct regarding, goods or services.

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

16 **CONDUCT PROHIBITIONS**

17 **I. PERMANENT BAN ON MARKETING DEBT RELIEF SERVICES**

18 **IT IS FURTHER ORDERED** that Defendants, whether acting directly
19 or through any person, are hereby permanently restrained and enjoined from
20 engaging in, participating in, or assisting others in the marketing, advertising,
21 promoting, offering for sale, or sale of debt relief services.

22 **II. PROHIBITED PRACTICES RELATING TO FINANCIAL RELATED PRODUCTS OR SERVICES**

23 **IT IS FURTHER ORDERED** that Defendants and their officers,
24 agents, servants, employees, and attorneys, and those persons or entities in
25 active concert or participation with any of them who receive actual notice of
26 this Order by personal service, facsimile transmission, email, or otherwise,
27 whether acting directly or through any person, business entity, trust,
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1 corporation, partnership, limited liability company, subsidiary, division, or
2 other device, or any of them, in connection with the advertising, marketing,
3 promotion, offering for sale or sale of any financial related product or service,
4 are hereby permanently restrained and enjoined from:

5 A. Misrepresenting or assisting others in misrepresenting, expressly
6 or by implication, any material fact, including but not limited to:

7 1. The terms or rates that are available for any loan or other
8 extension of credit, including but not limited to:

- 9 a. Closing costs or other fees;
- 10 b. The payment schedule, the monthly payment
11 amount(s), or other payment terms, or whether
12 there is a balloon payment; interest rate(s), annual
13 percentage rate(s), or finance charge; the loan
14 amount, the amount of credit, the draw amount, or
15 outstanding balance; the loan term, the draw period,
16 or maturity; or any other term of credit;
- 17 c. The savings associated with the credit;
- 18 d. The amount of cash to be disbursed to the borrower
19 out of the proceeds, or the amount of cash to be
20 disbursed on behalf of the borrower to any third
21 party;
- 22 e. Whether the payment of the minimum amount
23 specified each month covers both interest and
24 principal, and whether the credit has or can result in
25 negative amortization;
- 26 f. That the credit does not have a prepayment penalty
27 or that no prepayment penalty and/or other fees or
28 costs will be incurred if the consumer subsequently
refinances; and

- 1 g. That the interest rate(s) or annual percentage rate(s)
2 are fixed rather than adjustable or adjustable rather
3 than fixed;
- 4 2. That any person can improve any consumer's credit record, credit
5 history, or credit rating by permanently removing negative
6 information from the consumer's credit record, credit history, or
7 credit rating, even where such information is accurate and not
8 obsolete;
- 9 3. Any person's ability to improve or otherwise affect a consumer's
10 credit record, credit history, or credit rating or ability to obtain
11 credit;
- 12 4. Any aspect of any mortgage loan modification service or
13 foreclosure relief service, including, but not limited to, the
14 amount of savings or reduction in interest rate, loan principal, or
15 monthly payment that a consumer will receive from purchasing,
16 using, or enrolling in such mortgage loan modification service or
17 foreclosure relief service; the amount of time before a consumer
18 will receive a mortgage loan modification or relief from
19 foreclosure; the likelihood that a consumer will obtain a modified
20 mortgage loan or relief from foreclosure; or the reduction or
21 cessation of collection calls; and
- 22 5. That a consumer will receive legal representation; and
- 23 B. Advertising or assisting others in advertising credit terms other
24 than those terms that actually are or will be arranged or offered by a creditor or
25 lender.

25 **III. PROHIBITED PRACTICES RELATING TO ANY**
26 **PRODUCTS OR SERVICES**

27 **IT IS FURTHER ORDERED** that Defendants, and their officers,
28 agents, servants, employees, and attorneys, and those persons or entities in

1 active concert or participation with any of them who receive actual notice of
2 this Order by personal service, facsimile transmission, email, or otherwise,
3 whether acting directly or through any person, business entity, trust,
4 corporation, partnership, limited liability company, subsidiary, division, or
5 other device, or any of them, in connection with the advertising, marketing,
6 promotion, offering for sale or sale of any product or service, are hereby
7 permanently restrained and enjoined from:

8 A. Misrepresenting, or assisting others in misrepresenting, expressly
9 or by implication, any material fact, including but not limited to:

- 10 1. Any material aspect of the nature or terms of any refund,
11 cancellation, exchange, or repurchase policy including, but not
12 limited to, the likelihood of a consumer obtaining a full or partial
13 refund, or the circumstances in which a full or partial refund will
14 be granted to the consumer;
- 15 2. That any person is affiliated with, endorsed or approved by, or
16 otherwise connected to any other person, government entity, or
17 public, non-profit, non-commercial, or other program;
- 18 3. The total costs to purchase, receive, or use, or the quantity of, the
19 product or service;
- 20 4. Any material restriction, limitation, or condition on purchasing,
21 receiving, or using the product or service; and
- 22 5. Any material aspect of the performance, efficacy, nature, or
23 characteristics of the product or service;

24 B. Failing to disclose truthfully, and in a clear and conspicuous
25 manner, before a customer pays for products or services offered, all the
26 material terms and conditions of a refund, cancellation, exchange, or
27 repurchase policy; and

28 C. Engaging in, causing other persons to engage in, or assisting
other persons to engage in, violations of the TSR, including, but not limited to:

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1. Misrepresenting, expressly or by implication, any material fact, including, but not limited to:
 - a. Any material aspect of the performance, efficacy, nature, or central characteristics of the product or service;
 - b. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy for the product or service;
 - c. That any person is affiliated with, endorsed or approved by, or otherwise connected to any other person; government entity; or public, non-profit, non-commercial, or other program;
 - d. The total costs to purchase, receive, or use, or the quantity of, the product or service; or
 - e. Any material restriction, limitation, or condition on purchasing, receiving, or using the product or service; and
2. Failing to disclose truthfully, and in a clear and conspicuous manner, before a customer pays for products or services offered, all the material terms and conditions of a refund, cancellation, exchange, or repurchase policy if the seller has such a policy and informs the consumer about such policy, or informs the consumer that it has a policy of not making refunds if the seller has such a policy.

1 **IV. SUBSTANTIATION FOR BENEFIT, PERFORMANCE,**
2 **AND EFFICACY CLAIMS**

3 **IT IS FURTHER ORDERED** that the Defendants and their officers,
4 agents, servants, employees, and attorneys, and those persons or entities in
5 active concert or participation with any of them who receive actual notice of
6 this Order by personal service, facsimile transmission, email, or otherwise,
7 whether acting directly or through any corporation, subsidiary, division, or
8 other device, in connection with the advertising, marketing, promotion,
9 offering for sale, or sale of any product or service are hereby permanently
10 restrained and enjoined from making any representation or assisting others in
11 making any representation, expressly or by implication, about the benefits,
12 performance, or efficacy of any product or service, unless, at the time such
13 representation is made, the Defendants possess and rely upon competent and
reliable evidence that substantiates that the representation is true.

14 **V. PROHIBITION ON DISCLOSING CUSTOMER**
15 **INFORMATION**

16 **IT IS FURTHER ORDERED** that the Defendants, officers, agents,
17 servants, employees, and attorneys, and those persons or entities in active
18 concert or participation with any of them who receive actual notice of this
19 Order by personal service, facsimile transmission, email, or otherwise, whether
20 acting directly or through any corporation, subsidiary, division, or other device,
are permanently restrained and enjoined from:

21 A. Disclosing, using, or benefitting from customer information,
22 including the name, address, telephone number, email address, social security
23 number, other identifying information, or any data that enables access to a
24 customer's account (including a credit card, bank account, or other financial
25 account) of any person that any Defendant obtained prior to entry of this Order
26 in connection with the advertising, marketing, promotion, offering for sale or
27 sale of any debt relief service; and

28 B. Failing to dispose of such customer information in all forms in

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

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

9 VI. MONETARY JUDGMENT

10 **IT IS FURTHER ORDERED** that Judgment is hereby entered in favor
11 of the Commission and against Defendants, jointly and severally, for equitable
12 monetary relief, in the amount of \$15,143,185; *provided, however,* that the
13 Judgment for equitable monetary relief shall be suspended upon the satisfaction
14 of the obligations imposed by Subsections A - F of this Section, and subject to
15 the conditions set forth in Section VII of this Order:

16 A. Defendant Eric C. Synstad ("Defendant Synstad") shall pay to the
17 Commission the sum of \$13,312.85 in equitable monetary relief, including, but
18 not limited to, consumer redress and/or disgorgement, within five (5) days of
19 the date of entry of this Order. Payment shall be made to the Commission by
20 wire transfer in accordance with directions provided by the Commission, or by
21 certified check or other guaranteed funds payable to and delivered to the
22 Commission;

23 B. Defendant Synstad shall immediately take specific steps, as set
24 forth below, to sell all interests in the 2005 Mercedes Benz SL500
25 ("Mercedes"), listed in Item 21 of the Financial Statement of Individual
26 Defendant Synstad, signed on January 12, 2012 ("Individual Financial
27 Statement"):

28 1. Defendant Synstad shall immediately place the Mercedes

1 for sale through an appropriate broker or automobile listing service approved
2 by counsel for the Commission;

3 2. Defendant Synstad shall notify counsel for the
4 Commission of the amount of any offer to purchase the Mercedes and the name
5 and address of the proposed purchaser immediately upon receiving each such
6 offer. Acceptance of any such offer shall be in the Commission's sole
7 discretion;

8 3. Within three (3) business days of receipt of the proceeds
9 from the sale of all interests in the Mercedes, Defendant Synstad shall retain for
10 himself an amount not to exceed \$5,000, and pay all remaining funds to the
11 Commission by wire transfer in accordance with directions provided by the
12 Commission, or by certified check or other guaranteed funds payable to and
13 delivered to the Commission;

14 4. Defendant Synstad agrees that, prior to the sale required
15 by this Subsection, he will maintain insurance on the Mercedes in an amount of
16 not less than the full replacement value of the vehicle. In the event that the
17 Mercedes suffers any loss or damage covered by such insurance policy,
18 Defendant Synstad shall make such claims as are permitted by the insurance
19 policy and shall assign or remit any insurance payment he receives as a result
20 of such loss or damage to the Commission; and

21 5. To secure his performance under this Subsection B,
22 Defendant Synstad hereby grants to the Commission a lien on, and security
23 interest in, the Mercedes, which terminates upon sale of the vehicle;

24 C. Defendant Synstad shall immediately take specific steps, as set
25 forth below, to sell all interests in the 1994 Nissan Pick-up Truck ("Nissan"),
26 listed in Item 21 of the Individual Financial Statement:

27 1. Defendant Synstad shall immediately place the Nissan for
28 sale through an appropriate broker or automobile listing service approved by
counsel for the Commission;

1 2. Defendant Synstad shall notify counsel for the
2 Commission of the amount of any offer to purchase the Nissan and the name
3 and address of the proposed purchaser immediately upon receiving each such
4 offer. Acceptance of any such offer shall be in the Commission's sole
5 discretion;

6 3. Within three (3) business days of receipt of the proceeds
7 from the sale of all interests in the Nissan, Defendant Synstad pay the funds to
8 the Commission by wire transfer in accordance with directions provided by the
9 Commission, or by certified check or other guaranteed funds payable to and
10 delivered to the Commission;

11 4. Defendant Synstad agrees that, prior to the sale required
12 by this Subsection, he will maintain insurance on the Nissan in an amount of
13 not less than the full replacement value of the vehicle. In the event that the
14 Nissan suffers any loss or damage covered by such insurance policy, Defendant
15 Synstad shall make such claims as are permitted by the insurance policy and
16 shall assign or remit any insurance payment he receives as a result of such loss
17 or damage to the Commission; and

18 5. To secure his performance under this Subsection C,
19 Defendant Synstad hereby grants to the Commission a lien on, and security
20 interest in, the Nissan, which terminates upon sale of the vehicle;

21 D. With respect to the real properties located at 880 Gulf Boulevard,
22 Belleair Shore, FL and 9823 East Casitas del Rio Drive, Scottsdale, AZ, listed
23 in Item 1 of the Individual Financial Statement, within ten (10) business days
24 of receipt of any rental income from the properties, Defendant Synstad shall
25 provide a written accounting of and pay to the Commission the full amount of
26 such rental income;

27 E. Defendants shall within five (5) days of entry of this Order
28 relinquish to the Commission all dominion, control, and title to the two reserve
accounts, one held by IRN Payment Systems, and the other held by Frontline

1 Processing, listed in Item 29 of the Individual Financial Statement;

2 F. Defendants shall within five (5) days of entry of this Order
3 relinquish to the Commission all dominion, control, and title to residual
4 income, listed in Item 32 of the Individual Financial Statement. The residual
5 income is received from two companies, Consumer Alliance Processing Group
6 and Golden State Debt Management;

7 G. Time is of the essence for the payments specified above. In the
8 event of default by Defendants on any obligation imposed under this Section,
9 including, but not limited to, the failure to timely and completely fulfill their
10 payment obligations:

- 11 1. The Judgment imposed herein will not be suspended, and
12 the full amount of that Judgment, \$15,143,185, shall
13 immediately become due and payable, plus interest from
14 the date of entry of this Order pursuant to 28 U.S.C. §
15 1961, as amended, less any amounts already paid; and
- 16 2. The Commission shall be entitled to immediately exercise
17 any and all rights and remedies against Defendants and
18 their assets to collect the full amount of the Judgment and
19 interest thereon, less any amounts already paid;

20 H. All funds paid pursuant to this Order shall be deposited into a
21 fund administered by the Commission or its agent to be used for equitable
22 relief, including, but not limited to, consumer redress, and any attendant
23 expenses for the administration of such equitable relief. Defendants shall
24 cooperate fully to assist the Commission in identifying consumers who may be
25 entitled to redress pursuant to this Order. If the Commission determines, in its
26 sole discretion, that direct redress to consumers is wholly or partially
27 impracticable or funds remain after redress is completed, the Commission may
28 apply any remaining funds for such other equitable relief (including consumer
information remedies) as it determines to be reasonably related to Defendants'

1 practices alleged in the Complaint. Any funds not used for such equitable
2 relief shall be deposited to the United States Treasury as disgorgement.
3 Defendants shall have no right to challenge the Commission's choice of
4 remedies under this Section. Defendants shall have no right to contest the
5 manner of distribution chosen by the Commission. This judgment for equitable
6 monetary relief is solely remedial in nature and is not a fine, penalty, punitive
7 assessment, or forfeiture;

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

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

21 K. Defendants agree that the facts as alleged in the Complaint filed
22 in this action shall be taken as true without further proof in any bankruptcy case
23 or subsequent civil litigation pursued by the Commission to enforce its rights to
24 any payment or money judgment pursuant to this Order, including but not
25 limited to a nondischargeability complaint in any bankruptcy case. Defendants
26 further stipulate and agree that the facts alleged in the Complaint establish all
27 elements necessary to sustain an action by the Commission pursuant to Section
28 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this
Order shall have collateral estoppel effect for such purposes; and

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

5 **VII. RIGHT TO REOPEN**

6 **IT IS FURTHER ORDERED** that:

7 A. Plaintiff's agreement to this Order is expressly premised upon the
8 truthfulness, accuracy, and completeness of Defendants' financial condition, as
9 represented in the Financial Disclosure Statements and attachments of
10 Defendants dated January 12, 2012, which contain material information upon
11 which Plaintiff relied in negotiating and agreeing to the terms of this Order;
12 and

13 B. If, upon motion by the FTC, the Court finds that any Defendant
14 failed to disclose any material asset, materially misrepresented the value of any
15 asset, or made any other material misrepresentation in or omission from the
16 Defendant's financial statement or supporting documents, then this Order shall
17 be reopened and suspension of the judgment set forth in Section VI shall be
18 lifted as to that Defendant for the purpose of requiring payment of monetary
19 relief in the amount of \$15,143,185, plus interest from the date of entry of this
20 Order pursuant to 28 U.S.C. § 1961, as amended, less the sum of any amounts
21 paid to the Commission pursuant to Section VI and any other payments made
22 by other Defendants. *Provided, however,* that, in all other respects, this Order
23 shall remain in full force and effect, unless otherwise ordered by the Court.

24 **VIII. PROHIBITION ON COLLECTING ON ACCOUNTS**

25 **IT IS FURTHER ORDERED** that Defendants, whether acting directly,
26 or through any person, business entity, trust, corporation, partnership, limited
27 liability company, subsidiary, division, or other device, or any of them, are
28 hereby permanently restrained and enjoined from attempting to collect,
collecting, or assigning any right to collect payment from any consumer who

1 purchased or agreed to purchase Defendants' credit card debt consolidation or
2 debt relief services.

3 **IX. DISSOLUTION OF ASSET FREEZE**

4 **IT IS FURTHER ORDERED** that the freeze on the assets of
5 Defendants shall remain in effect until they have taken all of the actions
6 required by Section VI above; *provided, however*, that Defendants, with the
7 express written consent of counsel for the Commission, may transfer funds to
8 the extent necessary to make all payments required by Section VI. Once
9 Defendants have fully complied with the requirements of Section VI, the freeze
10 against the assets of Defendants shall be lifted permanently. A financial
11 institution shall be entitled to rely upon a letter from Plaintiff stating that the
12 freeze on the assets of Defendants has been lifted.

13 **X. ORDER ACKNOWLEDGMENTS**

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

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

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

C. From each individual or entity to which a Defendant delivered a

1 copy of this Order, that Defendant must obtain, within 30 days, a signed and
2 dated acknowledgment of receipt of this Order.

3 **XI. COMPLIANCE REPORTING**

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

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

- 8 1. Each Defendant must: (a) designate at least one telephone
9 number and an email, physical, and postal address as points of
10 contact, which representatives of the Commission may use to
11 communicate with Defendant; (b) identify all of that Defendant's
12 businesses by all of their names, telephone numbers, and
13 physical, postal, email, and Internet addresses; (c) describe the
14 activities of each business, including the products and services
15 offered, the means of advertising, marketing, and sales, and the
16 involvement of any other Defendant (which Individual
17 Defendants must describe if they know or should know due to
18 their own involvement); (d) describe in detail whether and how
19 that Defendant is in compliance with each Section of this Order;
20 and (e) provide a copy of each Order Acknowledgment obtained
21 pursuant to this Order, unless previously submitted to the
22 Commission; and
- 23 2. Additionally, the Individual Defendant must: (a) identify all
24 telephone numbers and all email, Internet, physical, and postal
25 addresses, including all residences; (b) identify all titles and roles
26 in all business activities, including any business for which such
27 Defendant performs services whether as an employee or
28 otherwise and any entity in which such Defendant has any
ownership interest; and (c) describe in detail such Defendant's

1 involvement in each such business, including title, role,
2 responsibilities, participation, authority, control, and any
3 ownership;

4 B. For 20 years following entry of this Order, each Defendant must
5 submit a compliance notice, sworn under penalty of perjury, within 14 days of
6 any change in the following:

7 1. Each Defendant must report any change in: (a) any designated
8 point of contact; or (b) the structure of the Corporate Defendant
9 or any entity that Defendant has any ownership interest in or
10 directly or indirectly controls that may affect compliance
11 obligations arising under this Order, including: creation, merger,
12 sale, or dissolution of the entity or any subsidiary, parent, or
13 affiliate that engages in any acts or practices subject to this
14 Order; and

15 2. Additionally, the Individual Defendant must report any change
16 in: (a) name, including aliases or fictitious name, or residence
17 address; or (b) title or role in any business activity, including any
18 business for which he performs services whether as an employee
19 or otherwise and any entity in which he has any ownership
20 interest, and identify its name, physical address, and Internet
21 address, if any;

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

25 D. Any submission to the Commission required by this Order to be
26 sworn under penalty of perjury must be true and accurate and comply with 28
27 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury
28 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,

1 title (if applicable), and signature; and

2 E. Unless otherwise directed by a Commission representative in
3 writing, all submissions to the Commission pursuant to this Order must be
4 emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal
5 Service) to: Associate Director for Enforcement, Bureau of Consumer
6 Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW,
7 Washington, DC 20580. The subject line must begin: FTC v. Premier
8 Nationwide Corporation, et al., Matter No. X120012.

9 **XII. RECORD KEEPING**

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

16 A. Accounting records showing the revenues from all products or
17 services sold, all costs incurred in generating those revenues, and the resulting
18 net profit or loss;

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

23 C. Complaints and refund requests, whether received directly or
24 indirectly, such as through a third party, and any response; and

25 D. All records necessary to demonstrate full compliance with each
26 provision of this Order, including all submissions to the Commission.
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1 **XIII. COMPLIANCE MONITORING**

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

6 A. Within 14 days of receipt of a written request from a
7 representative of the Commission, each Defendant must: submit additional
8 compliance reports or other requested information, which must be sworn under
9 penalty of perjury; appear for depositions; and produce documents, for
10 inspection and copying. The Commission is also authorized to obtain
11 discovery, without further leave of court, using any of the procedures
12 prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic
13 depositions), 31, 33, 34, 36, 45, and 69;

14 B. For matters concerning this Order, the Commission is authorized
15 to communicate directly with each Defendant. Defendants must permit
16 representatives of the Commission to interview any employee or other person
17 affiliated with any Defendant who has agreed to such an interview. The person
18 interviewed may have counsel present; and

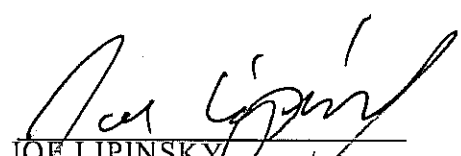
19 C. The Commission may use all other lawful means, including
20 posing, through its representatives, as consumers, suppliers, or other
21 individuals or entities, to Defendants or any individual or entity affiliated with
22 Defendants, without the necessity of identification or prior notice. Nothing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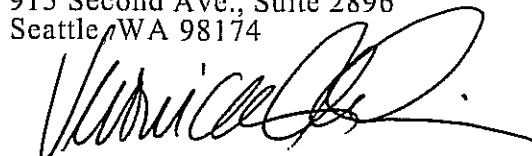
XIV. RETENTION OF JURISDICTION

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

Respectfully submitted by:



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