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18 **NO JS-6**

19 UNITED STATES DISTRICT COURT
20 CENTRAL DISTRICT OF CALIFORNIA

21) Case No. CV 15-01921 DDP (PJWx)
22)
23)
24) FEDERAL TRADE COMMISSION,)
25)
26) Plaintiff,)
27) STIPULATED ORDER FOR
28) PERMANENT INJUNCTION AND
v.) MONETARY JUDGMENT AS TO
FIRST TIME CREDIT SOLUTION,) **JIMENA PEREZ, MARIA**
CORP., *et al.*,) **BERNAL, AND FERMIN CAMPOS**
Defendants.)
)

1 Plaintiff, the Federal Trade Commission (“Commission”), filed its
2 Complaint for Permanent Injunction and Other Equitable Relief (DE 1) in this
3 matter, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act
4 (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair
5 Organizations Act (“CROA”), 15 U.S.C. § 1679h(b). The Commission and
6 Defendants Jimena Perez, Maria Bernal, and Fermin Campos (“Settling
7 Defendants”) stipulate to entry of this Order for Permanent Injunction and
8 Monetary Judgment as to the Settling Defendants (“Order”) to resolve all matters
9 in dispute in this action between them.

10 THEREFORE, IT IS ORDERED as follows:

11 **FINDINGS**

- 12 1. This Court has jurisdiction over this matter.
- 13 2. The Complaint charges that the Settling Defendants participated in deceptive
14 acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C.
15 §45(a), and unlawful practices in violation of Section 404 of CROA, 15
16 U.S.C. § 1679b.
- 17 3. The Settling Defendants neither admit nor deny any of the allegations in the
18 Complaint, except as specifically stated in this Order. Only for purposes of
19 this action, the Settling Defendants admit the facts necessary to establish
20 jurisdiction.
- 21 4. The Settling Defendants waive any claim that they may have under the
22 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution
23 of this action through the date of this Order, and agree to bear their own
24 costs and attorney fees.
- 25 5. The Settling Defendants and the Commission waive all rights to appeal or
26 otherwise challenge or contest the validity of this Order.

27 **DEFINITIONS**

28 For the purpose of this Order, the following definitions apply:

- 1 1. **“Corporate Defendant”** means First Time Credit Solution, Corp., also
2 d/b/a FTC Credit Solutions, 1st Consumer Credit USA, and Doctor De
3 Crédito, and its successors and assigns.
- 4 2. **“Credit Repair Services”** means any service, in return for payment of
5 money or other valuable consideration, for the express or implied purpose
6 of: (1) improving any consumer’s credit record, credit history, or credit
7 rating; or (2) providing advice or assistance to any consumer with regard to
8 any activity or service the purpose of which is to improve a consumer’s
9 credit record, credit history, or credit rating.
- 10 3. **“Defendant(s)”** means the Corporate Defendant, Guillermo Leyes, Jimena
11 Perez, Maria Bernal, and Fermin Campos, individually, collectively, or in
12 any combination.
- 13 4. **“Receiver”** means Stephen J. Donell, the receiver appointed in Section XI of
14 the Preliminary Injunction as to the Corporate Defendant [DE 59], and any
15 deputy receivers that shall be named by Mr. Donell.
- 16 5. **“Settling Defendants”** means Jimena Perez, Fermin Campos, and Maria
17 Bernal, individually, collectively, or in any combination.

18 **ORDER**

19 **I. BAN REGARDING CREDIT REPAIR SERVICES**

20 **IT IS HEREBY ORDERED** that the Settling Defendants are permanently
21 restrained and enjoined from advertising, marketing, promoting, or offering for
22 sale, or assisting in the advertising, marketing, promoting, or offering for sale of,
23 Credit Repair Services, whether directly or through an intermediary.

24 **II. PROHIBITED BUSINESS ACTIVITIES**

25 **IT IS FURTHER ORDERED** that the Settling Defendants, their officers,
26 agents, employees, and attorneys, and all other persons in active concert or
27 participation with any of them, who receive actual notice of this Order, whether
28 acting directly or indirectly, in connection with promoting or offering for sale any

1 good or service are permanently restrained and enjoined from misrepresenting or
2 assisting others in misrepresenting, expressly or by implication:

3 A. that any Defendant or any other person is affiliated with, licensed or
4 sponsored by, or otherwise connected to any person or government entity; and

5 B. any other fact material to consumers concerning any good or service,
6 such as: the total costs; any material restrictions, limitations, or conditions; or any
7 material aspect of its performance, efficacy, nature, or central characteristics.

8 **III. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

9 **IT IS FURTHER ORDERED** that:

10 A. Judgment in the amount of Two Million Four Hundred Thousand
11 Dollars (\$2,400,000) is entered in favor of the Commission against the Settling
12 Defendants, jointly and severally with the other Defendants, as equitable monetary
13 relief.

14 B. Bank of America, N.A. is ordered, within seven (7) days of entry of
15 this Order, to transfer the funds held in account numbers xxxxxxx7291 and
16 xxxxxxx7810, in the name of Jimena Perez, to the Commission by electronic fund
17 transfer in accordance with instructions provided by a representative of the
18 Commission.

19 C. Kinecta Federal Credit Union is ordered, within seven (7) days of
20 entry of this Order, to transfer the funds held in account numbers xxx6725-01 and
21 xxx6725-16, in the name of Maria Bernal Recinos, to the Commission by
22 electronic fund transfer in accordance with instructions provided by a
23 representative of the Commission.

24 D. Wells Fargo Bank, N.A. is ordered, within seven (7) days of entry of
25 this Order, to transfer the funds held in the 401(k) retirement account in the name
26 of Fermin Campos, identified by account number xxxxxxxxxxxxxx1220, to the
27 Commission by electronic fund transfer in accordance with instructions provided
28 by a representative of the Commission.

1 E. The Receiver is ordered, within seven (7) days of entry of this Order,
2 to transfer to the Commission any funds previously held in the name of Fermin
3 Campos, Jimena Perez, or Maria Bernal that the Receiver obtained from Wells
4 Fargo Bank, N.A., including funds from the following Wells Fargo accounts:

- 5 1. account numbers xxxxxx2897, xxxxxx7301, xxxxxx1902,
6 xxxxxx5318 held in the name of Fermin Campos;
- 7 2. account numbers xxxxxx5768, xxxxxx1131, and xxxxxx4058 held
8 in the name of Jimena Perez; and
- 9 3. account numbers xxxxxx3611, xxxxxx4927, xxxxxx7978, and
10 xxxxxx9714 held in the name of Maria L. Recinos.

11 Upon the completion of these transfer and the other asset transfers listed in
12 Subsections B-D, above, the remainder of the judgment is suspended, subject to
13 Subsections F-H, below.

14 F. The Commission's agreement to the suspension of part of the
15 judgment is expressly premised upon the truthfulness, accuracy, and completeness
16 of the Settling Defendants' sworn financial statements and related documents and
17 testimony (collectively, "financial representations") submitted to the Commission,
18 namely:

- 19 1. the Financial Statement of Fermin Campos signed on March 22,
20 2015, including the attachments, the Statement of Fermin Campos
21 in regards to the payment of his attorney's fees signed on March
22 22, 2015, and Campos' April 14, 2015 deposition testimony;
- 23 2. the Financial Statement of Maria Bernal signed on March 22,
24 2015, including the attachments, the Statement of Maria Bernal in
25 regards to the payment of her attorney's fees and travel expenses
26 signed on March 22, 2015, and Bernal's April 14, 2015 deposition
27 testimony; and
- 28 3. the Financial Statement of Jimena Perez signed on March 31,

1 2015, including the attachments, the Statement of Jimena Perez in
2 regards to the payment of her attorney's fees signed on March 31,
3 2015, and Perez's April 13, 2015 deposition testimony.

4 G. The suspension of the judgment will be lifted as to any Settling
5 Defendant if, upon motion by the Commission, the Court finds that such Settling
6 Defendant failed to disclose any material asset, materially misstated the value of
7 any asset, or made any other material misstatement or omission in the financial
8 representations identified above.

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

15 **IV. ADDITIONAL MONETARY PROVISIONS**

16 **IT IS FURTHER ORDERED** that:

17 A. Each Settling Defendant hereby grants the Commission all rights and
18 claims he or she has, if any, to any asset currently in the possession, custody, or
19 control of the Receiver.

20 B. The Settling Defendants relinquish dominion and all legal and
21 equitable right, title, and interest in all assets transferred pursuant to this Order and
22 may not seek the return of any assets.

23 C. The facts alleged in the Complaint will be taken as true, without
24 further proof, in any subsequent civil litigation by or on behalf of the Commission,
25 including in a proceeding to enforce its rights to any payment or monetary
26 judgment pursuant to this Order, such as a nondischargeability complaint in any
27 bankruptcy case.

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

5 E. The Settling Defendants acknowledge that their Taxpayer
6 Identification Numbers (Social Security Numbers or Employer Identification
7 Numbers), which the Settling Defendants previously submitted to the Commission,
8 may be used for collecting and reporting on any delinquent amount arising out of
9 this Order, in accordance with 31 U.S.C. § 7701.

10 F. All money paid to the Commission pursuant to this Order may be
11 deposited into a fund administered by the Commission or its designee to be used
12 for equitable relief, including consumer redress and any attendant expenses for the
13 administration of any redress fund. If a representative of the Commission decides
14 that direct redress to consumers is wholly or partially impracticable or money
15 remains after redress is completed, the Commission may apply any remaining
16 money for such other equitable relief (including consumer information remedies)
17 as it determines to be reasonably related to Defendants' practices alleged in the
18 Complaint. Any money not used for such equitable relief is to be deposited to the
19 U.S. Treasury as disgorgement. The Settling Defendants have no right to
20 challenge any actions the Commission or its representatives may take pursuant to
21 this Section.

22 G. The asset freeze is modified to permit the transfers identified in
23 Section III (Monetary Judgment and Partial Suspension), above. Upon completion
24 of the transfers identified in Section III, the asset freeze is dissolved as to the
25 Settling Defendants.

26 V. CUSTOMER INFORMATION

27 **IT IS FURTHER ORDERED** that the Settling Defendants, their officers,
28 agents, employees, and attorneys, and all other persons in active concert or

1 notice, or other reasonable notice, at such places and times as a Commission
2 representative may designate, without the service of a subpoena.

3 **VII. ORDER ACKNOWLEDGMENTS**

4 **IT IS FURTHER ORDERED** that the Settling Defendants obtain
5 acknowledgments of receipt of this Order:

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

9 B. For five (5) years after entry of this Order, each Settling Defendant,
10 for any business that he or she, individually or collectively with any other
11 Defendants, is the majority owner or controls directly or indirectly, must deliver a
12 copy of this Order to: (1) all principals, officers, directors, and LLC managers and
13 members; (2) all employees, agents, and representatives who participate in conduct
14 related to the subject matter of this Order; and (3) any business entity resulting
15 from any change in structure as set forth in the Section titled Compliance
16 Reporting. Delivery must occur within seven (7) days of entry of this Order for
17 current personnel. For all others, delivery must occur before they assume their
18 responsibilities.

19 C. From each individual or entity to which a Settling Defendant
20 delivered a copy of this Order, the Settling Defendant must obtain, within thirty
21 (30) days, a signed and dated acknowledgment of receipt of this Order.

22 **VIII. COMPLIANCE REPORTING**

23 **IT IS FURTHER ORDERED** that the Settling Defendants make timely
24 submissions to the Commission:

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

- 27 1. identify all telephone numbers and all physical, postal, email and
28 Internet addresses, including all residences;

- 1 2. identify the primary physical, postal, and email address and
2 telephone number, as designated points of contact, which
3 representatives of the Commission may use to communicate with
4 him or her;
- 5 3. identify all business activities, including any business for which
6 such Defendant performs services whether as an employee or
7 otherwise and any entity in which he or she has any ownership
8 interest;
- 9 4. describe in detail such Defendant's involvement in each such
10 business, including title, role, responsibilities, participation,
11 authority, control, and any ownership;
- 12 5. identify all of such Defendant's businesses by all of their names,
13 telephone numbers, and physical, postal, email, and Internet
14 addresses;
- 15 6. describe the activities of each business, including the goods and
16 services offered, the means of advertising, marketing, and sales,
17 and the involvement of any other Defendant (which the Settling
18 Defendant must describe if they know or should know due to his or
19 her own involvement);
- 20 7. describe in detail whether and how such Defendant is in
21 compliance with each Section of this Order; and
- 22 8. provide a copy of each Order Acknowledgment obtained pursuant
23 to this Order, unless previously submitted to the Commission.

24 B. For fifteen (15) years after entry of this Order, each Settling
25 Defendant must submit a compliance notice, sworn under penalty of perjury,
26 within fourteen (14) days of any change in the following:

- 27 1. name, including aliases or fictitious name, or residence address; or
28

- 1 2. title or role in any business activity, including any business for
- 2 which such Defendant performs services whether as an employee
- 3 or otherwise and any entity in which such Defendant has any
- 4 ownership interest, and identify the name, physical address, and
- 5 any Internet address of the business or entity; or
- 6 3. any designated point of contact; or
- 7 4. the structure of any entity that such Defendant has any ownership
- 8 interest in or controls directly or indirectly that may affect
- 9 compliance obligations arising under this Order, including:
- 10 creation, merger, sale, or dissolution of the entity or any
- 11 subsidiary, parent, or affiliate that engages in any acts or practices
- 12 subject to this Order.

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

16 D. Any submission to the Commission required by this Order to be
17 sworn under penalty of perjury must be true and accurate and comply with
18 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury
19 under the laws of the United States of America that the foregoing is true and
20 correct. Executed on: _____” and supplying the date, signatory’s full name, title
21 (if applicable), and signature.

22 E. Unless otherwise directed by a Commission representative in writing,
23 all submissions to the FTC pursuant to this Order must be emailed to
24 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
25 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
26 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
27 subject line must begin: FTC v. Jimena Perez *et al.*, X1523114.
28

1 **IX. RECORDKEEPING**

2 **IT IS FURTHER ORDERED** that the Settling Defendants must create
3 certain records for fifteen (15) years after entry of the Order, and retain each such
4 record for five (5) years. Specifically, each Settling Defendant, for any business
5 that such Defendant, individually or collectively with any other Defendants, is a
6 majority owner or controls directly or indirectly, must create and retain the
7 following records:

8 A. accounting records showing the revenues from all goods or services
9 sold;

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

14 C. records of all consumer complaints and refund requests concerning
15 the subject matter of the Order, whether received directly or indirectly, such as
16 through a third party, and any response;

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

19 E. a copy of each unique advertisement or other marketing material.

20 **X. COMPLIANCE MONITORING**

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

25 A. Within fourteen (14) days of receipt of a written request from a
26 representative of the Commission, each Settling Defendant must: submit
27 additional compliance reports or other requested information, which must be sworn
28 under penalty of perjury; appear for depositions; and produce documents for

1 inspection and copying. The Commission is also authorized to obtain discovery,
2 without further leave of court, using any of the procedures prescribed by Federal
3 Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36,
4 45, and 69.

5 B. For matters concerning this Order, the Commission is authorized to
6 communicate directly with each Settling Defendant. The Settling Defendants must
7 permit representatives of the Commission to interview any employee or other
8 person affiliated with any Defendant who has agreed to such an interview. The
9 person interviewed may have counsel present.

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

16 D. Upon written request from a representative of the Commission, any
17 consumer reporting agency must furnish consumer reports concerning the Settling
18 Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
19 §1681b(a)(1).

20 **XI. RETENTION OF JURISDICTION**

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

23 **IT IS SO ORDERED.**

24 DATED: July 30, 2015



26 HON. DEAN D. PREGERSON
27 UNITED STATES DISTRICT JUDGE

28