

FILED
U.S. DISTRICT

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

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CLERK'S OFFICE
AT GREENBELT
BY _____ DEPUTY

FEDERAL TRADE COMMISSION)
600 Pennsylvania Avenue Northwest)

Washington, District of Columbia 20580)

Plaintiff,)

v.)

BALLENGER GROUP, LLC)
321 Ballenger Center Drive)
Frederick, Maryland 21703)
Frederick County, and)

Civil Action No.:

BALLENGER HOLDINGS, LLC)
321 Ballenger Center Drive)
Frederick, Maryland 21703)
Frederick County)

Defendants.)

such counsel, have consented to the entry of this Order by this Court to resolve all matters of dispute

1. PTC and Defendants without adjudication of any issue of fact or law and without the

[REDACTED]

2. PTC and Defendants to the extent necessary to resolve the matters alleged in the Complaint

[REDACTED]

3. PTC and Defendants and the instructions of the PTC and the Defendants

Pub.L.104-121, 110 Stat. 847, 863-4 (1996). Defendants further waive any right to attorneys'

4. "Credit counseling" means providing financial advice to a consumer about his finances or credit.
5. "Credit education" means providing general information or advice to a consumer about financial or credit matters.
6. "Debt management" means providing any service to a consumer relating to managing his debts.
7. "Debt management plan" or "DMP" means a program in which (1) a consumer pays one

and (2) the program disburses payments to the creditors of the debt.

"Debt management plan" means providing services to a person or entity to assist with the

B. In communications disseminated orally, the message shall be delivered in a

volume and cadence sufficient for an ordinary consumer to comprehend it.

C. In communications made through an electronic medium (such as television, video, radio, and interactive media such as the Internet, online services, and software), the message shall be presented simultaneously in both the audio and visual portions of the communication. In any communication presented solely through visual or audio means, the message may be made through the same means by which the communication is presented. Any audio message shall be delivered in a

it. Any visual message shall be of a size and shade, with a degree of contrast to

making, or causing or assisting others to make, expressly or by implication, any false or misleading

statements, including but not limited to misrepresentation
[REDACTED]

A. the existence, absence, terms, or amount of any fees, contributions,

or expenses, other than those stated on the bill associated
[REDACTED]

with the goods or services;

D. that no profits are being made from the goods or services provided; and

B

what effect the consumer's decision not to pay fees, contributions, or

or other costs, whether monetary or in kind, has on the terms, other
conditions, or benefits of the goods or services; and

C

if such is the case, that consumer would have a reasonable expectation that

provided by the Commission.

- B. Any and all funds paid pursuant to this Order shall be deposited into a fund administered by the FTC or its agent to be used for equitable relief including, but not limited to

consumer redress and any attendant expenses for the administration of any redress fund.

In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices as alleged in the Complaint. Any funds not

used for such equitable relief shall be deposited to the United States Treasury.

attorneys' fees incurred by the FTC and its agents in any attempts to collect.

amounts due.

All funds paid pursuant to this Order are payable monies in full.

remedial in nature, and not a fine, penalty, punitive assessment, or
forfeiture.

WE REQUEST PROMPT PAYMENT OF RECEIPT OF ORDER BY

Order, in connection with any business related to credit counseling, credit education, or debt management, Defendants and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by

following records:

- A. Copies of all manuals, sales scripts, training materials, advertisements, or other marketing materials;
- B. Records accurately reflecting: the name, address, and phone number of each person employed in any capacity by such business, including as an independent contractor; that

VII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order

may be monitored,

A. For a period of three (3) years from the date of entry of this Order, Defendants shall

file with the SEC a number of reports, including a periodic structure that may affect compliance

obligations arising under this Order, including, but not limited to, dissolution,

scripts used by employees for conversations with consumers or potential consumers.

For purposes of the applicable provisions required by this Part, the DTC is

authorized to communicate directly with Defendants

VIII. COMPLIANCE MONITORING

any of the Defendants, without the necessity of identification or prior

Decided that nothing in this Order shall limit the FTC's lawful use of compulsory

process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C.

~~Assistant Director, Division of Financial Practices~~

Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580
Re: FTC v. Ballenger Group, et al.

XII. COSTS AND ATTORNEYS FEES

IT IS FURTHER ORDERED that all parties to this Order will bear their own costs and

~~fees incurred in connection with this action.~~

~~hr~~

~~line~~

XIII. SCOPE OF ORDER

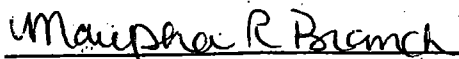
This Order resolves only claims against the named Defendants and their employees, officers, and

directors, and it does not preclude the Commission from initiating further action or seeking any remedy

The parties hereby stipulate and agree to the terms and conditions set forth above and consent to entry of this Stipulated Final Judgment and Order.

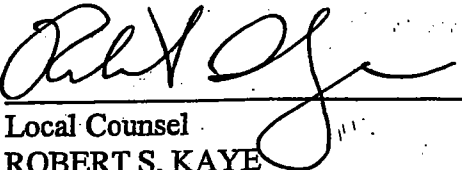
FOR PLAINTIFF FEDERAL TRADE COMMISSION:

WILLIAM E. KOVACIC
General Counsel



Jeanne-Marie S. Burke
~~Jeanne-Marie S. Burke~~


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(202)326-2874 (telephone)
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ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION



Local Counsel
ROBERT S. KAYE
147 D. C. # 22550

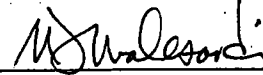
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room H-238
Washington, DC 20580
(202) 326-2215 (telephone)
(202) 326-3395 (facsimile)

FOR THE DEFENDANTS:



BALLENGER GROUP, LLC
By George Fortuna, Chief Executive Officer

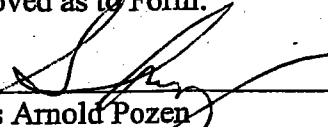
Dated: 11/12/03



BALLENGER HOLDINGS, LLC
By Michael Malesardi, Chief Financial Officer

Dated: 11/17/03

Approved as to Form:



Sharis Arnold Pozen
Corey W. Roush
Hogan & Hartson LLP
555 Thirteenth Street, NW
Washington, D.C. 20004
(202) 637-5600 (telephone)
(202) 637-5910 (facsimile)

Dated: 11/17/03

Ballenguer Holdings, LLC