

7. The factual allegations in the Commission's Complaint are taken as true against

information from consumers' credit reports, even where such information is accurate and not obsolete.

11. Defendants are likely to continue to engage in the acts and practices alleged in the Complaint unless they are permanently enjoined from such acts and practices.

12. The Commission is entitled to equitable monetary relief against Defendants in the amount of three-hundred twenty-two thousand, forty-seven dollars and thirty-eight cents

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

9. **“Plaintiff”** means the Federal Trade Commission.

I.

**PROHIBITED BUSINESS ACTIVITIES PURSUANT TO
THE FEDERAL TRADE COMMISSION ACT**

IT IS THEREFORE ORDERED that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the advertising, marketing, promotion, offering for sale, sale, or provision of any good or service, including, but not limited to, credit repair services, are hereby permanently restrained and enjoined from:

A. Misrepresenting, either orally or in writing, directly or by implication, that Defendants can improve substantially most consumers’ credit reports or profiles by permanently removing negative information from consumers’ credit reports, even where such information is accurate and not obsolete;

B. Misrepresenting, either orally or in writing, directly or by implication, any fact material to a consumer’s decision to purchase any credit repair services from Defendants;

C. Misrepresenting, either orally or in writing, directly or by implication, any

any of them, are hereby permanently restrained and enjoined from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, or other identifying information of any person who purchased or paid for credit repair services at any time prior to the date this Order is entered; and

B. Benefitting from or using the name, address, telephone number, credit card number, bank account number, date of birth, email address, or other identifying or financial information of any person who submitted this information to Defendants as a result of, or otherwise related to, the activities alleged in the FTC's Complaint.

Provided, however, that Defendants may disclose identifying information to a law enforcement agency or as required by any law, regulation, or court order.

V.

MONETARY RELIEF

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered against Defendants, jointly and severally, in the amount of three-hundred twenty-two thousand, forty-seven dollars and thirty-eight cents (\$322,047.38). This amount shall become immediately due and payable by Defendants upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance;

B. All funds paid pursuant to this Section shall be deposited into a fund, administered by the Commission or its agent, to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of such equitable relief. In the event that direct redress to consumers is wholly or partially impracticable or funds

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order,
 1. Defendant Joseph A. Graziola, III, shall notify the Commission of the following:
 - a. any changes in residence, mailing address(es), and telephone number(s), within ten (10) days of the date of such change;
 - b. any changes in employment stphone

engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about which Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants shall notify the Commission as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, Defendants BCBG and Graziola shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

1. For Defendant Graziola:

a. Defendant Graziola's then-current residence address, mailing address(es), and telephone number(s);

b. Defendant Graziola's then-current employment and business address(es) and telephone number(s), a description of the business activities of each such employer or business, and the title and responsibilities of Defendant Graziola, for each such employer or business; and

c. any other changes required to be reported under Paragraph A of this Section.

2. For Defendants BCBG and Graziola:

a. a copy of each acknowledgment of receipt of this Order, obtained pursuant to Section X of this Order;

b. A list of all names under which Defendants did or currently do business under since entry of this Order; and

c. Any other changes required to be reported under Paragraph A of this Section.

C. For purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director for Enforcement
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20580

Re: *FTC v. Bad Credit B Gone, LLC, and Joseph A. Graziola, III*
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D. For the purposes of the compliance reporting required by this Section, representatives of the Commission are authorized to communicate directly with Defendants, unless Defendants indicate that they are represented by counsel and provide the name and address of such counsel to the Commission.

IX.

RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, in connection with any business where any Defendant is the majority owner of the business or directly or indirectly manages or controls the business, Defendants and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them

generated, and the disbursement of such revenues;

B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;

C. Customer files containing the names, addresses, telephone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and

F. All other records and documents necessary to demonstrate full compliance with each provision of this Order, including, but not limited to, copies of acknowledgments of receipt of this Order, required by Section X of this Order, and all reports submitted to the Commission pursuant to this Order.

X.

DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry

of this Order, Defendants shall deliver copies of this Order as directed below:

A. **Defendant BCBG:** Defendant BCBG must deliver a copy of this Order to all of its principals, officers, directors, and managers. Defendant BCBG also must deliver copies of this Order to all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

B. **Defendant Graziola as Control Person:** For any business that Defendant Graziola controls, directly or indirectly, or in which he has majority ownership interest, Defendant Graziola must deliver a copy of this Order to all principals, officers, directors, and managers of that business. Defendant Graziola must also deliver copies of this Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon Defendants. For new personnel, delivery shall occur prior to them assuming their responsibilities.

C. **Defendant Graziola as Employee or Non-control Person:** For any business where Defendant Graziola is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, Defendant Graziola must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants BCBG and Graziola must secure a signed and dated statement acknowledging receipt of this Order, within thirty (30) days of delivery, from all persons receiving a copy of this Order pursuant to this Section.

XI.
