

UNITED STATES DISTRICT COURT
~~FOR THE SOUTHERN DISTRICT OF TEXAS~~

UNITED STATES OF AMERICA,

Plaintiff,

v.

LTD FINANCIAL SERVICES, L.P.,

TIMOTHY FELDMAN,

LEONARD PRUZANSKY,

JOHN BREWSTER, and

DERREK DAVIS,

Defendants.

Civil Action No.

H-07-3741

from the Complaint to the date of entry of the Order and without Defendants admitting any of the matters alleged in the Complaint other than jurisdictional facts;

THEREFORE, on the joint motion of Plaintiff and Defendants, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. This Court has jurisdiction of the subject matter and of the parties.
2. The Complaint states a claim upon which relief may be granted against the

9. The parties shall each bear their own costs and attorneys' fees incurred in this action. Defendants have waived all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412.

I. CIVIL PENALTY

A. Defendant LTD Financial Services, L.P., its successors and assigns, shall pay to Plaintiff a civil penalty, pursuant to Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), in the amount of one million, three hundred seventy-five thousand dollars (\$1,375,000).

E. Proceedings initiated under this Paragraph are in addition to, and not in lieu of, any other civil or criminal penalties that may be provided by law, including any other proceedings the Plaintiff may initiate to enforce this Decree.

II. INJUNCTION

Defendants LTD Financial Services, L.P., Timothy Feldman, Leonard Pruzansky, John Brewster, and Derrek Davis, as well as their successors and assigns, and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them who receive actual notice of this Decree by personal service or otherwise, whether acting directly or through any business entity, corporation, subsidiary, division, affiliate, or other device, in

connection with acting as a “debt collector” in the collection of a “debt” from a “consumer,” as those terms are defined in Section 803(6), (5) and (3), respectively, of the FDCPA, 15 U.S.C. § 1692a(6), (5) and (3), are hereby permanently restrained and enjoined from taking the following actions:

Violating FTC Act

- A. Misrepresenting to consumers, expressly or by implication, that:
 - 1. Nonpayment of a debt will result in garnishment of a consumer’s wages;
 - 2. Nonpayment of a debt will result in a consumer’s property being seized or attached or in a consumer’s arrest; and
 - 3. Legal action will be taken against a consumer;
- B. Making a misrepresentation to consumers, expressly or by implication, about the

C. Making any material misrepresentation, expressly or by implication, to collect or to attempt to collect a debt or obtain information concerning a consumer;

Violating FDCPA

D. Except as provided in Section 804 of the FDCPA, communicating with any person other than the consumer, the attorney of the consumer, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector, in connection with the collection of a debt, unless Defendants have the prior consent of the consumer given directly to Defendants or the express permission of a court of competent jurisdiction, or

Defendants can show that such communication is reasonably necessary to effectuate a post

cannot show that, at the time of the representation, there is a reasonable likelihood that such action will be taken, in violation of Section 807(5) of the FDCPA, 15 U.S.C. § 1692e(5);

3. Using false representations or deceptive means to collect or attempt to collect a debt or obtain information concerning a consumer, in violation of Section 807(10) of the FDCPA, 15 U.S.C. § 1692e(10);

F. Communicating with a consumer at any unusual time or place or a time or place known or which should be known by Defendants as inconvenient to the consumer, including, but not limited to, the consumer's place of employment, when Defendants knew or should have known that

H. Engaging in any other act or practice that would violate the FDCPA, 15 U.S.C. § 1692, as attached and as hereafter amended.

III. NOTICE REQUIREMENTS

A. For a period of five (5) years from the date of entry of this Decree, Defendants LTD Financial Services, L.P., Timothy Feldman, Leonard Pruzansky, John Brewster, and Derrek Davis, as well as their successors and assigns, and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them who receive actual notice of this Decree by personal service or otherwise, whether acting directly or through any business

The Federal Trade Commission enforces the Fair Debt Collection Practices Act (FDCPA). If you have a complaint about the way we are collecting

by phone at 1-877- FTC-HELP; or by mail at 600 Pennsylvania Ave. NW, Washington, DC 20580.

The above disclosure shall be given in the languages which appear in such communications sent to consumers.

B. Defendants LTD Financial Services, L.P., Timothy Feldman, Leonard Pruzansky, John Brewster, and Derrek Davis, as well as their successors and assigns, and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them who receive actual notice of this Decree by personal service or otherwise, whether acting directly or through any business entity, corporation, subsidiary, division, affiliate, or other device, in connection with acting as a "debt collector" in the collection of a "debt" from a "consumer," as those terms are defined in Section 803(6), (5), and (3), respectively, of the FDCPA, 15 U.S.C.

§ 1692g(6), (5), and (3) shall provide a copy of the following notice to all officers, servants

should know it is inconvenient for the consumer, and that you may not communicate with any person other than the consumer in connection with the collection of a debt, for any purpose other than to obtain location information about the consumer.

Section 806 of the Act states that you may not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt.

In addition, Section 807 of the Act prohibits you from representing or implying that any action, including legal action, will be taken unless at the time of the representation, such action is lawful and there is a clear intent to take such action. Further, Section 807 of the Act prohibits the use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

Individual debt collectors may be financially liable for their violations of the Act.

IV. DISTRIBUTION OF CONSENT DECREE AND FDCPA BY DEFENDANTS

For a period of three (3) years from the date of entry of this Decree, Defendants LTD

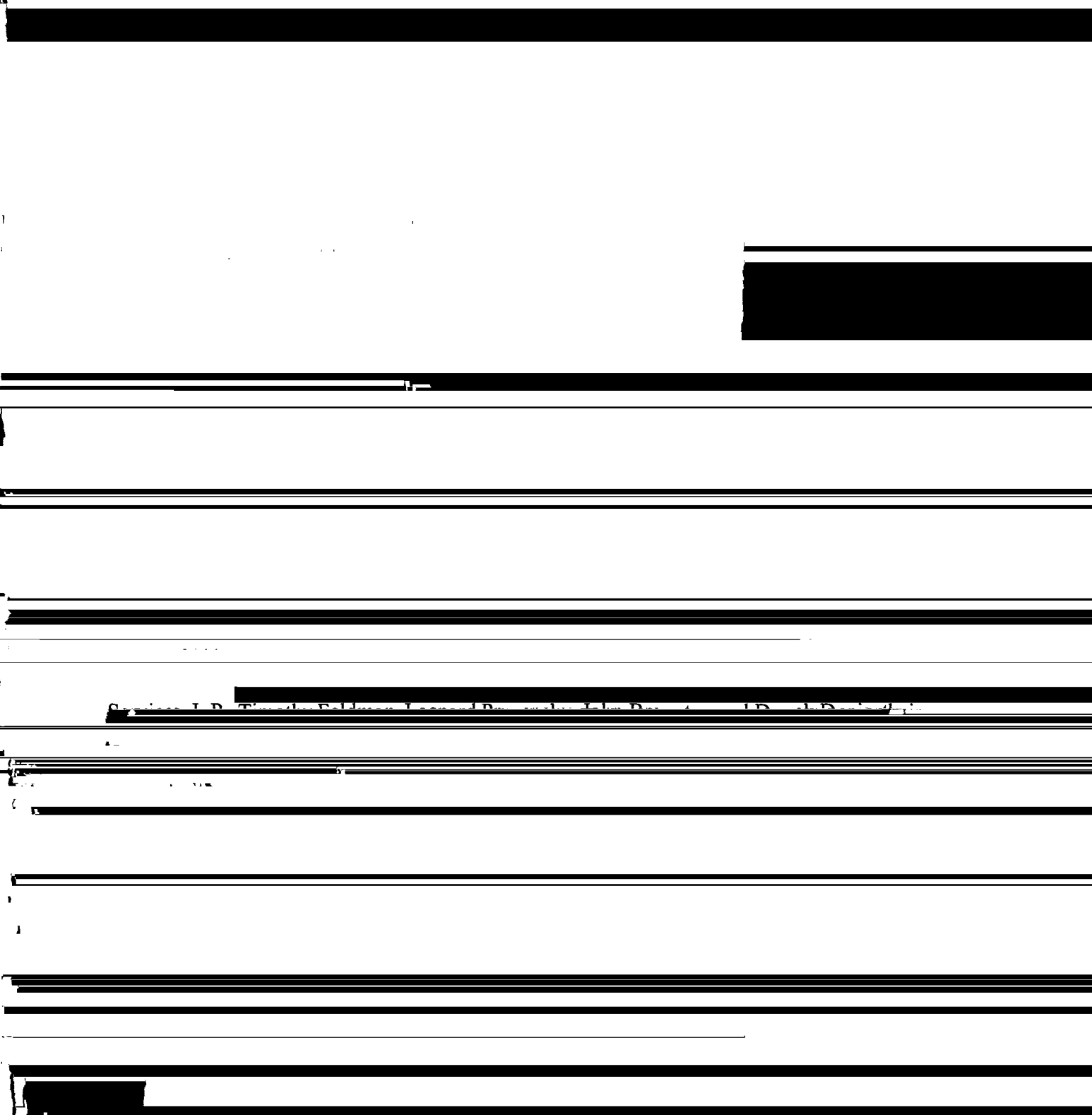


upon Defendant. For new personnel, delivery shall occur prior to their assuming their responsibilities.

of this Decree and the FDCPA, within thirty (30) days of delivery, from all persons receiving copies of the Decree and the FDCPA pursuant to this Paragraph.

V. RECORD KEEPING PROVISIONS

From a period of six (6) years from the date of entry of this Decree, Defendants VTD Financial



1. Any complaint and the date received, and the nature of the complaint as reflected in any notes, logs, or memoranda, including a description of the conduct alleged; and
2. The basis of the complaint, including the names of any debt collectors or supervisors complained about; the nature of any investigation conducted concerning the validity of any complaint; all documents relating to the disposition of the complaint, including records of all contacts with the

whether the complaint was resolved, the date of resolution; and any action

a. Any changes in residence, mailing addresses, and telephone numbers

b. Any changes in employment status (including self-employment) of
such Defendant, and any change in such Defendant's ownership of

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 the 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. Within one hundred eighty (180) days after the date of entry of this Decree, and once each year thereafter for three (3) years on the anniversary of that date, Defendants LTD Financial

~~[REDACTED]~~

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Pruzansky, John Brewster, and Derrek Davis:

- a. A copy of each acknowledgment of receipt of employee notice obtained pursuant to Paragraph III. B of this Decree;
- b. A copy of each acknowledgment of receipt of this Decree and the FDCPA obtained pursuant to Paragraph IV. D of this Decree; and
- c. Any other changes required to be reported under Subparagraph A of this Paragraph.

C. For the purposes of this Decree, Defendants shall, unless otherwise directed by the

Commissioner's authorized representatives, mail all written notifications to the Commission to:

John Brewster and Derek Davis each shall submit additional written reports, sworn to under

penalty of perjury: produce documents for inspection and copying; appear for deposition; and/or

provide entry during normal business hours to any business location in such Defendant's possession
or direct or indirect control to inspect the business operation;

obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

VIII. ACKNOWLEDGMENT OF RECEIPT OF DECREE BY DEFENDANTS

Defendants LTD Financial Services, L.P., Timothy Feldman, Leonard Pruzansky, John Brewster, and Derrek Davis, within five (5) business days of receipt of this Decree as entered by the

Commission, shall submit to the Commission a truthful sworn statement acknowledging receipt of

Consent Decree as set forth above and consent to the entry thereof.

FOR THE UNITED STATES OF AMERICA:

PETER D. KEISLER
Assistant Attorney General
Civil Division
United States Department of Justice

DONALD J. DEGABRIELLE, JR.

FOR THE FEDERAL TRADE COMMISSION:

DEANYA T. KUECKELHAN, DIRECTOR
Southwest Region
Federal Trade Commission

/s/ Thomas B. Carter **

THOMAS B. CARTER
Of Counsel
Texas Bar No. 03932300

EMILY ROBINSON



Texas Bar No. 24046737

LUIS GALLEGOS
Of Counsel
Oklahoma Bar No. 19098

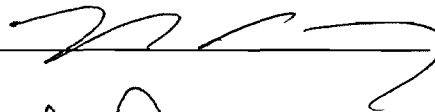
Attorneys for Federal Trade Commission
1999 Bryan Street, Suite 2150
Dallas, Texas 75201
(214) 979-9372 (Mr. Carter)
(214) 979-9383 (Mr. Gallegos)
(214) 979-9350 (Office)
(214) 953-3079 (Facsimile)

** Signed with permission




FOR THE DEFENDANTS:

LTD FINANCIAL SERVICES, L.P.

By: 

FOR TIMOTHY FELDMAN

FOR LEONARD PRUZANSKY



LTD FINANCIAL SERVICES, L.P.

By: _____

FOR TIMOTHY FELDMAN

TIMOTHY FELDMAN, Individually

FOR LEONARD PRUZANSKY

LEONARD PRUZANSKY, Individually

FOR THE DEFENDANTS:

LTD FINANCIAL SERVICES, L.P.

By: _____

FOR TIMOTHY FELDMAN

TIMOTHY FELDMAN Individually

FOR LEONARD PRUZANSKY

LEONARD PRUZANSKY Individually

FOR JOHN BREWSTER

COUNSEL FOR DEFENDANTS
LTD FINANCIAL SERVICES, L.P.
FELDMAN AND PRUZANSKY:



MANUEL H. NEWBURGER, Attorney

Texas Bar No. 1494650

S. D. of Texas Bar No. _____

Barron, Newburger, ~~PA~~ *Sinley & Wier, PLLC*

1212 Guadalupe, Suite 102

Austin, Texas 78701

Phone: (512) 476-9103 x-216

Facsimile: (512) ~~476-9253~~

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