

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

J

FINDINGS

By stipulation of the parties and being advised of the premises, the Court finds:

1. This is an action by the FTC instituted under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b). The Complaint seeks both permanent 5 and 13(b) of the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 any program sponsored or operated by the United States Department of Housing and
2 Urban Development (“HUD”), the HOPE NOW Alliance, the Homeownership
3 Preservation Foundation, or any other HUD-approved housing counseling agency.

4 7. **“For-profit”** means any activity organized to carry on business for the
5 profit of the entity engaging in the activity or that of its members.

6 8. **“Material fact”** means any fact that is likely to affect a person’s choice
7 of, or conduct regarding, goods or services.

8 9. **“Mortgage loan modification or foreclosure relief service”** means any
9 good, service, plan, or program that is represented, expressly or by implication, to
10 assist a consumer in any manner to (A) stop, prevent, or postpone any home
11 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of
12 any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from
13 any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any
14 mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any extension of
15 the period within which the owner of property sold at foreclosure may cure his or her
16 default or reinstate his or her obligation; (F) obtain any waiver of an acceleration
17 clause contained in any promissory note or contract secured by a deed of trust or
18 mortgage on a residence in foreclosure or contained in that deed of trust; (G) obtain a
19 loan or advance of funds that is connected to the consumer's home ownership; (H)
20 avoid or ameliorate the impairment of the consumer’s credit record, credit history, or
21 credit rating that is connected to the consumer's home ownership; (I) save the
22 consumer’s residence from foreclosure; (J) assist the consumer in obtaining proceeds
23 from the foreclosure sale of the consumer’s residence; (K) obtain or arrange a
24 pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain or arrange a
25 refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or
26 mortgage; (M) audit or examine a consumer’s mortgage or home loan application; or
27 (N) obtain, arrange, or attempt to obtain or arrange any extension of the period within
28

1 which the renter of property sold at foreclosure may continue to occupy the property.
2 The foregoing shall include any manner of claimed assistance, including, but not
3 limited to, debt, credit, budget, or financial counseling; receiving money for the
4 purpose of distributing it to creditors; contacting creditors or servicers on behalf of
5 the consumer; and giving advice of any kind with respect to filing for bankruptcy.

6 10. **“Person”** means a natural person, organization, or other legal entity,
7 including a corporation, partnership, proprietorship, association, cooperative, or any
8 other group or combination acting as an entity.

9 11. **“Receiver”** or **“Permanent Receiver”** means Robb Evans and Robb
10 Evans & Associates, LLC.

11 12. **“Servicer”** means any beneficiary, mortgagee, trustee, loan servicer, loan
12 holder, or other entity that performs loan or credit account administration or
13 processing services and/or its authorized agents.

14
15 **ORDER**

16 **I.**

17 **BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE**
18 **RELIEF SERVICES**

19 **IT IS THEREFORE ORDERED** that Defendant, whether acting directly or
20 through any other person, is permanently restrained and enjoined from:

21 A. Advertising, marketing, promoting, offering for sale, or selling any
22 mortgage loan modification or foreclosure relief service; and

23 B. Assisting others engaged in advertising, marketing, promoting, offering
24 for sale, or selling any mortgage loan modification or foreclosure relief service.

25 ///

1 **II.**

2 **PROHIBITED REPRESENTATIONS RELATING TO FINANCIAL**
3 **RELATED GOODS AND SERVICES**

4 **IT IS FURTHER ORDERED** that Defendant and his agents, servants,
5 employees, and attorneys, and those persons or entities in active concert or
6 participation with any of them who receive actual notice of this Order by personal
7 service, facsimile transmission, email, or otherwise, whether acting directly or
8 through any corporation, subsidiary, division, or other device, in connection with the
9 advertising, marketing, promotion, offering for sale or sale of any financial related
10 good or service, are hereby permanently restrained and enjoined from:

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

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

15 (a) closing costs or other fees;
16 (b) the payment schedule, the monthly payment amount(s), or
17 other payment terms, or whether there is a balloon payment; interest rate(s), annual
18 percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw
19 amount, or outstanding balance; the loan term, the draw period, or maturity; or any
20 other term of credit;

21 (c) the savings associated with the credit;

22 (d) the amount of cash to be disbursed to the borrower out of
23 the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any
24 third parties;

25 (e) whether the payment of the minimum amount specified
26 each month covers both interest and principal, and whether the credit has or can result
27 in negative amortization;

28

1 (f) that the credit does not have a prepayment penalty or that
2 no prepayment penalty and/or other fees or costs will be incurred if the consumer
3 subsequently refinances; and

4 (g) that the interest rate(s) or annual percentage rate(s) are
5 fixed rather than adjustable or adjustable rather than fixed;

6 2. That any person can improve any consumer's credit record, credit
7 history, or credit rating by permanently removing negative information from the
8 consumer's credit record, credit history, or credit rating, even where such information
9 is accurate and not obsolete;

10 3. Any person's ability to improve or otherwise affect a consumer's
11 credit record, credit history, or credit rating or ability to obtain credit;

12 4. Any aspect of any debt relief good or service, including but not
13 limited to, the amount of savings a consumer will receive from purchasing, using, or
14 enrolling in such debt relief good or service; the amount of time before which a
15 consumer will receive settlement of the consumer's debts; or the reduction or
16 cessation of collection calls; and

17 5. That a consumer will receive legal representation;

18 B. Advertising or assisting others in advertising credit terms other than
19 those terms that actually are or will be arranged or offered by a creditor or lender.

20 **III.**

21 **PROHIBITED REPRESENTATIONS RELATING TO ANY GOODS OR**
22 **SERVICES**

23 **IT IS FURTHER ORDERED** that Defendant and his agents, servants,
24 employees, and attorneys, and those persons or entities in active concert or
25 participation with any of them who receive actual notice of this Order by personal
26 service, facsimile transmission, email, or otherwise, whether acting directly or
27 through any corporation, subsidiary, division, or other device, in connection with the
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1

21

1
2
3
4
5
6
7
8
9
10
11
12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 provisions of this Order may be monitored:

2 A. Defendant shall, for a period of five (5) years after the date of entry of
3 this Order, notify the Commission of the following:

4 1. Any changes in Defendant's residence, mailing addresses, and
5 telephone numbers, within ten (10) days of the date of such change;

6 2. Any changes in Defendant's employment status (including
7 self-employment), and any change in Defendant's ownership in any business entity,
8 within ten (10) days of the date of such change. Such notice shall include the name
9 and address of each business that Defendant is affiliated with, employed by, creates
10 or forms, or performs services for; a detailed description of the nature of the business;
11 and a detailed description of Defendant's duties and responsibilities in connection
12 with the business or employment; and

13 3. Any changes in Defendant's name or use of any aliases or
14 fictitious names, within ten (10) days of the date of such change.

15 B. Defendant shall, for a period of five (5) years after the date of entry of
16 this Order, notify the Commission of any changes in any business entity that
17 Defendant directly or indirectly controls, or has an ownership interest in, that may
18 affect compliance obligations arising under this Order, including but not limited to:
19 incorporation or other organization; a dissolution, assignment, sale, merger, or other
20 action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in
21 any acts or practices subject to this Order; or a change in the business name or
22 address, at least thirty (30) days prior to such change, provided that, with respect to
23 any proposed change in the business entity about which Defendant learns less than
24 thirty (30) days prior to the date such action is to take place, Defendant shall notify
25 the Commission as soon as is practicable after obtaining such knowledge;

26 C. One hundred eighty (180) days after the date of entry of this Order and
27 annually thereafter for a period of five (5) years, Defendant shall provide a written
28

1 report to the FTC, which is true and accurate and sworn to under penalty of perjury,
2 setting forth in detail the manner and form in which Defendant has complied and is
3 complying with this Order. This report shall include, but not be limited to:

- 4 1. Defendant's then-current residence address, mailing addresses,
5 and telephone numbers;
- 6 2. Defendant's then-current employment status (including
7 self-employment), including the name, addresses, and telephone
8 numbers of each business that such Defendant is affiliated with,
9 employed by, or performs services for; a detailed description of
10 the nature of the business; and a detailed description of such
11 Defendant's duties and responsibilities in connection with the
12 business or employment;
- 13 3. A copy of each acknowledgment of receipt of this Order, obtained
14 pursuant to Paragraph XI.C, below; and
- 15 4. Any other changes required to be reported under part A of this
16 Paragraph;

17 D. Defendant shall notify the Commission of the filing of a bankruptcy
18 petition by Defendant within fifteen (15) days of filing;

19 E. For the purposes of this Order, Defendant shall, unless otherwise
20 directed by the Commission's authorized representatives, send by overnight courier
21 (not the U.S. Postal Service) all reports and notifications to the Commission that are
22 required by this Order to::

23 Associate Director of Enforcement
24 Bureau of Consumer Protection
25 Federal Trade Commission
26 600 Pennsylvania Ave., N.W.
27 Washington, D.C. 20580

28 Re: **FTC v. National Foreclosure Relief, Inc.**
Civil Action No. SACV-09-117 DOC
FTC Matter No. X090026

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

1 F. All records and documents necessary to demonstrate full compliance
2 with each provision of this Order, including but not limited to, copies of
3 acknowledgments of receipt of this Order, required by Paragraph XI.C, below, and all
4 reports submitted to the FTC pursuant to Paragraph IX, above (entitled “Compliance
5 Reporting By Defendant”).

6 **XI.**

7 **DISTRIBUTION OF ORDER BY DEFENDANT**

8 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the date
9 of entry of this Order, Defendant shall deliver copies of this Order as directed below:

10 A. Defendant as Control Person: For any business that Defendant controls,
11 directly or indirectly, or in which Defendant has a majority ownership interest,
12 Defendant must deliver a copy of this Order to (1) all principals, officers, directors,
13 and managers of that business; (2) all employees, agents, and representatives of that
14 business who engage in conduct related to the subject matter of the Order; and (3)
15 any business entity resulting from any change in structure set forth in Paragraph
16 IX.B, above (titled “Compliance Reporting by Defendant”). For current personnel,
17 delivery shall be within five (5) days of service of this Order upon Defendant. For
18 new personnel, delivery shall occur prior to them assuming their responsibilities. For
19 any business entity resulting from any change in structure set forth in Paragraph
20 IX.B, above (titled “Compliance Reporting by Defendant”), delivery shall be at least
21 ten (10) days prior to the change in structure.

22 B. Defendant as Employee or Non-Control Person: For any business where
23 Defendant is not a controlling person of a business but otherwise engages in conduct
24 related to the subject matter of this Order, Defendant must deliver a copy of this
25 Order to all principals and managers of such business before engaging in such
26 conduct.

27 C. Defendant must secure a signed and dated statement acknowledging
28

1 receipt of the Order, within thirty (30)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

XV.

RETENTION OF JURISDICTION

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

IT IS SO ORDERED.

DATED: September 21, 2010



DAVID O. CARTER
United States District Judge