

JS - 6

NOTE:  THE COURT

S MADE BY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,

Plaintiff,

v.

Federal Loan Modification

Law Center, LLP, et al.

Defendants,

and

MGO Capital

Relief Defendant.

Case No. SACV09-401 CJC (MLGx)

**(PROPOSED) FINAL JUDGMENT  
AND ORDER FOR  
PERMANENT INJUNCTION  
AS TO DEFENDANT BOAZ  
MINITZER**

Judge: Hon. Cormac J. Carney

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on April 3, 2009, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive and other equitable relief for Defendants’

1 violations of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection with the  
2 marketing and sale of mortgage loan modification and foreclosure relief services.  
3 The FTC subsequently filed a First Amended Complaint on June 24, 2009, naming  
4 Defendants Federal Loan Modifications, SBSC Corporation, and Venture Legal  
5 Support, PLC and Relief Defendants Legal Turn, LLC and MGO Capital, and a  
6 Second Amended Complaint on October 1, 2010, naming LegalTurn, LLC as a  
7 Defendant, and removing that company as a Relief Defendant. The Court entered a  
8 Preliminary Injunction Order (“PI Order”) in this case enjoining Defendants from,  
9 among other things, collecting advance fees from consumers, from making certain  
10 representations about their services, and from disposing of assets outside the  
11 ordinary course of business.

12 The FTC has moved for summary judgment on all counts of the Second  
13 Amended Complaint against Defendant Boaz Minitzer pursuant to Rule 56(c) of the  
14 Federal Rules of Civil Procedure. The FTC’s Motion for Summary Judgment  
15 against Defendant Boaz Minitzer is **GRANTED**, and **GRANTED**

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1           3.     This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
2 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a) and 53(b) and has jurisdiction over  
3 Defendant. Venue in the Central District of California is proper.

4           4.     The activities of Defendant Boaz Minitzer, as alleged in the Second  
5 Amended Complaint, are in or affecting commerce, as defined in Section 4 of the  
6 FTC Act, 15 U.S.C. § 44.

7           5.     The factual allegations in the FTC's Second Amended Complaint are  
8 taken as true against Defendant Minitzer. Those allegations and the evidence  
9 supporting them establish that Defendant violated Section 5(a) of the FTC Act, 15  
10 U.S.C. § 45(a), which prohibits unfair and deceptive acts or practices in or affecting  
11 commerce.

12           6.     Defendants, in connection with the advertising, marketing, promotion,  
13 offering for sale, and sale of mortgage loan modification services, violated Section  
14 5(a) of the FTC Act, 15 U.S.C. § 45(a) by making false and misleading statements to  
15 induce consumers to purchase these services, including but not limited to the  
16 representations that Defendants would obtain loan modifications for consumers in all  
17 or virtually all cases and that Defendants were part of, affiliated with, or endorsed by  
18 the United States Government or one or more federal government programs.

19           7.     Defendants have operated as a common enterprise in engaging in  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 of, or conduct regarding, goods or services.

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

4 7. ***“Credit”*** means the right granted by a creditor to a debtor to defer  
5 payment of debt or to incur debt and defer its payment.

6 8. ***“Advance-fee loan”*** means any good service, plan, or program that is  
7 represented, expressly or by implication, to provide any consumer, arrange for any  
8 consumer to receive, or assist any consumer in receiving, a loan or other extension of  
9 credit, in exchange for payment of any fee or other consideration in advance of the  
10 consumer receiving the represented loan or other extension of credit.

11 9. ***“Credit repair good or service”*** means any good, service, plan or  
12 program represented, expressly or by implication, to (A) improve, or arrange to  
13 improve, any consumer’s credit record, credit history, or credit rating, or (B) provide  
14 advice or assistance to any consumer with regard to any activity or service the  
15 purpose of which is to improve a consumer’s credit record, credit history, or credit  
16 rating.

17 10. ***“Debt relief good or service”*** means any good, service, plan or  
18 program, including debt management plans, debt settlement, debt negotiation, and  
19 for-profit credit counseling, represented, expressly or by implication, to renegotiate,  
20 settle, or in any way alter the terms of payment or other terms of any secured or  
21 unsecured debt, including but not limited to credit card, medical, vehicle loan, and  
22 tax debt, between a consumer and one or more creditors, servicers, or debt collectors,  
23 including but not limited to, a reduction in the balance, interest rate, or fees owed by  
24 a consumer to a creditor, servicer, or debt collector.

25 11. ***“Mortgage loan modification or foreclosure relief service”*** means any  
26 good, service, plan, or program that is represented, expressly or by implication, to  
27 assist a consumer in any manner to (A) stop, prevent, or postpone any home  
28 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of

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

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

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the  
2 unpaid balance;

3 B. Any funds received by the FTC pursuant to this Section shall be  
4 deposited into a fund administered by the FTC or its agent to be used for equitable  
5 relief, including but not limited to consumer redress and any attendant expenses for  
6 the administration of any redress funds. In the event that direct redress to consumers  
7 is wholly or partially impracticable or funds remain after redress is completed, the  
8 FTC may apply any remaining funds for such other equitable relief, including but not  
9 limited to consumer information remedies, as the FTC determines to be reasonably  
10 related to the practices alleged in the Amended Complaint. Any funds not used for  
11 such equitable relief shall be deposited to the U.S. Treasury as equitable  
12 disgorgement. Defendant shall have no right to challenge the FTC's choice of  
13 remedies or the manner of distribution.

14 C. The judgment entered pursuant to this Section is equitable monetary  
15 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or  
16 forfeiture.

17 D. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
18 § 1681b(1), any consumer reporting agency may furnish a consumer report  
19 concerning Defendant to the FTC, which shall be used for purposes of collecting and  
20 reporting on any delinquent amount arising out of this Order.

21 **RETENTION OF JURISDICTION**

22 **V. IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this  
23

24 //

25 //


26 //

27 matter for purposes of construction, modification, and enforcement of this Order.  
28

1 **SO STIPULATED AND AGREED:**

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

**IT IS SO ORDERED**, this 6th day of December, 2010

A handwritten signature in black ink, appearing to read "Cormac J. Carney", is written over a horizontal line. The signature is somewhat stylized and overlaps the line.

Cormac J. Carney  
United States District Judge