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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

U.S. HOMEOWNERS RELIEF, INC.,
et al.,

Defendants.

Case No. SACV10-1452 JST (PJWx)

DEFAULT JUDGMENT AND
ORDER FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF AS TO
DEFENDANTS U.S.
HOMEOWNERS RELIEF, INC.,
WAYPOINT LAW GROUP, INC.,
AMERICAN LENDING REVIEW,
INC., AND SAMUEL PAUL BAIN

Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on September 27, 2010, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, to obtain preliminary and permanent injunctive and other equitable relief for Defe

1 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage
2 assistance relief services. On September 28, 2010, the Court entered an *ex parte*
3 Temporary Restraining Order (“TRO”) that included, among other things,
4 appointment of a temporary receiver, an asset freeze, and immediate access to
5 Defendants’ business premises. The court terminated the receivership on
6 November 9, 2010.

7 Defendants Damon G. Carriger, D.G.C. Consulting, LLC, and DLD
8 Consulting, LLC; Aminullah Sarpas and New Life Solutions, Inc.; and Macie
9 Mejeco Bain, *pro se*, have all signed Stipulated Final Judgments and Orders for
10 Permanent Injunction. Defendants U.S. Homeowners Relief, Inc., Waypoint Law
11 Group, Inc., and American Lending Review (“Defaulting Corporate Defendants”)
12 failed to file an Answer or otherwise defend, and default was entered by the Court
13 on August 26, 2011. Defendant Samuel Paul Bain (“Defaulting Individual
14 Defendant” or “Defendant Bain”) filed an Answer on March 23, 2011. However,
15 on December 8, 2011, the Court entered a default as a sanction under Fed. R. Civ.
16 P. 37(d) for Defendant Bain’s failure to comply with the discovery rules and to
17 appear in response to the court’s Order to Show Cause.

18 The FTC now having filed its Motion for Entry of Default Judgment and
19 Order for Permanent Injunction and Other Equitable Relief Against Defendants
20 U.S. Homeowners Relief, Inc., Waypoint Law Group, Inc., American Lending
21 Review, and Samuel Paul Bain (“Defaulting Defendants”), and the Court having
22 considered the FTC’s Motion, and supporting exhibits, and the entire record in this
23 matter, the FTC’s Motion is hereby granted, and **IT IS HEREBY ORDERED,**
24 **ADJUDGED, AND DECREED** as follows:
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2 **FINDINGS**

3 1. This Court has jurisdiction over the subject matter of this case and has
4 jurisdiction over the Defaulting Defendants pursuant to 15 U.S.C. §§ 45(a) and
5 53(b), and 28 U.S.C. §§ 1331, 1337(a) and 1345.

6 2. Venue is proper in this District under 15 U.S.C. § 53(b) and 28 U.S.C.
7 § 1391(b) and (c).

8 3. The activities of the Defaulting Defendants, as alleged in the
9 Complaint, are in or affecting commerce, as defined in Section 4 of the FTC Act,
10 15 U.S.C. § 44.

1 services are highly likely to obtain a mortgage loan modification that will make
2 their mortgage payments substantially

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1 modifications that will make their mortgage payments substantially more
2 affordable. The Defaulting Defendants' acts or practices violate Section
3 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

4 14. As alleged in Count V of the Complaint, Defaulting Defendants, in the
5 course of telemarketing loan modification services, have misrepresented, directly
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1 using the fictitious business names Liberty Lending Review, Document Resource
2 Center, and Nationwide Relief Center.

3 20. This Order is in addition to, and not in lieu of, any other civil or
4 criminal remedies that may be provided by law.

5 21. The Defaulting Defendants have caused consumer injury in the
6 amount of \$3,892,809.

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8 DEFINITIONS

9 For purposes of this Order, the following definitions shall apply:

10 1. **“Asset” or “Assets”** means any legal or equitable interest in, right to,
11 or claim to any real or personal property, including, but not limited to, “goods,”
12 “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,”
13 “checks,” or “notes” (as these terms are defined in the Uniform Commercial Code),
14 lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of
15 stock, lists of consumer names, accounts, credits, premises, receivables, funds, and
16 all cash, wherever located.

17 2. **“Assisting others”** includes, but is not limited to:

- 18 a. performing customer service functions including, but not
19 limited to, receiving or responding to consumer complaints;
20 b. formulating or providing, or arranging for the formulation or
21 provision of, any advertising or marketing material, including,
22 but not limited to, any telephone sales script, direct mail
23 solicitation, or the text of any Internet website, email, or other
24 electronic communication;
25 c. formulating or providing, or arranging for the formulation or
26 provision of, any marketing support material or service,
27 including but not limited to, web or Internet Protocol addresses
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1 or domain name registration for any Internet websites, affiliate
2 marketing services, or media placement services;

3 d. providing names of, or assisting in the generation of, potential
4 customers;

5 e. performing marketing, billing, or payment services of any kind;
6 and

7 f. acting or serving as an owner, officer, director, manager, or
8 principal of any entity.

9 3. **“Competent and reliable evidence”** means tests, analyses, research,
10 studies, or other evidence based on the expertise of professionals in the relevant
11 area, that has been conducted and evaluated in an objective manner by persons
12 qualified to do so, using procedures generally accepted in the profession to yield
13 accurate and reliable results.

14 4. **“Consumer”** means any natural person.

15 5. **“Customer”** means any person who has paid, or may be required to
16 pay, for products, services, plans, or programs offered for sale or sold by any other
17 person.

18 6. **“Debt relief product or service”** means any product, service, plan, or
19 program represented, expressly or by implication, to renegotiate, settle, or in any
20 way alter the terms of payment or other terms of the debt or obligation, including
21 but not limited to a tax debt or obligation, between a person and one or more
22 unsecured creditors or debt collectors, including but not limited to, a reduction in
23 the balance, interest rate, or fees owed by a person to an unsecured creditor or debt
24 collector.

25 7. **“Defaulting Defendants”** means U.S. Homeowners Relief, Inc., also
26 d/b/a Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American
27 Lending Review, Inc., also d/b/a American Law Center; and Samuel Paul Bain.

1 a. **“Defaulting Corporate Defendants”** means U.S. Homeowners
2 Relief, Inc., also d/b/a Greenleaf and Greenleaf Modify;
3 Waypoint Law Group, Inc.; American Lending Review, Inc.,
4 also d/b/a American Law Center.

5 b. **“Defaulting Individual Defendant”** or **“Defendant Bain”**
6 means Samuel Paul Bain.

7 8. **“Defendants”** means U.S. Homeowners Relief, Inc., also d/b/a
8 Greenleaf and Greenleaf Modify; Waypoint Law Group, Inc.; American Lending
9 Review, Inc., also d/b/a American Law Center; New Life Solutions, Inc.; D.G.C.
10 Consulting, LLC; DLD Consulting, LLC; Samuel Paul Bain; Macie Mejeco Bain;
11 Aminullah Sarpas; and Damon Grant Carriger.

12 9. **“Document”** is synonymous in meaning and equal in scope to the
13 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,
14 drawings, graphs, charts, photographs, audio and video recordings, computer
15 records, and other data compilations from which the information can be obtained
16 and translated, if necessary, through detection devices into reasonably usable form.
17 A draft or non-identical copy is a separate document within the meaning of the
18 term.

19 10. **“Federal homeowner relief or financial stability program”** means
20 any program (including its sponsoring agencies, telephone numbers, and Internet
21 websites) operated or endorsed by the United States government to provide relief
22 to homeowners or stabilize the economy, including but not limited to:

- 23 a. the Making Home Affordable Program;
24 b. the Financial Stability Plan;
25 c. the Troubled Asset Relief Program and any other program
26 sponsored or operated by the United States Department of the
27 Treasury;
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1 between a consumer and one or more secured creditors,
2 servicers, or debt collectors.

3 12. **“Material”** means likely to affect a person’s choice of, or conduct
4 regarding, goods or services.

5 13. **“Mortgage assistance relief product or service”** means any
6 product, service, plan, or program, offered or provided to the consumer in
7 exchange for consideration, that is represented, expressly or by implication, to
8 assist or attempt to assist the consumer with any of the following:

- 9 a. stopping, preventing, or postponing any mortgage or deed of
10 trust foreclosure sale for the consumer’s dwelling, any
11 repossession of the consumer’s dwelling, or otherwise saving
12 the consumer’s dwelling from foreclosure or repossession;
- 13 b. negotiating, obtaining, or arranging a modification of any term
14 of a dwelling loan, including a reduction in the amount of
15 interest, principal balance, monthly payments, or fees;
- 16 c. obtaining any forbearance or modification in the timing of
17 payments from any dwelling loan holder or servicer on any
18 dwelling loan;
- 19 d. negotiating, obtaining, or arranging any extension of the period
20 of time within which the consumer may (i) cure his or her
21 default on a dwelling loan, (ii) reinstate his or her dwelling
22 loan, (iii) redeem a dwelling, or (iv) exercise any right to
23 reinstate a dwelling loan or redeem a dwelling;
- 24 e. obtaining any waiver of an acceleration clause or balloon
25 payment contained in any promissory note or contract secured
26 by any dwelling; or
- 27 f. negotiating, obtaining, or arranging (i) a short sale of a
28 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other

disposition of a dwelling loan other than a sale to a third party
that is not the dwelling loan holder.

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1 6. Advertising or assisting others in advertising credit terms other
2 than those terms that actually are or will be arranged or offered by a
3 creditor or lender.

4 **V. PROHIBITED MISREPRESENTATIONS RELATING TO ANY**
5 **PRODUCT OR SERVICE**

6 IT IS FURTHER ORDERED that the Defaulting Defendants and their
7 officers, agents, servants, employees, and attorneys, and those persons or entities in
8 active concert or participation with any of them who receive actual notice of this
9 Order by personal service, facsimile transmission, email, or otherwise, whether
10 acting directly or through any corporation, subsidiary, division, or other device, in
11 connection with the advertising, marketing, promotion, offering for sale or sale of
12 any product, service, plan, or program are hereby permanently restrained and
13 enjoined from misrepresenting or assisting others in misrepresenting, expressly or
14 by implication, any material fact, including but not limited to:

15 A. Any material aspect of the nature or terms of any refund, cancellation,
16 exchange, or repurchase policy, including, but not limited to, the likelihood of a
17 consumer obtaining a full or partial refund, or the circumstances in which a full or
18 partial refund will be granted to the consumer;

19 B. That any person is affiliated with, endorsed or approved by, or
20 otherwise connected to any other person; government entity; any federal
21 homeowner relief or financial stability program; public, non-profit, or other non-
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1 the use of the product, service, plan, or program under the circumstances depicted
2 in the advertisement;

3 F. The total costs to purchase, receive, or use, or the quantity of, the
4 product, service, plan, or program;

5 G. Any material restriction, limitation, or condition on purchasing,
6 receiving, or using the product, service, plan, or program;

7 H. That any person has implemented reasonable and appropriate
8 measures to protect consumers' non-public personal information against
9 unauthorized access; or

10 I. Any material aspect of the performance, efficacy, nature, or
11 characteristics of the product, service, plan, or program.

12 **VI. SUBSTANTIATION FOR BENEFIT, PERFORMANCE, AND**
13 **EFFICACY CLAIMS**

14 IT IS FURTHER ORDERED that Defaulting Defendants and their officers,
15 agents, servants, employees, and attorneys, and those persons or entities in active
16 concert or participation with any of them who receive actual notice of this Order by
17 personal service, facsimile transmission, email, or otherwise, whether acting
18 directly or through any corporation, subsidiary, division, or other device, in
19 connection with the advertising, marketing, promotion, offering for sale, or sale of
20 any financial related product or service are hereby permanently restrained and
21 enjoined from making any representation or assisting others in making any
22 representation, expressly or by implication, about the benefits, performance, or
23 efficacy of any financial related product or service, unless, at the time such
24 representation is made, the Defaulting Defendant possesses and relies upon
25 competent and reliable evidence that substantiates that the representation is true.
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1 **VII. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

2 IT IS FURTHER ORDERED that Defaulting Defendants, and their
3 successors, assigns, officers, agents, servants, employees, and attorneys, and those
4 persons or entities in active concert or participation with any of them who receive
5 actual notice of this Order by personal service, facsimile transmission, email, or
6 otherwise, whether acting directly or through any corporation, subsidiary, division,
7 or other device, are permanently restrained and enjoined from:

8 A. Disclosing, using, or benefitting from customer information, including
9 the name, address, telephone number, email address, social security number, other
10 identifying information, or any data that enables access to a customer's account
11 (including a credit card, bank account, or other financial account), of any person
12 that any Defaulting Defendant obtained prior to entry of this Order in connection
13 with the advertising, marketing, promotion, offering for sale or sale of any
14 mortgage assistance relief product or service or any debt relief product or service;
15 and

16 B. Failing to dispose of such customer information in all forms in their
17 possession, custody, or control within thirty (30) days after entry of this Order.
18 Disposal shall be by means that protect against unauthorized access to the customer
19 information, such as by burning, pulverizing, or shredding any papers, and by
20 erasing or destroying any electronic media, to ensure that the customer information
21 cannot practicably be read or reconstructed.

22 *Provided, however,* that customer information need not be disposed of, and
23 may be disclosed, to the extent requested by a government agency or required by a
24 law, regulation, or court order.

25 **VIII. MONETARY JUDGMENT**

26 IT IS FURTHER ORDERED that:

27 A. Judgment is hereby entered in favor of the Plaintiff and against
28 Defaulting Defendants in the amount of three million, eight hundred ninety-two

1 thousand, eight hundred nine dollars (\$3,892,809), less the sum of any amounts
2 paid to the FTC pursuant to judgments in this action relating to other Defendants.

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
7 consumers is wholly or partially impracticable or funds remain after redress is
8 completed, the FTC may apply any remaining funds for such other equitable relief,
9 including but not limited to consumer information remedies, as the FTC determines
10 to be reasonably related to the practices alleged in the Complaint. Any funds not
11 used for such equitable relief shall be
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1 F. Upon request, Defaulting Defendants are hereby required, in
2 accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification
3 numbers, which shall be used for purposes of collecting and reporting on any
4 delinquent amount arising out of this Order.

5 G. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
6 § 1681b(1), any consumer reporting agency may furnish a consumer report
7 concerning any Defaulting Defendant to the FTC, which shall be used for purposes
8 of collecting and reporting on any delinquent amount arising out of this Order.

9 **IX. ASSET FREEZE**

10 IT IS FURTHER ORDERED that, upon entry of this Order, the freeze of
11 Defaulting Defendants' assets shall be dissolved.

12 **X. COMPLIANCE MONITORING**

13 IT IS FURTHER ORDERED that, for the purpose of monitoring Defaulting
14 Defendants' compliance with this Order:

15 A. Within 14 days of receipt of a written request from a representative of
16 the Commission, each Defaulting Defendant must: submit additional compliance
17 reports or other requested information, which must be sworn under penalty of
18 perjury; appear for depositions; and produce documents, for inspection and
19 copying. The Commission is also authorized to obtain discovery, without further
20 leave of court, using any of the procedures prescribed by Federal Rules of Civil
21 Procedure 29, 30 (including telephonic depositions)

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1 in which he has any ownership interest; and (c) describe in detail his
2 involvement in each such business, including title, role,
3 responsibilities, participation, authority, control, and any ownership.

4 B. For 20 years following entry of this Order, each Defaulting Defendant
5 must submit a compliance notice, sworn under penalty of perjury, within 14 days
6 of any change in the following:

7 1. Each Defaulting Defendant must report any change in: (a) any
8 designated point of contact or (b) the structure of any Defaulting
9 Corporate Defendant or any entity that Defaulting Defendant has any
10 ownership interest in or directly or indirectly controls that may affect
11 compliance obligations arising under this Order, including: creation,
12 merger, sale, or dissolution of the entity or any subsidiary, parent, or
13 affiliate that engages in any acts or practices subject to this Order.

14 2. Additionally, Defaulting Individual Defendant must report any
15 change in: (a) name, including aliases or fictitious name, or residence
16 address; or (b) title or role in any business activity, including any
17 business for which he performs services whether as an employee or
18 otherwise and any entity in which he has any ownership interest, and
19 identify its name, physical address, and Internet address, if any.

20 C. Each Defaulting Defendant must submit to the Commission notice of
21 the filing of any bankruptcy petition, insolvency proceeding, or any similar
22 proceeding by or against such Defendant within 14 days of its filing.

23 D. Any submission to the Commission required by this Order to be
24 sworn under penalty of perjury must be true and accurate and comply with 28
25 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the
26 laws of the United States of America that the foregoing is true and correct.
27 Executed on: ____” and supplying the date, signatory’s full name, title (if
28 applicable), and signature.

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XIII. ORDER ACKNOWLEDGMENT

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2 IT IS FURTHER ORDERED that Defaulting Defendants obtain
3 acknowledgments of receipt of this Order:

4 A. Each Defaulting Defendant, within 7 days of entry of this Order, must
5 submit to the Commission an acknowledgment of receipt of this Order sworn
6 under penalty of perjury.

7 B. For 5 years after entry of this Order, the Defaulting Individual
8 Defendant for any business that he, individually or collectively with any other
9 Defendant, is the majority owner or directly or indirectly controls, and each
10 Defaulting Corporate Defendant, must deliver a copy of this Order to: (1) all
11 principals, officers, directors, and managers; (2) all employees, agents, and
12 representatives who participate in conduct related to the subject matter of the
13 Order; and (3) any business entity resulting from any change in structure as set
14 forth in the Section titled Compliance Reporting. Delivery must occur within 7
15 days of entry of this Order for current personnel. To all others, delivery must
16 occur before they assume their responsibilities.

17 C. From each individual or entity to which a Defaulting Defendant
18 delivered a copy of this Order, that Defendant must obtain, within 30 days, a
19 signed and dated acknowledgment of receipt of this Order.

XIV. RETENTION OF JURISDICTION

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

23
24 SO ORDERED, this 13th day of February, 2012.

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28 The Honorable Josephine Staton Tucker
United States District Judge