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14 FEDERAL TRADE COMMISSION

15 UNITED STATES DISTRICT COURT  
16 CENTRAL DISTRICT OF CALIFORNIA

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19 FEDERAL TRADE COMMISSION, ) Case No. SACV13-919 DOC (RNBx)  
20 )  
Plaintiff, ) **FINAL ORDER FOR**  
21 vs. ) **PERMANENT INJUNCTION**  
22 ) **AGAINST DEFENDANT**  
A TO Z MARKETING, INC., a ) **EVERGREEN LAW OFFICES,**  
23 Nevada corporation, also dba Client ) **PLLC [249]**  
24 Services, *et al.*, )  
25 Defendants. )

1  
2 **ENTRY OF DEFAULT JUDGMENT AND FINAL ORDER**  
3 **FOR PERMANENT INJUNCTION AGAINST**  
4 **DEFENDANT EVERGREEN LAW OFFICES, PLLC**

5 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), filed its  
6 Complaint for Injunctive and Other Equitable Relief pursuant to Sections 13(b) and  
7 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and  
8 57b, and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626,  
9 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit  
10 Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-  
11 24, Section 511, 123 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and  
12 amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act,  
13 Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010)  
14 (“Dodd-Frank Act”), 12 U.S.C. § 5538. The Commission filed its Amended  
15 Complaint on December 16, 2013.

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19 Although Defendant Evergreen Law Offices, PLLC (“Evergreen”) signed  
20 and returned a Waiver of the Service of Summons (Dkt. 202), it failed to answer  
21 the Amended Complaint and a Default was entered against it (Dkt. 209). In light  
22 of Evergreen’s default and after considering the pleadings, declarations, exhibits,  
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## FINDINGS

- 1  
2 1. This Court has jurisdiction over this matter. Venue is proper in this District.
- 3  
4 2. Evergreen's activities as alleged in the Amended Complaint are in or  
5 affecting commerce as "commerce" is defined in Section 4 of the FTC Act,  
6 15 U.S.C. § 4 of the FTC Act, 15 U.S.C. § 44.
- 7  
8 3. The Amended Complaint charges that Evergreen participated in deceptive  
9 and unlawful acts or practices in violation of Section 5 of the FTC Act,  
10 15 U.S.C. § 45, and the Mortgage Assistance Relief Services Rule,  
11 16 C.F.R. Part 322 ("MARS Rule"), recodified as Mortgage Assistance  
12 Relief Services, 12 C.F.R. Part 1015 ("Regulation O"), in connection with  
13 the marketing and sale of mortgage assistance relief services ("MARS").  
14
- 15 4. Specifically, the Amended Complaint alleges that since about 2011,  
16 Evergreen participated in a common enterprise that sold home-loan  
17 modification services. (Dkt. 176). The Amended Complaint alleges that it  
18 did so by misrepresenting the likelihood of obtaining a loan modification  
19 and by misrepresenting the benefits of loan audits, in violation of Section 5  
20 of the FTC Act, 15 U.S.C. § 45. The Amended Complaint also alleges that  
21 Evergreen violated the MARS Rule by collecting advance fees for the  
22 provision of MARS, by making material misrepresentations in the provision  
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1 or Internet Protocol addresses or domain name registration for any  
2 Internet websites, affiliate marketing services, or media placement  
3 services;

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- 5 4. providing names of, or assisting in the generation of, potential  
6 customers;
  - 7 5. performing marketing, billing, or payment services of any kind; or  
8
  - 9 6. acting or serving as an owner, officer, director, manager, or principal  
10 of any entity.

11 B. “*Defendant*” means Evergreen Law Offices, PLLC.

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

- 17
- 18 1. the Making Home Affordable Program;
  - 19 2. the Financial Stability Plan;
  - 20 3. the Troubled Asset Relief Program and any other program sponsored  
21 or operated by the United States Department of the Treasury;
  - 22 4. the HOPE for Homeowners program, any program operated or created  
23 pursuant to the Helping Families Save Their Homes Act, and any  
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1 other program sponsored or operated by the Federal Housing  
2 Administration; or

- 3 5. any program sponsored or operated by the United States Department  
4 of Housing and Urban Development (“HUD”), the HOPE NOW  
5 Alliance, the Homeownership Preservation Foundation, or any other  
6 HUD-approved housing counseling agency.  
7

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9 D. “*Financial product or service*” means any product, service, plan, or  
10 program represented, expressly or by implication, to:

- 11 1. provide any consumer, arrange for any consumer to receive, or assist  
12 any consumer in receiving, a loan or other extension of credit;  
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14 2. provide any consumer, arrange for any consumer to receive, or assist  
15 any consumer in receiving, credit, debit, or stored value cards;  
16  
17 3. improve, repair, or arrange to improve or repair, any consumer’s  
18 credit record, credit history, or credit rating; or  
19  
20 4. provide advice or assistance to improve any consumer’s credit record,  
21 credit history, or credit rating.

22 E. “*Person*” means a natural person, organization, or other legal entity,  
23 including a corporation, partnership, limited liability company,  
24 proprietorship, association, cooperative, or any other group or combination  
25 acting as an entity.  
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1 F. “*Secured or unsecured debt relief product or service*” means, with respect  
2 to any mortgage, loan, debt, or obligation between a person and one or more  
3 secured or unsecured creditors or debt collectors, any product, service, plan,  
4 or program represented, expressly or by implication, to:  
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- 6 1. stop, prevent, or postpone any mortgage deed of foreclosure sale for a  
7 person’s dwelling, any other sale of collateral, any repossession of a  
8 person’s dwelling or other collateral, or otherwise save a person’s  
9 dwelling or other collateral from foreclosure or repossession;  
10
- 11 2. negotiate, obtain, or arrange a modification, or renegotiate, settle, or  
12 in any way alter any terms of the mortgage, loan, debt, or obligation,  
13 including a reduction in the amount of interest, principal balance,  
14 monthly payments, or fees owed by a person to a secured or  
15 unsecured creditor or debt collector;  
16
- 17 3. obtain any forbearance or modification in the timing of payments  
18 from any secured or unsecured holder or servicer of any mortgage,  
19 loan, debt, or obligation;  
20
- 21 4. negotiate, obtain, or arrange any extension of the period of time  
22 within which a person may (i) cure his or her default on the mortgage,  
23 loan, debt, or obligation, (ii) reinstate his or her mortgage, loan, debt,  
24 or obligation, (iii) redeem a dwelling or other collateral, or  
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1 (iv) exercise any right to reinstate the mortgage, loan, debt, or  
2 obligation or redeem a dwelling or other collateral;

3 5. obtain any waiver of an acceleration clause or balloon payment  
4 contained in any promissory note or contract secured by any dwelling  
5 or other collateral; or

6  
7 6. negotiate, obtain, or arrange (i) a short sale of a dwelling or other  
8 collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other  
9 disposition of a mortgage, loan, debt, or obligation other than a sale to  
10 a third party that is not the secured or unsecured loan holder.  
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13 The foregoing shall include any manner of claimed assistance, including, but  
14 not limited to, auditing or examining a person's application for the  
15 mortgage, loan, debt, or obligation.  
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17 G. "**Telemarketing**" means any plan, program, or campaign which is conducted  
18 to induce the purchase of goods or services by use of one or more  
19 telephones, and which involves a telephone call, whether or not covered by  
20 the Telemarketing Sales Rule.  
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1 A. the terms or rates that are available for any loan or other extension of  
2 credit, including:

- 3 i. closing costs or other fees;
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- 5 ii. the payment schedule, monthly payment amount(s), any balloon  
6 payment, or other payment terms;
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- 8 iii. the interest rate(s), annual percentage rate(s), or finance  
9 charge(s), and whether they are fixed or adjustable;
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- 11 iv. the loan amount, credit amount, draw amount, or outstanding  
12 balance; the loan term, draw period, or maturity; or any other  
13 term of credit;
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1 C. the ability to improve or otherwise affect a consumer's credit record,  
2 credit history, credit rating, or ability to obtain credit, including that a  
3 consumer's credit record, credit history, or credit rating, or ability to  
4 obtain credit can be improved by permanently removing current,  
5 accurate negative information from the consumer's credit record or  
6 history; or  
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9 D. that a consumer will receive legal representation.

10 **PROHIBITED MISREPRESENTATIONS RELATING**  
11 **TO ANY PRODUCTS OR SERVICES**

12 **III. IT IS FURTHER ORDERED** that Defendant, Defendant's officers, agents,  
13 servants, employees, and attorneys, and all other persons or entities in active  
14 concert or participation with any of them, who receive actual notice of this  
15 Order, whether acting directly or indir  
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1 circumstances in which a full or partial refund will be granted to the  
2 consumer;

3 B. that any person is affiliated with, endorsed or approved by, or  
4 otherwise connected to any other person; government entity; any  
5 federal homeowner relief or financial stability program; public, non-  
6 profit, or other non-commercial program; or any other program;  
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9 C. the nature, expertise, position, or job title of any person who provides  
10 any product, service, plan, or program;

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1 Order in connection with the marketing and sale of secured or  
2 unsecured debt relief products or services; and

3 C. disposing of such customer information without written authorization  
4 from the Commission; and

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6 D. failing to dispose of such customer information in all forms in their  
7 possession, custody, or control within thirty (30) days of receipt of  
8 written authorization from the Commission. Disposal shall be by  
9 means that protect against unauthorized access to the customer  
10 information, such as by burning, pulverizing, or shredding any papers,  
11 and by erasing or destroying any electronic media, to ensure that the  
12 customer information cannot be practicably read or reconstructed.  
13

14  
15 *Provided, however,* that customer information need not be disposed of, and  
16 may be disclosed, to the extent requested by a government agency or required by  
17 law, regulation, or court order.  
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## 19 **MONETARY JUDGMENT**

20  
21 **V. IT IS FURTHER ORDERED** that:

22 A. Judgment in the amount of four million three hundred eight thousand  
23 seven hundred three dollars (\$4,308,703.00) is entered against  
24 Defendant, jointly and severally, as equitable monetary relief.  
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1 B. Defendant relinquishes dominion and all legal and equitable right,  
2 title, and interest in all of Defendant's assets that are subject to the  
3 asset freeze provisions in the Stipulated Preliminary Injunction  
4 entered on July 18, 2013. Defendant may not seek the return of any  
5 assets that are part of the receivership estate. If Defendant retains any  
6 assets that are subject to the asset freeze and not currently controlled  
7 or held by the Receiver as part of the receivership estate, Defendant  
8 shall turn over those assets to the Receiver within ten days of entry of  
9 this Order. Thereafter, Defendant may not seek the return of those  
10 assets.  
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14 C. The facts alleged in the Amended Complaint will be taken as true,  
15 without further proof, in any subsequent civil litigation by or on  
16 behalf of the Commission, including in a proceeding to enforce its  
17 rights to any payment or monetary judgment pursuant to this Order,  
18 such as a nondischargeability complaint in any bankruptcy case.  
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21 D. the facts alleged in the Amended Complaint establish all elements  
22 necessary to sustain an action by the Commission pursuant to Section  
23 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and  
24 this Order will have collateral estoppel effect for such purposes.  
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E. Defendant acknowledges that its Taxpayer Identification Number (Social Security Number or Employment Identification Number), which Defendant must submit to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

F. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendant's practices alleged in the Amended Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Defendant has no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

**COOPERATION**

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VI. **IT IS FURTHER ORDERED** that Defendant must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or occurrences that are the subject of the Amended Complaint. Defendant must provide truthful and complete information, evidence, and testimony. Defendant must cause officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena. Defendant and its officers, employees, representatives, and agents shall be provided witness fees and reasonable travel expenses pursuant to applicable federal laws.

**ORDER ACKNOWLEDGMENTS**

VII. **IT IS FURTHER ORDERED** that Defendant obtain acknowledgments of receipt of this Order:

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

1 B. For 3 years after entry of this Order, Defendant must deliver a copy of  
2 this Order to: (1) all principals, officers, directors, and LLC managers  
3 and members; (2) all employees, agents, and representatives who  
4 participate in telemarketing and/or the advertising, marketing,  
5 promotion, offering for sale or sale of any financial product or service;  
6 and (3) any business entity resulting from any change in structure as  
7 set forth in the Section titled Compliance Reporting. Delivery must  
8 occur within 7 days of entry of this Order for current personnel. For  
9 all others, delivery must occur before they assume their  
10 responsibilities.  
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14 C. From each individual or entity to which Defendant delivered a copy of  
15 this Order, Defendant must obtain, within 30 days, a signed and dated  
16 acknowledgement of receipt of this Order.  
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### 18 COMPLIANCE REPORTING

19 VIII. **IT IS FURTHER ORDERED** that Defendant make timely submissions to  
20 the Commission:  
21

22 A. One year after entry of this Order, Defendant must submit a  
23 compliance report, sworn under penalty of perjury (a) identifying the  
24 primary physical, postal, and email address and telephone number, as  
25 designated points of contact, which representatives of the Commission  
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1 C. Defendant must submit to the Commission notice of the filing of any  
2 bankruptcy petition, insolvency proceeding, or similar proceeding by  
3 or against Defendant within 14 days of its filing.  
4

5 D. Any submission to the Commission required by this Order to be  
6 sworn under penalty of perjury must be true and accurate and comply  
7 with 28 U.S.C. § 1746, such as by concluding: “I declare under  
8 penalty of perjury under the laws of the United States of America that  
9 the foregoing is true and correct. Executed on: \_\_\_\_\_” and  
10 supplying the date, signatory’s full name, title (if applicable), and  
11 signature.  
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14 E. Unless otherwise directed by a Commission representative in writing,  
15 all submissions to the Commission pursuant to this Order must be  
16 emailed to [DEbrief@ftc.gov](mailto:DEbrief@ftc.gov) or sent by overnight courier (not the U.S.  
17 Postal Service) to: Associate Director for Enforcement, Bureau of  
18 Consumer Protection, Federal Trade Commission, 600 Pennsylvania  
19 Avenue NW, Washington DC 20580. The subject line must begin:  
20 *FTC v. A to Z Marketing, Inc., et al.*, Case No. SACV13-919-DOC  
21 (RNBx) (C.D. Cal.) [FTC File No. X130049].  
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**RECORDKEEPING**

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**IX. IT IS FURTHER ORDERED** that Defendant must create certain records for 10 years after entry of this Order, and retain such records for 5 years.

## COMPLIANCE MONITORING

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2 X. **IT IS FURTHER ORDERED** that, for purposes of monitoring Defendant's  
3 compliance with this Order:

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5 A. Within 14 days of receipt of a written request from a representative of  
6 the Commission, Defendant must: submit additional compliance  
7 reports or other requested information, which must be sworn under  
8 penalty of perjury; appear for depositions; and produce documents for  
9 inspection and copying. The Commission is also authorized to obtain  
10 discovery, without further leave of court, using any of the procedures  
11 prescribed by Federal Rules of Civil Procedure 29, 30 (including  
12 telephonic depositions), 31, 33, 34, 36, 45, and 69.

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14  
15 B. For matters concerning this Order, the Commission is authorized to  
16 communicate directly with Defendant. Defendant must permit  
17 representatives of the Commission to interview any employee or other  
18 person affiliated with Defendant who has agreed to such an interview.  
19 The person interviewed may have counsel present.

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22 C. The Commission may use all other lawful means, including posing,  
23 through its representatives as consumers, suppliers, or other  
24 individuals or entities, to Defendant or any individual or entity  
25 affiliated with Defendant, without the necessity of identification or  
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1 prior notice. Nothing in this Order limits the Commission's lawful  
2 use of compulsory process, pursuant to Sections 9 and 20 of the FTC  
3 Act, 15 U.S.C. §§ 49, 57b-1.  
4

5 **RETENTION OF JURISDICTION**

6 **XI. IT IS FURTHER ORDERED** that this Court retains jurisdiction of this  
7 matter for purposes of construction, modification, and enforcement of this  
8 Order.  
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11 **SO ORDERED this 2nd day of September, 2014**  
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16 DAVID O. CARTER  
17 UNITED STATES DISTRICT JUDGE  
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