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1 **ENTRY OF DEFAULT JUDGMENT AND FINAL ORDER FOR**
2 **PERMANENT INJUNCTION AGAINST DEFENDANTS WILLIAM D.**
3 **GOODRICH AND WILLIAM D. GOODRICH ATTY, INC.**

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

15 Although Defendants William D. Goodrich and William D. Goodrich Atty,
16 Inc. (“the Goodrich Defendants” or “Defendants”) answered the Amended
17 Complaint, they later failed to respond to discovery requests including failing to
18 answer Interrogatories, failing to respond to requests for admissions, and failing to
19 attend noticed depositions. In light of the Goodrich Defendants’ default and after
20 considering the pleadings, declarations, exhibits, other evidence, and the arguments
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1 of counsel, judgment is entered in favor of Plaintiff, Federal Trade Commission,
2 upon the terms set forth below.

3 **FINDINGS**

- 4
- 5 1. This Court has jurisdiction over this matter. Venue is proper in this District.
 - 6 2. The Goodrich Defendants' activities as alleged in the Amended Complaint
7 are in or affecting commerce as "commerce" is defined in Section 4 of the
8 FTC Act, 15 U.S.C. § 4 of the FTC Act, 15 U.S.C. § 44.
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 - 10 3. The Amended Complaint charges that the Goodrich Defendants participated
11 in deceptive and unlawful acts or practices in violation of Section 5 of the
12 FTC Act, 15 U.S.C. § 45, and the Mortgage Assistance Relief Services Rule,
13 16 C.F.R. Part 322 ("MARS Rule"), recodified as Mortgage Assistance
14 Relief Services, 12 C.F.R. Part 1015 ("Regulation O"), in connection with
15 the marketing and sale of mortgage assistance relief services ("MARS").
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 - 18 4. Specifically, the Amended Complaint alleges that since about 2011, the
19 Goodrich Defendants participated in one or more common enterprises that
20 sold home-loan modification services. (Dkt. 176). The Amended Complaint
21 alleges that they did so by misrepresenting the likelihood of obtaining a loan
22 modification and by misrepresenting the benefits of loan audits, in violation
23 of Section 5 of the FTC Act, 15 U.S.C. § 45. The Amended Complaint also
24 alleges that the Goodrich Defendants violated the MARS Rule by collecting
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1 advance fees for the provision of MARS, by making material
2 misrepresentations in the provision of MARS, and by failing to make
3 disclosures as required by the MARS Rule.
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5 5. The Goodrich Defendants had proper notice of this lawsuit. Through their
6 counsel, they waived personal service of the Complaint and filed an Answer
7 to the Complaint. (Dkt. 183). On July 18, 2013, the Goodrich Defendants
8 entered into a Stipulated Preliminary Injunction (Dkt. 87), and on December
9 24, 2013, through their counsel, filed an Answer to the Amended Complaint.
10 (Dkt. 183).
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12 6. After the entry of the Stipulated Preliminary Injunction but before the
13 Answer to the Amended Complaint, Defendant William D. Goodrich sold
14 his home in Orange County, California, and left for Israel. (Dkt. 147-3).
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17 7. Counsel for Defendants moved to withdraw from representation, and a
18 hearing was held on that motion was held on January 27, 2014. The Court
19 denied that motion, but indicated that it would rule differently if Defendants
20 would agree to accept service of additional pleading and discovery *via* email
21 or regular mail, and agree to appear for depositions in the United States if
22 noticed. (Dkt. 190). Counsel subsequently filed a supplemental declaration
23 indicating she was no longer able to communicate with the Goodrich
24 Defendants, and another application to withdraw as counsel. (Dkt. 193). On
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1 June 17, 2014, the Court granted that Motion allowing counsel to withdraw,
2 but required that the Goodrich Defendants accept service of all documents in
3 this action *via* email at the address yissgood@yahoo.com, until such other
4 address is provided (or *via* regular mail, at a physical address provided), and
5 required each of the Goodrich Defendants to appear in the United States for
6 depositions if noticed. (Dkt. 235). These were the conditions the Court set
7 forth earlier at the hearing on January 27, 2014. (Dkt. 190).

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10 8. On February 21, 2014, Plaintiff served its first Requests for Admissions on
11 the Goodrich Defendants by serving counsel. On April 3, 2014, Plaintiff
12 served its first sets of Interrogatories on each of the Goodrich Defendants by
13 serving counsel. In each case, counsel for the Goodrich Defendants
14 indicated that because she was not able to communicate with her clients, she
15 was not able to respond on their behalf, and no other response was received.
16 Similarly, Mr. Goodrich's deposition was noticed for May 14, 2014, and
17 William D. Goodrich Atty, Inc., was noticed for a deposition under Federal
18 Rule of Civil Procedure 30(b)(6) for May 16, 2014, both in Orange County,
19 California. Mr. Goodrich did not appear, and no one appeared on behalf of
20 the corporation.
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25 9. Counsel for the parties met and conferred on this matter on June 16, 2014.
26 Counsel for the Goodrich Defendants withdrew, however, before a joint
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1 stipulation could be finalized. On the morning of June 19, 2014, Plaintiff's
2 counsel sent an email to Mr. Goodrich at the previously mentioned email
3 address asking him for a convenient time to meet and confer. No response
4 was been received, and no indication was received that the email address
5 was faulty.
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7 10. As a sanction for their failure to cooperate in discovery, pursuant to Federal
8 Rule of Civil Procedure 37, the Court enters this default judgment against
9 William D. Goodrich and William D. Goodrich Atty, Inc. Furthermore,
10 from the affidavit filed by the Federal Trade Commission, it appears that the
11 Commission is entitled to equitable monetary relief against the Goodrich
12 Defendants in the amount of thirty-eight million three hundred seven
13 thousand eight hundred thirty-one and 38/100 dollars (\$38,307,831.38), for
14 which the Goodrich Defendants are jointly and severally liable.
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18 11. This Final Judgment is in addition to, and not in lieu of, any other civil or
19 criminal remedies that may be provided by law.
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21 12. Entry of this Final Judgment is in the public interest.

22 13. Pursuant to Federal Rule of Civil
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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

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9 6. acting or serving as an owner, officer, director, manager, or principal
10 of any entity.

11 B. “***Defendants***” means the Goodrich Defendants, individually, collectively, or
12 in any combination.

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14 C. “***Federal homeowner relief or financial stability program***” means any
15 program (including its sponsoring agencies, telephone numbers, and Internet
16 websites) operated or e
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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.
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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;
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17 3. improve, repair, or arrange to improve or repair, any consumer’s
18 credit record, credit history, or credit rating; or
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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 co
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ORDER

BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCTS AND SERVICES

I. **IT IS THEREFORE ORDERED** that Defendants, whether acting directly or through any other person, are permanently restrained and enjoined from:

A. advertising, marketing, promoting, offering for sale, or selling any secured or unsecured debt relief product or service; and

B. assisting others engaged in advertising, marketing, promoting, offering for sale, or selling any secured or unsecured debt relief product or service.

PROHIBITED MISREPRESENTATIONS RELATING TO FINANCIAL PRODUCTS OR SERVICES

II. **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering for sale, or selling any financial product or service, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including:

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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C. the ability to improve or otherwise affect a consumer's credit record,
credit history, credit rating, or ability to obtain credit, including that a
consumer's credit record, credit history, or credit rating, or ability to

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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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I. any other material fact concerning any aspect of the performance, efficacy, nature, or characteristics of the product, service, plan, or program.

CUSTOMER INFORMATION

IV. **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained or enjoined from directly or indirectly:

A. failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the Commission, within 14 days.

B. disclosing, using, or benefiting from customer information, including the name, address, telephone number, email address, Social Security number, other identifying information, or any data that enables access to a customer’s account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of

1 this 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.
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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**

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

22 A. Judgment in the amount of thirty-eight million three hundred seven
23 thousand eight hundred thirty-one and 38/100 dollars
24 (\$38,307,831.38) is entered against Defendants, jointly and severally,
25 as equitable monetary relief.
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1 B. Defendants relinquish dominion and all legal and equitable right, title,
2 and interest in all of Defendants' assets that are subject to the asset
3 freeze provisions in the Stipulated Preliminary Injunction entered on
4 July 18, 2013. Defendants may not seek the return of any assets that
5 are part of the receivership estate. If Defendants retain any assets that
6 are subject to the asset freeze and not currently controlled or held by
7 the Receiver as part of the receivership estate, Defendants shall turn
8 over those assets to the Receiver within ten days of entry of this
9 Order. Thereafter, Defendants may not seek the return of those assets.
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12 C. the facts alleged in the Amended Complaint will be taken as true,
13 without further proof, in any s
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1 which Defendants must submit to the Commission, may be used for
2 collecting and reporting on any delinquent amount arising out of this
3 Order, in accordance with 31 U.S.C. § 7701.
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5 F. All money paid to the Commission pursuant to this Order may be
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7 deposited into a fund administered by the Commission or its designee
8 to be used for equitable relief, including consumer redress and any
9 attendant expenses for the administration of any redress fund. If a
10 representative of the Commission decides that direct redress to
11 consumers is wholly or partially impracticable or money remains after
12 redress is completed, the Commission may apply any remaining
13 money for such other equitable relief (including consumer information
14 remedies) as it determines to 0.0012 Tw (i266rdanc4rems1oeo0 -2.3nsui5t)Tj 0.0a-
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1 A. Each Defendant, within 7 days of entry of this Order, must submit to
2 the Commission an acknowledgment of receipt of this Order sworn
3 under penalty of perjury.
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5 B. For 3 years after entry of this Order, Defendant William D. Goodrich
6 for any business that he individually or collectively with any other
7 defendant in this action, is the majority owner or controls directly or
8 indirectly, and Defendant William D. Goodrich Atty, Inc., must
9 deliver a copy of this Order to: (1) all principals, officers, directors,
10 and LLC managers and members; (2) all employees, agents, and
11 representatives who participate in telemarketing and/or the
12 advertising, marketing, promotion, offering for sale or sale of any
13 financial product or service; and (3) any business entity resulting from
14 any change in structure as set forth in the Section titled Compliance
15 Reporting. Delivery must occur within 7 days of entry of this Order
16 for current personnel. For all others, delivery must occur before they
17 assume their responsibilities.
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22 C. From each individual or entity to which a Defendant delivered a copy
23 of this Order, that Defendant must obtain, within 30 days, a signed
24 and dated acknowledgement of receipt of this Order.
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1 **COMPLIANCE REPORTING**

2 **VIII. IT IS FURTHER ORDERED** that Defendants make timely submissions to
3 the Commission:
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5 A. One year after entry of this Order, each Defendant must submit a
6 compliance report, sworn under penalty of perjury:

- 7 i. Each Defendant must: (a) identify the primary physical, postal,
8 and email address and telephone number, as designated points
9 of contact, which representatives of the Commission may use to
10 communicate with Defendant; (b) identify all of that
11 Defendant’s businesses by all of their names, telephone
12 numbers, and physical, postal, email, and Internet addresses;
13 (c) describe the activities of each business, including the goods
14 and services offered, the means of advertising, marketing, and
15 sales, and the involvement of any other defendant in this action
16 (which Defendant William D. G .403 8
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1 ii. Additionally, Defendant William D. Goodrich must: (a) identify
2 all telephone numbers and all physical, postal, email, and
3 Internet addresses, including all residences; (b) identify all
4 business activities, including any person or entity for which he
5 performs services whether as an employee or otherwise and any
6 entity in which he has any ownership interest; and (c) describe
7 in detail such his involvement in each such business, including
8 title, role, responsibilities, participation, authority, control, and
9 any ownership.
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13 B. For 10 years after entry of this Order, each Defendant must submit a
14 compliance notice, sworn under penalty
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1 ii. Additionally, Defendant William D. Goodrich must report any
2 change in: (a) name, including aliases or fictitious names, or
3 residence address; or (b) title or role in any business activity,
4 including any business for which he performs services whether
5 as an employee or otherwise and any entity in which he has any
6 ownership interest, and identify the name, physical address, and
7 any Internet address of the business or entity.
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10 C. Each Defendant must submit to the Commission notice of the filing of
11 any bankruptcy petition, insolvency proceeding, or similar proceeding
12 by or against such Defendant within 14 days of its filing.
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14 D. Any submission to the Commission required by this Order to be
15 sworn under penalty of perjury must be true and accurate and comply
16 with 28 U.S.C. § 1746, such as by concluding: “I declare under
17 penalty of perjury under the laws of the United States of America that
18 the foregoing is true and correct. Executed on: _____” and
19 supplying the date, signatory’s full name, title (if applicable), and
20 signature.
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23 E. Unless otherwise directed by a Commission representative in writing,
24 all submissions to the Commission pursuant to this Order must be
25 emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S.
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1 representatives of the Commission to interview any employee or other
2 person affiliated with either Defendant who has agreed to such an
3 interview. The person interviewed may have counsel present.
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5 C. The Commission may use all other lawful means, including posing,
6 through its representatives as consumers, suppliers, or other
7 individuals or entities, to Defendants or any individual or entity
8 affiliated with Defendants, without the necessity of identification or
9 prior notice. Nothing in this Order limits the Commission's lawful
10 use of compulsory process, pursuant to Sections 9 and 20 of the FTC
11 Act, 15 U.S.C. §§ 49, 57b-1.
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