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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,

20 Plaintiff,

21 vs.

22 A TO Z MARKETING, INC., a
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1 ENTRY OF DEFAULT JUDGMENT AND FINAL ORDER FOR
2 PERMANENT INJUNCTION AGAINST DEFENDANT
3 AMIR MONTAZERAN

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.

14 The Commission filed its original Complaint on June 18, 2013. The
15 Commission filed its Amended Complaint naming Defendant Amir Montazeran
16 and additional defendants on December 16, 2013. On January 2, 2014, a 21-day
17 summons was issued to Defendant Montazeran both individually and as an officer
18 of certain other defendants. (Dkt. 186). On June 2, the FTC filed proof of service
19 that Defendant Montazeran had been served with the First Amended Complaint on
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1 entered default as to Defendant Montazeran. (Dkt. 228). On September 2, the
2 Court denied Defendant Montazeran’s motion to set aside the default. (Dkt. 283).

3 In light of Defendant Montazeran’s default and after considering the
4 pleadings, declarations, exhibits, and other evidence, judgment is entered in favor
5 of Plaintiff, Federal Trade Commission, upon the terms set forth below.
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7 **FINDINGS**
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- 9 1. This Court has jurisdiction over this matter. Venue is proper in this District.
10 2. Defendant’s activities as alleged in the Amended Complaint are in or
11 affecting commerce as “commerce” is defined in Section 4 of the FTC Act,
12 15 U.S.C. § 4 of the FTC Act, 15 U.S.C. § 44.
13 3. The Amended Complaint charges that Defendant participated in deceptive
14 and unlawful acts or practices in violation of Section 5 of the FTC Act, 15
15 U.S.C. § 45, and the Mortgage Assistance Relief Services Rule, 16 C.F.R.
16 Part 322 (“MARS Rule”), recodified as Mortgage Assistance Relief
17 Services, 12 C.F.R. Part 1015 (“Regulation O”), in . 25i
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1 modification and by misrepresenting the benefits of loan audits, in violation
2 of Section 5 of the FTC Act, 15 U.S.C. § 45. The Amended Complaint also
3 alleges that Defendant violated the MARS Rule by collecting advance fees
4 for the provision of MARS, by making material misrepresentations in the
5 provision of MARS, and by failing to make disclosures as required by the
6 MARS Rule.
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9 5. Defendant had proper notice of this lawsuit. (Dkt. 223, 283). Six affidavits
10 from various process servers show a total of twelve attempts to serve
11 Defendant at various addresses, including successful service on the
12 concierge of one of Defendant's residences. (Dkt. 283). Defendant never
13 filed an Answer to the Amended Complaint.
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15 6. On June 4, upon application by the FTC, the clerk entered default as to
16 Defendant. (Dkt. 228).
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18 7. On July 15, 2014, the FTC served requests for admission and interrogatories
19 on Defendant, who did not answer them. The requests for admission are
20 therefore deemed admitted.
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22 8. On September 2, the Court denied Defendant's motion to set aside the
23 default. (Dkt. 283).
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25 9. Pursuant to Federal Rule of Civil Procedure 55(b), the Court enters this
26 default judgment against Defendant Amir Montazeran. Furthermore, from
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1 the affidavit filed by the Federal Trade Commission, it appears that the
2 Commission is entitled to equitable monetary relief against Defendant in the
3 amount of twelve million four hundred seventy-one thousand nine hundred
4 forty-four dollars and thirty-nine cents (\$12,471,944.39).
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- 1 2. provide any consumer, arrange for any consumer to receive, or assist
- 2 any consumer in receiving, credit, debit, or stored value cards;
- 3 3. improve, repair, or arrange to improve or repair, any consumer's
- 4 credit record, credit history, or credit rating; or
- 5 4. provide advice or assistance to improve any consumer's credit record,
- 6 credit history, or credit rating.
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9 E. "Person" means a natural person, organization, or other legal entity,
10 including a corporation, partnership, limited liability company,
11 proprietorship, association, cooperative, or any other group or combination
12 acting as an entity.

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14 F. "Secured or unsecured debt relief product or service" means, with respect
15 to any mortgage, loan, debt, or obligation between a person and one or more
16 secured or unsecured creditors or debt collectors, any product, service, plan,
17 or program represented, expressly or by implication, to:

- 18 1. stop, prevent, or postpone any mortgage deed of foreclosure sale for a
- 19 person's dwelling, any other sale of collateral, any repossession of a
- 20 person's dwelling or other collateral, or otherwise save a person's
- 21 dwelling or other collateral from foreclosure or repossession;
- 22 2. negotiate, obtain, or arrange a modification, or renegotiate, settle, or
- 23 in any way alter any terms of the mortgage, loan, debt, or obligation,
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1 or participation with any of them, who receive actual notice of this Order,
2 whether acting directly or indirectly, in connection with advertising,
3 marketing, promoting, offering for sale, or selling any financial product or
4 service, are permanently restrained and enjoined from misrepresenting or
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- vi. whether any specified minimum payment amount covers both interest and principal, and whether the credit has or can result in negative amortization; or
- vii. that the credit does not have a prepayment penalty or whether subsequent refinancing may trigger a prepayment penalty and/or other fees;

B. the savings associated with the loan or other extension of credit;

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 obtain credit can be improved by permanently removing current, accurate negative information from the consumer’s credit record or history; or

D. that a consumer will receive legal representation.

PROHIBITED MISREPRESENTATIONS RELATING TO ANY PRODUCTS OR SERVICES

III. **IT IS FURTHER ORDERED** that Defendant, his 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 product, service, plan,

1 or program are permanently restrained and enjoined from misrepresenting or
2 assisting others in misrepresenting, expressly or by implication, any material
3 fact, including:

4 A. any material aspect of the nature or terms of any refund, cancellation,
5 exchange, or repurchase policy, including but not limited to the
6 likelihood of a consumer obtaining a full or partial refund, or the
7 circumstances in which a full or partial refund will be granted to the
8 consumer;
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10 B. that any person is affiliated with, endorsed or approved by, or
11 otherwise connected to any other person; government entity; any
12 federal homeowner relief or financial stability program; public, non-
13 profit, or other non-commercial program; or any other program;
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15 C. the nature, expertise, position, or job title of any person who provides
16 any product, service, plan, or program;
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18 D. the person who will provide any product, service, plan, or program to
19 any consumer;
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21 E. that any person providing a testimonial has purchased, received, or
22 used the product, service, plan, or program;
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24 F. that the experience represented in a testimonial of the product, service,
25 plan, or program represents the person's actual experience resulting
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1 from the use of the product, service, plan, or program under the
2 circumstances depicted in the advertisement;

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

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6 H. any material restriction, limitation, or condition on purchasing,
7 receiving, or using the product, service, plan, or program; or

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9 I. any other material fact concerning any aspect of the performance,
10 efficacy, nature, or characteristics of the product, service, plan, or
11 program.
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13 CUSTOMER INFORMATION

14 IV. IT IS FURTHER ORDERED that Defendant, his agents, servants,
15 employees, and attorneys, and all other persons or entities in active concert
16 or participation with any of them, who receive actual notice of this Order,
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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 Defendant obtained prior to entry of this Order in connection with the marketing and sale of secured or unsecured debt relief products or services; and

C. disposing of such customer information without written authorization

MONETARY JUDGMENT

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V. IT IS FURTHER ORDERED that:

A. Judgment in the amount of twelve million four hundred seventy-one

those assets to the Receiver within ten days of entry of this Order.

Thereafter, Defendant may not seek the return of those assets.

C. 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

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

1 subject of the Amended Complaint. Defendant must provide truthful and
2 complete information, evidence, and testimony. Defendant must appear for
3 interviews, discovery, hearings, trials, and any other proceedings that a
4 Commission representative may reasonably request upon 5 days written
5 notice, or other reasonable notice, at such places and times as a Commission
6 representative may designate, without the service of a subpoena. Defendant
7 shall be provided witness fees and reasonable travel expenses pursuant to
8 applicable federal laws.
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11 ORDER ACKNOWLEDGMENTS

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

15 A. Defendant, within 7 days of entry of this Order, must submit to the
16 Commission an acknowledgment of receipt of this Order sworn under
17 penalty of perjury.
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19 B. For 20 years after entry of this Order, for any business that Defendant,
20 individually or collectively with any other Defendant, is the majority
21 owner or controls directly or indirectly, Defendant must deliver a
22 copy of this Order to: (1) all principals, officers, directors, and LLC
23 managers and members; (2) all employees, agents, and representatives
24 who participate in telemarketing and/or the advertising, marketing,
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1 promotion, offering for sale or sale of any financial product or service;
2 and (3) any business entity resulting from any change in structure as
3 set forth in the Section titled Compliance Reporting. Delivery must
4 occur within 7 days of entry of this Order for current personnel. For
5 all others, delivery must occur before they assume their
6 responsibilities.
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9 C. From each individual or entity to which Defendant delivered a copy of
10 this Order, Defendant must obtain, within 30 days, a signed and dated
11 acknowledgment of receipt of this Order.
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13 COMPLIANCE REPORTING

14 VIII. IT IS FURTHER ORDERED that Defendant make timely submissions to
15 the Commission:
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17 A. Ninety days after entry of this Order, Defendant must submit a
18 compliance report, sworn under penalty of perjury, in which
19 Defendant must: (1) identify all telephone numbers and all physical,
20 postal, email and Internet addresses, including all residences; (2)
21 identify all business activities, including any business for which
22 Defendant performs services whether as an employee or as an owner,
23 and any entity in which Defendant has any ownership interest; (3)
24 describe in detail Defendant's involvement in each such business,
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1 including title, role, responsibilities, participation, authority, control,
2 and any ownership; (4) identify the primary physical, postal, and
3 email address and telephone number, as designated points of contact,
4 which representatives of the Commission may use to communicate
5 with Defendant; (5) identify all of Defendant's businesses by all of
6 their names, telephone numbers, and physical, postal, email, and
7 Internet addresses; (6) describe the activities of each business,
8 including the goods and services offered, the means of advertising,
9 marketing, and sales, and the involvement of any other Defendant; (7)
10 describe in detail whether and how Defendant is in compliance with
11 each Section of this Order; and (8) provide a copy of each Order
12 Acknowledgment obtained pursuant to this Order, unless previously
13 submitted to the Commission.
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18 B. For 20 years after entry of this Order, Defendant must submit a
19 compliance notice, sworn under penalty of perjury, within 14 days of
20 any change in the following: (1) any designated point of contact; (2)
21 the structure of any entity that Defendant has any ownership interest
22 in or controls directly or indirectly that may affect compliance
23 obligations arising under this Order, including: creation, merger, sale,
24 or dissolution of the entity or any subsidiary, parent, or affiliate that
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1 engages in any acts or practices subject to this Order; (3) name,
2 including aliases or fictitious name, or residence address; or (4) title or
3 role in any business activity, including any business for which
4 Defendant performs services whether as an employee or otherwise
5 and any entity in which Defendant has any ownership interest, and
6 identify the name, physical address, and any Internet address of the
7 business or entity.
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10 C. Defendant must submit to the Commission notice of the filing of any
11 bankruptcy petition, insolvency proceeding, or similar proceeding by
12 or against 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 supplying
19 the date, signatory’s full name, title (if applicable), and signature.
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22 E. Unless otherwise directed by a Commission representative in writing,
23 all submissions to the Commission pursuant to this Order must be
24 emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S.
25 Postal Service) to: Associate Director for Enforcement, Bureau of
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Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. A to Z Marketing, Inc., et al., Case No. SACV13-919-DOC (RNBx) (C.D. Cal.) [FTC File No. X130049].

RECORDKEEPING

IX. IT IS FURTHER ORDERED that Defendant must create certain records for 20 years after entry of this Order, and retain such records for 5 years. Specifically, Defendant for any business that Defendant, individually or collectively with any other Defendant, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

1 D. all records necessary to demonstrate full compliance with each
2 provision of this Order, including all submissions to the Commission;

3 and

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5 E. a copy of each unique advertisement or other marketing material.

6 **COMPLIANCE MONITORING**

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

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

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21 B. For matters concerning this Order, the Commission is authorized to
22 communicate directly with Defendant. Defendant must permit
23 representatives of the Commission to interview any employee or other
24 person affiliated with Defendant who has agreed to such an interview.
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26 The person interviewed may have counsel present.

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

11 XI. IT IS FURTHER ORDERED that this Court retains jurisdiction of this
12 matter for purposes of construction, modification, and enforcement of this
13 Order.
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