

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

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

---

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DENNY LAKE, *et al.*

Defendants.

---

Case No. SACV 15-00585-CJC(JPRx)

**STIPULATED FINAL ORDER  
FOR PERMANENT INJUNCTION  
AND MONETARY JUDGMENT  
AGAINST DEFENDANT JUSTIN  
MOREIRA**

Judge: Hon. Cormac J. Carney  
Courtroom 9B



1           3.     Except as expressly specified herein, Moreira neither admits nor  
2 denies the allegations in the Complaint. Only for purposes of this action, Moreira  
3 admits the facts necessary to establish jurisdiction.

4           4.     Moreira waives any claim that he may have under the Equal Access to  
5 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through  
6 the date of this Order, and agrees to bear his own costs and attorney fees.

7           5.     Moreira waives any claim that he  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- 1                   6.     performing billing or payment services of any kind;  
2                   7.     acting or serving as an owner, officer, director, manager, or  
3 principal of any entity.

4           B.     “**Defendant**” means Justin Moreira.

5           C.     “**Financial product or service**” means any product, service, plan, or  
6 program represented, expressly or by implication, to:

7                   1.     provide any consumer, arrange for any consumer to receive, or  
8 assist any consumer in receiving, a loan or other extension of credit;

9                   2.     provide any consumer, arrange for any consumer to receive, or  
10 assist any consumer in receiving, credit, debit, or stored value cards;

11                  3.     improve, repair, or arrange to improve or repair, any  
12 consumer’s credit record, credit history, or credit rating; or

13                  4.     provide advice or assistance to improve any consumer’s credit  
14 record, credit history, or credit rating

2 1 Tf4.4506 0/TT2 1 Tf1.824 0 TD.0007 Tc-.0018 Tw TD



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           A.    the terms or rates that are available for any loan or other extension of  
2 credit, including:

3                   1.    closing costs or other fees;

4                   2.    the payment schedule, monthly payment amount(s), any balloon  
5 payment, or other payment terms;

6                   3.    the interest rate(s), annual percentage rate(s), or finance  
7 charge(s), and whether they are fixed or adjustable;

8                   4.    the loan amount, credit amount, draw amount, or outstanding  
9 balance; the loan term, draw period, or maturity; or any other term of credit;

10                  5.    the amount of cash to be disbursed to the borrower out of the  
11 proceeds, or the amount of cash to be disbursed on behalf of the borrower to any  
12 third parties;

13                  6.    whether any specified minimum payment amount covers both  
14 interest and principal, and whether the credit has or can result in negative  
15 amortization; or

16                  7.    that the credit does not have a prepayment penalty or whether  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28





1 G. any other fact material to consumers concerning any product, service,  
2 plan, or program.

3 **V.**

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 satisfied, the Receiver must transfer the balance to the Commission. Upon  
2 completion of payment of all frozen assets, the remainder of the judgment is  
3 suspended, subject to Subsections E, F, and G below.

4 C. Defendant shall take all steps necessary to assist in the transfer of all  
5 frozen assets, including those accounts identified in Subsection B. In the event it is  
6 necessary to execute additional documents to transfer, liquidate, or assign  
7 Defendant's assets or any other assets surrendered under this Order, Defendant  
8 shall execute such documents within three days of a request from a representative  
9 of the Commission.

10 D. The Asset Freeze in the Preliminary Injunction is modified, only with  
11 respect to Defendant Moreira. Once all of Defendant's frozen assets are  
12 transferred in accordance with subsection B, the Asset Freeze will dissolve with  
13 respect to Defendant Moreira.

14 E. The Commission's agreement to the suspension of part of the  
15 judgment is expressly premised upon the truthfulness, accuracy and completeness  
16 of Defendant's sworn financial statements and related documents (collectively,  
17 "Financial Attestations") submitted to the Commission, including Defendant Justin  
18 Moreira's Financial Statement (dated May 8, 2015) and supplemented on May 21,  
19 May 26, 2015, June 3, 2015, and June 11, 2015, and Defendant Moreira's sworn  
20 declaration dated August 5, 2015.

21 F. The suspension of the judgment will be lifted as to Defendant if, upon  
22 motion by the Commission, the Court finds that Defendant failed to disclose any  
23 material asset, materially misstated the value of any asset, or made any other  
24 material misrepresentation or omission in the Financial Attestations.

25 G. If the suspension of the judgment is lifted, the judgment in the amount  
26 specified in Subsection A will become immediately due (which the parties stipulate  
27 for purposes of this Section represents the consumer injury), less any payment  
28

1 previously made pursuant to this Section, plus interest computed from the date of  
2 entry of this Order.

3 H. Defendant relinquishes dominion and all legal and equitable right,  
4 title, and interest in all assets transferred pursuant to this Order and may not seek  
5 the return of any assets.

6 I. The facts alleged in the Complaint will be taken as true, without  
7 further proof, in any subsequent civil litigation by or on behalf of the Commission,  
8 including in a proceeding to enforce its rights to any payment or monetary  
9 judgment pursuant to this Order, such as a nondischargeability complaint in any  
10 bankruptcy case.

11 J. The facts alleged in the Complaint establish all elements necessary to  
12 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the  
13 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral  
14 estoppel effect for such purposes.

15 K. Defendant acknowledges that his Social Security number, which he  
16 previously submitted to the Commission, may be used for collecting and reporting  
17 on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §  
18 7701.

19 L. All money paid to the Commission pursuant to this Order may be  
20 deposited into a fund administered by the Commission or its designee to be used  
21 for equitable relief, including consumer redress and any attendant expenses for the  
22 administration of any redress fund. If a representative of the Commission decides  
23 that direct redress to consumers is wholly or partially impracticable or money  
24 remains after redress is completed, the Commission may apply any remaining  
25 money for such other equitable relief (including consumer information remedies)  
26 as it determines to be reasonably related to Defendant's practices alleged in the  
27 Complaint. Any money not used for such equitable relief is to be deposited to the  
28

1 U.S. Treasury as disgorgement. Defendant has no right to challenge any actions  
2 the Commission or its representatives may take pursuant to this Subsection.

3 M. The Commission may request any tax-related information, including  
4 tax returns and other filings, that Defendant has the authority to release. Within 14  
5 days of receipt of a written request from a representative of the Commission,  
6 Defendant must take all necessary steps (such as filing a completed IRS Form 4506  
7 or 8821) to cause the Internal Revenue Service or other tax authority to provide the  
8 information directly to the Commission.

9 **VII. CUSTOMER INFORMATION**

10 IT IS FURTHER ORDERED that Defendant, his officers, agents,  
11 employees, and attorneys, and all others in active concert or participation with any  
12 of them, who receive actual notice of this Order, whether acting directly or  
13 indirectly, are permanently restrained and enjoined from directly or indirectly:

14 A. disclosing, using, or benefitting from customer information, including  
15 the name, address, telephone number, email address, social security number, other  
16 identifying information, or any data that enables access to a customer's account  
17 (including a credit card, bank account, or other financial account), that any  
18 defendant obtained prior to entry of this Order in connection with the marketing or  
19 promotion of mortgage assistance relief products or services or debt relief products  
20 or services; and

21 B. failing to destroy such customer information in all forms in their  
22 possession, custody, or control within 10 days after entry of this Order.

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

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

**VIII. COOPERATION**

IT IS FURTHER ORDERED that Defendant must fully cooperate with

1 signed and dated acknowledgment of receipt of this Order that includes then-  
2 current contact information for the signatory, including the signatory's full name,  
3 physical address, telephone number, and email address.

4 **X. COMPLIANCE REPORTING**

5 IT IS FURTHER ORDERED that Defendant make timely submissions to  
6 the Commission:

7 A. One year after entry of this Order, Defendant must submit a  
8 compliance report, sworn under penalty of perjury in which Defendant must:

9 1. Identify the primary physical, postal, and email address and  
10 telephone number, as designated points of contact, which representatives of the  
11 Commission may use to communicate with Defendant;

12 2. Identify all of Defendant's businesses by all of their names,  
13 telephone numbers, and physical, postal, email, and Internet addresses;

14 3. Describe the activities of each business, including the product,  
15 service, plan, or program offered, the means of advertising, marketing, and sales,  
16 and the involvement of any other defendant;

17 4. Describe in detail whether and how Defendant is in compliance  
18 with each Section of this Order;

19 5. Provide a copy of each Order Acknowledgment obtained  
20 pursuant to this Order, unless previously submitted to the Commission;

21 6. Identify all telephone numbers and all physical, postal, email  
22 and Internet addresses, including all residences;

23 7. Identify all business activities, including any business for which  
24 Defendant performs services whether as an employee or otherwise and any entity  
25 in which Defendant has any ownership interest; and  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

1 E. Unless otherwise directed by a Commission representative in writing,  
2 all submissions to the Commission pursuant to this Order must be emailed to  
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
5 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
6 subject line must begin: *FTC v. Lake* – Justin Moreira, X150052.

7 **XI. RECORDKEEPING**

8 IT IS FURTHER ORDERED that Defendant must create certain records for  
9 20 years after entry of the Order, and retain each such record for 5 years.  
10 Specifically, Defendant and any business that Defendant is a majority owner or  
11 controls directly or indirectly, must create and retain the following records:

12 A. accounting records showing the revenues from all products, services,  
13 plans, or programs sold;

14 B. personnel records showing, for each person providing services,  
15 whether as an employee or otherwise, that person's: name; addresses; telephone  
16 numbers; job title or position; dates of service; and (if applicable) the reason for  
17 termination;

18 C. records of all consumer complaints and refund requests, whether  
19 received directly or indirectly, such as through a third party, and any response;

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

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

23 **XII. COMPLIANCE MONITORING**

24 IT IS FURTHER ORDERED that, for the purpose of monitoring  
25 Defendant's compliance with this Order, including the Financial Attestations upon  
26 which part of the judgment was suspended and any failure to transfer any assets as  
27 required by this Order:  
28





1 **XIII. RETENTION OF JURISDICTION**

2 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this  
3 matter for all purposes of construction, modification, and enforcement of this  
4 Order.

5  
6  
7  
8  
9  
10 A handwritten signature in black ink, appearing to be 'T. L. ...', is written over a horizontal line. The signature is somewhat stylized and includes some small, illegible markings. Below the signature, there is a solid horizontal line.  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28