

1 Defendant's unfair acts or practices as alleged therein.

- 2 2. The FTC has the authority under Section 13(b) of the FTC Act to seek the relief it
- 3 has requested, and the Complaint states a claim upon which relief can be granted
- 4 against Defendant.
- 5 3. This Court has jurisdiction over the subject matter of this case and has jurisdiction
- 6 over Defendant. Venue in the District of Arizona is proper.
- 7 4. The activities of Defendant, as alleged in the Complaint, are in or affecting
- 8 commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- 9 5. Defendant neither admits nor denies any of the allegations in the Complaint,
- 10 except as specifically stated in this Order. Only for purposes of this action,
- 11 Defendant admits the facts necessary to establish jurisdiction.
- 12 6. Defendant waives all rights to appeal or otherwise challenge or contest the validity
- 13 of this Order. Defendant also waives any claim that it may have held under the
- 14 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this
- 15 action to the date of this Order. The FTC and Defendant each shall bear its own
- 16 costs and attorneys' fees.
- 17 7. This action and the relief awarded herein are in addition to, and not in lieu of,
- 18 other remedies as may be provided by law, including both civil and criminal
- 19 remedies.
- 20 8. Entry of this Order is in the public interest.

21 **DEFINITIONS**

22 For the purpose of this Order, the following definitions apply:

- 23 1. **"Defendant"** means Leads Company, LLC, and its successors and assigns.
- 24 2. **"Financial product or service"** means any product, service, plan, or program
- 25 represented, expressly or by implication, to:
 - 26 A. provide any consumer, arrange for any consumer to receive, or assist
 - 27 any consumer in receiving, a loan or other extension of credit;
 - 28 B. provide any consumer, arrange for any consumer to receive, or assist any

- 1 consumer in receiving, credit, debit, or stored value cards;
- 2 C. improve, repair, or arrange to improve or repair, any consumer's credit
- 3 record, credit history, or credit rating; or
- 4 D. provide advice or assistance to improve any consumer's credit record,
- 5 credit history, or credit rating.

6 3. **"Person"** means a natural person, organization, or other legal entity, including a

7 corporation, partnership, proprietorship, association, cooperative, or any other group or

8 combination acting as an entity.

9 4. **"Sensitive Personal Information"** means any of the following about a consumer:

10 (a) Social Security number; (b) financial institution account number;

11 (c) credit or debit card information; or (d) any other information by which a consumer's

12 financial account can be accessed, or by which a consumer might be charged for goods or

13 services, including through third parties such as telecommunications carriers.

14 **ORDER**

15 **I. Prohibition on the Disclosure of Sensitive Personal Information**

16 IT IS THEREFORE ORDERED that Defendant is hereby permanently restrained

17 and enjoined from, or assisting others engaged in, selling, transferring, or otherwise

18 disclosing a consumer's Sensitive Personal Information to any Person, except as

19 otherwise provided in Sections IV or IX of this Order; *provided, however*, that this

20 Section I shall not prohibit the Defendant from transferring or otherwise disclosing a

21 consumer's Sensitive Personal Information to the extent necessary to process payment for

22 any product or service sold by that Defendant directly to that consumer and for which

23 that Defendant has the consumer's express, informed consent for that sale.

24 **II. Prohibited Misrepresentations Relating to Financial Products or Services**

25 IT IS FURTHER ORDERED that Defendant and its officers, agents, employees,

26 and attorneys, and those persons or entities in active concert or participation with any of

27 them who receive actual notice of this Order by personal service, facsimile transmission,

28 email, or otherwise, whether acting directly or indirectly, in connection with the

1 advertising, marketing, promotion, offering for sale, or selling of any Financial product or
2 service, are hereby permanently restrained and enjoined from misrepresenting or assisting
3 others in misrepresenting, expressly or by implication:
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IV. Consumer Information

IT IS FURTHER ORDERED that Defendant and its officers, agents, employees, and attorneys, and those Persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission,

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the practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the United States Treasury as equitable disgorgement. Defendant has no right to challenge any actions the FTC or its representatives may take pursuant to this Subsection.

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

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

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

I. Defendant acknowledges that its Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Defendant previously submitted to the FTC, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31

1 members; (2) all employees, agents, and representatives who participate in
2 conduct related to the subject matter of the Order; and (3) any business
3 entity resulting from any change in structure as set forth in the Section
4 titled Compliance Reporting. Delivery must occur within 7 days of entry of
5 this Order for current personnel. To all others, delivery must occur before
6 they assume their responsibilities.

- 7 C. From each individual or entity to which Defendant delivered a copy of this
8 Order, Defendant must obtain, within 30 days, a signed and dated
9 acknowledgment of receipt of this Order.

10 **VII. Compliance Reporting**

11 IT IS FURTHER ORDERED that Defendant make timely submissions to the
12 FTC:

- 13 A. One year after entry of this Order, Defendant must submit a compliance
14 report, sworn under penalty of perjury. In that report, Defendant must: (a)
15 identify the primary physical, postal, and email and telephone number, as
16 designated points of contact, which representatives of the FTC may use to
17 communicate with Defendant; (b) identify all of that Defendant's
18 businesses by all of their names, telephone numbers, and physical, postal,
19 email, and Internet addresses; (c) describe the activities of each business,
20 including the products and services offered, the means of advertising,
21 marketing, and sales, and the involvement of any other Defendant; (d)
22 describe in detail whether and how Defendant is in compliance with each
23 Section of this Order; and (e) provide a copy of each Order
24 Acknowledgment obtained pursuant to this Order, unless previously
25 submitted to the FTC;
- 26 B. For 20 years following entry of this Order, Defendant must submit a
27 compliance notice, sworn under penalty of perjury, within 14 days of any
28 change in the following: (a) any designated point of contact; or (b) the

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1 readily show the complete consumer experience, including an audio
2 recording of the entirety of any telemarketing transaction;

3 B. Accounting records showing the revenues from all goods or services sold,
4 all costs incurred in generating those revenues, and the resulting net profit
5 or loss;

6 C. Personnel records showing, for each person providing services, whether as
7 an employee or otherwise, that person's: name, addresses, and telephone
8 numbers; job title or position; dates of service; and, if applicable, the reason
9 for termination;

10 D. Complaints and refund requests, whether received directly or indirectly,
11 such as through a third party, and any response;

12 E. All records necessary to demonstrate full compliance with each provision
13 of this Order, including all submissions to the FTC; and

14 F. A copy of each unique advertisement or other marketing material.

15 **IX. Compliance Monitoring**

16 IT IS FURTHER ORDERED that, for the purpose of monitoring Defendant's
17 compliance with this Order, including any failure to pay the judgment as required by this
18 Order:

19 A. Within 14 days of receipt of a written request from a representative of the
20 FTC, Defendant must: submit additional compliance reports or other
21 requested information, which must be sworn under penalty of perjury;
22 appear for depositions; and produce documents, for inspection and copying.
23 The FTC is also authorized to obtain discovery, without further leave of
24 Court, using any of the procedures prescribed by Federal Rules of Civil
25 Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and
26 69.

27 B. For matters concerning this Order, the FTC is authorized to communicate
28 directly with Defendant. Defendant must permit representatives of the FTC

viewed may have counsel

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...The person interviewed may be present.

C. The FTC may use any other lawful means necessary to present

...passing, through its

...without the use of identification or prior notice. Nothing in this Order

...lawful use of compulsory process pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

Jurisdiction

X Retention of

...at this Court retains jurisdiction of this matter.

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Neil V. Wake
United States District Court

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