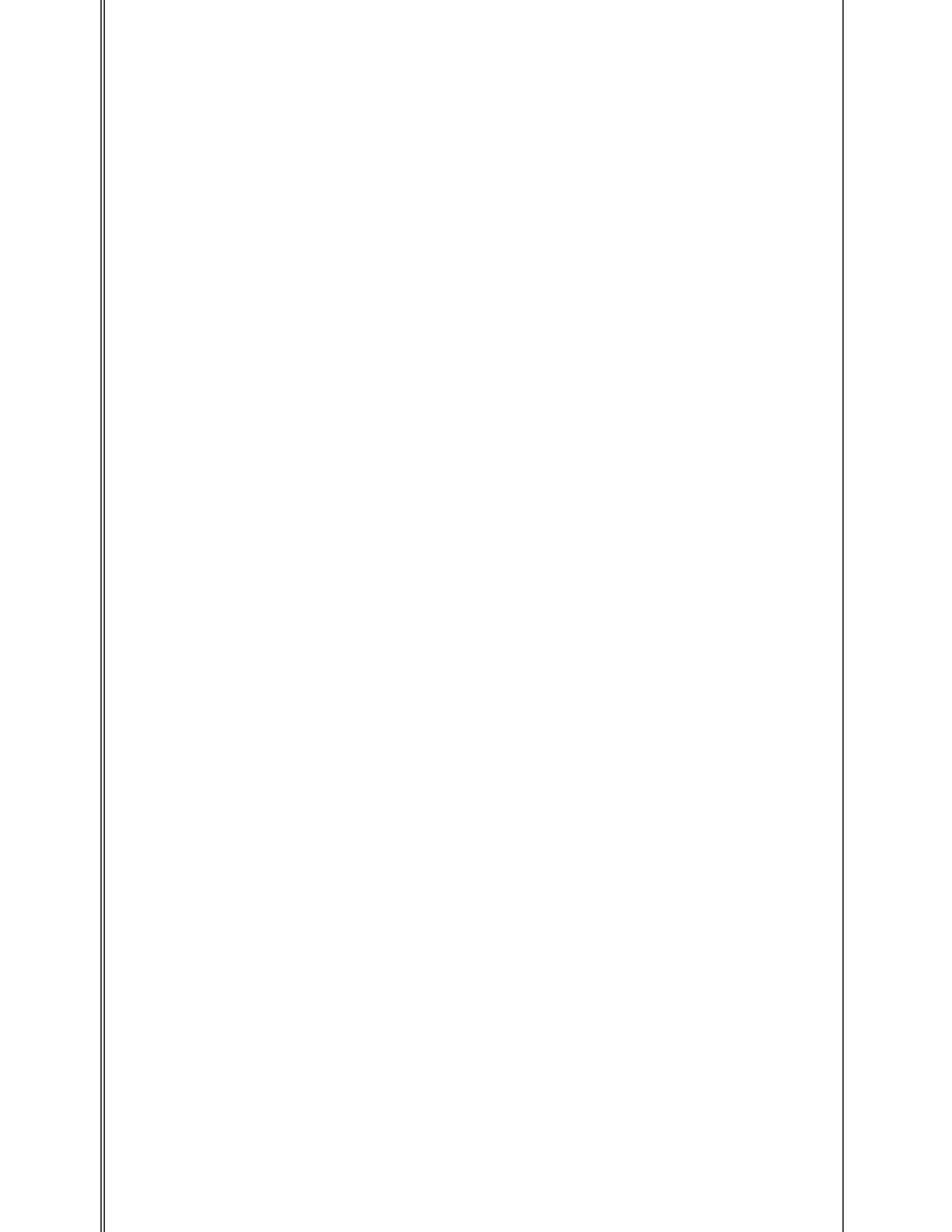


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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

		Case No SACV 19-1333JVS (KESx)
FEDERAL TRADE COMMISSION,)
Plaintiff,) FINAL JUDGMENT
vs.)
ELEGANT SOLUTIONS, INC., et al.,)
Defendants.)

Plaintiff, the Federal Trade Commission, filed its Complaint for a permanent injunction and other equitable relief in this matter, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b) and 57(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108. On motion by the FTC, on July 8, 2019, the Court entered an ~~an~~ ~~ex~~ parte temporary restraining order with asset freeze, appointment of a Receiver, and other equitable relief. Dkt. No. 23. On July 17, 2019, the Court entered a stipulated preliminary injunction continuing the terms of the preliminary injunction. Dkt. No. 52. On March 9, 2020, the FTC moved for summary judgment as to all Defendants on all counts of the Complaint.



1 or in part; (b) Most or all of consumers' monthly payments to Defendants would be
2 applied toward consumers' student loans; or (c) Defendants would assume
3 responsibility for the servicing of consumers' student loans, in violation of Section
4 310.3(a)(2)(x) of the TSR, 16 C.F.R. § 310.3(a)(2)(x).

5 11. Defendants received revenues of at least \$31,140,943.00 derived
6 unlawfully from payments by consumers as a direct result of Defendants'
7 violations of Section 5 of the FTC Act under the TSR. Of those revenues, they have
8 refunded approximately \$4,089,000, and paid approximately \$3,147,885.00 to
9 consumers' student loan servicers. Defendants have therefore caused consumer
10 injury in the amount of at least \$27,584,969.00.

11 12. Defendants Elegant Solutions, InTrend Capital Ltd., Dark Island
12 Industries, Inc., Heritage Asset Management, Inc., and Tribune Management, Inc.
13 (collectively, "Corporate Defendants") operated as a common enterprise while
14 engaging in the unlawful acts and practices set forth in Findings 7 to 11 above.
15 Defendants have conducted the business practices described above through an
16 interrelated network of companies that have common ownership or officers,
17 business functions, employees, office locations, and that commingled funds.
18 Because these Corporate Defendants operated as a common enterprise, each
19 of them is jointly and severally liable for the acts and practices set forth in Findings
20 7 to 11 above.

21 13. At all times material to the Complaint, Defendants Mazen Radwan, Rima
22 Radwan, Labiba Velazquez, and Dean Robbins (collectively, "Individual
23 Defendants") formulated, directed, controlled, or had the authority to control, or
24 participated in the acts and practices of Corporate Defendants that constitute
25 the common enterprise. Individual Defendants also each had actual knowledge of
26 the acts and practices set forth in Findings 7 to 11 above. Thus, Individual
27 Defendants are each jointly and severally liable for monetary and injunctive relief.
28

1 14. Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”),
2 15 U.S.C. §§ 53(b) and 57(b), empower this Court to issue injunctive and other
3 relief against violations of the FTC Act, and, in the exercise of its equitable
4 jurisdiction, to award redress and restitution to remedy the injury to consumers, to
5 order disgorgement of profits resulting from Defendants’ unlawful acts or
6 practices, and issue other ancillary equitable relief.

7 15. This Court is persuaded that the danger of future violations by Defendants
8 justifies the issuance of injunctive relief. Specifically, it is proper in this case to
9 issue an injunction that: (a) permanently bans Defendants from advertising,
10 marketing, promoting, offering for sale, selling, or Assisting Others in the
11 advertising, marketing, promoting, offering for sale, selling, of any Secured or
12 Unsecured Debt Relief Product or Service; (b) permanently bans Defendants from
13 participating or Assisting Others in Telemarketing, whether directly or through an
14 intermediary; (c) prohibits misrepresenting, or Assisting Others in misrepresenting,
15 expressly or by implication, any fact material to a consumer’s decision to purchase
16 a Financial Product or Service; (d) prohibits making any unsubstantiated
17 representation or Assisting Others in making any unsubstantiated representation,
18 expressly or by implication, about the benefits, performance, or efficacy of any
19 product or service; and (e) provides such other ancillary relief as is necessary to
20 assist the FTC and the Court in monitoring Defendants’ compliance with such
21 injunctive relief.

22 16. As set forth above, Defendants have unlawfully derived revenues of
23 \$27,584,969.00 from payments by consumers as a direct result of Defendants’
24 violations of Section 5 of the FTC Act and the TSR. It is therefore proper in this
25 case to enter a monetary judgment of \$27,969.00 against Defendants, jointly
26 and severally, as equitable monetary relief in the form of restitution, rescission of
27 contracts, and disgorgement for their violations of the FTC Act and the TSR.
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1 17. This action and the relief awarded here are in addition to, and not in lieu
2 of, other remedies as may be provided by law, including both civil and criminal
3 remedies.

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1 B. “Corporate Defendants” means Elegant Solutions, Inc., also doing business
2 as Federal Direct Group, Trend Capital Lt

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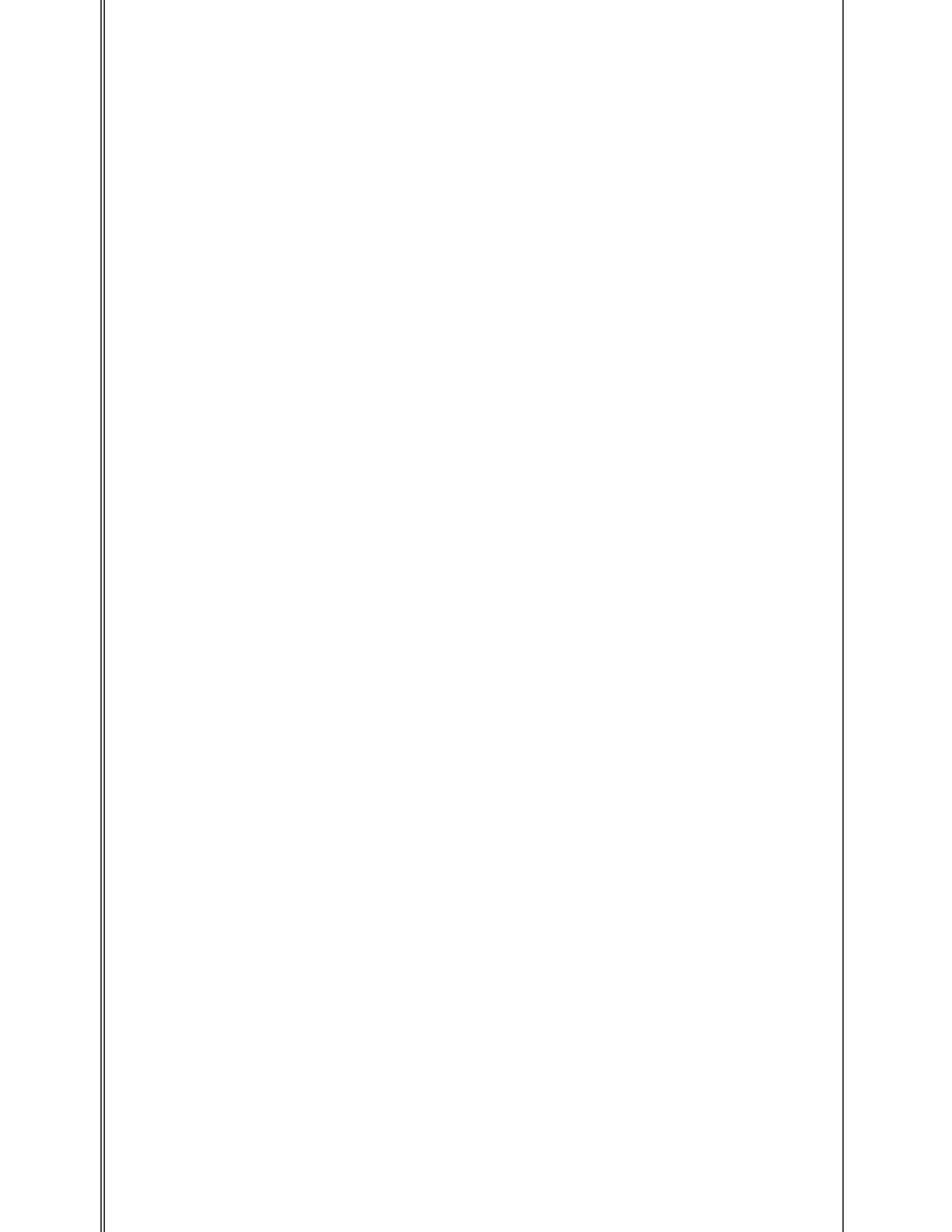
1 part by any Defendant, including but not limited to any other mortgage assistance
2 relief services business operated by the Individual Defendants.

3 H. "Secured or Unsecured Debt Relief Product or Service" means:

4 1. With respect to any mortgage loan, debt, or obligation between a
5 person and one or more secured or unsecured creditors or debt collectors, any
6 product, service, plan, or program represents, expressly or by implication, to:

7 a. stop, prevent, or postpone any mortgage or deed of foreclosure

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1 credit record or history;

2 C. that a consumer will receive legal representation; or

3 D. any other fact material to consumers concerning any good or service, such
4 as: the total costs; any material restrictions, limitations, or conditions; or any
5 material aspect of its performance, efficacy, nature, or central characteristics.

6 IV.

7 PROHIBITION AGAINST MISREPRESENTATIONS
8 RELATING TO ANY PRODUCTS OR SERVICES

9 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,
10 employees, and attorneys, shall other Persons in active concert or participation
11 with any of them, who receive actual notice of this Order, whether acting directly
12 or indirectly, in connection with the advising, marketing, promoting, offering for
13 sale, or selling of any product, service, plan, or program, are permanently
14 restrained and enjoined from misrepresenting, or Assisting Others in
15 misrepresenting, expressly or by implication:

16 A. any material aspect of the nature or terms of any refund, cancellation,
17 exchange, or repurchase policy, including the likelihood of a consumer obtaining a
18 full or partial refund, or the circumstances in which a full or partial refund will be
19 granted to the consumer;

20 B. that any Person is affiliated with, endorsed or approved by, or otherwise
21 connected to any other Person; governmental entity; public, non-profit, or other non-
22 commercial program; or any other program;

23 C. the nature, expertise, position, or job title of any Person who provides any
24 product, service, plan, or program; or

25 D. any other fact material to consumers concerning any good or service, such
26 as: the total costs; any restrictions, limitations, or conditions; or any aspect of its
27 performance, efficacy, nature, or central characteristics.

28 V.

PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS

IT IS FURTHER ORDERED that Defendants and Defendants' officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the sale of any product or service, are permanently restrained and enjoined from making any representation or Assisting Others in making any representation, expressly or by implication, about the benefits, performance, or efficacy of any products or service, unless the representation is non-misleading, and, at the time such representation is made, that Defendant possesses and relies upon competent and reliable evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant fields, when considered in light of the entire body of relevant and reliable evidence, to substantiate that the representation is true.

VI.

MONETARY JUDGMENT AND PARTIAL SUSPENSION

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of Twenty-Seven Million, Five Hundred Eighty-Four Thousand, Nine Hundred Sixty-Nine Dollars (\$27,584,969.00) is entered in favor of the Commission against Defendants jointly and severally, as equitable monetary relief.
- B. The monetary judgment set forth in Section VI is enforceable against any asset, real or personal, whether located within the United States or outside the United States, owned jointly or singly by, on behalf of, for the benefit of, in trust by or for, or as a deposit for future goods or services to be provided to, any Defendant, whether held as tenants in common, joint tenants with or without the right of survivorship, tenants by the entirety, and/or community property.
- C. Any financial or brokerage institution, escrow agent, title company, commodity trading company, business entity, or Person, whether located within the

1 United States or outside the United States that holds, controls, or maintains
2 accounts or assets of, on behalf of, or for the benefit of, any Receivership Entity,
3 whether real or personal, whether located within the United States or outside the
4 United States, shall, within ten (10) business days from receipt of a copy of this
5 Order, turn over such accounts or assets to the Receiver or his designated agent.

6 D. In partial satisfaction of the judgment against Defendants in Section VI.A,
7 any financial or brokerage institutions, escrow agent, title company, commodity
8 trading company, business entity, or person, whether located within the United
9 States or outside the United States, that holds, controls, or maintains accounts or
10 assets of, on behalf of, or for the benefit of, any Individual Defendant, whether real
11 or personal, whether located within the United States or outside the United States,
12 shall, within ten (10) business days from receipt of a copy of this Order, turn over
13 such account or asset to the FTC or its designated agent, including, but not limited
14 to:

- 15 1. Wescom shall, within ten (10) business days of receipt of a copy of this
16 Order, transfer to the FTC or its designated agent all holdings in account
17 number xxxx9841 in the name of Dean Robbins;
- 18 2. Wescom shall, within ten (10) business days of receipt of a copy of this
19 Order, transfer to the FTC or its designated agent all holdings in account
20 number xxxx5924 in the name of Dean Robbins;
- 21 3. Orange County's Credit Union shall, within ten (10) business days of
22 receipt of a copy of this Order, transfer to the FTC or its designated agent
23 all holdings in checking and savings account numbers xxxx8000 in the
24 name of Mazen Radwan;
- 25 4. Orange County's Credit Union shall, within ten (10) business days of
26 receipt of a copy of this Order, transfer to the FTC or its designated agent
27 all holdings in account number xxxx365 in the name of Mazen Radwan;

- 1 5. CalWest Bank shall, within ten (10) business days of receipt of a copy of
2 this Order, transfer to the FTC its designated agent all holdings in
3 account number xxxx3941 in the name of Rima Radwan;
- 4 6. JP Morgan Chase shall, within ten (10) business days of receipt of a copy
5 of this Order, transfer to the FTC its designated agent all holdings in
6 account number xxxx7434 in the name of Mazen Radwan;
- 7 7. JP Morgan Chase shall, within ten (10) business days of receipt of a copy
8 of this Order, transfer to the FTC its designated agent all holdings in
9 account number xxxx7906 in the name of Mazen Radwan;
- 10 8. JP Morgan Chase shall, within ten (10) business days of receipt of a copy
11 of this Order, transfer to the FTC its designated agent all holdings in
12 account number xxxx1828 in the name of Rima Radwan;
- 13 9. JP Morgan Chase shall, within ten (10) business days of receipt of a copy
14 of this Order, transfer to the FTC its designated agent all holdings in
15 account number xxxx5760 in the name of Dean Robbins;
- 16 10. Edward Jones shall, within ten (10) business days of receipt of a copy of
17 this Order, transfer to the FTC its designated agent all holdings in
18 account number xxxxxx4015 in the name of Dean Robbins;
- 19 11. Computershare shall, within ten (10) business days of receipt of a copy
20 of this Order, liquidate all holdings in account number xxxx5169 in the
21 name of Rima Radwan and transfer the proceeds of such liquidation to
22 the FTC or its designated agent; and
- 23 12. Golden 1 Credit Union shall, within ten (10) business days of receipt of a
24 copy of this Order, transfer to the FTC or its designated agent all
25 holdings in account number xxx9685 in the name of Dean Robbins.

26 E. The asset freeze is modified to permit the transfers identified in this Section.
27 Upon completion of those transfers, the asset freeze as to Defendants is dissolved.
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1 F. Defendants relinquish dominion and legal and equitable right, title, and
2 interest in all assets transferred pursuant to this Order and may not seek the return
3 of any assets.

4 G. All money paid to the FTC pursuant to this Order may be deposited into a
5 fund administered by the FTC or its designee to be used for equitable relief,
6 including consumer redress and any attendant expenses for the administration of
7 any redress fund. If a representative of the FTC decides that direct redress to
8 consumers is wholly or partially impracticable or money remains after redress is
9 completed, the FTC may apply any remaining money for such other equitable
10 relief (including consumer information remedies) as it determines to be reasonably
11 related to Defendants' practices alleged in the Complaint. Any money not used for
12 such equitable relief is to be deposited and completed anytakaid enseexp50 tho

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CUSTOMER INFORMATION

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1 and testimony. Defendants must appear and must cause Defendants' officers,
2 employees, representatives, or agents to appear for interviews, discovery, hearings,
3 trials, and any other proceedings that a Commission representative may reasonably
4 request upon 5 days written notice, or other reasonable notice, at such places and
5 times as a Commission representative may designate, without the service of a
6 subpoena.

7 X.

8 ORDER ACKNOWLEDGMENTS

9 IT IS FURTHER ORDERED that Defendants obtain acknowledgments of
10 receipt of this Order:

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

14 B. For 5 years after entry of this Order, Defendants Mazen Radwan, Rima
15 Radwan, Labiba Velazquez, and Dean Robbins for any business that he or she,
16 individually or collectively with any other Defendant, is the majority owner or
17 controls directly or indirectly, and Corporate Defendants must deliver a copy of
18 this Order to: (1) all principals, officers, directors, and LLC managers and
19 members; (2) all employees having managerial responsibilities for Financial
20 Products or Services, and all agents and representatives who participate in
21 Financial Products or Services; and (3) any business entity resulting from any
22 change in structure as set forth in the Section titled Compliance Reporting.
23 Delivery must occur within 7 days of entry of this Order for current personnel. For
24 all others, delivery must occur before they assume their responsibilities.

25 C. Defendants must obtain, within 30 days, a signed and dated
26 acknowledgment of receipt of this Order

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COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

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

1. Each Defendant must:

(a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with that Defendant;

(b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, fax, email, and Internet addresses;

(c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Defendants Mazen Radwan, Rima Radwan, Labiba Velazquez and Dean Robbins must describe if he or she knows or should know due to his or her own involvement);

(d) describe in detail when and how that Defendant is in compliance with each Section of this Order; and

(e) provide a copy of each Order acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, Defendants Mazen Radwan, Rima Radwan, Labiba Velazquez and Dean Robbins must each:

(a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences;

1 (b) identify all business activities including any business for which
2 such Defendant performs services whether as an employee or
3 otherwise and any entity in which such Defendant has any ownership
4 interest; and

5 (c) describe in detail such Defendant's involvement in each such
6 business, including title, role, responsibilities, participation, authority,
7 control, and any ownership.

8 B. For 20 years after entry of this Order, each Defendant must submit a
9 compliance notice, sworn under penalty of perjury, within 14 days of any change
10 in the following:

11 1. Each Defendant must report any change in:

12 (a) any designated point of contact; or

13 (b) the structure of any Defendant or any entity that any Defendant
14 has any ownership interest in or controls directly or indirectly that
15 may affect compliance obligations arising under this Order, including:
16 creation, merger, sale, or dissolution of the entity or any subsidiary,
17 parent, or affiliate that engages in any acts or practices subject to this
18 Order.

19 2. Additionally, Defendants Mazen Radwan, Rima Radwan, Labiba
20 Velazquez and Dean Robbins must report change in (a) name, including alias
21 or fictional name, or residence address; or (b) title or role in any business activity,
22 including any business for which he or she performs services whether as an
23 employee or otherwise and any entity in which such Defendant has any ownership
24 interest, and identify the name, physical address, and any Internet address of the
25 business or entity.
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1 C. Each Defendant must submit to the Commission notice of the filing of any
2 bankruptcy petition, insolvency proceeding, or similar proceeding by or against
3 such Defendant within 14 days of its filing.

4 D. Any submission to the Commission required by this Order to be sworn under
5 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746,
6 such as by concluding: “I declare under penalty of perjury under the laws of the
7 United States of America that the foregoing is true and correct. Executed on:
8 _____” and supplying the date, signatory’s full name, (if applicable), and
9 signature.

10 E. Unless otherwise directed by a Commission representative in writing, all
11 submissions to the Commission pursuant to this Order must be emailed to
12 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
13 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
14 Trade Commission, 600 Pennsylvania Ave NW, Washington, DC 20580. The
15 subject line must begin: FTC v. Elegant Solutions, X190036.

16 XII.

17 RECORDKEEPING

18 IT IS FURTHER ORDERED that Defendants must create certain records for
19 20 years after entry of the Order, and retain each such record for 5 years.
20 Specifically, each Defendant for any busine
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1 D. all records necessary to demonstrate compliance with each provision of
2 this Order, including all submissions to the Commission; and

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

4 XIII.

5 COMPLIANCE MONITORING

6 IT IS FURTHER ORDERED that, for the purpose of monitoring
7 Defendants' compliance with this Order, including any failure to transfer any
8 assets as required by this Order:

9 A. Within 14 days of receipt of a written request from a representative of the
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1 Mazen Radwan, Rima Radwan, Labiba Velz, or Dean Robbins, pursuant to
2 Section 604(1) of the Fair Credit Reporting Act, 15, U.S.C§ 1681(b)(a)(1).

3 XV.

4 RETENTION OF JURISDICTION

5 IT IS FURTHER ORDERED that this Court retains jurisdiction of this
6 matter for purposes of construction, modification, and enforcement of this Order.

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9 IT IS SO ORDERED:

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14 JAMES V. SELNA
15 UNITED STATES DISTRICT JUDGE

16 DATED: July 17, 2020
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