

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK**

FEDERAL TRADE COMMISSION, and

**PEOPLE OF THE STATE OF NEW
YORK, by ERIC T. SCHNEIDERMAN,
Attorney General of the State of New York,**

Plaintiffs,

v.

4 STAR RESOLUTION LLC, et al.

Defendants.

Case No. 15-CV-112S(F)

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND**

~~RESTITUTION AND CIVIL PENALTIES~~

2. The Complaint charges that Defendants participated in deceptive and unlawful debt

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assistance to any consumer with regard to any activity or service described in clause (i).

3. **Debt**ö"o gcpu'cp{ "qdrki cvkqp"qt "cmgi gf "qdrki cvkqp"v' r c { "o qpg{ "ctkukpi "qw'qh'c"
transaction, whether or not such obligation has been reduced to judgment.
4. **Debt collection activities**ö"o gcpu'cp{ "cevkxkku'qh'c" f gdv'eqmgevqt "v'eqmgev'qt "cwgo r v'
to collect, directly or indirectly, a debt owed or due, or asserted to be owed or due.
5. **Debt collector**ö"o gcpu'cp{ 'r gtuqp'y j q "wugu'cp{ 'lpustwo gpvcikv' "qh'lpvgtucv'eqo o gtce
or the mails in any business the principal purpose of which is the collection of any debts,
or who regularly collects or attempts to collect, directly or indirectly, debts owed or due
or asserted to be owed or due another. The term also includes any creditor who, in the
process of collecting its own debts, uses any name other than its own which would
indicate that a third person is collecting or attempting to collect such debts. The term
also includes any person to the extent that such person collects or attempts to collect any
debt that was in default at the time it was obtained by such person.
6. **Defendants**ö means all of the Individual Defendants and the Corporate Defendants,
individually, collectively, or in any combination, and each of them by whatever names
each might be known.
7. **Financial-related product or service**ö"o gcpu'cp{ 'r tqf wex."ugt xleg. 'r xep. "qt' r tqi tco "
represented, expressly or by implication, to:
 - A. provide to any consumer, arrange for any consumer to receive, or assist any
consumer in receiving, an extension of consumer credit;
 - B. provide to any consumer, arrange for any consumer to receive, or assist any
consumer in receiving, credit repair services; or

C. provide to any consumer, arrange for any consumer to receive, or assist any consumer in receiving, any secured or unsecured debt relief product or service.

8. **Individual Defendants** means Travell Thomas, Maurice Sessum, and Charles Blakely, III.

9. **Person** means a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

10. means Garry M. Graber.

11. **Secured or unsecured debt relief product or service** means, with respect to any mortgage, loan, debt, or obligation between a person and one or more secured or unsecured creditors or debt collectors, any product, service, plan, or program represented, expressly or by implication, to: (A) negotiate, settle, or in any way alter the terms of payment or other terms of the mortgage, loan, debt, or obligation, including but not limited to, a reduction in the amount of interest, principal balance, monthly payments, or fees owed by a person to a secured or unsecured creditor or debt collector; (B) stop, **representative** of **foreclosure or repossession**; (C) obtain any forbearance or modification in the timing of payments from any secured or unsecured holder of any mortgage, loan, debt, or obligation; (D) negotiate, obtain, or arrange any extension of the period of time within which the person may (i) cure his or her default on the mortgage, loan, debt, or obligation, (ii) reinstate his or her mortgage, loan, debt, or obligation, (iii) redeem a dwelling or other collateral, or (iv) exercise any

A. Misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including but not limited to:

1. The terms or rates that are available for any loan or other extension of credit;
2. Cp{ 'r gtupø'cdk{k' "q"ko r tqxg"qt "qyj gty kug"chgevc"equwo gta'etgf k' record, credit history, or credit rating or ability to obtain credit;
3. Vj cv'cp{ 'r gtup"ecp"ko r tqxg"cp{ "equwo gta'etgf k'tgeqtd, credit history, or credit rating by permanently removing negative information from the equwo gta'etgf k'tgeqtf . 'etgf k'j kwt { . "qt 'etgf k'tc'kpi . "gxgp'y j gtg'uwej " information is accurate and not obsolete;
4. Any aspect of any secured or unsecured debt relief product or service, including but not limited to, the amount of savings a consumer will receive from purchasing, using, or enrolling in such secured or unsecured debt relief product or service; the amount of time before which a consumer will receive ugwgo gpv'qh'yj cv'equwo gta'f gdu="qt "yj g'tgf wv'kqp"qt" cessation of collection calls;
5. That a consumer will receive legal representation;
6. That any particular outcome or result from a financial-related product or service is guaranteed, assured, highly likely or probable, or very likely or probable;
7. The nature or terms of any refund, cancellation, exchange, or repurchase policy, including but not limited to the likelihood of a consumer obtaining

Case pursuant to the Consent Preliminary Order Of Forfeiture/ Money Judgment filed in S4 15 Cr. 667 (KPF) (S.D.N.Y.) [Dkt. Nos. 372 & 399]. Such transfer must be made within 120 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission Office. The Receiver and Plaintiffs can mutually agree to extend the 120-day deadline without further order of the Court. If the Receiver and Plaintiffs cannot agree on an extension, the Receiver may seek an extension from the Court upon a showing of good cause on notice to Plaintiffs.

3. If the Commission determines that assets referenced in this Section of this Order should not be forfeited to the United States, such assets shall be transferred to the Commission, in accordance with instructions to be provided by a representative of the Commission.

C. Upon completion of such transfers and payments identified in this Section, the remainder of the judgment is suspended as to the Blakely Defendants, subject to

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

- G. The Blakely Defendants relinquish 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.
- H. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of Plaintiffs, including in a proceeding to enforce their rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.
- I. The facts alleged in the Complaint establish all elements necessary to sustain an action by Plaintiffs 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.
- J. The Blakely Defendants acknowledge that Individual Defendant Charles Blakely's Social Security Number and Corporate Federal Employer Identification Numbers, which they previously submitted to Plaintiffs, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.
- K. Any 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

of them who receive actual notice of this Order are permanently restrained and enjoined from directly or indirectly:

- A. Failing to provide sufficient consumer information to enable the Plaintiffs to efficiently administer consumer redress. If a representative of either Plaintiff requests in writing any information related to redress, the Blakely Defendants must provide it, in the form prescribed by the Plaintiffs, within 14 days.
- B. Disclosing, using, or benefitting from consumer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a consumer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the collection or attempted collection of any debt.
- C. Failing to destroy such consumer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of either Plaintiff.
- D. *Provided, however,* that consumer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

V. COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that the Blakely Defendants must fully cooperate with representatives of the Receiver to enable the Receiver to timely complete his duties so long as the Receivership is in effect.

**VI. TERMINATION OF RECEIVERSHIP AS TO
CORPORATE DEFENDANT MERCHANT RECOVERY**

IT IS FURTHER ORDERED that, unless the Receivership has already been

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

2. Additionally, Individual Defendant Charles Blakely must: (a) identify all telephone numbers and all physical, postal, email, and Internet addresses, including all residences; (b) identify all business activities, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest; and (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

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

1. Each of the Blakely Defendants must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that such defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
2. Additionally, Individual Defendant Charles Blakely must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business

of Court, using any of the procedures prescribed by Federal Rules of Civil

SO STIPULATED AND AGREED:

FOR PLAINTIFFS:

Dated: March 2