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

Federal Trade Commission,
Plaintiff,
vs.
**Universal Guardian Acceptance,
LLC, et al.,**
Defendants.

No. 21-8260

**[Proposed]
STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
JUDGMENT**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and Defendants stipulate to the entry of this Stipulated Order for Permanent Injunction and Judgment (“Order”) to resolve all matters in dispute in this action between them, including potential action by the Commission under Section 19(a)(2) of the FTC Act, 15 U.S.C § 57b(a)(2).

THEREFORE, IT IS ORDERED as follows:

1 **FINDINGS**

2 1. This Court has jurisdiction over this matter.

3 2. The Complaint charges that Defendants participated in unfair acts or
4 practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, by providing
5 underwriting, funding, or Account servicing to an enterprise doing business as
6 Online Trading Academy.

7 3. Defendants neither admit nor deny any of the allegations in the
8 Complaint, except as specifically stated in this Order. Only for purposes of this
9 action, Defendants admit the facts necessary to establish jurisdiction.

10 4. Defendants waive any claim that they may have under the Equal
11 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
12 through the date of this Order, and agree to bear their own costs and attorney fees.

13 5. Defendants and the Commission waive all rights to appeal or
14 otherwise challenge or contest the validity of this Order.

15 **DEFINITIONS**

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

17 A. **“Account”** means an amount recorded as being owed by a
18 consumer(s) for sales on credit by virtue of a retail installment contract or retail
19 installment credit agreement.

20 B. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is
21 difficult to miss (i.e., easily noticeable) and easily understandable by ordinary
22 consumers, including in all of the following ways:

23 1. In any communication that is solely visual or solely audible, the
24 disclosure must be made through the same means through which the
25 communication is presented. In any communication made through both visual and
26 audible means, such as a television advertisement, the disclosure must be presented
27 simultaneously in both the visual and audible portions of the communication even
28 if the representation requiring the disclosure is made in only one means.

1 2. A visual disclosure, by its size, contrast, location, the length of time it
2 appears, and other characteristics, must stand out from any accompanying text or
3 other visual elements so that it is easily noticed, read, and understood.

4 3. An audible disclosure, including by telephone or streaming video,
5 must be delivered in a volume, speed, and cadence sufficient for ordinary
6 consumers to easily hear and understand it.

7 4. In any communication using an interactive electronic medium, such as
8 the Internet or software, the disclosure must be unavoidable.

9 5. The disclosure must use diction and syntax understandable to ordinary
10 consumers and must appear in each language in which the representation that
11 requires the disclosure appears.

12 6. The disclosure must comply with these requirements in each medium
13 through which it is received, including all electronic devices and face-to-face
14 communications.

15 7. The disclosure must not be contradicted or mitigated by, or
16 inconsistent with, anything else in the communication.

17 8. When the representation or sales practice targets a specific audience,
18 such as children, the elderly, or the terminally ill, “ordinary consumers” includes
19 reasonable members of that group.

20 B. **“Client”** means any Person to whom any Defendant provides
21 underwriting, funding, or Account servicing.

22 C. **“Covered Client”** means any Client who (1) offers to sell, sells,
23 promotes, or markets any good or service to consumers using Earnings Claims, or
24 (2) who sells any training, education, coaching, or business opportunity that offers
25 to teach, educate, or coach consumers about improving income, achieving financial
26 gains, making profit, or a return on investment.

27 D. **“Covered Client Cancellation”** means the Covered Client’s
28 cancellation of an Account being serviced by Defendants at the request of the

1 purchaser of the good or service (1) within a post-sale grace period permitted by
2 the Client or (2) before a purchaser used the good or service.

3 E. **“Covered Client Cancellation Rate”** means the proportion
4 (expressed as a percentage) of Covered Client Cancellations out of the total
5 number of a Covered Client’s Accounts being serviced by Defendants.

6 F. **“Covered Consumer Account”** means an Account currently owed to
7 any Defendant on an obligation by a consumer who purchased any Online Trading
8 Academy good or service on or before September 11, 2020, including all unpaid
9 interest and fees related to that Account, unless such Account was eligible for the
10 debt-forgiveness offer required under Section IX of the order entered by this Court
11 in *Federal Trade Commission v. OTA Franchise Corp.*, No. 8:20-cv-00287, at Dkt.
12 267, on September 11, 2020.

13 G. **“Corporate Defendants”** means Universal Guardian Acceptance,
14 LLC and Universal Account Services, LLC, and their successors and assigns.

15 H. **“Defendants”** means all of the Corporate Defendants individually,
16 collectively, or in any combination.

17 I. **“Earnings Claim”** means any representation to a consumer, specific
18 or general, about income, financial gains, percentage gains, profit, net profit, gross
19 profit, or return on investment.

20 J. **“Earnings Claim Complaint”** means any communication from a
21 purchaser of a Covered Client’s goods or services that indicates a Covered Client
22 may have made false, unsubstantiated, or otherwise misleading Earnings Claims.
23 Earnings Claim Complaints include communications that convey: (a) a purchaser’s
24 belief that he or she would experience profit, income, or earnings as a result of
25 using a Covered Client’s goods or services, (b) a purchaser’s frustration with
26 failing to achieve profit, income, or earnings despite using a Covered Client’s
27 goods or services, or (c) a purchaser’s referencing a failure to achieve profit,
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1 4. All marketing materials (including sales scripts, if any) for each good
2 or service related to the offer for which Defendants would provide the prospective
3 Covered Client with underwriting, funding, or Account servicing;

4 5. Each physical address at which the prospective Covered Client will
5 conduct the business(es) identified pursuant to subsection (1) of this Section II.A;

6 6. The prospective Covered Client's Client Cancellation Rate for the
7 preceding 12 months;

8 7. Copies of any contracts that the prospective Covered Client enters into
9 with purchasers of its goods or services; and

10 8. Whether the prospective Covered Client, including the principal(s)
11 and controlling Person(s) of the entity, any Person(s) with a majority ownership
12 interest in the entity, and any corporate name, trade name, fictitious name or aliases
13 under which such Person(s) conduct or have conducted business, has ever been the
14 subject of a complaint filed by the Commission or any other state or federal law
15 enforcement agency;

16 B. Taking reasonable steps to assess the accuracy of the information
17 obtained pursuant to Sections II.A of this Order, including reviewing the websites
18 used by the prospective Covered Client to market its goods or services; contacting
19 Better Business Bureaus to gather detailed information, including complaints and
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1 or indirectly, in connection with underwriting, funding, or Account servicing are
2 permanently restrained and enjoined from failing to:

3 A. Monitor each Covered Client's transactions and business practices to
4 determine whether the Covered Client is engaged in practices that are deceptive or
5 unfair in violation of Section 5 of the FTC Act. Such monitoring shall include
6 regularly reviewing Covered Clients' websites, regularly reviewing each Covered
7 Client's Covered Client Cancellation Rate and reasons provided for this rate, as
8 well as examining any unusual or suspect transaction patterns, values, and volume;

9 B. Calculate and update the Covered Client Cancellation Rate for each
10 Covered Client at least on a monthly basis. For any Client with one or more
11 franchises, the calculation of the Covered Client Cancellation Rate shall be made
12 for each of the Covered Client's individual franchises, and in the aggregate for
13 each Covered Client;

14 C. Solicit additional details from consumers regarding Earnings Claim
15 Complaints, including:

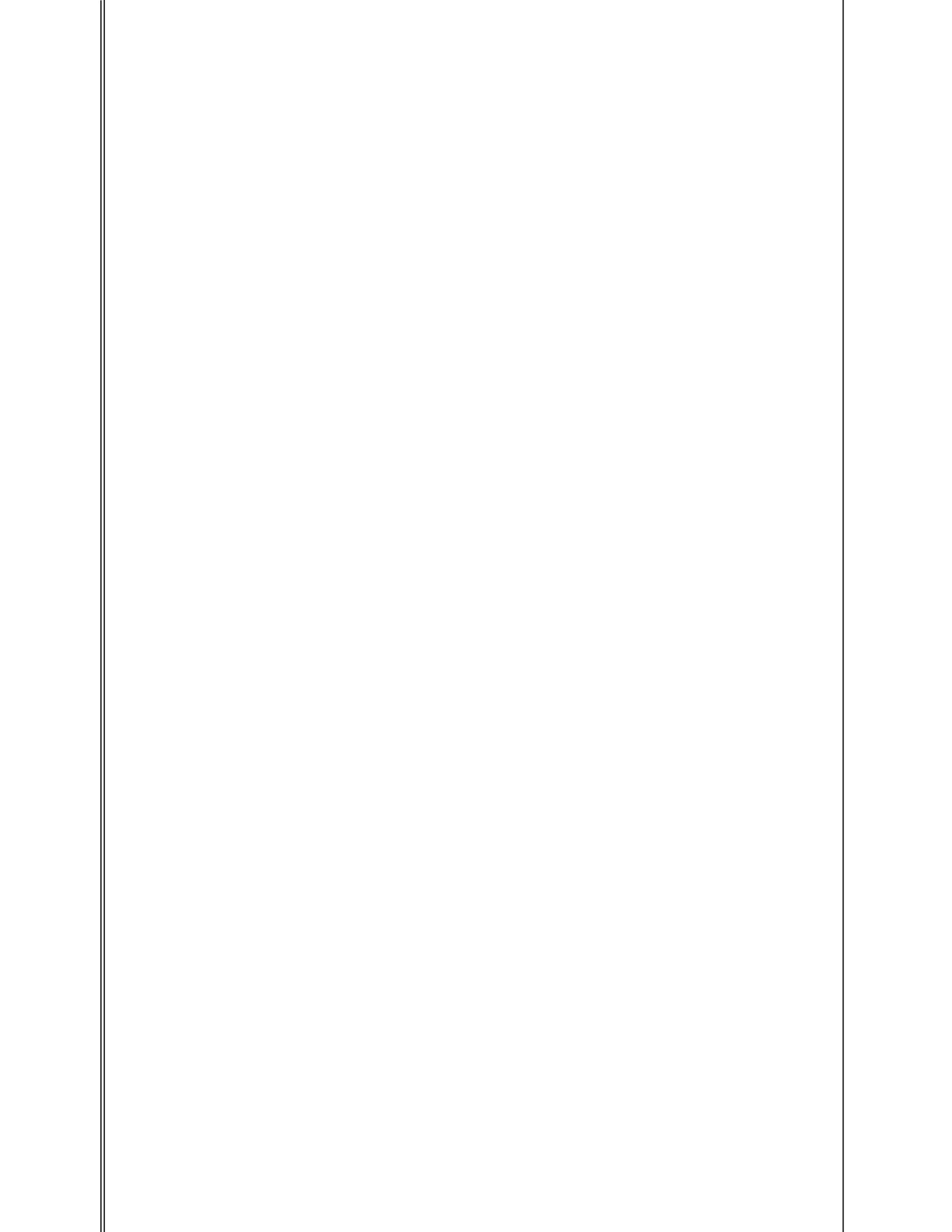
16 1. Whether, at the time the consumer purchased the Covered Client's
17 good or service, the consumer was under the impression that the consumer would
18 make money as a result of using a Covered Client's goods or services;

19 2. If so, the specific details of what the Covered Client said or did that
20 contributed to that impression;

21 3. In what manner the consumer's experience has been different from his
22 or her impression at the time of purchase; and

23 4. Any other reason the consumer has to suspect that the Covered
24 Client's Earnings Claims were false, misleading, or unsubstantiated.

25 D. Document and maintain Earnings Claim Complaints, along with all
26 additional details provided by consumers submitting Earnings Claim Complaints,
27 and all documents reflecting the foregoing, in a complaint log for each Covered
28 Client. When counting Earnings Claim Complaints for purposes of Subsections



1 7. Any Covered Client for which the number of Earnings Claim
2 Complaints received exceeds ten (10);

3 G. Failing to stop underwriting, funding, or Account servicing for any
4 Covered Client investigated pursuant to Subsection F, above, within 60 days of
5 commencing the investigation, unless Defendants draft a written report
6 establishing facts that demonstrate, by clear and convincing evidence, that the
7 Covered Client's business practices related to the offer(s) for which Defendants
8 provide underwriting, funding, or Account servicing are not deceptive or unfair in
9 violation of Section 5 of the FTC Act.

10 **IV. CONSUMER INDEBTEDNESS RELIEF**

11 IT IS FURTHER ORDERED that Defendant UGA shall:

12 A. Within 7 days of entry of this Order, notify each consumer with a
13 Covered Consumer Account that the consumer may elect to require Defendant
14 Universal Guardian Acceptance, LLC to forgive the consumer's Covered
15 Consumer Account, using the notification provided as Attachment A to this Order
16 ("Notification"). Defendant Universal Guardian Acceptance, LLC shall send the
17 Notification:

18 1. By electronic mail to the most recent electronic mail address of the
19 consumer known to the Defendants, unless such consumer has previously
20 affirmatively opted out of electronic mail communications from Defendants;

21 2. By United States Postal Service Priority Mail, to the most recent
22 residential address of the consumer known to the Defendants; and

23 3. For consumers who have affirmatively opted out of electronic mail
24 communications from Defendants, by Federal Express or certified mail with return
25 receipt.

26 4. The outside of the envelope and the subject of the email shall include
27 the statement: "Cancel Your Online Trading Academy Debt."
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1 G. Defendants shall, within 14 days after expiration of the Election
2 Period, provide the FTC with a signed declaration identifying each Forgiveness
3 Elected Covered Consumer Account and the amount forgiven as to each such
4 consumer. In the same declaration, Defendants shall also identify any additional
5 (i.e., not previously identified in the declaration provided to the FTC pursuant to
6 Subsection IV.F) electronically or physically mailed Notification that was returned
7 undelivered.

8 **V. COOPERATION**

9 IT IS FURTHER ORDERED that Defendants must fully cooperate with
10 representatives of the Commission in this case and in any investigation related to
11 or associated with the transactions or the occurrences that are the subject of the
12 Complaint. Defendants must provide truthful and complete information, evidence,
13 and testimony. Defendants must cause Defendants' officers, employees,
14 representatives, or agents to appear for interviews, discovery, hearings, trials, and
15 any other proceedings that a Commission representative may reasonably request
16 upon 5 days written notice, or other reasonable notice, at such places and times as a
17 Commission representative may designate, without the service of a subpoena.

18 **VI. ORDER ACKNOWLEDGEMENTS**

19 IT IS FURTHER ORDERED that Defendants obtain acknowledgments of
20 receipt of this Order:

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

24 B. For 5 years after entry of this Order, each Defendant must deliver a
25 copy of this Order to: (1) all principals, officers, directors, and LLC managers and
26 members; (2) all employees having managerial responsibilities and all agents and
27 representatives who participate in conduct related to the subject matter of the
28 Order; and (3) any business entity resulting from any change in structure as set

1 forth in the Section titled Compliance Reporting. Delivery must occur within 7
2 days of entry of this Order for current personnel. For all others, delivery must
3 occur before they assume their responsibilities.

4 C. From each individual or entity to which a Defendant delivered a copy
5 of this Order, that Defendant must obtain, within 30 days, a signed and dated
6 acknowledgment of receipt of this Order.

7 **VII. COMPLIANCE REPORTING**

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

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

12 1. Each Defendant must: (a) identify the primary physical, postal, and
13 email address and telephone number, as designated points of contact, which
14 representatives of the Commission may use to communicate with Defendant; (b)
15 identify all of that Defendant's businesses by all of their names, telephone
16 numbers, and physical, postal, email, and Internet addresses; (c) describe the
17 activities of each business, including the services offered and a list of Covered
18 Clients served, and the involvement of any other Defendant; (d) describe in detail
19 whether and how that Defendant is in compliance with each Section of this Order;
20 and (e) provide a copy of each Order Acknowledgment obtained pursuant to this

21 Order, unless otherwise indicated, submitted to the Commission. aTc -0.0
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1 entity or any subsidiary, parent, or affiliate that engages in any acts or practices
2 subject to this Order.

3 C. Each Defendant must submit to the Commission notice of the filing of
4 any bankruptcy petition, insolvency proceeding, or similar proceeding by or
5 against such Defendant within 14 days of its filing.

6 D. Any submission to the Commission required by this Order to be
7 sworn under penalty of perjury must be true and accurate and comply with 28
8 U.S.C.

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