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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, Case No. 8:23-cv-0698-JWH-ADS

Plaintiff,

v.

ORDER GRANTING
STIPULATION FOR PERMANENT
INJUNCTION, MONETARY

SL FINANCE LLC, a California limited
liability company,
MICHAEL CASTILLO, individually
and as an officer of SL Finance LLC,
CHRISTIAN CASTILLO, individually
and as an officer of SL Finance LLC,

Defendants.

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

5 E. Defendants waive all rights to appeal or otherwise challenge or
6 contest the validity of this Order.

7 II. DEFINITIONS

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

9 A. "Assisting Others" includes:

- 10 1. performing customer service functions, including receiving
11 or responding to consumer complaints;
- 12 2. formulating or providing, or arranging for the formulation or
13 provision of, any advertising or marketing material, including any
14 telephone sales script, direct mail solicitation, or the design, text, or use of
15 images of any Internet website, email, or other electronic communication;
- 16 3. formulating or providing, or arranging for the formulation or
17 provision of, any marketing support material or service, including web or
18 Internet Protocol addresses or domain name registration for any Internet
19 websites, affiliate marketing services, or media placement services;
- 20 4. providing names of, or assisting in the generation of,
21 potential customers;
- 22 5. performing marketing, billing, payment processing, or
23 payment services of any kind; or
- 24 6. acting or serving as an owner, officer, director, manager, or
25 principal of any entity.

26 B. "Defendants" means the Individual Defendants and the Corporate
27 Defendants, individually, collectively, or in any combination.

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1. "Corporate Defendant(s)" means SL Finance LLC, and each of its subsidiaries, affiliates successors and assigns.

2. "Individual Defendants" means Michael Castillo and Christian Castillo, individually, collectively, or in any combination.

C. "National Do Not Call Registry" means the "do-not-call" regis3 (o)-2..0014

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otherwise save a person’s dwelling or other collateral from foreclosure or repossession;

b. to negotiate, obtain, or arrange a modification, or renegotiate, settle, reduce, or in any way alter any terms of the mortgage, loan, debt, or obligation, including 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;

c. to obtain any forbearance or modification in the timing of payments from any secured or unsecured holder or servicer of any mortgage, loan, debt, or obligation;

d. to negotiate, obtain, or arrange any extension of the period of time within which a 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 right to reinstate the mortgage,

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1 1. Defendants are permanently RESTRAINED and ENJOINED
2 from advertising, marketing, promoting, offering for sale, selling, or Assisting
3 Others in the advertising, marketing, promoting, offering for sale, or selling, of
4 any Secured or Unsecured Debt Relief Product or Service.

5 2. Defendants and Defendants' officers, agents, employees, and
6 attorneys, and all other Persons in active concert or participation with any of
7 them, who receive actual notice of this Order, whether acting directly or
8 indirectly, in connection with the advertising, marketing, promoting, offering for
9 sale, or selling of any product, service, plan, or program are permanently
10 RESTRAINED and ENJOINED from misrepresenting, or Assisting Others in
11 misrepresenting, expressly or by implication:

12 a. any material aspect of the nature or terms of any refund,
13 cancellation, exchange, or repurchase policy, including the likelihood of a
14 consumer obtaining a full or partial refund, or the circumstances in which
15 a full or partial refund will be granted to the consumer;

16 b. that any Person is affiliated with, endorsed or approved by, or
17 otherwise connected to any other Person; government entity; public, non-
18 profit, or other non-commercial program; or any other program;

19 c. any fact material to consumers concerning any good or
20 service associated with the treatment, cure, prevention, mitigation, or
21 diagnosis of COVID-19; or any fact material to consumers concerning any
22 government benefit related to COVID-19;

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

25 e. that the ability to improve or otherwise affect a consumer's
26 credit record, credit history, credit rating, or ability to obtain credit,
27 including that a consumer's credit record, credit history, credit rating, or
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1 b. violating the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801-
2 6809, §§ 6821-6827, a copy of which is attached as ATTACHMENT A.

3 5. Defendants, Defendants' officers, agents, employees, and
4 attorneys, and all other Persons in active concert or participation with any of
5 them, who receive actual notice of this Order, whether acting directly or
6 indirectly, in connection with Telemarketing are permanently RESTRAINED
7 and ENJOINED from engaging in, or assisting and facilitating others in
8 engaging in, any of the following practices:

9 a. initiating any Outbound Telephone Call to a Person when
10 that Person has previously stated that he or she does not wish to receive
11 an Outbound Telephone Call:

12 i. made by or on behalf of the Seller whose goods or
13 services are being offered; or

14 ii. made on behalf of a charitable organization for which a
15 charitable contribution is being solicited.

16 b. initiating any Outbound Telephone Call to a telephone
17 number within a given area code unless the Seller, either directly or
18 through another Person, has paid the annual fee for access to the
19 telephone numbers within that area code that are included in the National
20 Do Not Call Registry; and

21 c. violating the Telemarketing Sales Rule, 16 C.F.R. Part 310,
22 attached as ATTACHMENT B.

23 6. Monetary Judgment and Partial Suspension:

24 a. Judgment in the amount of five million, seven hundred
25 ninety-eight thousand, nine hundred forty-six dollars and thirty-

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1 b. The monetary judgment set out in Paragraph 6(a) above is
2 enforceable against any asset, real or personal, whether located within the
3 United States or outside the United States, owned jointly or singly by, on
4 behalf of, for the benefit of, in trust by or for, or as a deposit for future
5 goods or services to be provided to, any Defendant, whether held as
6 tenants in common, joint tenants with or without the right of
7 survivorship, tenants by the entirety, and/or community property.

8 c. In partial satisfaction of the judgment against Defendants:

9 i. Defendants shall, within twenty (20) days after the
10 date of entry of this Order, either:

11 (1) transfer to the FTC or its designated agent cash
12 in the amount of \$230,962.95; or

13 (2) transfer to the Receiver title to the property
14 located at 2546 Veronella Street, Henderson, NV 89044, in
15 which case Defendants shall cooperate fully with the Receiver
16 and shall execute any instrument or document presented by
17 the Receiver, and do whatever else the Receiver deems
18 necessary or desirable to effect such transfer.

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Receiver, and do whatever else the Receiver deems necessary or desirable to effect such transfer.

Upon such transfer, the 2017 Tesla Model 3 shall be an asset of the receivership estate, to be governed by Paragraph 10 of this Order.

iii. In addition to the amounts set forth in Paragraph 6(c)(i)-(ii) above, any financial or brokerage institution, escrow agent, title company, commodity trading company, business entity, or person, whether located within the United States or outside the United States, that holds, controls, or maintains accounts or assets of, on behalf of, or for the benefit of, any Receivership Entity, whether real or personal, whether located within the United States or outside the United States, shall, within ten (10) business days from receipt of a copy of this Order, turn over such accounts or assets to the Receiver or his designated agent.

iv. In addition to the amounts set forth in Paragraphs 6(c)(i)-(iii) above, any financial or brokerage institution, escrow agent, title company, commodity trading company, business entity, or person, whether located within the United States or outside the United States, that holds, controls, or maintains accounts or assets of, on behalf of, or for the benefit of, any Individual Defendant, whether real or personal, whether located

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transfer to the FTC or its designated agent all holdings in
account number xxxx4697 in the name of Christian Castillo;

(2) Bank of America shall, within ten (10) days of
receipt of a copy of this Order, transfer to the F8, 78, (b) 2637 (c) 205 y D,

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agent all holdings in account number xxxx1923 in the name of Michael Castillo;

(9) Robinhood Markets, Inc. (“Robinhood”) shall, within ten (10) days of receipt of a copy of this Order, liquidate and transfer to the FTC or its designated agent all holdings in account number xxxx5072 and all other holdings in the name of Christian Castillo;

(10) Robinhood shall, within ten (10) days of receipt of a copy of this Order, liquidate and transfer to the FTC or

1 (5) a bank statement associated with a Chase
2 account in the name of Christian Castillo.

3 vi. The additional documentation submitted by email
4 from Defendants' counsel Karl Kronenberger to FTC counsel
5 Katherine Aizpuru dated June 8, 2023, attaching:

6 (1) account statements associated with a Robinhood
7 account in the name of Michael Castillo;

8 (2) account statements associated with a Robinhood
9 account in the name of Christian Castillo;

10 (3) transaction reports associated with a Coinbase
11 account in the name of Michael Castillo;

12 (4) transaction reports associated with a Coinbase
13 account in the name of Christian Castillo;

14 (5) account statements associated with a Coinbase
15 account in the name of Michael Castillo; and

16 (6) account statements associated with a Coinbase
17 account in the name of Christian Castillo.

18 g. The suspension of the judgment will be lifted as to any
19 Defendant if, upon motion by the FTC, the Court finds that Defendant
20 failed to disclose any material asset, materially misstated the value of any
21 asset, or made any other material misstatement or omission in the
22 financial representations identified above.

23 h. If the suspension of the judgment is lifted, the judgment
24 becomes immediately due as to that Defendant in the amount specified in
25 Paragraph 6(a) above (which the parties stipulate, only for purposes of
26 this Paragraph, represents the consumer injury alleged in the Complaint),
27 less any payment previously made pursuant to this Paragraph, plus
28 interest computed from the date of entry of this Order.

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7. Additional Monetary Provisions:

a. 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.

b. 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.

c. 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.

d. Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification

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right to challenge any actions the FTC or its representatives may take pursuant to this Paragraph.

8. Defendants, Defendants' officers, agents, employees, attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently RESTRAINED and ENJOINED from directly or indirectly:

a. Failing to provide sufficient customer information to enable

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1 ii. all employees having managerial responsibilities for
2 Secured or Unsecured Debt Relief Products or Services, and all
3 agents and representatives who participate in the Secured or
4 Unsecured Debt Relief Products or Services; and

5 iii. any business entity resulting from any change in
6 structure as set forth in Paragraph 12. Delivery must occur within
7 seven (7) days of entry of this Order for current personnel. For all
8 others, delivery must occur before they assume their
9 responsibilities.

10 c. From each individual or entity to which a Defendant
11 delivered a copy of this Order, that Defendant must obtain, within thirty
12 (30) days, a signed and dated acknowledgment of receipt of this Order.

13 12. Defendants shall make timely submissions to the FTC, as follows:

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

16 i. Each Defendant must:

17 (1) identify the primary physical, postal, and email
18 address and telephone number, as designated points of
19 contact, which representatives of the FTC may use to
20 communicate with Defendant;

21 (2) identify all of that Defendant's businesses by all
22 of their names, telephone numbers, and physical, postal,
23 email, and Internet addresses;

24 (3) describe the activities of each business,
25 including the goods and services offered, the means of
26 advertising, marketing, and sales, and the involvement of any
27 other Defendant (which the Individual Defendants must
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parent, or affiliate that engages in any acts or practices subject to this Order.

ii. Additionally, each Individual Defendant must report any change in:

(1) name, including aliases or fictitious name, or residence address; or

(2) title or role in any business activity, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

c. Each Defendant must submit to the FTC notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within fourteen (14) days of its filing.

d. Any submission to the FTC required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: " I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____" and supplying the date, signatory's full name, title (if applicable), and signature.

e. Unless otherwise directed by a FTC representative in

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prescribed by Rules 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69 of the Federal Rules of Civil Procedure.

b. For matters concerning this Order, the FTC is authorized to communicate directly with each Defendant. Defendant must permit representatives of the FTC to interview any employee or other Person affiliated with any Defendant who has agreed to such an interview. The Person interviewed may have counsel present.

c. The FTC may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

d. Upon written request from a representative of the FTC, any consumer reporting agency must furnish consumer reports concerning Individual Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §