

JS-6

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

Case No. CV14-5434MWF-AGR<sub>x</sub>

FEDERAL TRADE COMMISSION

Plaintiff,

v.

MORTGAGE RELIEF ADVOCATES,  
LLC, *et al.*

Defendants.

**FINAL JUDGMENT AS TO  
DEFENDANTS MORTGAGE  
RELIEF ADVOCATES, LLC,  
NATIONAL FORENSIC LOAN  
AUDIT SERVICERS, LLC,  
EVERTREE, LLC, KEY STONE  
REAL ESTATE, LLC, PABLO  
RODRIGUEZ, AND MICHAEL  
RODRIGUEZ**

1 Plaintiff Federal Trade Commission (“FTC” or “Commission”) commenced  
2 this civil action on July 14, 2014, pursuant to Sections 13(b) and 19 of the Federal  
3 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57(b) and the Dodd-  
4 Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203,  
5 Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), 12  
6 U.S.C. § 5538, to obtain preliminary and permanent injunctive and other equitable  
7 relief for Defendants’ violations of Section 5 of the FTC Act and the Mortgage  
8 Assistance Services Rule, 12 C.F.R. Part 1015, in connection with the marketing  
9 and sale of mortgage assistance relief services (“MARS”). On August 22, 2014,  
10 after a hearing on the Commission’s request for an order to show cause why a  
11 preliminary injunction should not be entered against Defendants, the Court entered  
12 an Order for Preliminary Injunction (“PI Order”) in this case enjoining Defendants  
13 from, among other things, making misrepresentations related to MARS, collecting  
14 advance fees from consumers, and failing to make required disclosures.  
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16 On March 27, 2015, pursuant to Federal Rule of Civil Procedure, Rule 56,  
17 the FTC moved for summary judgment on all counts of the Complaint for  
18 Equitable and Other Relief (“Complaint”) against all of the Defendants Mortgage  
19 Relief Advocates, LLC (“MRA”), National Forensic Loan Audit Servicers, LLC  
20 (“NFLAS”), Evertree, LLC (“Evertree”), Key Stone Real Estate (“Key Stone”),  
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1 Pablo Rodriguez, and Michael Rodriguez (collectively hereinafter referred to as the  
2 “Defendants”).

3 The Court, having considered the arguments, memoranda, and exhibits in  
4 support of the FTC’s Motion for Summary Judgment, and all other pleadings and  
5 files in this action, granted the FTC’s Motion on July 1, 2015.  
6

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8 **NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND**  
9 **DECREED** as follows:

10 **DEFINITIONS**

11 For the purposes of this Judgment, the following definitions shall apply:

12 A. **“Assisting others”** includes:

- 13
- 14 1. performing customer service functions, including receiving or  
15 responding to consumer complaints;
  - 16 2. formulating or providing, or arranging for the formulation or  
17 provision of, any advertising or marketing material, including any  
18 telephone sales script, direct mail solicitation, or the design, text, or  
19 use of images of any Internet website, email, or other electronic  
20 communication;
  - 21 3. formulating or providing, or arranging for the formulation or  
22 provision of, any marketing support material or service, including web  
23 or Internet Protocol addresses or domain name registration for any  
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1 Internet websites, affiliate marketing services, or media placement  
2 services;

- 3 4. providing names of, or assisting in the generation of, potential  
4 customers;  
5  
6 5. performing marketing, billing, or payment services of any kind; or  
7  
8 6. acting or serving as an owner, officer, director, manager, or principal  
9 of any entity.

10 B. **“Defendants”** means all of the Individual Defendants and the Corporate  
11 Defendants, individually, collectively, or in any combination.

12  
13 C. **“Corporate Defendants”** means Mortgage Relief Advocates, LLC (d/b/a  
14 The MRA Group); National Forensic Loan Audit Servicers, LLC; Evertree, LLC;  
15 Key Stone Real Estate, LLC; and their successors and assigns.  
16

17 D. **“Financial product or service”** means any product, service, plan, or  
18 program represented, expressly or by implication, to:  
19

- 20 1. provide any consumer, arrange for any consumer to receive, or assist  
21 any consumer in receiving, a loan or other extension of credit;  
22  
23 2. provide any consumer, arrange for any consumer to receive, or assist  
24 any consumer in receiving, credit, debit, or stored value cards;  
25  
26 3. improve, repair, or arrange to improve or repair, any consumer’s  
27 credit record, credit history, or credit rating; or  
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1           4.     provide advice or assistance to improve any consumer’s credit record,  
2                     credit history, or credit rating.

3  
4     E.     **“Individual Defendants”** means Pablo Rodriguez and Michael Rodriguez.

5     F.     **“Person”** means any individual, group, unincorporated association, limited  
6             or general partnership, corporation or other business entity.

7  
8     G.     **“Secured or unsecured debt relief product or service”** means:

9           1.     with respect to any mortgage, loan, debt, or obligation between a  
10                    person and one or more secured or unsecured creditors or debt  
11                    collectors, any product, service, plan, or program represented,  
12                    expressly or by implication, to:

13                   a.     stop, prevent, or postpone any mortgage or deed of foreclosure  
14                             sale for a person’s dwelling, any other sale of collateral, any  
15                             repossession of a person’s dwelling or other collateral, or  
16                             otherwise save a person’s dwelling or other collateral from  
17                             foreclosure or repossession;

18                   b.     negotiate, obtain, or arrange a modification, or renegotiate,  
19                             settle, or in any way alter any terms of the mortgage, loan, debt,  
20                             or obligation, including a reduction in the amount of interest,  
21                             principal balance, monthly payments, or fees owed by a person  
22                             to a secured or unsecured creditor or debt collector;

- 1 c. obtain any forbearance or modification in the timing of  
2 payments from any secured or unsecured holder or servicer of  
3 any mortgage, loan, debt, or obligation;  
4
- 5 d. negotiate, obtain, or arrange any extension of the period of time  
6 within which a person may (i) cure his or her default on the  
7 mortgage, loan, debt, or obligation, (ii) reinstate his or her  
8 mortgage, loan, debt, or obligation, (iii) redeem a dwelling or  
9 other collateral, or (iv) exercise any right to reinstate the  
10 mortgage, loan, debt, or obligation or redeem a dwelling or  
11 other collateral;  
12
- 13 e. obtain any waiver of an acceleration clause or balloon payment  
14 contained in any promissory note or contract secured by any  
15 dwelling or other collateral; or  
16
- 17 f. negotiate, obtain, or arrange (a) a short sale of a dwelling or  
18 other collateral, (b) a deed-in-lieu of foreclosure, or (c) any  
19 other disposition of a mortgage, loan, debt, or obligation other  
20 than a sale to a third party that is not the secured or unsecured  
21 loan holder.  
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1 The foregoing shall include any manner of claimed assistance, including  
2 auditing or examining a person's application for the mortgage, loan, debt, or  
3 obligation.  
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- 5 2. with respect to any loan, debt, or obligation between a person and one  
6 or more unsecured creditors or debt collectors, any product, service,  
7 plan, or program represented, expressly or by implication, to:  
8
- 9 a. repay one or more unsecured loans, debts, or obligations; or;
  - 10 b. combine unsecured loans, debts, or obligations into one or  
11 more new loans, debts, or obligations.  
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13 **JUDGMENT**

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15 **BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCTS AND**  
16 **SERVICES**

- 17 **I. IT IS ORDERED** that Defendants are permanently restrained and enjoined from:  
18
- 19 A. advertising, marketing, promoting, offering for sale, or selling any secured  
20 or unsecured debt relief product or service; and
  - 21 B. assisting others engaged in advertising, marketing, promoting, offering for  
22 sale, or selling any secured or unsecured debt relief product or service.  
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1                   **PROHIBITION AGAINST MISREPRESENTATIONS RELATING TO**  
2                   **FINANCIAL PRODUCTS AND SERVICES**

3 **II. IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents,  
4 employees, and attorneys, and all other persons or entities in active concert or  
5 participation with any of them, who receive actual notice of this Judgment,  
6 whether acting directly or indirectly in connection with advertising, marketing,  
7 promoting, offering for sale, or selling any financial product or service, are hereby  
8 permanently restrained and enjoined from misrepresenting or assisting others in  
9 misrepresenting, expressly or by implication, any material fact, including:  
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11  
12 A. the terms or rates that are available for any loan or other extension of credit,  
13 including:  
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- 15 1. closing costs or other fees;
- 16 2. the payment schedule, monthly payment amount(s), any balloon  
17 payment, or other payment terms;
- 18 3. the interest rate(s), annual percentage rate(s), or finance charge(s), and  
19 whether they are fixed or adjustable;
- 20 4. the loan amount, credit amount, draw amount, or outstanding balance;  
21 the loan term, draw period, or maturity; or any other term of credit;
- 22 5. the amount of cash to be disbursed to the borrower out of the  
23 proceeds, or the amount of cash to be disbursed on behalf of the  
24 borrower to any third parties;
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1           6.     whether any specified minimum payment amount covers both interest  
2                     and principal, and whether the credit has or can result in negative  
3                     amortization; or

4  
5           7.     that the credit does not have a prepayment penalty or whether  
6                     subsequent refinancing may trigger a prepayment penalty and/or other  
7                     fees.  
8

9     B.     the savings associated with the loan or other extension of credit;

10    C.     the ability to improve or otherwise affect a consumer's credit record, credit  
11             history, credit rating, or ability to obtain credit, including that a consumer's  
12             credit record, credit history, credit rating, or ability to obtain credit can be  
13             improved by permanently removing current, accurate negative information  
14             from the consumer's credit record or history; or  
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17    D.     that a consumer will receive legal representation.  
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19                     **PROHIBITION AGAINST MISREPRESENTATIONS**  
20                     **RELATING TO ANY PRODUCTS OR SERVICES**

21 **III. IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,  
22 employees, and attorneys, and all other persons in active concert or participation  
23 with any of them, who receive actual notice of this Judgment, whether acting  
24 directly or indirectly, in connection with advertising, marketing, promoting,  
25 offering for sale, or selling any product or service are hereby permanently  
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1 restrained and enjoined from misrepresenting or assisting others in

2 misrepresenting, expressly or by implication, any material fact, including:

- 3
- 4 A. any material aspect of the nature or terms of any refund, cancellation,
- 5 exchange, or repurchase policy, including the likelihood of a consumer
- 6 obtaining a full or partial refund, or the circumstances in which a full or
- 7 partial refund will be granted to the consumer;
- 8
- 9 B. that any person is affiliated with, endorsed or approved by, or otherwise
- 10 connected to any other person; government entity; public, non-profit, or
- 11 other non-commercial program; or any other program;
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- 13 C. the nature, expertise, position, or job title of any person who provides any
- 14 product or service;
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- 16 D. that any person providing a testimonial has purchased, received, or used the
- 17 product or service;
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- 19 E. that the experience represented in a testimonial of the product or service
- 20 represents the person's actual experience resulting from the use of the
- 21 product or service under the circumstances depicted in the advertisement;
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- 23 F. the total costs to purchase, receive, or use, or the quantity of, the product or
- 24 service;
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- 26 G. any material restriction, limitation, or condition on purchasing, receiving, or
- 27 using the product or service; or
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1 H. any other fact material to consumers concerning any product or service,  
2 including any material aspect of the performance, efficacy, nature, or  
3 characteristics of the product or service.  
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5 **MONETARY JUDGMENT**

6 **IV. IT IS FURTHER ORDERED** that:

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8 A. Judgment in the amount of ONE MILLION EIGHT HUNDRED  
9 THOUSAND THIRTY-FOUR THOUSAND SEVEN HUNDRED FORTY-  
10 FOUR DOLLARS AND FIFTY-NINE CENTS (\$1,834,744.59) is entered  
11 in favor of the Commission against Individual Defendants and Corporate  
12 Defendants, jointly and severally, as equitable monetary relief.  
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15 B. Defendants are ordered to pay to the Commission ONE MILLION EIGHT  
16 HUNDRED THOUSAND THIRTY-FOUR THOUSAND SEVEN  
17 HUNDRED FORTY-FOUR DOLLARS AND FIFTY-NINE CENTS  
18 (\$1,834,744.59). Such payment must be made within 14 days of entry of  
19 this Judgment by electronic fund transfer in accordance with instructions  
20 provided by a representative of the Commission.  
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23 **ADDITIONAL MONETARY PROVISIONS**

24 **IT IS FURTHER ORDERED** that:

25  
26 A. Defendants relinquish dominion and all legal and equitable right, title,  
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1 and interest in all assets transferred pursuant to this Judgment and may not  
2 seek the return of any assets.

3  
4 B. Defendants acknowledge that their Taxpayer Identification Numbers (Social  
5 Security Numbers or Employer Identification Numbers), may be used for  
6 collecting and reporting on any delinquent amount arising out of this  
7 Judgment, in accordance with 31 U.S.C. § 7701.  
8

9 C. All money paid to the Commission pursuant to this Judgment may be  
10 deposited into a fund administered by the Commission or its designee to be  
11 used for equitable relief, including consumer redress and any attendant  
12 expenses for the administration of any redress fund. If a representative of  
13 the Commission decides that direct redress to consumers is wholly or  
14 partially impracticable or money remains after redress is completed, the  
15 Commission may apply any remaining money for such other equitable relief  
16 (including consumer information remedies) as it determines to be reasonably  
17 related to Defendants' practices alleged in the Complaint. Any money not  
18 used for such equitable relief is to be deposited to the U.S. Treasury as  
19 disgorgement. Defendants have no right to challenge any actions the  
20 Commission or its representatives may take pursuant to this Subsection.  
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## CUSTOMER INFORMATION

**VI. IT IS FURTHER ORDERED** that Defendants, 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 Judgment, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering for sale, or selling any financial product or service, are hereby permanently restrained and enjoined from:

A. failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. Defendants represent that they have provided this redress information to the Commission. If a representative of the Commission requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the Commission, within 14 days.

B. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer’s account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Judgment; and

1 C. failing to destroy such customer information in all forms in their possession,  
2 custody, or control within 30 days after receipt of written direction to do so  
3 from a representative of the Commission.  
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5 Provided, however, that customer information need not be disposed of, and may be  
6 disclosed, to the extent requested by a government agency or required by law,  
7 regulation, or court order.  
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### 9 JUDGMENT ACKNOWLEDGMENTS

10 **VII. IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of  
11 receipt of this Judgment:  
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13 A. Each Defendant, within 7 days of entry of this , must submit to the  
14 Commission an acknowledgment of receipt of this Judgment sworn under penalty  
15 of perjury.  
16

17 B. For 10 years after entry of this Judgment, each Individual Defendant for any  
18 business that such Defendant, individually or collectively with any other  
19 Defendants, is the majority owner or controls directly or indirectly, and each  
20 Corporate Defendant, must deliver a copy of this Judgment to: (1) all  
21 principals, officers, directors, and LLC managers and members; (2) all  
22 employees, agents, and representatives who participate in connection with  
23 the advertising, marketing, promoting, offering for sale, or selling any  
24 financial product or service; and (3) any business entity resulting from any  
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1 change in structure as set forth in the Section titled Compliance Reporting.  
2 Delivery must occur within 7 days of entry of this Judgment for current  
3 personnel. For all others, delivery must occur before they assume their  
4 responsibilities.  
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- 6 C. From each individual or entity to which a Defendant delivered a copy of  
7 this Judgment, that Defendant must obtain, within 30 days, a signed and  
8 dated acknowledgment of receipt of this Judgment.  
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### 10 **COMPLIANCE REPORTING**

11 **VIII. IT IS FURTHER ORDERED** that Defendants make timely submissions to the  
12 Commission:  
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- 14 A. One year after entry of this Judgment, each Defendant must submit a  
15 compliance report, sworn under penalty of perjury:  
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- 17 1. Each Defendant must: (a) identify the primary physical, postal, and  
18 email address and telephone number, as designated points of contact,  
19 which representatives of the Commission and may use to  
20 communicate with Defendant; (b) identify all of that Defendant's  
21 businesses by all of their names, telephone numbers, and physical,  
22 postal, email, and Internet addresses; (c) describe the activities of each  
23 business, including the goods and services offered, the means of  
24 advertising, marketing, and sales, and the involvement of any other  
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1 Defendant (which Individual Defendants must describe if they know  
2 or should know due to their own involvement); (d) describe in detail  
3 whether and how that Defendant is in compliance with each Section  
4 of this Judgment; and (e) provide a list of all domain names held or  
5 registered by any Defendant; and (f) provide a copy of each Judgment  
6 Acknowledgment obtained pursuant to this Judgment, unless  
7 previously submitted to the Commission.  
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10 2. Additionally, each Individual Defendant must: (a) identify all  
11 telephone numbers and all physical, postal, email and Internet  
12 addresses, including all residences; (b) identify all business activities,  
13 including any business for which such Individual Defendant performs  
14 services whether as an employee or otherwise and any entity in which  
15 such Individual Defendant has any ownership interest; and (c)  
16 describe in detail such Individual Defendant's involvement in each  
17 such business, including title, role, responsibilities, participation,  
18 authority, control, and any ownership.  
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23 B. For 10 years after entry of this Judgment, each Defendant must submit a  
24 compliance notice, sworn under penalty of perjury, within 14 days of any  
25 change in the following:  
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1           1.     Each Defendant must report any change in: (a) any designated point  
2                   of contact; or (b) the structure of any Corporate Defendant or any  
3                   entity that Defendant has any ownership interest in or controls directly  
4                   or indirectly that may affect compliance obligations arising under this  
5                   Judgment, including: creation, merger, sale, or dissolution of the  
6                   entity or any subsidiary, parent, or affiliate that engages in any acts or  
7                   practices subject to this Judgment.

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10           2.     Additionally, each Individual Defendant must report any change in:  
11                   (a) name, including aliases or fictitious name, or residence address; or  
12                   (b) title or role in any business activity, including any business for  
13                   which such Individual Defendant performs services whether as an  
14                   employee or otherwise and any entity in which such Individual  
15                   Defendant has any ownership interest, and identify the name, physical  
16                   address, and any Internet address of the business or entity.

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

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24           D.     Any submission to the Commission required by this Judgment to be sworn  
25                   under penalty of perjury must be true and accurate and comply with 28  
26                   U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury  
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1 under the laws of the United States of America that the foregoing is true and  
2 correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name,  
3 title (if applicable), and signature.  
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5 E. Unless otherwise directed by a Commission representative in writing, all  
6 submissions to the Commission pursuant to this Judgment must be emailed  
7 to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal  
8 Service) to: Associate Director for Enforcement, Bureau of Consumer  
9 Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW,  
10 Washington, DC 20580. The subject line must begin: FTC v. Mortgage  
11 Relief Advocates, LLC, et al., Case No. 2:14-cv-05434-MWF-AGR<sub>x</sub>,  
12 X140046.  
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#### 16 **RECORDKEEPING**

17 **IX. IT IS FURTHER ORDERED** that Defendants must create certain records for 10  
18 years after entry of the Judgment, and retain each such record for 5 years.

19 Specifically, Corporate Defendant and each Individual Defendant for any business  
20 that such Defendant, individually or collectively with any other Defendants, is a  
21 majority owner or controls directly or indirectly, must create and retain the  
22 following records:  
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25 A. accounting records showing the revenues from all goods or services sold;  
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- 1 B. personnel records showing, for each person providing services, whether as  
2 an employee or otherwise, that person's: name; addresses; telephone  
3 numbers; job title or position; dates of service; and (if applicable) the reason  
4 for termination;  
5  
6 C. records of all consumer complaints and refund requests, whether received  
7 directly or indirectly, such as through a third party, and any response;  
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9 D. all records necessary to demonstrate full compliance with each provision of  
10 this Judgment, including all submissions to the Commission; and  
11  
12 E. a copy of each unique advertisement or other marketing material.

### 13 COMPLIANCE MONITORING

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15 **X. IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants'  
16 compliance with this Judgment:

- 17  
18 A. Within 14 days of receipt of a written request from a representative of  
19 the Commission each Defendant must submit additional compliance  
20 reports or other requested information, which must be sworn under  
21 penalty of perjury; appear for depositions; and produce documents for  
22 inspection and copying. The Commission is also authorized to obtain  
23 discovery, without further leave of court, using any of the procedures  
24 prescribed by Federal Rules of Civil Procedure 29, 30 (including  
25 telephonic depositions), 31, 33, 34, 36, 45, and 69.  
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1 B. For matters concerning this Judgment, the Commission is authorized to  
2 communicate directly with each Defendant. Defendant must permit  
3 representatives of the Commission to interview any employee or other  
4 person affiliated with any Defendant who has agreed to such an interview.  
5 The person interviewed may have counsel present.  
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8 C. The Commission may use all other lawful means, including posing, through  
9 its representatives as consumers, suppliers, or other individuals or entities, to  
10 Defendants or any individual or entity affiliated with Defendants, without  
11 the necessity of identification or prior notice. Nothing in this Judgment  
12 limits the Commission's lawful use of compulsory process, pursuant to  
13 Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.  
14

15  
16 D. Upon written request from a representative of the Commission, any  
17 consumer reporting agency must furnish consumer reports concerning  
18 Individual Defendants, pursuant to Section 604(1) of the Fair Credit  
19 Reporting Act, 15 U.S.C. § 1681b(a)(1).  
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## 22 **ENTRY OF JUDGMENT**

23 **XI. IT IS FURTHER ORDERED** that there is no just reason for delay of entry of this  
24 judgment, and that, pursuant to Federal Rule of Civil Procedure 54(b), the Clerk  
25 immediately shall enter this Judgment as a final judgment as to all Defendants.  
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**RETENTION OF JURISDICTION**

**XII. IT IS FURTHER ORDERED** that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment.

SO ORDERED this 23<sup>RD</sup> day of July, 2015 :



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MICHAEL W. FITZGERALD  
United States District Judge