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JS-6

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

M&T FINANCIAL GROUP, a  
corporation, also d/b/a StuDebt, Student  
Debt Relief Group, SDRG, Student  
Loan Relief Counselors, SLRC, and  
Capital Advocates Group,

AMERICAN COUNSELING CENTER  
CORP., a corporation, also d/b/a  
StuDebt, Student Debt Relief Group,  
SDRG, Student Loan Relief Counselors,  
SLRC, and Capital Advocates Group,  
and

SALAR TAHOUR, individually, and as  
an officer of M&T FINANCIAL  
GROUP and AMERICAN  
COUNSELING CENTER CORP.,

Defendants.

Case CV17-06855-ODW(PLAx)

**Stipulated Order for Permanent  
Injunction and Monetary Judgment**

1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its  
2 Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”),  
3 pursuant to Sections 13(b) of the Federal Trade Commission Act (“FTC Act”), 15  
4 U.S.C. § 53(b) and the Telemarketing and Consumer Fraud and Abuse Act  
5 (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. The FTC and Defendants M&T  
6 Financial Group, American Counseling Center Corp., and Salar Tahour  
7 (“Defendants”) stipulate to the entry of this Stipulated Order for Permanent  
8 Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in  
9 this action between them.

10 THEREFORE, IT IS ORDERED as follows:

11 **FINDINGS**

- 12 1. This Court has jurisdiction over this matter.
- 13 2. The Complaint charges that Defendants participated in deceptive acts or  
14 practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), and the  
15 Telemarketing Sales Rule, 16 C.F.R. § 310, in connection with the marketing and  
16 sale of student loan debt relief services.
- 17 3. Defendants neither admit nor deny any of the allegations in the Complaint,  
18 except as specifically stated in this Order. Only for purposes of this action,  
19 Defendants admit the facts necessary to establish jurisdiction.
- 20 4. Defendants waive any claim that they may have under the Equal Access to  
21 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through  
22 the date of this Order, and agree to bear their own costs and attorney fees.
- 23 5. Defendants and the FTC waive all rights to appeal or otherwise challenge or  
24 contest the validity of this Order.

25 **DEFINITIONS**

- 26 A. “**Assisting others**” includes:
  - 27 1. performing customer service functions, including receiving or  
28 responding to consumer complaints;

1           2.     formulating or providing, or arranging for the formulation or  
2 provision of, any advertising or marketing material, including any telephone sales  
3 script, direct mail solicitation, or the design, text, or use of images of any Internet  
4 website, email, or other electronic communication;

5           3.     formulating or providing, or arranging for the formulation or  
6 provision of, any marketing support material or service, including web or Internet  
7 Protocol addresses or domain name registration for any Internet websites, affiliate  
8 marketing services, or media placement services;

9           4.     providing names of, or assisting in the generation of, potential  
10 customers;

11          5.     performing marketing, billing, or payment services of any kind; or

12          6.     acting or serving as an owner, officer, director, manager, or principal  
13 of any entity.

14 **B.     “Corporate Defendants”** means M&T Financial Group, also d/b/a StuDebt,  
15 Student Debt Relief Group, SDRG, Student Loan Relief Counselors, SLRC,  
16 Capital Advocates Group, Student Loan Financial Aid, and SLFAid, and American  
17 Counseling Center Corp., also d/b/a StuDebt, Student Debt Relief Group, SDRG,  
18 Student Loan Relief Counselors, SLRC, Capital Advocates Group, Student Loan  
19 Financial Aid, and SLFAid, and their successors and assigns, as well as any  
20 subsidiaries, and any fictitious business entities or business names created or used  
21 by these entities, or any of them.

22 **C.     “Defendants”** means the Individual Defendant and the Corporate  
23 Defendants, individually, collectively, or in any combination.

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

26          1.     provide any consumer, arrange for any consumer to receive, or assist  
27 any consumer in receiving, a loan or other extension of credit;

28          2.     provide any consumer, arrange for any consumer to receive, or assist

1 any consumer in receiving, credit, debit, or stored value cards;

2 3. improve, repair, or arrange to improve or repair, any consumer's  
3 credit record, credit history, or credit rating; or

4 4. provide advice or assistance to improve any consumer's credit record,  
5 credit history, or credit rating.

6 E. **"Individual Defendant"** means Salar Tahour, by whatever names he may be  
7 known.

8 F. **"National Do Not Call Registry"** means the "do-not-call" registry of  
9 telephone numbers maintained by the Commission pursuant to 16 C.F.R. §  
10 310.4(b)(1)(iii)(B).

11 G. **"Person"** means any individual, group, unincorporated association, limited  
12 or general partnership, corporation, or other business entity.

13 H. **"Receiver"** means Robb Evans and Associates, LLC.

14 I. **"Receivership Defendants"** means Defendants M&T Financial Group, also  
15 d/b/a StuDebt, Student Debt Relief Group, SDRG, Student Loan Relief  
16 Counselors, SLRC, Capital Advocates Group, Student Loan Financial Aid,  
17 SLFAid, and American Counseling Center Corp., also d/b/a StuDebt, Student Debt  
18 Relief Group, SDRG, Student Loan Relief Counselors, SLRC, Capital Advocates  
19 Group, Student Loan Financial Aid, and SLFAid, and their successors and assigns,  
20 as well as any subsidiaries, affiliates, divisions, or sales or customer service  
21 operations, and any fictitious business entities or business names created or used  
22 by these entities, including Collegiate Financial, Premier Processing Group, AT  
23 Financial Advisors, GDL Financial, and Brentwood Parcels LLC.

24 J. **"Secured or unsecured debt relief product or service"** means:

25 1. With respect to any mortgage, loan, debt, or obligation between a  
26 person and one or more secured or unsecured creditors or debt collectors, any  
27 product, service, plan, or program represented, expressly or by implication, to:

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

1 sale for a person's dwelling, any other sale of collateral, any repossession of a  
2 person's dwelling or other collateral, or otherwise save a person's dwelling or  
3 other collateral from foreclosure or repossession;

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

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

12 d. negotiate, obtain, or arrange any extension of the period of time  
13 within which a person may (i) cure his or her default on the mortgage, loan, debt,  
14 or obligation, (ii) reinstate his or her mortgage, loan, debt, or obligation, (iii)  
15 redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the  
16 mortgage, loan, debt, or obligation or redeem a dwelling or other collateral;

17 e. obtain any waiver of an acceleration clause or balloon payment  
18 contained in any promissory note or contract secured by any dwelling or other  
19 collateral; or

20 f. negotiate, obtain, or arrange (i) a short sale of a dwelling or  
21 other collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a  
22 mortgage, loan, debt, or obligation other than a sale to a third party that is not the  
23 secured or unsecured loan holder.

24 The foregoing shall include any manner of claimed assistance, including auditing  
25 or examining a person's application for the mortgage, loan, debt, or obligation.

26 2. With respect to any loan, debt, or obligation between a person and one  
27 or more unsecured creditors or debt collectors, any product, service, plan, or  
28 program represented, expressly or by implication, to:

- 1           a.     repay one or more unsecured loans, debts, or obligations; or  
2           b.     combine unsecured loans, debts, or obligations into one or more  
3 new loans, debts, or obligations.

4 K.     “**Seller**” means any person who, in connection with a telemarketing  
5 transaction, provides, offers to provide, or arranges for others to provide goods or  
6 services to the customer in exchange for consideration, whether or not such person  
7 is under the jurisdiction of the Commission.

8 L.     “**Telemarketing**” means any plan, program, or campaign which is  
9 conducted to induce the purchase of goods or services or a charitable contribution  
10 by use of one or more telephones and which involves more than one interstate  
11 telephone call.

12   **I.**

13   **BAN ON SECURED AND UNSECURED**  
14   **DEBT RELIEF PRODUCTS AND SERVICES**

15           IT IS ORDERED that Defendants are permanently restrained and enjoined  
16 from advertising, marketing, promoting, offering for sale, or selling, or assisting  
17 others in the advertising, marketing, promoting, offering for sale, or selling, of any  
18 secured or unsecured debt relief product or service.

19   **II.**

20   **PROHIBITION AGAINST MISREPRESENTATIONS**  
21   **RELATING TO FINANCIAL PRODUCTS AND SERVICES**

22           IT IS FURTHER ORDERED that Defendants, Defendants’ officers, agents,  
23 employees, and attorneys, and all other persons in active concert or participation  
24 with any of them, who receive actual notice of this Order, whether acting directly  
25 or indirectly, in connection with the advertising, marketing, promoting, offering for  
26 sale, or selling of any financial product or service, are permanently restrained and  
27 enjoined from misrepresenting, or assisting others in misrepresenting, expressly or  
28

1 by implication:

2 A. the terms or rates that are available for any loan or other extension of credit,  
3 including:

4 1. closing costs or other fees;

5 2. the payment schedule, monthly payment amount(s), any balloon  
6 payment, or other payment terms;

7 3. the interest rate(s), annual percentage rate(s), or finance charge(s), and  
8 whether they are fixed or adjustable;

9 4. the loan amount, credit amount, draw amount, or outstanding balance;  
10 the loan term, draw period, or maturity; or any other term of credit;

11 5. the amount of cash to be disbursed to the borrower out of the  
12 proceeds, or the amount of cash to be disbursed on behalf of the borrower to any  
13 third parties;

14 6. whether any specified minimum payment amount covers both interest  
15 and principal, and whether the credit has or can result in negative amortization; or

16 7. that the credit does not have a prepayment penalty or whether  
17 subsequent refinancing may trigger a prepayment penalty and/or other fees;

18 B. the ability to improve or otherwise affect a consumer's credit record, credit  
19 history, credit rating, or ability to obtain credit, including that a consumer's credit  
20 record, credit history, credit rating, or ability to obtain credit can be improved by  
21 permanently removing current, accurate negative information from the consumer's  
22 credit record or history;

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

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

27 **III.**

28 **PROHIBITION AGAINST MISREPRESENTATIONS**

1                                   **RELATING TO ANY PRODUCTS OR SERVICES**

2           IT IS FURTHER ORDERED that Defendants, Defendants’ officers, agents,  
3 employees, and attorneys, and all other persons in active concert or participation  
4 with any of them, who receive actual notice of this Order, whether acting directly  
5 or indirectly, in connection with the advertising, marketing, promoting, offering for  
6 sale, or selling of any product, service, plan, or program, are permanently  
7 restrained and enjoined from misrepresenting, or assisting others in  
8 misrepresenting, expressly or by implication:

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

13       B.     that any person is affiliated with, endorsed or approved by, or otherwise  
14 connected to any other person; government entity; public, non-profit, or other non-  
15 commercial program; or any other program;

16       C.     the nature, expertise, position, or job title of any person who provides any  
17 product, service, plan, or program; or

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

21                                   **IV.**

22                                   **PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS**

23           IT IS FURTHER ORDERED that Defendants, Defendants’ officers, agents,  
24 employees, and attorneys, and all other persons in active concert or participation  
25 with any of them, who receive actual notice of this Order, whether acting directly  
26 or indirectly, in connection with the sale of any financial product or service, are  
27 permanently restrained and enjoined from making any representation or assisting  
28 others in making any representation, expressly or by implication, about the



1 benefits, performance, or efficacy of any financial product or service, unless the  
2 representation is non-misleading, and, at the time such representation is made,  
3 Defendants possess and rely upon competent and reliable evidence that is sufficient  
4 in quality and quantity based on standards generally accepted in the relevant fields,  
5 when considered in light of the entire body of relevant and reliable evidence, to  
6 substantiate that the representation is true.

7 **V.**

8 **PROHIBITION AGAINST UNLAWFUL TELEMARKETING PRACTICES**

9 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,  
10 employees, and attorneys, and all 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 telemarketing, are permanently restrained and  
13 enjoined from engaging in, causing others to engage in, or assisting others to  
14 engage in, any of the following practices:

15 A. making or causing others to make misrepresentations, directly or by  
16 implication, regarding a seller's or telemarketer's affiliation with, or endorsement  
17 or sponsorship by, any person or government entity;

18 B. initiating or causing others to initiate outbound telephone calls to consumers  
19 who have registered their telephone numbers on the National Do Not Call  
20 Registry;

21 C. initiating or causing others to initiate outbound telephone calls to telephone  
22 numbers within a given area code without first, either directly or through another  
23 person, paying the required annual fee for access to the telephone numbers within  
24 that area code that are included in the National Do Not Call Registry; or

25 D. violating the Telemarketing Sales Rule, 16 C.F.R. Part 310, attached as

26 **Appendix A.**

27 **VI.**

28 **MONETARY JUDGMENT AND PARTIAL SUSPENSION**

1 IT IS FURTHER ORDERED that:

2 A. Judgment in the amount of Eleven Million, Six Hundred Ninety-Four  
3 Thousand, Three Hundred Forty Seven Dollars and Forty-Nine Cents.  
4 (\$11,694,347.49) is entered in favor of the Commission against Individual  
5 Defendant and Corporate Defendants, jointly and severally, as equitable monetary  
6 relief.

7 B. Individual Defendant is ordered to pay to the Commission Three Hundred  
8 Seventy Nine Thousand, Five Hundred Ninety Six Dollars and Sixty-Two Cents  
9 (\$379,596.62). Such payment must be made within seven (7) days of entry of this  
10 Order by electronic fund transfer in accordance with instructions previously  
11 provided by a representative of the Commission.

12 C. Individual Defendant is further ordered to cooperate fully with the Receiver  
13 and take such steps as the Receiver may require to sell and effectively convey title  
14 to the purchaser of the real property located at 791 N. Bundy Drive, Los Angeles,  
15 California 90049-2340, identified in Individual Defendant's financial statement  
16 dated October 4, 2017. Such steps shall include but are not limited to providing  
17 the Receiver power of attorney with respect to the property within fourteen (14)  
18 days of entry of this Order, transferring possession of the property to the Receiver,  
19 and signing all documents necessary for the sale and conveyance of the title of the  
20 property to the purchaser. Until the Receiver has completed the sale of the  
21 property, Individual Defendant shall continue to insure, maintain, and take no  
22 action to diminish the value of the property. As part of the sale of the property, the  
23 Receiver shall use or assign the proceeds of the sale to satisfy any expenses or  
24 obligations which the Receiver believes to be reasonably necessary in order to  
25 effectuate the sale.

26 D. Upon the asset transfers and completion of other obligations specified in  
27 Subsections VI.B and C above, the remainder of the judgment is suspended,  
28 subject to the Subsections below.

1 E. The Commission’s agreement to the suspension of part of the judgment is  
2 expressly premised upon the truthfulness, accuracy, and completeness of  
3 Defendants’ sworn financial statements and related documents (collectively,  
4 “financial representations”) submitted to the Commission, namely:

5 1. the Financial Statement of Individual Defendant Salar Tahour signed  
6 on October 4, 2017, including the attachments;

7 2. the Financial Statement of Corporate Defendant M&T Financial  
8 Group signed by Salar Tahour, President, on October 4, 2017;

9 3. the Financial Statement of Corporate Defendant American Counseling  
10 signed by Salar Tahour, President, on October 4, 2017; and

11 4. Salar Tahour’s January 31, 2018 amendment to the Financial  
12 Statement of Individual Defendant Salar Tahour.

13 F. The suspension of the judgment will be lifted as to any Defendant if, upon  
14 motion by the Commission, the Court finds that Defendant failed to disclose any  
15 material asset, materially misstated the value of any asset, or made any other  
16 material misstatement or omission in the financial representations identified above.

17 G. If the suspension of the judgment is lifted, the judgment becomes  
18 immediately due as to that Defendant in the amount specified in Subsection A  
19 above (which the parties stipulate only for purposes of this Section represents the  
20 consumer injury alleged in the Complaint), less any payment previously made  
21 pursuant to this Section, plus interest computed from the date of entry of this  
22 Order.

## 23 **VII.**

### 24 **ADDITIONAL MONETARY PROVISIONS**

25 IT IS FURTHER ORDERED that:

26 A. Defendants relinquish dominion and all legal and equitable right, title, and  
27 interest in all assets transferred pursuant to this Order and may not seek the return  
28 of any assets.

1 B. The facts alleged in the Complaint will be taken as true, without further  
2 proof, in any subsequent civil litigation by or on behalf of the Commission,  
3 including in a proceeding to enforce its rights to any payment or monetary  
4 judgment pursuant to this Order, such as a nondischargeability complaint in any  
5 bankruptcy case.

6 C. The facts alleged in the Complaint establish all elements necessary to sustain  
7 an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy  
8 Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect  
9 for such purposes.

10 D. Defendants acknowledge that their Taxpayer Identification Numbers and  
11 Social Security Number, which Defendants previously submitted to the  
12 Commission, may be used for collecting and reporting on any delinquent amount  
13 arising out of this Order, in accordance with 31 U.S.C. §7701.

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

25 **VIII.**

26 **DISSOLUTION OF ASSET FREEZE**

27 IT IS FURTHER ORDERED that the freeze on personal assets of Individual  
28 Defendant imposed pursuant to the Stipulated Preliminary Injunction entered on

1 October 10, 2017 (Dkt. No. 42) is modified to permit the payments and other  
2 transfers identified in Section VI above. The freeze on the Receivership  
3 Defendants' assets shall remain in effect until such time as the Receiver receives  
4 payment of all Court-approved fees and expenses of the Receiver and the Receiver  
5 is discharged pursuant to Section X of this Order. Upon completion of all  
6 payments and other obligations identified in in Sections VI and X, the asset freeze  
7 is dissolved as to Defendants. A financial institution shall be entitled to rely upon  
8 a letter from a representative of the Commission stating that the freeze on a  
9 Defendant's assets has been lifted.

## 10 **IX.**

### 11 **CUSTOMER INFORMATION**

12 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents,  
13 employees, attorneys, and all other persons or entities in active concert or  
14 participation with any of them, who receive actual notice of this Order, are  
15 permanently restrained and enjoined from directly or indirectly:

16 A. failing to provide sufficient customer information to enable the Commission  
17 to efficiently administer consumer redress. If a representative of the Commission  
18 requests in writing any information related to redress, Defendants must provide it,  
19 in the form prescribed by the Commission, within 14 days.

20 B. disclosing, using, or benefitting from customer information, including the  
21 name, address, telephone number, email address, social security number, FSA ID,  
22 other identifying information, or any data that enables access to a customer's  
23 account (including a student loan account, credit card, bank account, or other  
24 financial account), that any Defendant obtained prior to entry of this Order in  
25 connection with the marketing and sale of student loan debt relief services; and

26 C. failing to destroy such customer information in all forms in their possession,  
27 custody, or control within 30 days after receipt of written direction to do so from a  
28 representative of the Commission.



1 application for fees and expenses, distribute to the Commission any remaining  
2 liquid assets; and

3 B. Upon completion of the above tasks, the duties of the receivership  
4 over the Receivership Defendants shall terminate and the Receiver shall be  
5 discharged.

## 6 XI.

### 7 ORDER ACKNOWLEDGMENTS

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

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

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

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

## 26 XII.

### 27 COMPLIANCE REPORTING

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

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

5 1. Each Defendant must: (a) identify the primary physical, postal, and  
6 email address and telephone number, as designated points of contact, which  
7 representatives of the Commission may use to communicate with Defendant; (b)  
8 identify all of that Defendant's businesses by all of their names, telephone  
9 numbers, and physical, postal, email, and Internet addresses; (c) describe the  
10 activities of each business, including the goods and services offered, the means of  
11 advertising, marketing, and sales, and the involvement of any other Defendant  
12 (which Individual Defendant must describe if he knows or should know due to his  
13 own involvement); (d) describe in detail whether and how that Defendant is in  
14 compliance with each Section of this Order; and (e) provide a copy of each Order  
15 Acknowledgment obtained pursuant to this Order, unless previously submitted to  
16 the Commission.

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

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

27 1. Each Defendant must report any change in: (a) any designated point  
28 of contact; or (b) the structure of any Corporate Defendant or any entity that



1 Defendant has any ownership interest in or controls directly or indirectly that may  
2 affect compliance obligations arising under this Order, including: creation, merger,  
3 sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages  
4 in any acts or practices subject to this Order.

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

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

14 D. Any submission to the Commission required by this Order to be sworn under  
15 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746,  
16 such as by concluding: “I declare under penalty of perjury under the laws of the  
17 United States of America that the foregoing is true and correct. Executed on:  
18 \_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and  
19 signature.

20 E. Unless otherwise directed by a Commission representative in writing, all  
21 submissions to the Commission pursuant to this Order must be emailed to  
22 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
23 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
24 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
25 subject line must begin: FTC v. M&T Financial Group, *et al.*, X 170051.

26 **XIII.**

27 **RECORDKEEPING**

1 IT IS FURTHER ORDERED that Defendants must create certain records for  
2 10 years after entry of the Order, and retain each such records for 5 years.  
3 Specifically, Corporate Defendants and Individual Defendant for any business that  
4 such Defendant, individually or collectively with any other Defendants, is a  
5 majority owner or controls directly or indirectly, must create and retain the  
6 following records:

7 A. accounting records showing the revenues from all goods or services sold;

8 B. personnel records showing, for each person providing services, whether as  
9 an employee or otherwise, that person's: name; addresses; telephone numbers; job  
10 title or position; dates of service; and (if applicable) the reason for termination;

11 C. records of all consumer complaints and refund requests, whether received  
12 directly or indirectly, such as through a third party, and any response;

13 D. all records necessary to demonstrate full compliance with each provision of  
14 this Order, including all submissions to the Commission; and

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

#### 16 17 18 **XIV.**

#### 19 **COMPLIANCE MONITORING**

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

23 A. Within 14 days of receipt of a written request from a representative of the  
24 Commission, each Defendant must: submit additional compliance reports or other  
25 requested information, which must be sworn under penalty of perjury; appear for  
26 depositions; and produce documents for inspection and copying. The Commission  
27 is also authorized to obtain discovery, without further leave of court, using any of  
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1 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including  
2 telephonic depositions), 31, 33, 34, 36, 45, and 69.

3 B. For matters concerning this Order, the Commission is authorized to  
4 communicate directly with each Defendant. Defendant must permit representatives  
5 of the Commission to interview any employee or other person affiliated with any  
6 Defendant who has agreed to such an interview. The person interviewed may have  
7 counsel present.

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 the  
11 necessity of identification or prior notice. Nothing in this Order limits the  
12 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of  
13 the FTC Act, 15 U.S.C. §§ 49, 57b-1.

14 D. Upon written request from a representative of the Commission, any  
15 consumer reporting agency must furnish consumer reports concerning Individual  
16 Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
17 §1681b(a)(1).

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**XV.**

**RETENTION OF JURISDICTION**

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

The Court **VACATES** all pending dates and deadlines. The Clerk of the Court shall close this case.

**SO ORDERED**, this 8th day of June, 2018.



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Hon. Otis D. Wright II  
United States District Judge  
Central District of California