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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 U.S. HOMEOWNERS RELIEF, INC.,
a California corporation; *et al*

16 Defendants.
17
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Case No. SACV10-1452 JST
(PJWx)

**ORDER OF PRELIMINARY
INJUNCTION AS TO
DEFENDANTS AMINULLAH
SARPAS AND NEW LIFE
SOLUTIONS, INC.**

19
20 On September 27, 2010, Plaintiff Federal Trade Commission (“FTC” or
21 “Commission”), pursuant to Sections 13(b) and 19 of the Federal Trade
22 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, filed a complaint for
23 permanent injunction and other equitable relief, including consumer redress and
24 applied for an *ex parte* temporary restraining order with asset freeze, appointment
25 of a temporary receiver, immediate entry, other *ex parte* relief, and an order to
26 show cause why a preliminary injunction should not be granted. Fed. R. Civ. P. 65.

27 On September 28, 2010, the Court issued a Temporary Restraining Order
28 with Asset Freeze, Appointment of a Temporary Receiver, Immediate Access to

1 Business Premises and an Order to Show Cause why a Preliminary Injunction
2 Should Not Issue (TRO). The TRO appointed a temporary receiver, froze the
3 assets of all of the Defendants and set a hearing on the issuance of a preliminary
4 injunction for October 12, 2010.

5 Plaintiff, negotiating through its counsel, and Defendants **AMINULLAH**
6 **SARPAS** (“**SARPAS**”), also known as **AMIN SARPAS** and **DAVID SARPAS**,
7 negotiating through counsel on behalf of himself and on behalf of and also d/b/a
8 **DOCUMENT RESOURCE CENTER** and **NEW LIFE SOLUTIONS, INC.**
9 also d/b/a **NLS DEBT RELIEF** (“**NEW LIFE**”), have agreed to stipulate to the
10 entry of a preliminary injunction as to **SARPAS** and **NEW LIFE**, the continuation
11 of the asset freeze, and other relief with the following findings of fact and order:

12 13 **FINDINGS OF FACT**

14 1. This Court has jurisdiction over the subject matter of this case and the
15 defendants and venue in this district is proper.

16 2. Defendants **SARPAS** and **NEW LIFE** were properly served with the
17 Complaint, Summons and TRO in this matter.

18 3. Defendants **SARPAS** and **NEW LIFE** have not admitted to liability
19 as to the causes of action in the Complaint, and their consent to entry of this
20 preliminary injunction shall not be interpreted to constitute an admission that either
21 of them have engaged in any violations of any law or regulation.

22 4. There is good cause to believe that the Commission is likely to prevail
23 on the merits of this action.

24 5. There is good cause to believe that immediate and irreparable harm
25 will result from Defendants **SARPAS** and **NEW LIFE**'s ongoing violations of
26 Section 5(a) of the FTC Act as well as various provisions of the Telemarketing
27 Sales Rule (“**TSR**”) unless these Defendants are restrained and enjoined by Order
28 of this Court.

1 b. **“Individual Defendant”** means Aminullah Sarpas, also known
2 as Amin Sarpas and David Sarpas, and also d/b/a Document Resource
3 Center, by whatever other names he may be known.

4 11. **“Document” or “Documents”** means any materials listed in Federal
5 Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts,
6 photographs, audio and video recordings, computer records, digital records, and
7 other data compilations from which information can be obtained and translated, if
8 necessary, into reasonably usable form through detection devices. A draft or
9 nonidentical copy is a separate Document within the meaning of the term.

10 12. **“Financial Institution”** means any bank, savings and loan institution,
11 credit union, or any financial depository of any kind, including, but not limited to,
12 any brokerage house, trustee, broker-dealer, escrow agent, title company,
13 commodity trading company, or precious metal dealer.

14 13. **“Material”** means likely to affect a person’s choice of, or conduct
15 regarding, goods or services.

16 14. **“Mail”** includes but is not limited to all envelopes, papers or other
17 items delivered, whether by United States Mail, United Postal Service, Federal
18 Express, or similar delivery service.

19 15. **“Mortgage loan modification service”** means any good, service,
20 plan, or program that is represented, expressly or by implication, to assist a
21 consumer in any manner to (a) stop, prevent, or postpone any home mortgage or
22 deed of trust foreclosure sale; (b) obtain or arrange a modification of any term of a
23 home loan, deed of trust, or mortgage; (c) obtain any forbearance from any
24 mortgage loan holder or servicer; (d) exercise any right of reinstatement of any
25 mortgage loan; (e) obtain, arrange, or attempt to obtain or arrange any extension of
26 the period within which the owner of property sold at foreclosure may cure his or
27 her default or reinstate his or her obligation; (f) obtain any waiver of an
28 acceleration clause contained in any promissory note or contract secured by a deed

1 of trust or mortgage on a residence in foreclosure or contained in that deed of trust;
2 (g) obtain a loan or advance of funds that is connected to the consumer's home
3 ownership; (h) avoid or ameliorate the impairment of the consumer's credit record,
4 credit history, or credit rating that is connected to the consumer's home ownership;
5 (i) save the consumer's residence from foreclosure; (j) assist the consumer in
6 obtaining proceeds from the foreclosure sale of the consumer's residence; (k)
7 obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure;
8 (l) obtain or arrange a refinancing, recapitalization, or reinstatement of a home
9 loan, deed of trust, or mortgage; (m) audit or examine a consumer's mortgage or
10 home loan application; or (n) obtain, arrange, or attempt to obtain or arrange any
11 extension of the period within which the renter of property sold at foreclosure may
12 continue to occupy the property. The foregoing shall include any manner of
13 claimed assistance including, but not limited to, debt, credit, budget, or financial
14 counseling; receiving money for the purpose of distributing it to creditors;
15 contacting creditors or servicers on behalf of the consumer; and giving advice of
16 any kind with respect to filing for bankruptcy.

17 16. **"Person"** means a natural person, an organization, or other legal
18 entity, including a corporation, partnership, sole proprietorship, limited liability
19 company, association, cooperative, or any other group or combination acting as an
20 entity.

21 17. **"Telemarketer"** means any person who, in connection with
22 telemarketing, initiates or receives telephone calls to or from a customer or donor.
23 16 C.F.R. § 310.2(bb).

24 18. **"Telemarketing"** means a plan, program, or campaign (whether or
25 not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310), which is
26 conducted to induce the purchase of goods or services or a charitable contribution
27 by use of one or more telephones.

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1 **CONDUCT PROHIBITIONS**

2 **I. Prohibition Against Misrepresentations of Material Facts**
3 **and Violations of the Telemarketing Sales Rule**

4 **IT IS THEREFORE ORDERED** that Defendants, and their officers,
5 agents, servants, employees, and attorneys, and all other persons in active concert
6 or participation with any of them, who receive actual notice of this Order by
7 personal service or otherwise, whether acting directly or through any trust,
8 corporation, subsidiary, division, or other device, or any of them, in connection
9 with the telemarketing, advertising, promoting, marketing, proposed sale, or sale of
10 any credit-related product or service, are hereby restrained and enjoined from:

11 A. Misrepresenting, or assisting others in misrepresenting, directly or
12 indirectly, expressly or by implication, any material fact, including, but not limited
13 to the following:

- 14 1. That consumers who purchase Defendants' loan modification
15 services will obtain a loan modification that will make their mortgage
16 payments substantially more affordable;
- 17 2. That Defendants are part of, or affiliated with, the United States
18 government; and
- 19 3. That Defendants will fully refund consumers' payments if
20 Defendants fail to obtain the promised loan modification.

21 B. Violating, or assisting others in violating, any provision of the
22 Telemarketing Sales Rule, 16 C.F.R. Part 310, including, but not limited to:

- 23 1. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii),
24 by misrepresenting, directly or by implication, any material aspect of
25 the performance, efficacy, nature, or central characteristics of goods
26 or services that are the subject of a sales offer;

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III. Monitoring Telemarketing Compliance

IT IS FURTHER ORDERED that, in connection with any business or business venture that Defendants directly or indirectly manage, control, or have a majority ownership interest in, that engages in telemarketing, or assists others engaged in telemarketing, Defendants are hereby temporarily restrained and enjoined from:

- A. Failing to take reasonable steps to ensure that all of their employees and independent contractors engaged in telemarketing comply with Paragraph I of this Order;
- B. Failing to investigate promptly and fully any consumer complaint received by any business to which this Paragraph applies; and
- C. Failing to take corrective action with respect to any telemarketer whom Defendants determine is not complying with this Order, which may include training, disciplining, and/or terminating such sales persons;

Provided, however, that this Paragraph does not authorize or require Defendants to take any action that violates any federal, state, or local law.

ASSET PROVISIONS

IV. Asset Freeze

IT IS FURTHER ORDERED that Defendants, and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, except as provided herein, as stipulated by the parties, or as directed by further order of the Court, are hereby restrained and enjoined from:

1 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
2 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
3 granting a lien or security interest or other interest in, or otherwise disposing of any
4 funds, real or personal property, accounts, contracts, shares of stock, lists of
5 consumer names, or other assets, or any interest therein, wherever located,
6 including outside the territorial United States, that are:

- 7 1. Owned, controlled, or held by, in whole or in part, for the
8 benefit of, or subject to access by, or belonging to, any Defendant;
- 9 2. In the actual or constructive possession of any Defendant;
- 10 3. Held by an agent of any Defendant, including as a retainer for
11 the agent's provision of services to any of them; or
- 12 4. In the actual or constructive possession of, or owned,
13 controlled, or held by, or subject to access by, or belonging to, any
14 other corporation, partnership, trust, or any other entity directly or
15 indirectly owned, managed, or controlled by, or under common
16 control with, any Defendant, including, but not limited to, any assets
17 held by or for any Defendant in any account at any bank or savings
18 and loan institution, or with any credit card processing agent,
19 automated clearing house processor, network transaction processor,
20 bank debit processing agent, customer service agent, commercial mail
21 receiving agency, or mail holding or forwarding company, or any
22 credit union, retirement fund custodian, money market or mutual fund,
23 storage company, trustee, or with any broker-dealer, escrow agent,
24 title company, commodity trading company, precious metal dealer, or
25 other financial institution or depository of any kind, either within or
26 outside the territorial United States;

27 B. Opening or causing to be opened any safe deposit boxes, commercial
28 mail boxes, or storage facilities titled in the name of any Defendant, or subject to

1 access by any Defendant or under any Defendant's control, without providing the
2 Commission prior notice and an opportunity to inspect the contents in order to
3 determine that they contain no assets covered by this Section;

4 C. Cashing any checks or depositing any payments from customers or
5 clients of Defendants;

6 D. Incurring charges or cash advances on any credit card issued in the
7 name, singly or jointly, of any Defendant; or

8 E. Incurring liens or encumbrances on real property, personal property,
9 or other assets in the name, singly or jointly, of any Defendant or any corporation,
10 partnership, or other entity directly or indirectly owned, managed, or controlled by
11 any Defendant;

12 F. Scope of Asset Freeze: The funds, property, and assets affected by
13 this Section shall include both existing assets and assets acquired after the effective
14 date of this Order. Notwithstanding the above, the assets of Defendants frozen by
15 this section shall not include monies earned after September 28, 2010, so long as
16 that income is not derived from any activity prohibited by this Order or from any
17 other violation of Section 5(a) of the FTC Act, 15 U.S. C. 45(a) or any violation of
18 any provision of the TSR or any other violation of law, *provided that*:

19 1. Within three (3) days of a request from the FTC, Defendants
20 shall provided detailed information about any ongoing business or
21 source of funds, including identification of clients within three (3)
22 days of receiving any payment, and including provision of current
23 scripts and contracts;

24 2. On a monthly basis each Defendant shall submit to the FTC a
25 sworn statement reporting on all income received or earned the
26 previous month from whatever source. Any acquisition or
27 expenditures of \$1,000 or more shall be reported to Plaintiff within
28 three (3) days of the acquisition or expenditure.

1 3. The FTC reserves the right to apply to the Court for further
2 relief pertaining to monies earned or assets acquired by any Defendant
3 after September 28, 2010.
4

5 **V. Repatriation of Assets and Documents**

6 **IT IS FURTHER ORDERED** that, if they have not already done so
7 pursuant to the Temporary Restraining Order, Defendants shall:

8 A. Within three (3) business days following service of this Order,
9 provide Plaintiff with a full accounting of all documents and assets that are located
10 outside of the territory of the United States of America or that are held by or for
11 any Defendant or are under any Defendant's direct or indirect control, jointly,
12 severally, or individually, including the addresses and names of any foreign or
13 domestic financial institution or other entity holding the documents and assets,
14 along with the account numbers and balances;

15 B. Hold and retain all such documents and assets and prevent any
16 transfer, disposition, or dissipation whatsoever of any such documents or assets in
17 full compliance with **Section IV (Asset Freeze)** of this Order until further Order of
18 this Court; and

19 C. Provide Plaintiff access to Defendants' records and documents held
20 by financial institutions or other entities outside the territorial United States, by
21 signing and delivering to Plaintiff's counsel the Consent to Release of Financial
22 Records attached to this Order as **Attachment A**.
23

24 **VI. Financial Statements and Accounting**

25 **IT IS FURTHER ORDERED** that, within 72 hours following the service
26 of this Order, each Defendant that has not already done so shall prepare and
27 deliver to counsel for the Commission a financial statement as follows:
28

1 A. Each Individual Defendant shall, for him or herself, prepare and
2 deliver to counsel for the Commission:

3 1. A completed financial statement on the form captioned
4 “Financial Statement of Individual Defendant,” which is attached to
5 this Order as **Attachment B**; and

6 2. For each business entity he or she owns, controls, operates or of
7 which he is an officer, and for each trust of which he or she is a
8 trustee, complete and deliver the “Financial Statement of Corporate
9 Defendant” that is attached to this order as **Attachment C**.

10 B. Each Corporate Defendant shall complete and deliver the “Financial
11 Statement of Corporate Defendant” that is attached to this Order as **Attachment C**,
12 provided that any corporate Defendant need not separately complete this form if it
13 is provided for the Corporate Defendant by an Individual Defendant pursuant to
14 this section;

15 C. A Financial Statement shall be completed for each Defendant and for
16 each business entity under which that Defendant conducts business, or of which
17 that Defendant is an officer, and for each trust for which that Defendant is a
18 trustee. The Financial Statements shall be accurate as of date of the entry of this
19 Order and shall be verified under oath; and

20 D. Each Defendant shall also file with the Court a Proof of Service
21 certifying compliance with this paragraph.

22 E. Each Defendant shall also prepare and deliver to counsel for the FTC
23 a completed statement, verified under oath:

24 1. specifying the name and address of each financial institution
25 and brokerage firm at which the Defendant has accounts or safe
26 deposit boxes. Said statements shall include assets held in foreign as
27 well as domestic accounts; and
28

1 C. Creating, operating, or exercising any control over any new business
2 entity, whether newly formed or previously inactive, including any partnership,
3 limited partnership, joint venture, sole proprietorship, or corporation, without first
4 providing Plaintiff with a written statement disclosing: (1) the name of the business
5 entity; (2) the address and telephone number of the business entity; (3) the names
6 of the business entity's officers, directors, principals, managers, and employees;
7 and (4) a detailed description of the business entity's intended activities.

8 9 **VIII. Preservation of Existing Records**

10 **IT IS FURTHER ORDERED** that Defendants, and each of their
11 successors, assigns, members, officers, agents, servants, employees, and those
12 persons in active concert or participation with them who receive actual notice of
13 this Order by personal service or otherwise, whether acting directly or through any
14 entity, corporation, subsidiary, division, affiliate, or other device, are hereby
15 temporarily restrained and enjoined from destroying, erasing, mutilating,
16 concealing, altering, transferring, or otherwise disposing of, in any manner,
17 directly or indirectly, any contracts, accounting data, correspondence, email,
18 advertisements, computer tapes, discs, or other computerized storage media, books,
19 written or printed records, handwritten notes, telephone logs, telephone scripts,
20 recordings, receipt books, ledgers, personal or business cancelled checks or check
21 registers, bank statements, appointment books, copies of federal, state or local
22 business or personal income or property tax returns, or other documents or records
23 of any kind that relate to the business practices or business or personal finances of
24 Defendants, individually or jointly.

1 **SERVICE OF DOCUMENTS, DISTRIBUTION &**
2 **MISCELLANEOUS**

3 **IX. Service of this Order**

4 **IT IS FURTHER ORDERED** that copies of this Order may be distributed
5 by U.S. first class mail, overnight delivery, facsimile, electronic mail, or
6 personally, by agents or employees of Plaintiff, by any law enforcement agency, or
7 by private process server, upon any Person, Financial Institution, or other entity
8 that may have possession or control of any property, property right, document, or
9 asset of any Defendant, or that may be subject to any provision of this Order.
10 Service upon any branch or office of any Financial Institution or entity shall effect
11 service upon the entire financial institution or entity. For purposes of service on
12 anyone in possession of records, assets, property or property rights, actual notice of
13 this Order shall be deemed complete upon service of pages 1 through 17 of this
14 Order.

15 **X. Bankruptcy Petitions**

16 **IT IS FURTHER ORDERED** that the Defendants are hereby prohibited
17 from filing, or causing to be filed, a petition for relief under the United States
18 Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior permission from this
19 Court.
20

21 **XI. Monitoring**

22 **IT IS FURTHER ORDERED** that agents or representatives of the FTC
23 may contact Defendants or Defendants' agents or representatives directly and
24 anonymously for the purpose of monitoring compliance with Paragraph I of this
25 Order, and may tape record any oral communications that occur in the course of
26 such contacts.
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XV. Retention of Jurisdiction

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 14th day of October, 2010



The Honorable Josephine Staton Tucker
United States District Judge

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