

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

Bureau of Consumer Financial
Protection, et al.,

Plaintiffs,

v.

Consumer Advocacy Center Inc., d/b/a
Premier Student Loan Center, et al.,

Defendants.

CASE NO. 8:19-cv-01998 MWF (KS)

**STIPULATED FINAL
JUDGMENT AND ORDER AS TO
RELIEF DEFENDANT JUDY DAI**

Court: Hon. Michael W. Fitzgerald
Courtroom 5A

**STIPULATED FINAL JUDGMENT AND ORDER AS TO RELIEF
DEFENDANT JUDY DAI**

Plaintiffs the Bureau of Consumer Financial Protection (Bureau), the State of Minnesota, the State of North Carolina, and the People of the State of California (collectively, Plaintiffs) commenced this civil action on October 21, 2019, filed an amended complaint on February 24, 2020, and a second amended complaint (Second Amended Complaint) on April 20, 2021, to obtain

1 permanent injunctive relief, damages, rescission or reformation of contracts,
2 refunds of moneys paid, restitution, disgorgement or compensation for unjust
3 enrichment, civil money penalties, and other monetary and equitable relief
4 from: (1) Defendants Consumer Advocacy Center Inc., d/b/a Premier Student
5 Loan Center; True Count Staffing Inc., d/b/a SL Account Management; Prime
6 Consulting LLC, d/b/a Financial Preparation Services; TAS 2019 LLC, d/b/a
7 Trusted Account Services; Horizon Consultants LLC; First Priority LLC, d/b/a
8 Priority Account Management; Albert Kim; Kaine Wen in his individual
9 capacity and as trustee of the Kaine Wen 2017 Trust; and Tuong Nguyen; and
10 (2) Relief Defendants Infinite Management Corp., f/k/a Infinite Management
11 Solutions Inc.; Hold the Door, Corp.; TN Accounting Inc.; Mice and Men LLC;
12 Sarah Kim; 1st Generation Holdings, LLC; Anan Enterprise, Inc.; and Judy Dai
13 in her individual capacity and as trustee of the Judy Dai 2017 Trust.

14 The Second Amended Complaint alleges violations of sections 1031(a)
15 and 1036(a) of the Consumer Financial Protection Act of 2010 (CFPA), 12
16 U.S.C. §§ 5531(a), 5536(a); the Telemarketing and Consumer Fraud and Abuse
17 Prevention Act (TCFAPA), 15 U.S.C. § 6102(c)(2), based on alleged violations
18 of the Telemarketing Sales Rule (TSR), 16 C.F.R. pt. 310; the Minnesota
19 Prevention of Consumer Fraud Act (MNPCFA), Minn. Stat. § 325F.68-.694;
20 the Minnesota Uniform Deceptive Trade Practices Act (MNUDTPA), Minn.
21 Stat. §§ 325D.43-.48; the North Carolina Debt Adjusting Act (NCDAA), N.C.
22 Gen. Stat. § 14-423 *et seq.*; the North Carolina Telephonic Seller Registration
23 Act (NCTSRA), N.C. Gen. Stat. § 66-260 *et seq.*; the North Carolina Unfair and
24 Deceptive Practices Act (NCUDPA), N.C. Gen. Stat. § 75-1.1; and the
25 California Unfair Competition Law (CAUCL), Cal. Bus. & Prof. Code § 17200
26 *et seq.* in connection with the above-named defendants' marketing and sale of
27 debt-relief services. The Second Amended Complaint also includes claims for
28

1 avoidance of fraudulent transfers under the Federal Debt Collection Procedures
2 Act, 28 U.S.C. §§ 3001-3308, and the California Uniform Voidable
3 Transactions Act, Cal Civ. Code §§ 3439-3439.14.

4 The Plaintiffs and Relief Defendant Judy Dai (Settling Relief Defendant)
5 agree to entry of this Stipulated Final Judgment and Order (Order), without
6 adjudication of any issue of fact or law, to settle and resolve any claims
7 Plaintiffs might bring against Settling Relief Defendant either: (1) under the
8 CFPA, TCFAPA, TSR, MNPCFA, MNUDTPA, NCDAA, NCTSRA,
9 NCUDPA, and CAUCL related to the student loan debt relief operation
10 described in the Second Amended Complaint; or (2) based on the transfers
11 alleged at Paragraphs 220- 223, 227, 246, and 250 of the Second Amended
12 Complaint.

13 **THEREFORE, IT IS ORDERED:**

14 **FINDINGS**

15 1. This Court has jurisdiction over the parties and the subject matter
16 of this action.

17 2. Settling Relief Defendant neither admits nor denies the allegations
18 in the Second Amended Complaint, except as specifically stated herein. For
19 purposes of this Order, Settling Relief Defendant admits the facts necessary to
20 establish the Court's jurisdiction over Settling Relief Defendant and the subject
21 matter of this action.

22 3. Settling Relief Defendant waives all rights to seek judicial review
23 or otherwise challenge or contest the validity of this Order and any claim she
24 may have under the Equal Access to Justice Act, 28 U.S.C § 2412, concerning
25 the prosecution of this action to the date of this Order. Each Party agrees to bear
26 its own costs and expenses, including, without limitation, attorneys' fees.

27 4. Entry of this Order is in the public interest.
28

1 **DEFINITIONS**

2 The following definitions apply to this Order:

3 5. “Affected Consumers” includes any consumer who paid
4 Defendants or their officers, agents, servants, employees, or attorneys for any
5 Debt-Relief Service from November 2, 2015, to October 23, 2019.

6 6. “Assets” means any legal or equitable interest in, right to, or claim
7 to any real, personal, or intellectual property owned or controlled by, or held, in
8 whole or in part for the benefit of, or subject to access by any Defendant or
9 Relief Defendant, wherever located, whether in the United States or abroad.
10 This includes, but is not limited to, chattel, goods, instruments, equipment,
11 fixtures, general intangibles, effects, leaseholds, contracts, mail or other
12 deliverables, shares of stock, commodities, futures, inventory, checks, notes,
13 accounts, credits, receivables (as those terms are defined in the Uniform
14 Commercial Code), funds, cash, and trusts.

15 7. “Bureau” means the Bureau of Consumer Financial Protection.

16 8. “Defendants” means Corporate Defendants and Individual
17 Defendants, individually, collectively, or in any combination, and each of them
18 by whatever names each might be known;

19 a. “Corporate Defendants” means Consumer Advocacy Center
20 Inc., True Count Staffing Inc., Prime Consulting LLC, TAS 2019
21 LLC, Horizon Consultants LLC, and First Priority LLC,
22 collectively, or in any combination, and their successors and
23 assigns, and each of them by any other names by which they might
24 be known, including South Coast Financial Center, Direct Account
25 Services, Financial Loan Advisors, Account Preparation Services,
26 Administrative Financial, Tangible Savings Solutions, Coastal
27 Shores Financial Group, First Choice Financial Centre (a/k/a First
28

1 Choice Financial Center), Administrative Account Services,
2 Primary Account Solutions, Prime Document Services, Financial
3 Accounting Center, Doc Management Solutions, ALW Loans,
4 Administrative Accounting Center, Best Choice Financial Center,
5 First Document Services, Global Direct Accounting Solutions,
6 Keystone Document Center, Pacific Palm Financial Group, Pacific
7 Shores Advisory, Sequoia Account Management, Signature Loan
8 Solutions, Yellowstone Account Services, ClearStudentLoanDebt,
9 Clear Student Loan Debt, Trusted Account Services, Premier
10 Student Loan Center, and Priority Account Management;

11 b. “Individual Defendants” means Albert Kim, a/k/a Albert
12 King; Kaine Wen, a/k/a Wenting Kaine Dai, Wen-Ting Dai, Wen
13 Ting Dai, Kaine Dai, and Kaine Wen Dai, in his individual
14 capacity and as trustee of the Kaine Wen 2017 Trust; and Tuong
15 Nguyen, a/k/a Tom Nelson, collectively, or in any combination,
16 and each of them by any other names by which they might be
17 known;

18 c. “Receivership Defendants” means True Count Staffing Inc.,
19 Prime Consulting LLC, TAS 2019 LLC, Horizon Consultants
20 LLC, and First Priority LLC, collectively, or in any combination,
21 and their successors and assigns;

22 d. “Relief Defendants” means:

23 i. Infinite Management Corp., f/k/a Infinite
24 Management Solutions Inc.; Hold the Door, Corp.; TN
25 Accounting Inc.; Mice and Men LLC; 1st Generation
26 Holdings, LLC; and Anan Enterprise, Inc., collectively, or in
27 any combination, and their successors and assigns, and each
28

1 of them by any other names by which they might be known;
2 and

3 ii. Sarah Kim and Judy Dai, in her individual capacity
4 and as trustee of the Judy Dai 2017 Trust, and any other
5 names by which each of them might be known.

6 9. “Debt-Relief Service” means any program or service represented,
7 directly or by implication, to renegotiate, settle, or in any way alter the terms of
8 payment or other terms of the debt between a consumer and one or more
9 unsecured creditors or debt collectors, including but not limited to, a reduction
10 in the balance, interest rate, or fees owed by a consumer to an unsecured
11 creditor or debt collector.

12 10. “Effective Date” means the date on which this Order is entered by
13 the Court.

14 11. “Enforcement Director” means the Assistant Director of the Office
15 of Enforcement for the Bureau of Consumer Financial Protection, or his or her
16 delegate.

17 12. “Light Street Asset” means the investment in the Light Street
18 Argon, L.P Series A2 A/O fund that Settling Relief Defendant currently holds
19 in an investment account, account number ending in 50 2X, in the name of the
20 Judy Dai 2017 Trust at UBS Financial Services Inc.

21 13. “Person” means an individual, partnership, company, corporation,
22 association (incorporated or unincorporated), trust, estate, cooperative
23 organization, or other entity.

24 14. “Plaintiffs” means the Bureau of Consumer Financial Protection,
25 the State of Minnesota, the State of North Carolina, and the People of the State
26 of California, collectively, or in any combination.

1 wire transfer to the Bureau or the Bureau's agent, and according
2 to the Bureau's wiring instructions, \$88,381.80; and

3 b. hereby grants to the Bureau all rights and claims that Settling
4 Relief Defendant has to \$3,000,000 worth of the Light Street
5 Asset as set forth in Paragraphs 17 and 20, and shall forfeit any
6 rights to this asset.

7 19. Within five business days of entry of this Order, Settling Relief
8 Defendant must instruct UBS Financial Services Inc. to liquidate the Light
9 Street Asset in accordance with the applicable investment terms and to the
10 extent that notice to liquidate the Light Street Asset has not already been
11 provided in a manner consistent with Paragraph VII.A of the Preliminary
12 Injunction issued on November 15, 2019 (ECF No. 103).

13 20. Within ten business days of liquidation of the Light Street Asset
14 and of receipt of a copy of this Order by any means, including but not limited to
15 via facsimile or email, UBS Financial Services Inc. shall transfer to the Bureau
16 or its designated agent the entire proceeds of the Light Street Asset liquidation,
17 up to but not exceeding \$3,000,000. If UBS Financial Services Inc. transfers
18 less than \$3,000,000 to the Bureau under this Section, Settling Relief Defendant
19 must transfer to the Bureau the difference between the amount UBS Financial
20 Services Inc. transferred and \$3,000,000, up to but not exceeding \$500,000.
21 Settling Relief Defendant must make this transfer to the Bureau within five
22 business days of UBS Financial Services Inc. transferring the proceeds of the
23 Light Street Asset liquidation to the Bureau. UBS Financial Services Inc. and
24 Settling Relief Defendant shall make all transfers required by this Paragraph to
25 the Bureau or the Bureau's designated agent according to the Bureau's wiring
26 instructions.

1 fullest extent permitted by law and no part of the funds or other Assets may be
2 returned to Settling Relief Defendant.

3 27. The facts alleged against Settling Relief Defendant in the Second
4 Amended Complaint will be taken as true and given collateral estoppel effect,
5 without further proof, in any proceeding based on the entry of the Order, or in
6 any subsequent civil litigation by or on behalf of the Plaintiffs, including in a
7 proceeding to enforce their rights to any payment or monetary judgment under
8 this Order, such as a non-dischargeability complaint in any bankruptcy case.

9 28. The facts alleged in the Second Amended Complaint establish all
10 elements necessary to sustain an action by the Plaintiffs under section
11 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and for such
12 purposes this Order will have collateral estoppel effect against Settling Relief
13 Defendant, even in her capacity as a debtor-in-possession.

14 29. Under 31 U.S.C. § 7701, Settling Relief Defendant, unless she has
15 already done so, must furnish to Plaintiffs any taxpayer-identification numbers
16 associated with her, which may be used for purposes of collecting and reporting
17 on any delinquent amount arising out of this Order.

18 30. Within thirty days of the entry of a final judgment, order, or
19 settlement in a Related Consumer Action, Settling Relief Defendant must notify
20 the Enforcement Director of the final judgment, order, or settlement in writing.
21 That notification must indicate the amount of redress, if any, that the Settling
22 Relief Defendant paid or is required to pay to consumers and describe the
23 consumers or classes of consumers to whom that redress has been or will be
24 paid.

1 **III**

2 **Lifting of Asset Freeze**

3 **It is FURTHER ORDERED that:**

4 31. The freeze on the Assets listed in Paragraphs 17-20 is modified to
5 permit the payments and other transfers of Assets identified in Section I of this
6 Order. Upon completion of all payments and other obligations identified in
7 Section I of this Order, the freeze of the Assets listed at Paragraphs 17-20 and
8 of the Assets held in the Judy Dai 2017 Trust account ending in 50 2X at UBS
9 Financial Services Inc. pursuant to the Preliminary Injunction entered on
10 November 15, 2019 (ECF No. 103), shall be dissolved.

11 **COMPLIANCE PROVISIONS**

12 **IV**

13 **Reporting Requirements**

14 **It is FURTHER ORDERED that:**

15 32. Within seven days of the Effective Date, Settling Relief Defendant
16 must designate at least one telephone number and email, physical, and postal
17 address as points of contact, which Plaintiffs may use to communicate with her.

18 33. For five years from the Effective Date or until such time as a final
19 judgment is entered as to Defendant Kaine Wen, whichever is longer, Settling
20 Relief Defendant must report any change in the information required to be
21 submitted under Paragraph 32 at least 30 days before the change or as soon as
22 practicable after learning about the change, whichever is sooner.

23 34. Until such time as a final judgment is entered as to Defendant
24 Kaine Wen and he has fully complied with all monetary provisions of such
25 judgment, Settling Relief Defendant must report, within seven days of the end
26 of each quarter, any Asset that Defendant Wen transfers to or provides for
27 Settling Relief Defendant's benefit, directly or indirectly, if the aggregate value
28

1 of such transfers exceeds \$500 for that quarter, including:

- 2 a. a detailed description of the nature of the asset transferred;
- 3 b. the value or estimated value of the asset transferred, including all
4 applicable measures of its value (e.g., currency denomination and
5 amount, appraisal, acquisition value, estimate in dollars); and
- 6 c. a description of how the asset was transferred, including
7 identifying the names of all individuals, the financial institution
8 and accounts, and all other identifying information associated
9 with each transfer.

10 V

11 Recordkeeping

12 **It is FURTHER ORDERED that:**

13 35. Settling Relief Defendant must create and maintain, for at least 5
14 years from the Effective Date or until such time as a final judgment is entered
15 as to Defendant Kaine Wen, whichever is longer, the following records:

- 16 a. All documents and records necessary to demonstrate full
17 compliance with each provision of this Order, including all
18 submissions to the Bureau; and
- 19 b. All documents and records pertaining to any transfer Settling
20 Relief Defendant must report under Paragraph 34 of this Order.

21 Settling Relief Defendant must make these documents available to any
22 Plaintiff upon the Plaintiff's request.

23 VI

24 Notices

25 **It is FURTHER ORDERED that:**

26 36. Unless otherwise directed in writing by the Bureau, Settling Relief
27 Defendant must provide all submissions, requests, communications, or other
28

1 documents relating to this Order in writing, with the subject line, “*CFPB, et al.,*
2 *v. CAC, et al.,* Case No. 8:19-cv-01998-MWF-KS” and send them by overnight
3 courier or first-class mail to the below address and contemporaneously by email
4 to Enforcement_Compliance@cfpb.gov:

5 Assistant Director for Enforcement
6 Bureau of Consumer Financial Protection
7 ATTENTION: Office of Enforcement
8 1700 G Street N.W.
9 Washington, D.C. 20552

10 37. Unless otherwise directed by a representative of the State of
11 Minnesota in writing, all submissions to the State of Minnesota pursuant to this
12 Order must be sent by overnight courier or first-class mail to the below address
13 and contemporaneously by email to evan.romanoff@ag.state.mn.us:

14 Evan Romanoff, Assistant Attorney General
15 Office of the Minnesota Attorney General
16 445 Minnesota Street, Suite 1200
17 St. Paul, Minnesota 55101

18 38. Unless otherwise directed by a representative of the State of North
19 Carolina in writing, all submissions to the State of North Carolina pursuant to
20 this Order must be sent by overnight courier or first-class mail to the below
21 address and contemporaneously by email to lweaver@ncdoj.gov:

22 M. Lynne Weaver, Special Deputy Attorney General
23 North Carolina Department of Justice
24 114 W. Edenton Street
25 Raleigh, North Carolina 27603

26 39. Unless otherwise directed by the State of California in writing, all
27 submissions to the State of California pursuant to this Order must be sent by
28

1 overnight courier or first-class mail to the below address and
2 contemporaneously by email to christina.tusan@lacity.org:

3 Christina Tusan
4 Supervising Deputy City Attorney
5 Los Angeles City Attorney's Office
6 200 N. Main Street, 5th Floor
7 Los Angeles, CA 90012

8 **VII**

9 **Cooperation with Plaintiffs**

10 **It is FURTHER ORDERED that:**

11 40. Settling Relief Defendant must cooperate fully with Plaintiffs in
12 this matter and in any investigation or litigation related to or associated with the
13 conduct described in the Second Amended Complaint. Settling Relief
14 Defendant must provide truthful and complete information, evidence, and
15 testimony. Settling Relief Defendant must appear for interviews, discovery,
16 hearings, trials, and any other proceedings that any Plaintiff may reasonably
17 request upon ten days written notice, or other reasonable notice, at such places
18 and times as Plaintiff may designate, without the service of compulsory process.

19 41. Settling Relief Defendant must cooperate fully to help Plaintiffs
20 determine the identity, location, and contact information of any Defendant and
21 any Person who might have contact information for any Defendant, and the
22 identity and location of Assets of any Defendant. Settling Relief Defendant
23 must provide such information in her or her agents' possession or control within
24 fourteen days of receiving a written request from any Plaintiff.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

VIII

Compliance Monitoring

It is FURTHER ORDERED that, to monitor Settling Relief Defendant’s compliance with this Order:

42. Within fourteen days of receipt of a written request from any Plaintiff, Settling Relief Defendant must submit the requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

43. For purposes of this Section, Plaintiffs may communicate directly with Settling Relief Defendant, unless the Settling Relief Defendant retains counsel related to these communications.

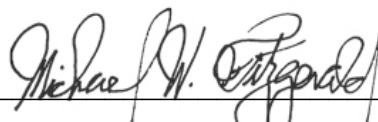
IX

Retention of Jurisdiction

It is FURTHER ORDERED that:

44. The Court will retain jurisdiction of this matter for the purpose of enforcing this Order.

It is **SO ORDERED**, this 15th day of June, 2021.



MICHAEL W. FITZGERALD

United States District Judge