UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, et al.,

Plaintiffs,

v.

GREEN EQUITABLE SOLUTIONS, et al.,

Defendants.

Case No. 2:22-cv-06499-FLA (MARx)

ORDER GRANTING PLAINTIFFS' APPLICATION FOR DEFAULT JUDGMENT [DKT. 250]

RULING

Before the court is Plaintiffs the Federal Trade Commission ("FTC") and California Department of Financial Protection and Innovation's ("DFPI") (collectively, "Plaintiffs") Application for Default Judgment ("Application") against Defendants Green Equitable Solutions, South West Consulting Enterprising, Inc., Apex Consulting & Associates, Infocom Entertainment Ltd., Inc., Equity Relief Funding, Inc., Advent Consulting, Inc. (collectively, "Corporate Defendants") and Relief Defendant MostCap Enterprises ("Relief Defendant").[1] Dkt 250. ("Appl."). On September 20, 2023, the court found this matter appropriate for resolution without oral argument and vacated the hearing set for September 22, 2023. Dkt. 261; *see* Fed. R. Civ. P. 78(b); Local Rule 7-15.

For the reasons stated below, the court GRANTS Plaintiffs' Application and ENTERS default judgment in Plaintiffs' favor.

BACKGROUND

"The general rule of law is that upon default the factual allegations of the complaint, except those relating to the amount of damages, will be taken as true." *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987) (citation and quotation marks omitted). Thus, for purposes of the subject Application, the court takes as true the following facts pleaded in the Complaint:

The Corporate and Individual Defendants operated a fraudulent mortgage assistance relief services scam through a web of fictitious entities, despite having been the subject of prior law enforcement actions. Dkt. 43 ("FAC") ¶¶ 8-13, 19-26. The Corporate Defendants used the same office spaces, shared employees and nearly

[1] Plaintiffs also sued individual Defendants Michael Nabati, Armando Solis Barron, Dominic Ahiga, and Roger Scott Dyer ("Individual Defendants"). The court refers to the Corporate Defendants, the Individual Defendants, and Relief Defendant collectively as "Defendants." The court granted summary judgment in Plaintiffs' favor against the Individual Defendants on February 2, 2024. Dkt. 323.

identical advertising materials, and commingled funds. *Id.* ¶¶ 14-17, 27-29, 54. The Corporate and Individual Defendants marketed their services by calling homeowners, including those registered on the National Do Not Call Registry, and representing that, in exchange for large sums of upfront payments, the homeowner's mortgage interest rates and/or principal balances would be reduced. *Id.* ¶¶ 3, 31-36, 38-42, 44. The Corporate and Individual Defendants also represented that the consumer's homes could not foreclosed on while payments were being made, that the consumer need not continue making his or her regular mortgage payments and should not contact their mortgage provider, and that the "services" were associated with government-backed Covid-19 relief assistance programs. *Id.* ¶¶ 31-49, 66, 81, 83, 107. Thousands of homeowners enrolled in the scheme and made payments via personal check, cashier's checks, money orders, wire transfers, Zelle, Stripe, and other methods. *Id.* ¶¶ 50-51. The homeowners rarely, if ever, received the agreed-upon services in return. *Id.* ¶¶ 52-53.

Plaintiffs initiated this action on September 12, 2022, and filed the operative First Amended Complaint on October 28, 2022, alleging causes of action for violations of the: (1) Federal Trade Commission Act ("FTC Act"); (2) Mortgage Assistance Relief Services ("MARS") Act; (3) Telemarketing Sales Rule ("TSR"); (4) Covid-19 Consumer Protection Act ("CCPA"); and (5) California Consumer Financial Protection Law ("CCFPL"). *See generally* FAC. The Corporate Defendants have not answered or responded to Plaintiffs' FAC, or otherwise appeared in the action. The court clerk entered default against the Corporate Defendants on January 4, 2023, and against Relief Defendant on July 17, 2023.[2] Dkts. 104, 220.

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[2] Relief Defendant filed its answer to the FAC on January 5, 2023. Dkt. 107. Counsel for Relief Defendant later sought and obtained permission to withdraw, and the court subsequently ordered Relief Defendant to file a notice appearance of new counsel within 30 days. Dkt. 183. On July 17, 2023, after Relief Defendant failed to retain counsel or respond to the court's order to show cause why it should not enter default

DISCUSSION

I. Procedural Requirements

In this district, an application for a default judgment must be accompanied by a declaration in compliance with Fed. R. Civ. P. 55(b)(1) and (2), and include the following:

> (a) When and against what party the default was entered;
> (b) The identification of the pleading to which default was entered;
> (c) Whether the defaulting party is an infant or incompetent person, and if so, whether that person is represented by a general guardian, committee, conservator or other representative;
> (d) That the Servicemembers Civil Relief Act (50 U.S.C. App. § 521) does not apply; and
> (e) That notice has been served on the defaulting party, if required by [Fed. R. Civ. P.] 55(b)(2).

Local Rule 55-1.

The Application and supporting materials state: (a) default was entered against the Corporate Defendants on January 4, 2023, and against Relief Defendant on July 17, 2023; (b) default was entered by a clerk of the court on the operative First Amended Complaint; (c) the Corporate Defendants and Relief Defendant are corporate entities, and thus, are believed not to be minors or incompetent persons; (d) the Servicemembers Civil Relief Act does not apply to this action; and (e) Plaintiffs timely served notice of this motion on Relief Defendant, as it previously appeared in this action. *See* Dkt. 250-3 ("Layugan Decl.") ¶¶ 7, 17, 20-23. As the Corporate Defendants have not appeared in this action, Plaintiffs were excused from serving them with written notice of the Application for Default Judgment. *See* Fed. R. Civ. P. 55(b)(2) ("If the party against whom a default judgment is sought has appeared personally or by a representative, that party or its representative must be served with

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against Relief Defendant, the court determined Relief Defendant was no longer defending this action and directed the court clerk to enter default against Relief Defendant. Dkts. 219, 220.

written notice of the application at least 7 days before the hearing.").

Accordingly, the court finds Plaintiffs have met the procedural requirements of Local Rule 55-1.

II. Default Judgment Legal Standard

The court clerk is generally authorized to enter a default judgment at a plaintiff's request against a defendant without a court hearing or judicial action if the claim is for "a sum certain or a sum that can be made certain by computation." Fed. R. Civ. P. 55(b)(1) ("Rule 55"). In all other cases, the plaintiff must apply to the court for a default judgment. Fed. R. Civ. P. 55(b)(2).

Rule 55 gives the court considerable discretion as to what it may require as a prerequisite to the entry of a default judgment. *TeleVideo*, 826 F.2d at 917. "The court may conduct hearings or make referrals—preserving any federal statutory right to a jury trial—when, to enter or effectuate judgment, it needs to: (A) conduct an accounting; (B) determine the amount of damages; (C) establish the truth of any allegation by evidence; or (D) investigate any other matter." Fed. R. Civ. P. 55(b)(2) (paragraph breaks omitted). "The general rule of law is that upon default the factual allegations of the complaint, except those relating to the amount of damages, will be taken as true.'" *TeleVideo*, 826 F.2d at 917-18 (citation and quotation marks omitted). However, facts which are not established by the pleadings or claims which are not well-pleaded cannot support a default judgment. *Alan Neuman Prods., Inc. v. Albright*, 862 F.2d 1388, 1393 (9th Cir. 1988).

"Factors which may be considered by courts in exercising discretion as to the entry of a default judgment include: (1) the possibility of prejudice to the plaintiff, (2) the merits of plaintiff's substantive claim, (3) the sufficiency of the complaint, (4) the sum of money at stake in the action[,] (5) the possibility of a dispute concerning material facts[,] (6) whether the default was due to excusable neglect, and (7) the strong policy underlying the Federal Rules of Civil Procedure favoring decisions on the merits." *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir. 1986).

III. Analysis of *Eitel* Factors

A. Possibility of Prejudice to Plaintiff

First, Plaintiffs contend they will be prejudiced if their Application for Default Judgment is not granted. Appl. at 3. The court agrees. Taking the factual allegations of the FAC as true, the Corporate Defendants and Relief Defendant unlawfully obtained large sums of money and assets from consumers as a result of a fraudulent mortgage assistance relief scheme. Without entry of default judgment, Plaintiffs will be without legal recourse to recover these assets or to prevent these entities from reengaging in violative behavior. *See PepsiCo, Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002) ("If Plaintiffs' motion for default judgment is not granted, Plaintiffs will likely be without other recourse for recovery."). Further, Plaintiffs will be prejudiced by their inability to enforce the consumer protection laws they are legislatively mandated to impose. *See* 15 U.S.C. §§ 41 et seq.; 16 C.F.R. Part 310; 12 C.F.R. Part 1015; Public Law 116260, 134 Stat 1182, Title XIV, Section 1401; Cal. Bus. Prof. Code §§ 90000 *et seq*. Thus, the first *Eitel* factor favors entry of default judgment.

B. Merits of Plaintiffs' Claims and Sufficiency of the Complaint

The second and third *Eitel* factors are: (2) the merits of Plaintiffs' substantive claim; and (3) the sufficiency of the complaint. *Eitel*, 782 F.2d at 1471-72. The Ninth Circuit has suggested that these two factors require a plaintiff to "state a claim on which the [plaintiff] may recover." *Danning v. Lavine*, 572 F.2d 1386, 1388 (9th Cir. 1978). As stated, on an application for default judgment, the factual allegations of the complaint are taken generally as true, except those relating to the amount of damages. *TeleVideo*, 826 F.2d at 917-18. However, facts not established by the pleadings or claims which are not well-pleaded cannot support a default judgment. *Alan Neuman,* 862 F.2d at 1393. Therefore, before granting judgment for Plaintiff, the court must evaluate whether the allegations in the Complaint sufficiently establish the merits of Plaintiffs' claims. *See Danning*, 572 F.2d at 1388.

Taking the facts alleged as true, the Corporate Defendants marketed what appeared to be a legitimate mortgage assistance relief services scheme, and knowingly induced thousands of consumers to wire money to obtain lowered interest rates and principal balances on their home mortgages. In contrast to what was advertised, however, these consumers received nothing in return.

First, the Corporate Defendants acted as a common enterprise. "Where one or more corporate entities operate in common enterprise, each may be held liable for the deceptive acts and practices of the others." *FTC v. John Beck Amazing Profits, LLC*, 865 F. Supp. 2d 1052, 1082 (C.D. Cal. 2012). In making this determination, the court looks to four factors: "(1) common control; (2) sharing office space and offices; (3) whether business is transacted through a 'maze of interrelated companies'; and (4) commingling of funds." *Id.* Here, Plaintiffs have demonstrated the Corporate Defendants were under the common control of the Individual Defendants; comingled funds; shared office space; and transacted business through a maze of interrelated companies which carried out the same business functions, used the same employees, and relied upon almost identical advertising and marketing materials. FAC ¶¶ 14-17, 27-29, 54.

Next, Plaintiffs have properly alleged the Corporate Defendants, acting as a common enterprise, and Relief Defendant violated various federal and state laws.

1. FTC Act

The FTC Act prohibits "unfair or deceptive acts of practices in or affecting commerce." *FTC v. Pantron I Corp.*, 33 F.3d 1088, 1095 (9th Cir. 1994). An act is deceptive if "first, there is a representation, omission, or practice that, second, is likely to mislead consumers acting reasonably under the circumstances, and third, the representation, omission, or practice is material." *FTC v. Gill*, 265 F.3d 944, 950 (9th Cir. 2001). Plaintiffs allege the Corporate Defendants made several material false representations that were likely to mislead reasonable consumers, and in fact, did mislead such consumers, including that: the Corporate Defendants would obtain

mortgage loan modifications for consumers to make payments more affordable; lower their interest rates or principal amounts due; the Corporate Defendants were associated with a government relief assistance plan; consumers who purchased these services were not obligated to or should not continue to make mortgage payments to their lenders; consumers who purchased the Corporate Defendants' services were protected from foreclosure; and consumers were entitled to a money-back guarantee. FAC ¶¶ 31-48, 51-53, 66-69. Accordingly, the court finds Plaintiffs have demonstrated sufficiently that the Corporate Defendants violated the FTC Act.

2. MARS Rule

The MARS Rule prohibits mortgage assistance relief providers, seeking to obtain relief on a consumer's behalf, from making false or misleading claims about their services. 12 C.F.R. § 1015.5. The MARS Rule also requires providers to make certain disclosures to clients prior to providing relief services. 12 C.F.R. §§ 1015.4(b)(1)-(3), (c). For the same reasons articulated above, and additionally because Plaintiffs have established the Corporate Defendants illegally instructed clients not to contact their lenders, mispresented various aspects of their services, and failed to make any requisite disclosures, the court finds Plaintiffs have demonstrated sufficiently that the Corporate Defendants violated the MARS Rule.

3. TSR

The TSR requires telemarketers to pay a fee to access the National Do Not Call Registry and prohibits telemarketers from contacting consumers registered on the list. 16 C.F.R. §§ 310.8, 310.4(b)(1)(iii)(B). Here, Plaintiffs allege the Corporate Defendants marketed their services by making unsolicited telemarketing calls to consumers, include those on the National Do Not Call Registry. FAC ¶¶ 32, 38, 101, 103. Thus, Plaintiffs have sufficiently shown the Corporate Defendants violated the TSR.

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4. CCPA

The CCPA prohibits any "deceptive act or practice . . . that is associated with . . . a government benefit related to COVID-19." Pub. L. No. 116-260, 134 Stat. 1182, Title XIV, Section 1401(b)(2). Plaintiffs claim the Corporate Defendants regularly told consumers they were able to provide these fraudulent services as part of a government-backed program related to COVID-19 relief. FAC ¶¶ 33, 37, 41-42, 52-53, 107-09. Thus, the court finds the Corporate Defendants violated the CCPA.

5. CCFPL

Finally, the CCFPL prohibits certain "covered persons" from engaging "in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services." Cal. Fin. Code § 90003(a)(1). "Services to assist a consumer with … modifying the terms of any extension of credit[] or avoiding foreclosure," qualifies as a "financial product or service." Cal. Fin. Code § 90005(k)(8)(B). For the same reasons as above, Plaintiffs have alleged and shown that the Corporate Defendants engaged in unlawful, unfair, and deceptive practices with respect to financial services in violation of the CCFPL.

6. Relief Defendant

Plaintiffs also state sufficiently a claim for disgorgement, as they have alleged Relief Defendant received assets from the common enterprise to which it was not legitimately entitled. *See SEC v. World Capital Markets, Inc.*, 864 F.3d 996, 1004 (9th Cir. 2017) (To obtain disgorgement against a relief defendant, a plaintiff must show that the relief defendant "(1) received ill-gotten funds and (2) do[es] not have a legitimate claim to those funds."). Additionally, prior to its answer being stricken, Relief Defendant served discovery responses admitting it received funds from the Corporate Defendants and failing to proffer any legitimate claim to the funds it received. *See* Layugan Decl., ¶¶ 9, 12-13, Ex. 6.

Having found Plaintiffs adequately state a claim for relief, the second and third *Eitel* factors favor entry of default judgment.

C. Sum of Money at Stake

Fourth, the court considers "the amount of money at stake in relation to the seriousness of the [d]efendant's conduct." *PepsiCo*, 238 F. Supp. 2d at 1176*; see also Eitel*, 782 F.2d at 1471-72. This requires the court to assess whether the recovery sought is proportional to the harm caused by the defendant's conduct. *See Walters v. Statewide Concrete Barrier, Inc.*, No. 3:04-cv-02559-JSW, 2006 WL 2527776, *4 (N.D. Cal. Aug. 30, 2006) ("If the sum of money at issue is reasonably proportionate to the harm caused by the defendant's actions, then default judgment is warranted.").

1. Restitution and Disgorgement

Plaintiffs argue the Corporate Defendants should be jointly and severally liable for $15,891,536.97 in restitution and disgorgement, amounting to the total loss suffered by all customers of the fraudulent scheme, and $50,900 in disgorgement from Relief Defendant, totaling the ill-gotten funds received from the Corporate Defendants. App. at 23. Taking their allegations as true, Plaintiffs establish the Corporate Defendants engaged in a fraudulent scheme, which caused customers to lose approximately $15 million due to the Corporate Defendants' misrepresentations, and that Relief Defendant had no legitimate right to these funds. Accordingly, Plaintiffs' recoverable damages of $15,891,536.97 against the Corporate Defendants[3] and $50,900 against Relief Defendant are reasonably proportionate to the harm caused.

2. Civil Penalties

The DFPI is authorized to seek civil penalties under the CCFPL. Cal. Fin. Code §§ 90012(b)(8); 90012(c). The CCFPL provides for three tiers of penalties depending on the defendant's level of culpability. A first-tier penalty requires no showing of scienter, while second and third-tier penalties require a showing of recklessness or a

[3] Pursuant to the court's Order Granting Summary Judgment against Individual Defendants (Dkt. 323), the Individual Defendants and Corporate Defendants are jointly and severally liable for this restitution amount.

knowing violation of the CCFPL. Cal. Fin. Code § 90012(c)(1)(A)(i)-(iii).

Here, DFPI seeks a civil penalty in the amount of $3,095,000, representing a tier one, per diem penalty of $5,000 from the date DFPI acquired civil penalty authority (January 1, 2021) to the filing of Plaintiffs' Complaint (September 12, 2022). *Id.* (stating first-tier penalties under the CCFPL may be awarded up to $5,000 for each day the violation continues); App. at 24. As detailed above, Plaintiffs have demonstrated the Corporate Defendants repeatedly engaged in unlawful conduct, despite being put on notice by state regulators (*see* FAC ¶¶ 19-26), and nonetheless only seek imposition of a civil penalty under the least punitive tier-one standard. Indeed, a maximum per diem penalty under the tier-three standard could potentially result in a penalty of hundreds of millions of dollars.

Nor do Plaintiffs seek to impose a per diem penalty for every day the Corporate Defendants engaged in deceitful conduct. The FAC alleges the unlawful scheme operated from at least June 2018 through the filing of the Complaint in September 2022. FAC ¶ 31. Thus, the period in which Plaintiffs seek to impose monetary penalties is only for a portion of the period in which the Corporate Defendants operated the scheme. Accordingly, the court finds the monetary judgment sought is reasonable and proportional to the harm caused. This factor favors entry of default judgment.

D. Possibility of a Dispute Concerning Material Facts

"[This] Eitel factor examines the likelihood of dispute between the parties regarding the material facts surrounding the case." *Wecosign, Inc. v. IFG Holdings, Inc.*, 845 F. Supp. 2d 1072, 1082 (C.D. Cal. 2012) (quotation marks omitted). "Where a plaintiff has filed a well-pleaded complaint, the possibility of dispute concerning material facts is remote." *Id.* Plaintiffs have provided ample evidence in support of their claims. *See* Dkts. 9 (Application for Temporary Restraining Order), 184-87 (Plaintiffs' Motion for Summary Judgment and supporting evidence). Moreover, the court previously determined, in granting a preliminary injunction, that Plaintiffs were

likely to prevail on the merits of their claim. Dkt. 40. Because the Corporate Defendants did not respond to the Complaint, the court concludes that, while not entirely remote, the possibility of a dispute concerning a material fact is low.

Though Relief Defendant filed an answer to the FAC, its answer was stricken for failure to comply with the court's order to obtain new counsel and for failure to respond to the court's order to show cause why default should not be entered, which ultimately led the court to determine Relief Defendant was no longer defending this action. Dkts. 219-20. Moreover, prior to its Answer being stricken, Relief Defendant served discovery responses admitting it received funds from the Corporate Defendants and failing to proffer any legitimate claim to the funds it received. *See* Layugan Decl., ¶¶ 9, 11-13, Ex. 6. Thus, this factor also favors granting Plaintiffs' Application.

E. Whether Default Was Due to Excusable Neglect

The excusable neglect factor "favors default judgment when the defendant has been properly served or the plaintiff demonstrates that the defendant is aware of the lawsuit." *Wecosign*, 845 F. Supp. 2d at 1082. Plaintiffs filed proofs of service of the Summons and Complaint on the Corporate Defendants and Relief Defendant. Dkts. 52-54, 72-73, 82-83. Because the Corporate Defendants were properly served and aware of the action, the court finds their default did not occur because of excusable neglect. *Wecosign*, 845 F. Supp. 2d at 1082. Similarly, though Relief Defendant filed an answer, its answer was subsequently stricken for failure to obtain new counsel or respond to the court's orders. *See United States v. High Country Broad Co., Inc.*, 3 F.3d 1244, 1245 (9th Cir. 1993) (entry of default judgment is appropriate when a corporation fails to retain counsel). This *Eitel* factor favors entering default judgment.

F. Policy Favoring Decisions on the Merits

"Cases should be decided upon their merits whenever reasonably possible." *Eitel*, 782 F.2d at 1472. But "[t]he very fact that [Rule] 55(b) exists shows that this preference, standing alone, is not dispositive." *Kloepping v. Fireman's Fund*, No. 3:94-cv-02684-TEH, 1996 WL 75314, at *3 (N.D. Cal. Feb. 13, 1996). Here, the

Corporate Defendants and Relief Defendant's failure to defend this action makes it impractical, if not impossible, for the court to render a decision on the merits after considering Defendants' potential arguments and defenses. Accordingly, while the final *Eitel* factor generally weighs against granting default judgment, the court finds this factor to be neutral here.

G. Conclusion on *Eitel* Factors

In sum, the foregoing analysis of the *Eitel* factors weighs in favor of entering default judgment against the Corporate Defendants and Relief Defendant. *See Eitel*, 782 F.2d at 1471-72. The court, therefore, finds it appropriate to enter default judgment in Plaintiffs' favor, and now turns to the relief Plaintiffs seek.

IV. Award

Under Fed. R. Civ. P. 54(c), only the amount prayed for in the complaint may be awarded to a plaintiff in default judgment proceedings. Here, Plaintiffs seek monetary relief and a permanent injunction to prevent future violations of law. FAC, Prayer for Relief.

A. Restitution, Disgorgement, and Civil Penalties

Plaintiffs are entitled to seek restitution under the MARS Rule, TSR, CCPA, and CCFPL. S*ee* 15 U.S.C. § 57b(b); Cal. Fin. Code § 90012(b). "[B]ecause the FTC Act is designed to protect consumers from economic injuries, courts have often awarded the full amount lost by consumers rather than limiting damages to a defendant's profits." *FTC v. Stefanchik*, 559 F.3d 924, 931 (9th Cir. 2009); *see also FTC v. Munoz*, 17 F. App'x 624, 627 (9th Cir. 2001) (citing *FTC v. Figgie Intern*, 994 F.2d 595, 606-07 (9th Cir. 1993)) ("The district court had the authority to order restitution of the amount lost, not just disgorgement of what was received.").

Here, the total amount sought in restitution—$15,891,536.97—represents the full amount lost by customers, determined after a review of financial records, bank statements payment processor data, and records received from check cashing companies, to calculate consumer loss. App. at 29. Plaintiffs also seek disgorgement

against Relief Defendant of $50,900, and DFPI seeks civil penalties of $3,095.000. *Id.* at 30. For the reasons stated above, the court finds these amounts to be appropriate, and awards the requested amounts in restitution and civil penalties.

B. Injunctive Relief

The FTC Act states that "the Commission may seek, and after proper proof, the court may issue, a permanent injunction." 15 U.S.C. § 53(b)(2); *see also* Cal. Fin. Code § 90012(b) (permitting relief under the CCFPL to include, but not be limited to, "limits on the activities or functions of the person."). To issue a permanent injunction, a court must determine if there is "some cognizable danger of a recurring violation." *Gill*, 71 F. Supp. 2d at 1047. The court finds a permanent injunction is necessary to prevent future harm and consumer injury. *See* App. at 30. The unlawful conduct at issue was not isolated, but rather part of a broad and far-reaching attempt to defraud vulnerable consumers in violation of federal and state laws. Without injunctive relief, there remains a cognizable danger of recurring violations.

To determine the appropriate scope of an injunction, courts analyze: "(1) the seriousness and deliberateness of the violation; (2) the ease with which the violative claims may be transferred to other products [or services]; and (3) whether the [defendant] has a history of prior violations." *FTC v. Grant Connect, LLC*, 763 F.3d 1094, 1105 (9th Cir. 2014). Plaintiffs' proposed judgement as it pertains to injunctive relief seeks to enjoin the Corporate Defendants from providing debt relief products and services, telemarketing, making the same misrepresentations they made to consumers during their mortgage assistance relief services scheme, and making any other unsubstantiated claims. App. at 31-32. The court finds this relief to be appropriate to prevent future violative conduct. The Ninth Circuit too has previously approval similar bans as proper injunctive relief. *See, e.g., FTC v. ABC Hispana, Inc.*, Case No. 5:17-cv-00252-JGB (DTBx), 2017 WL 3769195, at *2 (C.D. Cal. Aug. 28, 2017) (imposing telemarketing ban); *FTC v. John Beck Amazing Profits LLC*, 888 F. Supp. 2d 1006, 1014-15 (C.D. Cal. Aug. 21, 2012) (infomercial marketing and

telemarketing bans); *FTC v. Dinamica Financiera, LLC*, Case No. 9-cv-03554-MMM (PJWx), 2010 WL 9488821, at *12 (C.D. Cal. Aug. 19, 2010) (mortgage loan modification and foreclosure relief services bans).

CONCLUSION

For the foregoing reasons, the court GRANTS Plaintiffs' Application and ENTERS default judgment in Plaintiffs' favor. The court further ORDERS as follows:

I. Definitions:

A. "Assisting Others" includes:

1. performing customer service functions, including receiving or responding to consumer complaints;
2. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;
3. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services, or media placement services;
4. providing names of, or assisting in the generation of, potential customers; or
5. performing marketing, billing, or payment services of any kind.

B. "Corporate Defendants" means Advent Consulting, Inc.; Apex Consulting & Associates Inc., also d/b/a Golden Home Services America and Home Matters USA Consulting; Equity Relief Funding, Inc., also d/b/a Academy Home Services America, Atlantic Pacific Service United, Golden Home Services United,

and Home Matters USA Group; Green Equitable Solutions, also d/b/a Academy Home Services and Westwood Advocates; Infocom Entertainment Ltd, Inc., also d/b/a Amstar Service Group, Atlantic Pacific Service, and Home Relief Service of America; and South West Consulting Enterprises, Inc., also d/b/a Academy Home Service, Atlantic Pacific Service Group, Golden Homes Services of America Enterprises, and Home Matters USA; and their successors and assigns.

C. "Debt Relief Product or Service" means:

1. With respect to any mortgage, loan, debt, or obligation between a Person and one or more secured or unsecured creditors or debt collectors, any Product or Service represented, expressly or by implication, to:

   a. stop, prevent, or postpone any mortgage or deed of foreclosure sale for a Person's dwelling, any other sale of collateral, any repossession of a Person's dwelling or other collateral, or otherwise save a Person's dwelling or other collateral from foreclosure or repossession;

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

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

   d. negotiate, obtain, or arrange any extension of the period of time within which a Person may (i) cure his or her default on the mortgage, loan, debt, or obligation, (ii) reinstate his or

her mortgage, loan, debt, or obligation, (iii) redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the mortgage, loan, debt, or obligation or redeem a dwelling or other collateral;

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

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

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

2. With respect to any loan, debt, or obligation between a Person and one or more unsecured creditors or debt collectors, any Product or Service represented, expressly or by implication, to:

a. repay one or more unsecured loans, debts, or obligations; or

b. combine unsecured loans, debts, or obligations into one or more new loans, debts, or obligations.

D. "Defendants" means all of the Individual Defendants and the Corporate Defendants, individually, collectively, or in any combination.

E. "Individual Defendants" means Dominic Ahiga, a/k/a Michael Dominic Grinnell; Roger Scott Dyer; Armando Solis Barron; and Michael Robin Nabati.

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

G. "Product or Service" means any good or service, including any plan or

program.

H. **"Receiver"** means David P. Stapleton of the Stapleton Group.

I. **"Relief Defendant"** means MostCap Enterprises Corp, and its successors and assigns.

J. "**Telemarketing**" means any plan, program, or campaign which is conducted to induce the purchase of goods or services by use of one or more telephones, and which involves a telephone call, whether or not covered by the Telemarketing Sales Rule.

I. BAN ON DEBT RELIEF PRODUCTS AND SERVICES

IT IS ORDERED that the Corporate Defendants are permanently restrained and enjoined, whether acting directly or through an intermediary, from advertising, marketing, promoting, offering for sale, or selling, or Assisting Others in the advertising, marketing, promoting, offering for sale, or selling, of any Debt Relief Product or Service.

II. BAN ON TELEMARKETING

IT IS FURTHER ORDERED that the Corporate Defendants are permanently restrained and enjoined from participating in Telemarketing, whether directly or through an intermediary.

III. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate 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 Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any Product or Service, are permanently restrained and enjoined from misrepresenting, or Assisting Others in misrepresenting, expressly or by implication:

A. any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including the likelihood of a consumer

obtaining a full or partial refund, or the circumstances in which a full or partial refund will be granted to the consumer;

B. that any Person is affiliated with, endorsed or approved by, or otherwise connected to any other Person; government entity; public, non-profit, or other non-commercial program, including any government homeowner assistance plan or government mortgage relief program related to COVID-19; or any other program;

C. the nature, expertise, position, or job title of any Person who provides any Product or Service; or

D. any other fact material to consumers concerning any Product or Service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, time frame in which consumers can expect certain results; nature, or central characteristics.

IV. PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS

IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate 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 Order, whether acting directly or indirectly, in connection with the promoting or offering for sale of any Product or Service, are permanently restrained and enjoined from making any representation or Assisting Others in making any representation, expressly or by implication, about the benefits, performance, or efficacy of any Product or Service, unless the representation is nonmisleading, including that, at the time such representation is made, they possess and rely upon competent and reliable evidence that is sufficient in quality and quantity based on standards generally accepted in the

relevant fields, when considered in light of the entire body of relevant and reliable evidence, to substantiate that the representation is true.

V. MONETARY JUDGMENT FOR RELIEF AGAINST CORPORATE DEFENDANTS

IT IS FURTHER ORDERED that judgment in the amount of Fifteen Million Eight Hundred Ninety-One Thousand Five Hundred Thirty-Six Dollars and Ninety-Seven Cents ($15,891,536.97) is entered in favor of Plaintiffs against the Corporate Defendants, jointly and severally, as monetary relief.

Pursuant to the court's Order Granting Summary Judgment against Individual Defendants (Dkt. 323), the Individual Defendants and the Corporate Defendants will be jointly and severally liable for the monetary relief amount of Fifteen Million Eight Hundred Ninety-One Thousand Five Hundred Thirty-Six Dollars and Ninety-Seven Cents ($15,891,536.97).

VI. MONETARY JUDGMENT FOR RELIEF AGAINST RELIEF DEFENDANT

IT IS FURTHER ORDERED that judgment in the amount of Fifty Thousand Nine Hundred Dollars and Zero Cents ($50,900.00) is entered in favor of Plaintiffs against Relief Defendant as monetary relief.

VII. MONETARY JUDGMENT FOR CIVIL PENALTY

IT IS FURTHER ORDERED that judgment in the amount of Three Million and Ninety-Five Thousand Dollars and Zero Cents ($3,095,000.00) is entered in favor of Plaintiff DFPI against the Corporate Defendants, jointly and severally, as a civil penalty.

Pursuant to the court's Order Granting Summary Judgment against the Individual Defendants (Dkt. 323), the Individual Defendants and the Corporate Defendants will be jointly and severally liable for the civil penalty amount of Three Million and Ninety-Five Thousand Dollars and Zero Cents ($3,095,000.00).

VIII. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. The monetary judgments set forth in Sections V to VII are enforceable against any asset, real or personal, whether located within the United States or outside the United States, owned jointly or singly by, on behalf of, for the benefit of, in trust by or for, or as a deposit for future goods or services to be provided to, any Corporate Defendant or the Relief Defendant, whether held as tenants in common, joint tenants with or without the right of survivorship, tenants by the entirety, and/or community property.

B. In partial satisfaction of the judgment against the Corporate Defendants in Sections V and VII, any financial or brokerage institution, escrow agent, title company, commodity trading company, business entity, or Person, whether located within the United States or outside the United States, that holds, controls, or maintains accounts or assets of, on behalf of, or for the benefit of, any Corporate Defendant, whether real or personal, whether located within the United States or outside the United States, shall, within ten (10) business days from receipt of a copy of this Order, turn over such account or asset to Plaintiffs or their designated agent, including, but not limited to:

- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -2292 in the name of "Apex Consulting & Associates Inc.";
- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -2302 in the name of "Apex Consulting & Associates Inc.";

- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4110 in the name of "Green Equitable Solutions";
- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4326 in the name of "South West Consulting Enterprises, Inc.";
- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -7611 in the name of "South West Consulting Enterprises, Inc.";
- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8160 in the name of "South West Consulting Enterprises, Inc.";
- Bank of America shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8445 in the name of "South West Consulting Enterprises, Inc.";
- Bank of the West shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -1750 in the name of "Equity Relief Funding, Inc.";
- Bank of the West shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -1768 in the name of "Equity Relief Funding, Inc.";

- Bank of the West shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4011 in the name of "Equity Relief Funding, Inc.";
- Citibank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -2963 in the name of "South West Consulting Enterprises, Inc.";
- Citibank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -3488 in the name of "South West Consulting Enterprises, Inc.";
- Citibank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8386 in the name of "South West Consulting Enterprises, Inc.";
- City National Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8382 in the name of "Apex Consulting & Associates Inc.";
- East West Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4746 in the name of "Apex Consulting & Associates Inc.";
- East West Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4308 in the name of "Infocom Entertainment Ltd, Inc.";

- East West Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4639 in the name of "South West Consulting Enterprises, Inc.";
- East West Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -4647 in the name of "South West Consulting Enterprises, Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -6201 in the name of "Advent Consulting, Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8066 in the name of "Apex Consulting & Associates Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8090 in the name of "Apex Consulting & Associates Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -9590 in the name of "Green Equitable Solutions.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -7727 in the name of "Infocom Entertainment Ltd, Inc.";

- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -0618 in the name of "South West Consulting Enterprises, Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -2911 in the name of "South West Consulting Enterprises, Inc.";
- JP Morgan Chase shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -3385 in the name of "South West Consulting Enterprises, Inc.";
- PNC Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -3005 in the name of "Apex Consulting & Associates Inc.";
- PNC Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8098 in the name of "Green Equitable Solutions.";
- PayPal shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8779 in the name of "Apex Consulting & Associates Inc.";
- PayPal shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -0483 in the name of "South West Consulting Enterprises, Inc.";

- US Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -8326 in the name of "Green Equitable Solutions";
- US Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -2694 in the name of "South West Consulting Enterprises, Inc.";
- US Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -3832 in the name of "South West Consulting Enterprises, Inc.";
- Stripe shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -WK2e in the name of "Equity Relief Funding, Inc.";
- Stripe shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -1En5 in the name of "Green Equitable Solutions";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -9598 in the name of "Green Equitable Solutions";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -0432 in the name of "Infocom Entertainment Ltd, Inc.";

- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -7169 in the name of "Infocom Entertainment Ltd, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -7268 in the name of "Infocom Entertainment Ltd, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -7516 in the name of "Infocom Entertainment Ltd, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -9154 in the name of "Infocom Entertainment Ltd, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -0007 in the name of "South West Consulting Enterprises, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -0064 in the name of "South West Consulting Enterprises, Inc.";
- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -9991 in the name of "South West Consulting Enterprises, Inc."; and

- Wells Fargo shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds if any, in account number -5829 in the name of "South West Consulting Enterprises, Inc."

C. In partial satisfaction of the judgment against the Relief Defendant in Section VI, any financial or brokerage institution, escrow agent, title company, commodity trading company, business entity, or Person, whether located within the United States or outside the United States, that holds, controls, or maintains accounts or assets of, on behalf of, or for the benefit of, the Relief Defendant, whether real or personal, whether located within the United States or outside the United States, shall, within ten (10) business days from receipt of a copy of this Order, turn over such accounts or assets to the Receiver or his designated agent, including, but not limited to:

- Wells Fargo Bank shall, within ten (10) business days of receipt of a copy of this Order, transfer to the Receiver or his designated agent all funds, if any, in account number xxxx3506 in the name of MostCap Enterprises Corp.

D. The Corporate Defendants and Relief Defendant shall disclose all assets, including personal property, not previously disclosed to Plaintiffs and the Receiver.

E. The Corporate Defendants and Relief Defendant shall cooperate fully with Plaintiffs and the Receiver and shall takes steps as any of them may require to transfer possession of the assets covered by Sections V to VII and to assist in the final liquidation of the assets, including executing any documents, procuring the signatures of any person or entity under their control, providing access to the assets, providing any necessary information, and turning over the assets.

F. The asset freeze is modified to permit the transfers identified in this Section. Upon satisfaction of the monetary judgments set forth in Sections V to VII, the asset freeze as to the Corporate Defendants and Relief Defendant is dissolved.

G. Money received by Plaintiffs will be used to satisfy the payment of the monetary relief judgments in Sections V and VI before being used to satisfy the civil penalty awarded in Section VII.

H. All money received by Plaintiffs pursuant to Sections V and VI may be deposited into a fund administered by Plaintiffs or their designees to be used for consumer relief, such as redress and any attendant expenses for the administration of any redress fund. If representatives of Plaintiffs decide that direct redress to consumers is wholly or partially impracticable or money remains after such redress is completed, Plaintiffs may apply any remaining money for such related relief (including consumer information remedies) as they determine to be reasonably related to the Corporate Defendants' and the Relief Defendant's practices alleged in the First Amended Complaint, or Plaintiffs may distribute funds to Plaintiff DFPI to satisfy the payment of any civil penalty awarded in Section VII. The Corporate Defendants and Relief Defendant have no right to challenge any actions Plaintiffs or their representatives may take pursuant to this Section.

I. Any money received by Plaintiffs pursuant to Section VII shall be provided to Plaintiff DFPI to satisfy the payment of any civil penalty awarded in Section VII, pursuant to Cal. Fin. Code § 90007. The Corporate Defendants and Relief Defendant have no right to challenge any actions Plaintiff DFPI or its representatives may take pursuant to this Section.

J. The Corporate Defendants and Relief Defendant acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which they must submit to Plaintiffs within seven days of entry of this Order, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

IX. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate 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 Order, whether acting directly or indirectly, in connection with the promoting or offering for sale of any Product or Service, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable Plaintiffs to efficiently administer consumer redress. If representatives of the Plaintiffs request in writing any information related to redress, the Corporate Defendants must provide it, in the form prescribed by the Commission, within fourteen (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 Order in connection with any Debt Relief Product or Service; and

C. failing to destroy such customer information in all forms in their possession, custody, or control within thirty (30) days after receipt of written direction to do so from representatives of Plaintiffs.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

X. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that the Corporate Defendants and Relief Defendant obtain acknowledgments of receipt of this Order:

A. Each Corporate Defendant and Relief Defendant, within seven (7) days of entry of this Order, must submit to Plaintiffs an acknowledgment of receipt of this Order sworn under penalty of perjury.

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

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

XI. COMPLIANCE REPORTING

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

A. One (1) year after entry of this Order, each Corporate Defendant must

submit a compliance report, sworn under penalty of perjury, that must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest; and (c) describe in detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For twenty (20) years after entry of this Order, each Corporate Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following: Each Corporate Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that any Corporate Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

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

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

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC, et al. v. Green Equitable Solutions, et al., No. X230022.

XII. RECORDKEEPING

IT IS FURTHER ORDERED that the Corporate Defendants must create certain records for twenty (20) years after entry of the Order, and retain each such record for five (5) years. Specifically, each Corporate Defendant for any business that such Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

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

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

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

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

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

XIII. COMPLIANCE MONITORING

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

A. Within fourteen (14) days of receipt of a written request from a representative of Plaintiffs, each Corporate Defendant and Relief

Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. Plaintiffs are also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, Plaintiffs are authorized to communicate directly with each Corporate Defendant and the Relief Defendant. The Corporate Defendants and the Relief Defendant must permit representatives of Plaintiffs to interview any employee or other Person affiliated with any Defendant who has agreed to such an interview. The Person interviewed may have counsel present.

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

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XIV. 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.

IT IS SO ORDERED.

Dated: February 2, 2024

FERNANDO L. AENLLE-ROCHA
United States District Judge