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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LUCASLAWCENTER “INCORPORATED”,
a corporation, also d/b/a Lucas Law Center;

FUTURE FINANCIAL SERVICES, LLC,
a limited liability company, also
d/b/a Lucas Law Center;

PAUL JEFFREY LUCAS,
an individual;

CHRISTOPHER FRANCIS BETTS,
an individual; and

FRANK SULLIVAN,
an individual,

Defendants.

) **Case No. SACV 09-0770 DOC**
) **(ANx)**

) **FINAL ORDER FOR**
) **PERMANENT INJUNCTION**
) **AND OTHER EQUITABLE**
) **RELIEF**

Plaintiff Federal Trade Commission (“Commission”) commenced this action on July 7, 2009, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or

1 practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Plaintiff filed a
2 motion for summary judgment on April 26, 2010.

3 The Court, having granted partial summary judgment in favor of Plaintiff, and
4 having found that Plaintiff is entitled to the relief sought against Defendants for their
5 deceptive acts and practices in connection with the marketing and sale of mortgage loan
6 modification and foreclosure avoidance services (“mortgage loan modification services”),
7 makes findings and enters this Final Judgment and Order for Permanent Injunction and
8 Other Equitable Relief (“Order”) as follows, *to take effect when the final order is issued*
9 *in this action resolving all claims:*

10 **DEFINITIONS**

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

12 1. “**Assisting others**” includes, but is not limited to, providing any of the
13 following goods or services to another person: (A) performing customer service
14 functions, including, but not limited to, receiving or responding to consumer complaints;
15 (B) formulating or providing, or arranging for the formulation or provision of, any
16 telephone sales script or any other marketing material, including but not limited to, the
17 text of any Internet Web site, email, or other electronic communication; (C) providing
18 names of, or assisting in the generation of, potential customers; (D) performing marketing
19 services of any kind; or (E) acting or serving as an owner, officer, director, manager, or
20 principal of any entity.

21 2. “**Credit**” means the right granted by a creditor to a debtor to defer payment
22 of debt or to incur debt and defer its payment.

23 3. “**Debt relief good or service**” means any good, service, plan, or program,
24 including debt management plans, debt settlement, debt negotiation, and for-profit credit
25 counseling, represented, expressly or by implication, to renegotiate, settle, or in any way
26 alter the terms of payment or other terms of the debt between a consumer and one or more
27 unsecured creditors, servicers, or debt collectors, including, but not limited to, a reduction
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1 in the balance, interest rate, or fees owed by a consumer to an unsecured creditor,
2 servicer, or debt collector.

3 4. ***“Defendants”*** means all of the Individual Defendants and the Corporate
4 Defendants, individually, collectively, or in any combination. ***“Corporate Defendants”***
5 means LucasLawCenter “incorporated”, also doing business as Lucas Law Center; Future
6 Financial Services, LLC, also doing business as Lucas Law Center; and their successors
7 and assigns. ***“Individual Defendants”*** means Paul Jeffrey Lucas, Christopher Francis
8 Betts, and Frank Sullivan.

9 5. ***“Financial related good or service”*** means any good, service, plan, or
10 program that is represented, expressly or by implication, to (A) provide any consumer,
11 arrange for any consumer to receive, or assist any consumer in receiving, credit, debit, or
12 stored value cards; (B) improve, or arrange to improve, any consumer’s credit record,
13 credit history, or credit rating; (C) provide advice or assistance to any consumer with
14 regard to any activity or service the purpose of which is to improve a consumer’s credit
15 record, credit history, or credit rating; (D) provide any consumer, arrange for any
16 consumer to receive, or assist any consumer in receiving, a loan or other extension of
17 credit; (E) provide any consumer, arrange for any consumer to receive, or assist any
18 consumer in receiving, debt relief goods or services; or (F) provide any consumer,
19 arrange for any consumer to receive, or assist any consumer in receiving any service
20 represented, expressly or by implication, to renegotiate, settle, or in any way alter the
21 terms of payment or other terms of the debt between a consumer and one or more secured
22 creditors, servicers, or debt collectors.

23 6. ***“Federal homeowner relief or financial stability program”*** means any
24 program (including its sponsoring agencies, telephone numbers, and Internet websites)
25 operated or endorsed by the United States government to provide relief to homeowners or
26 stabilize the economy, including, but not limited to (A) the Making Home Affordable
27 Program; (B) the Financial Stability Plan; (C) the Troubled Asset Relief Program and any
28 other program sponsored or operated by the United States Department of the Treasury;

1 (D) the HOPE for Homeowners program, any program operated or created pursuant to the
2 Helping Families Save Their Homes Act, and any other program sponsored or operated
3 by the Federal Housing Administration; or (E) any program sponsored or operated by the
4 United States Department of Housing and Urban Development (“HUD”), the HOPE
5 NOW Alliance, the Homeownership Preservation Foundation, or any other HUD-
6 approved housing counseling agency.

7 7. **“For-profit”** means any activity organized to carry on business for the
8 profit of the entity engaging in the activity or that of its members.

9 8. **“Material fact”** means any fact that is likely to affect a person’s choice of,
10 or conduct regarding, goods or services.

11 9. **“Mortgage loan modification or foreclosure relief service”** means any
12 good, service, plan, or program that is represented, expressly or by implication, to assist a
13 consumer in any manner to (A) stop, prevent, or postpone any residential mortgage or
14 deed of trust foreclosure sale; (B) obtain or arrange a modification of any term of a
15 residential loan, deed of trust, or mortgage; (C) obtain any forbearance from any
16 mortgage loan holder or servicer on any residential loan, deed of trust, or mortgage; (D)
17 exercise any right of reinstatement of any residential mortgage loan; (E) obtain, arrange,
18 or attempt to obtain or arrange any extension of the period within which the owner of
19 residential property sold at foreclosure may cure his or her default or reinstate his or her
20 obligation; (F) obtain any waiver of an acceleration clause contained in any promissory
21 note or contract secured by a deed of trust or mortgage on a residence in foreclosure or
22 contained in that deed of trust; (G) obtain a loan or advance of funds that is connected to
23 the consumer's home ownership; (H) avoid or ameliorate the impairment of the
24 consumer’s credit record, credit history, or credit rating that is connected to the
25 consumer's home ownership; (I) save the consumer’s residence from foreclosure; (J)
26 assist the consumer in obtaining proceeds from the foreclosure sale of the consumer’s
27 residence; (K) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of
28 foreclosure of a consumer’s residence; (L) obtain or arrange a refinancing,

1 recapitalization, or reinstatement of a residential loan, deed of trust, or mortgage; (M)
2 audit or examine a consumer’s mortgage or residential loan application; or (N) obtain,
3 arrange, or attempt to obtain or arrange any extension of the period within which the
4 renter of residential property sold at foreclosure may continue to occupy the property.
5 The foregoing shall include any manner of claimed assistance, including, but not limited
6 to, debt, credit, budget, or financial counseling; receiving money for the purpose of
7 distributing it to creditors; contacting creditors or servicers on behalf of the consumer;
8 and giving advice of any kind with respect to filing for bankruptcy.

9 10. “*Permanent Receiver*” means Robb Evans & Associates LLC.

10 11. “*Person*” means a natural person, organization, or other legal entity,
11 including a corporation, partnership, proprietorship, association, cooperative, or any other
12 group or combination acting as an entity.

13 12. “*Servicer*” means any beneficiary, mortgagee, trustee, loan servicer, loan
14 holder, or other entity that performs loan or credit account administration or processing
15 services and its authorized agents.

16 **ORDER**

17 **I. BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE**
18 **RELIEF SERVICES**

19 **IT IS THEREFORE ORDERED** that Defendants, whether acting directly or
20 through any other person, corporation, subsidiary, division, or other device, are
21 permanently restrained and enjoined from:

22 A. Advertising, marketing, promoting, offering for sale, or selling any
23 mortgage loan modification or foreclosure relief service; and

24 B. Assisting others engaged in advertising, marketing, promoting, offering for
25 sale, or selling any mortgage loan modification or foreclosure relief service.

26 **II. BAN ON FINANCIAL RELATED GOODS AND SERVICES**

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1 **IT IS FURTHER ORDERED** that Defendant Christopher Francis Betts, whether
2 acting directly or through any other person, corporation, subsidiary, division, or other
3 device, is permanently restrained and enjoined from:

4 A. Advertising, marketing, promoting, offering for sale, or selling any
5 financial related good or service; and

6 B. Assisting others engaged in advertising, marketing, promoting, offering for
7 sale, or selling any financial related good or service.

8 **III. PROHIBITED REPRESENTATIONS AND ADVANCE FEES RELATING**
9 **TO FINANCIAL RELATED GOODS AND SERVICES**

10 **IT IS FURTHER ORDERED** that Defendants LucasLawCenter “incorporated”,
11 Future Financial Services, LLC, Paul Jeffrey Lucas, and Frank Sullivan, and their
12 officers, agents, servants, employees, and attorneys, and those persons or entities in active
13 concert or participation with any of them who receive actual notice of this Order by
14 personal service, facsimile transmission, email, or otherwise, whether acting directly or
15 through any corporation, subsidiary, division, or other device, in connection with the
16 advertising, marketing, promotion, offering for sale, or sale of any financial related good
17 or service, are permanently restrained and enjoined from:

18 A. Misrepresenting or assisting others in misrepresenting, expressly or by
19 implication, any material fact, including, but not limited to:

20 1. The terms or rates that are available for any loan or other extension
21 of credit, including, but not limited to:

22 a. closing costs or other fees;

23 b. the payment schedule, the monthly payment amount(s), or
24 other payment terms, or whether there is a balloon payment;
25 interest rate(s), annual percentage rate(s), or finance charge;
26 the loan amount, the amount of credit, the draw amount, or
27 outstanding balance; the loan term, the draw period, or
28 maturity; or any other term of credit;

- c. the savings associated with the credit;
- d. the amount of cash to be disbursed to the borrower out of the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any third parties;
- e. whether the payment of the minimum amount specified each month covers both interest and principal, and whether the credit has or can result in negative amortization;
- f. that the credit does not have a prepayment penalty or that no prepayment penalty or other fees or costs will be incurred if the consumer subsequently refinances; and
- g. that the interest rate(s) or annual percentage rate(s) are fixed rather than adjustable or adjustable rather than fixed;

2. That any person can improve any consumer's credit record, credit history, or credit rating by permanently removing negative information from the consumer's credit record, credit history, or credit rating, even where such information is accurate and not obsolete;

3. Any person's ability to improve or otherwise affect a consumer's credit record, credit history, or credit rating or ability to obtain credit;

4. Any aspect of any debt relief good or service, including, but not limited to, the amount of savings a consumer will receive from purchasing, using, or enrolling in such debt relief good or service; the amount of time before which a consumer will receive settlement of the consumer's debts; or the reduction or cessation of collection calls; and

5. That a consumer will receive legal representation;

B. Advertising or assisting others in advertising credit terms other than those terms that actually are or will be arranged or offered by a creditor or lender; and

1 C. Requesting or receiving payment of any fee or consideration before fully
2 providing or performing any financial related good or service that Defendants contracted
3 to perform or represented would be performed.

4 **IV. PROHIBITED REPRESENTATIONS RELATING TO ANY GOODS OR**
5 **SERVICES**

6 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,
7 servants, employees, and attorneys, and those persons or entities in active concert or
8 participation with any of them who receive actual notice of this Order by personal
9 service, facsimile transmission, email, or otherwise, whether acting directly or through
10 any corporation, subsidiary, division, or other device, in connection with the advertising,
11 marketing, promotion, offering for sale or sale of any good, service, plan, or program, are
12 permanently restrained and enjoined from misrepresenting or assisting others in
13 misrepresenting, expressly or by implication, any material fact, including, but not limited
14 to:

15 A. Any material aspect of the nature or terms of any refund, cancellation,
16 exchange, or repurchase policy, including, but not limited to, the likelihood of a consumer
17 obtaining a full or partial refund, or the circumstances in which a full or partial refund
18 will be granted to the consumer;

19 B. That any person is affiliated with, endorsed or approved by, or otherwise
20 connected to any other person, government entity, federal homeowner relief or financial
21 stability program, or any other program;

22 C. The total costs to purchase, receive, or use, and the quantity of, the good or
23 service;

24 D. Any material restriction, limitation, or condition to purchase, receive, or use
25 the good or service; and

26 E. Any material aspect of the performance, efficacy, nature, or characteristics
27 of the good or service.

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1 **V. MONETARY JUDGMENT**

2 **IT IS FURTHER ORDERED** that:

3 A. Judgment in the amount of SIX MILLION, ONE HUNDRED TWENTY
4 THOUSAND, TWO HUNDRED DOLLARS (\$6,120,200) is entered jointly and
5 severally against Defendants LucasLawCenter “incorporated”, Future Financial Services,
6 LLC, Paul Jeffrey Lucas, Christopher Francis Betts, and Frank Sullivan, as equitable
7 monetary relief, including, but not limited to, restitution or disgorgement, and for paying
8 any attendant expenses for the administration of any restitution fund. Payment shall be
9 made to the Commission within ten (10) days of the date of effectiveness of this Order in
10 the form of a wire transfer or certified or cashier’s check made payable to the
11 Commission, or such agent as the Commission may direct. Defendants shall be entitled
12 to deduct from the payment required by this Subsection the amount of any funds
13 transferred to the Commission by the Permanent Receiver as ordered by the Section titled
14 “Winding Down of the Permanent Receiver’s Appointment” of this Order.

15 B. Time is of the essence for the payment specified above. In the event of
16 default on any obligation to make payment under this Order, interest, computed pursuant
17 to 28 U.S.C. § 1961(a), shall accrue from the date of default to the date of payment.
18 Defendants shall be jointly and severally liable for all payments required by this Order
19 and for interest on such payments.

20 C. All funds paid pursuant to this Order shall be deposited into a fund
21 administered by the Commission or its agent to be used for equitable relief, including, but
22 not limited to, restitution and any attendant expenses for the administration of any
23 restitution fund. Defendants shall cooperate fully to assist the Commission in identifying
24 consumers who may be entitled to restitution under this Order. In the event that direct
25 restitution to consumers is wholly or partially impracticable or funds remain after
26 restitution is completed, the Commission may apply any remaining funds for the other
27 equitable relief (including consumer information remedies) as it determines to be
28 reasonably related to Defendants’ practices alleged in the Complaint. Any funds not used

1 for the equitable relief shall be deposited to the United States Treasury as disgorgement.
2 Defendants shall have no right to challenge the Commission's choice of remedies under
3 this Section and shall have no right to contest the manner of distribution chosen by the
4 Commission.

5 D. Defendants relinquish all dominion, control, and title to the funds paid to
6 the fullest extent permitted by law. Defendants shall make no claim to or demand for
7 return of the funds, directly or indirectly, through counsel or otherwise.

8 E. Defendants shall take no deduction, capital loss, write-off, or any other tax
9 benefit on any federal or state tax return, amended tax return, IRS Form 1045, or any
10 other tax filing, for all or any part of any payment toward satisfaction of this judgment.

11 F. In accordance with 31 U.S.C. § 7701, Defendants are required, within ten
12 (10) days after effectiveness of this Order, unless they already have done so, to furnish
13 the Commission with taxpayer identifying numbers (Social Security numbers or employer
14 identification numbers), which shall be used for purposes of collecting and reporting on
15 any delinquent amount arising out of their relationship with the government. Defendants
16 are further required, within ten (10) days after effectiveness of this Order, unless they
17 already have done so, to provide the Commission with clear, legible, and full-size
18 photocopies of all valid driver's licenses that they possess, which will be used for
19 reporting and compliance purposes.

20 G. This judgment for equitable monetary relief is solely remedial in nature. No
21 portion of any payments made under the judgment shall be deemed a payment of any fine,
22 penalty, punitive assessment, or forfeiture.

23 H. Proceedings instituted under this Section are in addition to, and not in lieu
24 of, any other civil or criminal remedies that may be provided by law, including any other
25 proceedings the Commission may initiate to enforce this Order.

26 **VI. PROHIBITION ON COLLECTING ACCOUNTS**

27 **IT IS FURTHER ORDERED** that Defendants, and each of their officers, agents,
28 servants, employees, and attorneys, and those persons in active concert or participation

1 with any of them, who receive actual notice of this Order by personal service or
2 otherwise, whether acting directly or through any entity, corporation, subsidiary, division,
3 affiliate, or other device, are permanently restrained and enjoined from attempting to
4 collect, collecting, selling, assigning, or otherwise transferring any right to collect
5 payment for any mortgage loan modification or foreclosure relief service from any
6 consumer who purchased or agreed to purchase mortgage loan modification or
7 foreclosure relief services from any Defendant prior to the entry of the July 9, 2009
8 Amended Order Granting Ex Parte Application for Temporary Restraining Order and
9 Issuing Order to Show Cause (Dkt. #24).

10 **VII. DUTY TO PROTECT CUSTOMER INFORMATION**

11 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
12 servants, employees, and attorneys, and all other persons in active concert or participation
13 with any of them who receive actual notice of this Order by personal service or otherwise,
14 are permanently restrained and enjoined from:

15 A. Disclosing, using, or benefitting from customer information, including the
16 name, address, telephone number, email address, social security number, mortgage loan
17 account number, other identifying information, or any data that enables access to a
18 customer's account (including a credit card, bank account, or other financial account), of
19 any person that was obtained by any Defendant prior to entry of this Order in connection
20 with mortgage loan modification or foreclosure relief services; and

21 B. Failing to dispose of such customer information in all forms in their
22 possession, custody, or control within thirty (30) days after effectiveness of this Order.
23 Disposal shall be by means that protect against unauthorized access to the customer
24 information, such as by burning, pulverizing, or shredding any papers, and by erasing or
25 destroying any electronic media, to ensure that the customer information cannot
26 practicably be read or reconstructed.

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

4 **VIII. COMPLIANCE MONITORING**

5 **IT IS FURTHER ORDERED** that, for the purpose of monitoring and
6 investigating compliance with any provision of this Order:

7 A. Within ten (10) days of receipt of written notice from a representative of the
8 Commission, Defendants each shall submit additional written reports, which are true and
9 accurate and sworn to under penalty of perjury; produce documents for inspection and
10 copying; appear for deposition; and provide entry during normal business hours to any
11 business location in each Defendant's possession or direct or indirect control to inspect
12 the business operation;

13 B. In addition, the Commission is authorized to use all other lawful means,
14 including, but not limited to:

15 1. Obtaining discovery from any person, without further leave of court,
16 using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and
17 69;

18 2. Having its representatives pose as consumers and suppliers to
19 Defendants, their employees, or any other entity managed or controlled in
20 whole or in part by any Defendant, without the necessity of identification or
21 prior notice; and

22 C. Defendants each shall permit representatives of the Commission to interview any
23 employer, consultant, independent contractor, representative, agent, or employee who has
24 agreed to such an interview, relating in any way to any conduct subject to this Order. The
25 person interviewed may have counsel present.

26 *Provided, however,* that nothing in this Order shall limit the Commission's lawful
27 use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C.
28 §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or

1 information relevant to unfair or deceptive acts or practices in or affecting commerce
2 (within the meaning of 15 U.S.C. § 45(a)(1)).

3 **IX. COMPLIANCE REPORTING**

4 **IT IS FURTHER ORDERED** that, in order that compliance with the provisions
5 of this Order may be monitored:

6 A. For a period of seven (7) years from the date of effectiveness of this Order,

7 1. Each Individual Defendant shall notify the Commission of the
8 following:

9 a. any changes in the Defendant's residence, mailing addresses,
10 and telephone numbers, within ten (10) days of the date of the
11 change;

12 b. any changes in the Defendant's employment status (including
13 self-employment), and any change in the Defendant's
14 ownership in any business entity within ten (10) days of the
15 date of the change. This notice shall include the name and
16 address of each business that the Defendant is affiliated with,
17 employed by, creates or forms, or performs services for; a
18 detailed description of the nature of the business; and a
19 detailed description of the Defendant's duties and
20 responsibilities in connection with the business or
21 employment; and

22 c. any changes in such Defendant's name or use of any aliases
23 or fictitious names within ten (10) days of the date of such
24 change; and

25 2. Defendants shall notify the Commission of any changes in structure
26 of any Corporate Defendant or any business entity that any Defendant
27 directly or indirectly controls, or has an ownership interest in, that may
28 affect compliance obligations arising under this Order, including but not

1 limited to: incorporation or other organization; a dissolution, assignment,
2 sale, merger, or other action; the creation or dissolution of a subsidiary,
3 parent, or affiliate that engages in any acts or practices subject to this Order;
4 or a change in the business name or address, at least thirty (30) days prior to
5 such change, *provided* that, with respect to any such change in the business
6 entity about which a Defendant learns less than thirty (30) days prior to the
7 date such action is to take place, the Defendant shall notify the Commission
8 as soon as is practicable after obtaining such knowledge.

9 B. Sixty (60) days after the date of effectiveness of this Order and annually
10 thereafter for a period of seven (7) years, Defendants each shall provide a written report
11 to the Commission, which is true and accurate and sworn to under penalty of perjury,
12 setting forth in detail the manner and form in which they have complied and are
13 complying with this Order. This report shall include, but not be limited to:

- 14 1. For each Individual Defendant:
 - 15 a. the Defendant's then-current residence address, mailing
16 addresses, and telephone numbers;
 - 17 b. the Defendant's then-current employment status (including
18 self-employment), including the name, addresses, and
19 telephone numbers of each business that the Defendant is
20 affiliated with, employed by, or performs services for; a
21 detailed description of the nature of the business; and a
22 detailed description of the Defendant's duties and
23 responsibilities in connection with the business or
24 employment; and
 - 25 c. any other changes required to be reported under Subsection A
26 of this Section.
- 27 2. For all Defendants:
28

- 1 a. a copy of each acknowledgment of receipt of this Order,
- 2 obtained pursuant to the Section titled “Distribution of
- 3 Order”; and
- 4 b. any other changes required to be reported under Subsection A
- 5 of this Section.

6 C. Each Defendant shall notify the Commission of the filing of a bankruptcy
7 petition by the Defendant within ten (10) days of filing.

8 D. For the purposes of this Order, Defendants shall, unless otherwise directed
9 by the Commission’s authorized representatives, send by overnight courier all reports and
10 notifications required by this Order to the Commission, to the following address:

11 Associate Director for Enforcement
12 Bureau of Consumer Protection
13 Federal Trade Commission
14 600 Pennsylvania Avenue, N.W., Room NJ-2122
15 Washington, D.C. 20580
RE: *FTC v. LucasLawCenter “incorporated”, et al.*,
Civil Action No. SACV 09-0770 DOC (ANx)

16 *Provided* that, in lieu of overnight courier, Defendants may send such reports or
17 notifications by first-class mail, but only if Defendants contemporaneously send an
18 electronic version of such report or notification to the Commission at: DEBrief@ftc.gov.

19 E. For purposes of the compliance reporting and monitoring required by this
20 Order, the Commission is authorized to communicate directly with each Defendant.

21 **X. RECORDKEEPING**

22 **IT IS FURTHER ORDERED** that, for a period of ten (10) years from the date of
23 effectiveness of this Order, Corporate Defendants, and Individual Defendants for any
24 business for which they, individually or collectively, are the majority owner or directly or
25 indirectly control, are restrained and enjoined from failing to create and retain the
26 following records:

27 A. Accounting records that reflect the cost of goods or services sold, revenues
28 generated, and the disbursement of such revenues;

1 B. Personnel records accurately reflecting: the name, address, and telephone
2 number of each person employed in any capacity by such business, including as an
3 independent contractor; that person's job title or position; the date upon which the person
4 commenced work; and the date and reason for the person's termination, if applicable;

5 C. Customer files containing the names, addresses, phone numbers, dollar
6 amounts paid, quantity of items or services purchased, and description of items or
7 services purchased, to the extent such information is obtained in the ordinary course of
8 business;

9 D. Complaints and refund requests (whether received directly or indirectly,
10 such as through a third party), and any responses to those complaints or requests;

11 E. Copies of all sales scripts, training materials, advertisements, contracts sent
12 to consumers, and other marketing materials; and

13 F. All records and documents necessary to demonstrate full compliance with
14 each provision of this Order, including, but not limited to, copies of acknowledgments of
15 receipt of this Order required by the Sections titled "Distribution of Order" and
16 "Acknowledgment of Receipt of Order" and all reports submitted to the Commission
17 pursuant to the Section titled "Compliance Reporting."

18 **XI. DISTRIBUTION OF ORDER**

19 **IT IS FURTHER ORDERED** that, for a period of seven (7) years from the date
20 of effectiveness of this Order, each Defendant shall deliver a copy of this Order as
21 directed below:

22 A. Corporate Defendants: Each Corporate Defendant must deliver a copy of
23 this Order to:

- 24 1. All of its principals, officers, directors, and managers;
- 25 2. All of its employees, agents, and representatives who engage in
26 conduct related to the subject matter of the Order; and
- 27 3. Any business entity resulting from any change in structure set forth
28 in Subsection A.2 of the Section titled "Compliance Reporting."

1 For current personnel, delivery shall be within five (5) days of service of this Order upon
2 the Corporate Defendant. For new personnel, delivery shall occur prior to them assuming
3 their responsibilities. For any business entity resulting from any change in structure set
4 forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at
5 least ten (10) days prior to the change in structure.

6 B. Individual Defendants as control persons: For any business that an
7 Individual Defendant controls, directly or indirectly, or in which the Individual Defendant
8 has a majority ownership interest, the Individual Defendant must deliver a copy of this
9 Order to:

- 10 1. All principals, officers, directors, and managers of that business;
- 11 2. All employees, agents, and representatives of that business who
12 engage in conduct related to the subject matter of this Order; and
- 13 3. Any business entity resulting from any change in structure set forth
14 in Subsection A.2 of the Section titled "Compliance Reporting."

15 For current personnel, delivery shall be within five (5) days of service of this Order upon
16 the Individual Defendant. For new personnel, delivery shall occur prior to them assuming
17 their responsibilities. For any business entity resulting from any change in structure set
18 forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at
19 least ten (10) days prior to the change in structure.

20 C. Individual Defendants as employees or non-control persons: For any
21 business where an Individual Defendant is not a controlling person of a business but
22 otherwise engages in conduct related to the subject matter of this Order, the Individual
23 Defendant must deliver a copy of this Order to all principals and managers of the business
24 before engaging in such conduct.

25 D. Defendants must secure a signed and dated statement acknowledging
26 receipt of this Order, within thirty (30) days of delivery, from all persons receiving a copy
27 of this Order pursuant to this Section.

28 **XII. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

1 **IT IS FURTHER ORDERED** that each Defendant, within five (5) business days
2 of receipt of this Order as entered by the Court, must submit to the Commission a truthful
3 sworn statement acknowledging receipt of this Order.

4 **XIII. COOPERATION WITH PERMANENT RECEIVER**

5 **IT IS FURTHER ORDERED** that Defendants shall cooperate fully with the
6 Permanent Receiver in:

7 A. Pursuing any and all claims by the Permanent Receiver against persons or
8 entities other than Defendants;

9 B. Assisting the Permanent Receiver in defending any and all actions or claims
10 brought against the Permanent Receiver, the receivership estate, or the Corporate
11 Defendants by persons or entities other than Defendants;

12 C. Executing any documents necessary to transfer Corporate Defendants'
13 assets or ownership interests to the Permanent Receiver pursuant to this Order; and

14 D. Refraining from any act that would interfere with or impede the Permanent
15 Receiver in performing its duties.

16 **XIV. WINDING DOWN OF THE PERMANENT RECEIVER'S APPOINTMENT**

17 **IT IS FURTHER ORDERED** that, unless the Permanent Receiver has already
18 done so, within forty-five (45) days of the date of effectiveness of this Order, the
19 Permanent Receiver shall:

20 A. Return to consumers their original documents related to:

21 1. Title to or ownership interest in any residence;

22 2. Any residential loan, deed of trust, or mortgage; or

23 3. Any promissory note or contract secured by a deed of trust or
24 mortgage on a residence;

25 B. Dispose of all other documents containing customer information, including
26 the name, address, telephone number, email address, social security number, mortgage
27 loan account number, other identifying information, or any data that enables access to a
28 customer's account (including a credit card, bank account, or other financial account), of

1 any person that was obtained by any Defendant prior to entry of this Order in connection
2 with mortgage loan modification or foreclosure relief services. Disposal shall be by
3 means that protect against unauthorized access to the customer information, such as by
4 burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic
5 media, to ensure that the customer information cannot practicably be read or
6 reconstructed. *Provided, however,* that customer information need not be disposed of to
7 the extent requested by a government agency or required by a law, regulation, or court
8 order. *Provided further,* that a consumer's documents may be returned to the consumer if
9 requested by the consumer within forty (40) days of the date of effectiveness of this
10 Order; and

11 C. Submit for the Court's approval a Final Report and Accounting of the
12 disposition of the receivership estate, along with the Permanent Receiver's final
13 application for fees and expenses. Upon approval of the Permanent Receiver's Final
14 Report and Accounting and the Permanent Receiver's final application for fees and
15 expenses, the receivership in this case shall terminate. Once the Permanent Receiver has
16 been compensated in an amount approved by the Court, all remaining funds of
17 Defendants LucasLawCenter "incorporated" and Future Financial Services, LLC shall be
18 transferred to the Commission subject to the conditions set forth in the Section titled
19 "Monetary Judgment" of this Order.

20 **XV. DISSOLUTION OF ASSET FREEZE**

21 **IT IS FURTHER ORDERED** that upon effectiveness of this Order and payment
22 of the monetary amount set forth in the Section titled "Monetary Judgment" of this Order,
23 the freeze against the assets of Defendants imposed by the stipulated Preliminary
24 Injunction Order Freezing Assets, Appointment of Permanent Receiver and Other
25 Equitable Relief, Dkt. #81, entered in this case on August 24, 2009, shall be lifted
26 permanently as to Defendants; *provided, however,* that Defendants, with the express
27 written consent of counsel for the Commission, may transfer funds and liquidate assets in
28 order to make the payment required by the Section titled "Monetary Judgment" of this

1 Order. Once Defendants have fully complied with the payment requirement of the
2 Section titled "Monetary Judgment" of this Order, and upon the filing of a Notice by
3 counsel for the Commission stating Defendants' compliance, the freeze against the assets
4 of Defendants shall be lifted permanently. A financial institution shall be entitled to rely
5 upon a letter from the Commission stating that the freeze on the assets of Defendants has
6 been lifted.

7 **XVI. RETENTION OF JURISDICTION**

8 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
9 matter for purposes of construction, modification, and enforcement of this Order.

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11 **IT IS SO ORDERED.**

12 DATED: June 3, 2010.

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15 **DAVID O. CARTER**
16 United States District Judge
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