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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

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

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

BACKGROUND

14
15 “The general rule of law is that upon default the factual allegations of the
16 complaint, except those relating to the amount of damages, will be taken as true.”
17 *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987) (citation and
18 quotation marks omitted). Thus, for purposes of the subject Application, the court
19 takes as true the following facts pleaded in the Complaint:

20 The Corporate and Individual Defendants operated a fraudulent mortgage
21 assistance relief services scam through a web of fictitious entities, despite having been
22 the subject of prior law enforcement actions. Dkt. 43 (“FAC”) ¶¶ 8-13, 19-26. The
23 Corporate Defendants used the same office spaces, shared employees and nearly
24

25
26 ¹ Plaintiffs also sued individual Defendants Michael Nabati, Armando Solis Barron,
27 Dominic Ahiga, and Roger Scott Dyer (“Individual Defendants”). The court refers to
28 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.

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

15 Plaintiffs initiated this action on September 12, 2022, and filed the operative
16 First Amended Complaint on October 28, 2022, alleging causes of action for
17 violations of the: (1) Federal Trade Commission Act (“FTC Act”); (2) Mortgage
18 Assistance Relief Services (“MARS”) Act; (3) Telemarketing Sales Rule (“TSR”); (4)
19 Covid-19 Consumer Protection Act (“CCPA”); and (5) California Consumer Financial
20 Protection Law (“CCFPL”). *See generally* FAC. The Corporate Defendants have not
21 answered or responded to Plaintiffs’ FAC, or otherwise appeared in the action. The
22 court clerk entered default against the Corporate Defendants on January 4, 2023, and
23 against Relief Defendant on July 17, 2023.² Dkts. 104, 220.

24
25 ² Relief Defendant filed its answer to the FAC on January 5, 2023. Dkt. 107. Counsel
26 for Relief Defendant later sought and obtained permission to withdraw, and the court
27 subsequently ordered Relief Defendant to file a notice appearance of new counsel
28 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

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.

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

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

4 **II. Default Judgment Legal Standard**

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

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

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

1 **III. Analysis of *Eitel* Factors**

2 **A. Possibility of Prejudice to Plaintiff**

3 First, Plaintiffs contend they will be prejudiced if their Application for Default
4 Judgment is not granted. Appl. at 3. The court agrees. Taking the factual allegations
5 of the FAC as true, the Corporate Defendants and Relief Defendant unlawfully
6 obtained large sums of money and assets from consumers as a result of a fraudulent
7 mortgage assistance relief scheme. Without entry of default judgment, Plaintiffs will
8 be without legal recourse to recover these assets or to prevent these entities from
9 reengaging in violative behavior. *See PepsiCo, Inc. v. Cal. Sec. Cans*, 238 F. Supp.
10 2d 1172, 1177 (C.D. Cal. 2002) (“If Plaintiffs’ motion for default judgment is not
11 granted, Plaintiffs will likely be without other recourse for recovery.”). Further,
12 Plaintiffs will be prejudiced by their inability to enforce the consumer protection laws
13 they are legislatively mandated to impose. *See* 15 U.S.C. §§ 41 et seq.; 16 C.F.R. Part
14 310; 12 C.F.R. Part 1015; Public Law 116260, 134 Stat 1182, Title XIV, Section
15 1401; Cal. Bus. Prof. Code §§ 90000 *et seq.* Thus, the first *Eitel* factor favors entry of
16 default judgment.

17 **B. Merits of Plaintiffs’ Claims and Sufficiency of the Complaint**

18 The second and third *Eitel* factors are: (2) the merits of Plaintiffs’ substantive
19 claim; and (3) the sufficiency of the complaint. *Eitel*, 782 F.2d at 1471-72. The Ninth
20 Circuit has suggested that these two factors require a plaintiff to “state a claim on
21 which the [plaintiff] may recover.” *Danning v. Lavine*, 572 F.2d 1386, 1388 (9th Cir.
22 1978). As stated, on an application for default judgment, the factual allegations of the
23 complaint are taken generally as true, except those relating to the amount of damages.
24 *TeleVideo*, 826 F.2d at 917-18. However, facts not established by the pleadings or
25 claims which are not well-pleaded cannot support a default judgment. *Alan Neuman*,
26 862 F.2d at 1393. Therefore, before granting judgment for Plaintiff, the court must
27 evaluate whether the allegations in the Complaint sufficiently establish the merits of
28 Plaintiffs’ claims. *See Danning*, 572 F.2d at 1388.

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

6 First, the Corporate Defendants acted as a common enterprise. “Where one or
7 more corporate entities operate in common enterprise, each may be held liable for the
8 deceptive acts and practices of the others.” *FTC v. John Beck Amazing Profits, LLC*,
9 865 F. Supp. 2d 1052, 1082 (C.D. Cal. 2012). In making this determination, the court
10 looks to four factors: “(1) common control; (2) sharing office space and offices; (3)
11 whether business is transacted through a ‘maze of interrelated companies’; and (4)
12 commingling of funds.” *Id.* Here, Plaintiffs have demonstrated the Corporate
13 Defendants were under the common control of the Individual Defendants; comingled
14 funds; shared office space; and transacted business through a maze of interrelated
15 companies which carried out the same business functions, used the same employees,
16 and relied upon almost identical advertising and marketing materials. FAC ¶¶ 14-17,
17 27-29, 54.

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

20 1. FTC Act

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

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

9 **2. MARS Rule**

10 The MARS Rule prohibits mortgage assistance relief providers, seeking to
11 obtain relief on a consumer's behalf, from making false or misleading claims about
12 their services. 12 C.F.R. § 1015.5. The MARS Rule also requires providers to make
13 certain disclosures to clients prior to providing relief services. 12 C.F.R. §§
14 1015.4(b)(1)-(3), (c). For the same reasons articulated above, and additionally
15 because Plaintiffs have established the Corporate Defendants illegally instructed
16 clients not to contact their lenders, misrepresented various aspects of their services, and
17 failed to make any requisite disclosures, the court finds Plaintiffs have demonstrated
18 sufficiently that the Corporate Defendants violated the MARS Rule.

19 **3. TSR**

20 The TSR requires telemarketers to pay a fee to access the National Do Not Call
21 Registry and prohibits telemarketers from contacting consumers registered on the list.
22 16 C.F.R. §§ 310.8, 310.4(b)(1)(iii)(B). Here, Plaintiffs allege the Corporate
23 Defendants marketed their services by making unsolicited telemarketing calls to
24 consumers, include those on the National Do Not Call Registry. FAC ¶¶ 32, 38, 101,
25 103. Thus, Plaintiffs have sufficiently shown the Corporate Defendants violated the
26 TSR.

27 ///

28 ///

1 **4. CCPA**

2 The CCPA prohibits any “deceptive act or practice . . . that is associated
3 with . . . a government benefit related to COVID-19.” Pub. L. No. 116-260, 134 Stat.
4 1182, Title XIV, Section 1401(b)(2). Plaintiffs claim the Corporate Defendants
5 regularly told consumers they were able to provide these fraudulent services as part of
6 a government-backed program related to COVID-19 relief. FAC ¶¶ 33, 37, 41-42, 52-
7 53, 107-09. Thus, the court finds the Corporate Defendants violated the CCPA.

8 **5. CCFPL**

9 Finally, the CCFPL prohibits certain “covered persons” from engaging “in any
10 unlawful, unfair, deceptive, or abusive act or practice with respect to consumer
11 financial products or services.” Cal. Fin. Code § 90003(a)(1). “Services to assist a
12 consumer with . . . modifying the terms of any extension of credit[] or avoiding
13 foreclosure,” qualifies as a “financial product or service.” Cal. Fin. Code §
14 90005(k)(8)(B). For the same reasons as above, Plaintiffs have alleged and shown
15 that the Corporate Defendants engaged in unlawful, unfair, and deceptive practices
16 with respect to financial services in violation of the CCFPL.

17 **6. Relief Defendant**

18 Plaintiffs also state sufficiently a claim for disgorgement, as they have alleged
19 Relief Defendant received assets from the common enterprise to which it was not
20 legitimately entitled. *See SEC v. World Capital Markets, Inc.*, 864 F.3d 996, 1004
21 (9th Cir. 2017) (To obtain disgorgement against a relief defendant, a plaintiff must
22 show that the relief defendant “(1) received ill-gotten funds and (2) do[es] not have a
23 legitimate claim to those funds.”). Additionally, prior to its answer being stricken,
24 Relief Defendant served discovery responses admitting it received funds from the
25 Corporate Defendants and failing to proffer any legitimate claim to the funds it
26 received. *See Layugan Decl.*, ¶¶ 9, 12-13, Ex. 6.

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

1 **C. Sum of Money at Stake**

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

9 **1. Restitution and Disgorgement**

10 Plaintiffs argue the Corporate Defendants should be jointly and severally liable
11 for \$15,891,536.97 in restitution and disgorgement, amounting to the total loss
12 suffered by all customers of the fraudulent scheme, and \$50,900 in disgorgement from
13 Relief Defendant, totaling the ill-gotten funds received from the Corporate
14 Defendants. App. at 23. Taking their allegations as true, Plaintiffs establish the
15 Corporate Defendants engaged in a fraudulent scheme, which caused customers to
16 lose approximately \$15 million due to the Corporate Defendants’ misrepresentations,
17 and that Relief Defendant had no legitimate right to these funds. Accordingly,
18 Plaintiffs’ recoverable damages of \$15,891,536.97 against the Corporate Defendants³
19 and \$50,900 against Relief Defendant are reasonably proportionate to the harm
20 caused.

21 **2. Civil Penalties**

22 The DFPI is authorized to seek civil penalties under the CCFPL. Cal. Fin. Code
23 §§ 90012(b)(8); 90012(c). The CCFPL provides for three tiers of penalties depending
24 on the defendant’s level of culpability. A first-tier penalty requires no showing of
25 scienter, while second and third-tier penalties require a showing of recklessness or a

26 _____
27 ³ Pursuant to the court’s Order Granting Summary Judgment against Individual
28 Defendants (Dkt. 323), the Individual Defendants and Corporate Defendants are
jointly and severally liable for this restitution amount.

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

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

12 Nor do Plaintiffs seek to impose a per diem penalty for every day the Corporate
13 Defendants engaged in deceitful conduct. The FAC alleges the unlawful scheme
14 operated from at least June 2018 through the filing of the Complaint in September
15 2022. FAC ¶ 31. Thus, the period in which Plaintiffs seek to impose monetary
16 penalties is only for a portion of the period in which the Corporate Defendants
17 operated the scheme. Accordingly, the court finds the monetary judgment sought is
18 reasonable and proportional to the harm caused. This factor favors entry of default
19 judgment.

20 **D. Possibility of a Dispute Concerning Material Facts**

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

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

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

12 **E. Whether Default Was Due to Excusable Neglect**

13 The excusable neglect factor "favors default judgment when the defendant has
14 been properly served or the plaintiff demonstrates that the defendant is aware of the
15 lawsuit." *Wecosign*, 845 F. Supp. 2d at 1082. Plaintiffs filed proofs of service of the
16 Summons and Complaint on the Corporate Defendants and Relief Defendant. Dkts.
17 52-54, 72-73, 82-83. Because the Corporate Defendants were properly served and
18 aware of the action, the court finds their default did not occur because of excusable
19 neglect. *Wecosign*, 845 F. Supp. 2d at 1082. Similarly, though Relief Defendant filed
20 an answer, its answer was subsequently stricken for failure to obtain new counsel or
21 respond to the court's orders. *See United States v. High Country Broad Co., Inc.*, 3
22 F.3d 1244, 1245 (9th Cir. 1993) (entry of default judgment is appropriate when a
23 corporation fails to retain counsel). This *Eitel* factor favors entering default judgment.

24 **F. Policy Favoring Decisions on the Merits**

25 "Cases should be decided upon their merits whenever reasonably possible."
26 *Eitel*, 782 F.2d at 1472. But "[t]he very fact that [Rule] 55(b) exists shows that this
27 preference, standing alone, is not dispositive." *Kloeping v. Fireman's Fund*, No.
28 3:94-cv-02684-TEH, 1996 WL 75314, at *3 (N.D. Cal. Feb. 13, 1996). Here, the

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

6 **G. Conclusion on *Eitel* Factors**

7 In sum, the foregoing analysis of the *Eitel* factors weighs in favor of entering
8 default judgment against the Corporate Defendants and Relief Defendant. *See Eitel*,
9 782 F.2d at 1471-72. The court, therefore, finds it appropriate to enter default
10 judgment in Plaintiffs’ favor, and now turns to the relief Plaintiffs seek.

11 **IV. Award**

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

16 **A. Restitution, Disgorgement, and Civil Penalties**

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

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

1 against Relief Defendant of \$50,900, and DFPI seeks civil penalties of \$3,095,000.
2 *Id.* at 30. For the reasons stated above, the court finds these amounts to be
3 appropriate, and awards the requested amounts in restitution and civil penalties.

4 **B. Injunctive Relief**

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

15 To determine the appropriate scope of an injunction, courts analyze: “(1) the
16 seriousness and deliberateness of the violation; (2) the ease with which the violative
17 claims may be transferred to other products [or services]; and (3) whether the
18 [defendant] has a history of prior violations.” *FTC v. Grant Connect, LLC*, 763 F.3d
19 1094, 1105 (9th Cir. 2014). Plaintiffs’ proposed judgement as it pertains to injunctive
20 relief seeks to enjoin the Corporate Defendants from providing debt relief products
21 and services, telemarketing, making the same misrepresentations they made to
22 consumers during their mortgage assistance relief services scheme, and making any
23 other unsubstantiated claims. App. at 31-32. The court finds this relief to be
24 appropriate to prevent future violative conduct. The Ninth Circuit too has previously
25 approval similar bans as proper injunctive relief. *See, e.g., FTC v. ABC Hispana, Inc.*,
26 Case No. 5:17-cv-00252-JGB (DTBx), 2017 WL 3769195, at *2 (C.D. Cal. Aug. 28,
27 2017) (imposing telemarketing ban); *FTC v. John Beck Amazing Profits LLC*, 888 F.
28 Supp. 2d 1006, 1014-15 (C.D. Cal. Aug. 21, 2012) (infomercial marketing and

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

4 CONCLUSION

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

8 **I. Definitions:**

9 **A. "Assisting Others" includes:**

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

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

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

7 **C. “Debt Relief Product or Service” means:**

- 8 1. With respect to any mortgage, loan, debt, or obligation between a
9 Person and one or more secured or unsecured creditors or debt
10 collectors, any Product or Service represented, expressly or by
11 implication, to:
- 12 a. stop, prevent, or postpone any mortgage or deed of
13 foreclosure sale for a Person’s dwelling, any other sale of
14 collateral, any repossession of a Person’s dwelling or other
15 collateral, or otherwise save a Person’s dwelling or other
16 collateral from foreclosure or repossession;
 - 17 b. negotiate, obtain, or arrange a modification, or renegotiate,
18 settle, or in any way alter any terms of the mortgage, loan,
19 debt, or obligation, including a reduction in the amount of
20 interest, principal balance, monthly payments, or fees owed
21 by a Person to a secured or unsecured creditor or debt
22 collector;
 - 23 c. obtain any forbearance or modification in the timing of
24 payments from any secured or unsecured holder or servicer
25 of any mortgage, loan, debt, or obligation;
 - 26 d. negotiate, obtain, or arrange any extension of the period of
27 time within which a Person may (i) cure his or her default on
28 the mortgage, loan, debt, or obligation, (ii) reinstate his or

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

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

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

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

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

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

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

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

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

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

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

1 program.

2 **H. “Receiver”** means David P. Stapleton of the Stapleton Group.

3 **I. “Relief Defendant”** means MostCap Enterprises Corp, and its successors
4 and assigns.

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

9 **I. BAN ON DEBT RELIEF PRODUCTS AND SERVICES**

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

15 **II. BAN ON TELEMARKETING**

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

19 **III. PROHIBITION AGAINST MISREPRESENTATIONS**

20 IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate
21 Defendants’ officers, agents, employees, and attorneys, and all other Persons in active
22 concert or participation with any of them, who receive actual notice of this Order,
23 whether acting directly or indirectly, in connection with the advertising, marketing,
24 promoting, offering for sale, or selling of any Product or Service, are permanently
25 restrained and enjoined from misrepresenting, or Assisting Others in misrepresenting,
26 expressly or by implication:

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

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

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

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

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

15 **IV. PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS**

16 IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate
17 Defendants' officers, agents, employees, and attorneys, and all other Persons in active
18 concert or participation with any of them, who receive actual notice of this Order,
19 whether acting directly or indirectly, in connection with the promoting or offering for
20 sale of any Product or Service, are permanently restrained and enjoined from making
21 any representation or Assisting Others in making any representation, expressly or by
22 implication, about the benefits, performance, or efficacy of any Product or Service,
23 unless the representation is nonmisleading, including that, at the time such
24 representation is made, they possess and rely upon competent and reliable evidence
25 that is sufficient in quality and quantity based on standards generally accepted in the
26
27
28

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

3 **V. MONETARY JUDGMENT FOR RELIEF AGAINST CORPORATE**
4 **DEFENDANTS**

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

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

14 **VI. MONETARY JUDGMENT FOR RELIEF AGAINST RELIEF**
15 **DEFENDANT**

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

19 **VII. MONETARY JUDGMENT FOR CIVIL PENALTY**

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

24 Pursuant to the court's Order Granting Summary Judgment against the
25 Individual Defendants (Dkt. 323), the Individual Defendants and the Corporate
26 Defendants will be jointly and severally liable for the civil penalty amount of Three
27 Million and Ninety-Five Thousand Dollars and Zero Cents (\$3,095,000.00).
28

1 **VIII. ADDITIONAL MONETARY PROVISIONS**

2 IT IS FURTHER ORDERED that:

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

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

- 21 • Bank of America shall, within ten (10) business days of receipt of
22 a copy of this Order, transfer to the Receiver or his designated
23 agent all funds if any, in account number -2292 in the name of
24 “Apex Consulting & Associates Inc.”;
- 25 • Bank of America shall, within ten (10) business days of receipt of
26 a copy of this Order, transfer to the Receiver or his designated
27 agent all funds if any, in account number -2302 in the name of
28 “Apex Consulting & Associates Inc.”;

- 1 • Bank of America shall, within ten (10) business days of receipt of
2 a copy of this Order, transfer to the Receiver or his designated
3 agent all funds if any, in account number -4110 in the name of
4 “Green Equitable Solutions”;
- 5 • Bank of America shall, within ten (10) business days of receipt of
6 a copy of this Order, transfer to the Receiver or his designated
7 agent all funds if any, in account number -4326 in the name of
8 “South West Consulting Enterprises, Inc.”;
- 9 • Bank of America shall, within ten (10) business days of receipt of
10 a copy of this Order, transfer to the Receiver or his designated
11 agent all funds if any, in account number -7611 in the name of
12 “South West Consulting Enterprises, Inc.”;
- 13 • Bank of America shall, within ten (10) business days of receipt of
14 a copy of this Order, transfer to the Receiver or his designated
15 agent all funds if any, in account number -8160 in the name of
16 “South West Consulting Enterprises, Inc.”;
- 17 • Bank of America shall, within ten (10) business days of receipt of
18 a copy of this Order, transfer to the Receiver or his designated
19 agent all funds if any, in account number -8445 in the name of
20 “South West Consulting Enterprises, Inc.”;
- 21 • Bank of the West shall, within ten (10) business days of receipt of
22 a copy of this Order, transfer to the Receiver or his designated
23 agent all funds if any, in account number -1750 in the name of
24 “Equity Relief Funding, Inc.”;
- 25 • Bank of the West shall, within ten (10) business days of receipt of
26 a copy of this Order, transfer to the Receiver or his designated
27 agent all funds if any, in account number -1768 in the name of
28 “Equity Relief Funding, Inc.”;

- 1 • Bank of the West shall, within ten (10) business days of receipt of
2 a copy of this Order, transfer to the Receiver or his designated
3 agent all funds if any, in account number -4011 in the name of
4 “Equity Relief Funding, Inc.”;
- 5 • Citibank shall, within ten (10) business days of receipt of a copy of
6 this Order, transfer to the Receiver or his designated agent all
7 funds if any, in account number -2963 in the name of “South West
8 Consulting Enterprises, Inc.”;
- 9 • Citibank shall, within ten (10) business days of receipt of a copy of
10 this Order, transfer to the Receiver or his designated agent all
11 funds if any, in account number -3488 in the name of “South West
12 Consulting Enterprises, Inc.”;
- 13 • Citibank shall, within ten (10) business days of receipt of a copy of
14 this Order, transfer to the Receiver or his designated agent all
15 funds if any, in account number -8386 in the name of “South West
16 Consulting Enterprises, Inc.”;
- 17 • City National Bank shall, within ten (10) business days of receipt
18 of a copy of this Order, transfer to the Receiver or his designated
19 agent all funds if any, in account number -8382 in the name of
20 “Apex Consulting & Associates Inc.”;
- 21 • East West Bank shall, within ten (10) business days of receipt of a
22 copy of this Order, transfer to the Receiver or his designated agent
23 all funds if any, in account number -4746 in the name of “Apex
24 Consulting & Associates Inc.”;
- 25 • East West Bank shall, within ten (10) business days of receipt of a
26 copy of this Order, transfer to the Receiver or his designated agent
27 all funds if any, in account number -4308 in the name of “Infocom
28 Entertainment Ltd, Inc.”;

- 1 • East West Bank shall, within ten (10) business days of receipt of a
2 copy of this Order, transfer to the Receiver or his designated agent
3 all funds if any, in account number -4639 in the name of “South
4 West Consulting Enterprises, Inc.”;
- 5 • East West Bank shall, within ten (10) business days of receipt of a
6 copy of this Order, transfer to the Receiver or his designated agent
7 all funds if any, in account number -4647 in the name of “South
8 West Consulting Enterprises, Inc.”;
- 9 • JP Morgan Chase shall, within ten (10) business days of receipt of
10 a copy of this Order, transfer to the Receiver or his designated
11 agent all funds if any, in account number -6201 in the name of
12 “Advent Consulting, Inc.”;
- 13 • JP Morgan Chase shall, within ten (10) business days of receipt of
14 a copy of this Order, transfer to the Receiver or his designated
15 agent all funds if any, in account number -8066 in the name of
16 “Apex Consulting & Associates Inc.”;
- 17 • JP Morgan Chase shall, within ten (10) business days of receipt of
18 a copy of this Order, transfer to the Receiver or his designated
19 agent all funds if any, in account number -8090 in the name of
20 “Apex Consulting & Associates Inc.”;
- 21 • JP Morgan Chase shall, within ten (10) business days of receipt of
22 a copy of this Order, transfer to the Receiver or his designated
23 agent all funds if any, in account number -9590 in the name of
24 “Green Equitable Solutions.”;
- 25 • JP Morgan Chase shall, within ten (10) business days of receipt of
26 a copy of this Order, transfer to the Receiver or his designated
27 agent all funds if any, in account number -7727 in the name of
28 “Infocom Entertainment Ltd, Inc.”;

- 1 • JP Morgan Chase shall, within ten (10) business days of receipt of
2 a copy of this Order, transfer to the Receiver or his designated
3 agent all funds if any, in account number -0618 in the name of
4 “South West Consulting Enterprises, Inc.”;
- 5 • JP Morgan Chase shall, within ten (10) business days of receipt of
6 a copy of this Order, transfer to the Receiver or his designated
7 agent all funds if any, in account number -2911 in the name of
8 “South West Consulting Enterprises, Inc.”;
- 9 • JP Morgan Chase shall, within ten (10) business days of receipt of
10 a copy of this Order, transfer to the Receiver or his designated
11 agent all funds if any, in account number -3385 in the name of
12 “South West Consulting Enterprises, Inc.”;
- 13 • PNC Bank shall, within ten (10) business days of receipt of a copy
14 of this Order, transfer to the Receiver or his designated agent all
15 funds if any, in account number -3005 in the name of “Apex
16 Consulting & Associates Inc.”;
- 17 • PNC Bank shall, within ten (10) business days of receipt of a copy
18 of this Order, transfer to the Receiver or his designated agent all
19 funds if any, in account number -8098 in the name of “Green
20 Equitable Solutions.”;
- 21 • PayPal shall, within ten (10) business days of receipt of a copy of
22 this Order, transfer to the Receiver or his designated agent all
23 funds if any, in account number -8779 in the name of “Apex
24 Consulting & Associates Inc.”;
- 25 • PayPal shall, within ten (10) business days of receipt of a copy of
26 this Order, transfer to the Receiver or his designated agent all
27 funds if any, in account number -0483 in the name of “South West
28 Consulting Enterprises, Inc.”;

- 1 • US Bank shall, within ten (10) business days of receipt of a copy
2 of this Order, transfer to the Receiver or his designated agent all
3 funds if any, in account number -8326 in the name of “Green
4 Equitable Solutions”;
- 5 • US Bank shall, within ten (10) business days of receipt of a copy
6 of this Order, transfer to the Receiver or his designated agent all
7 funds if any, in account number -2694 in the name of “South West
8 Consulting Enterprises, Inc.”;
- 9 • US Bank shall, within ten (10) business days of receipt of a copy
10 of this Order, transfer to the Receiver or his designated agent all
11 funds if any, in account number -3832 in the name of “South West
12 Consulting Enterprises, Inc.”;
- 13 • Stripe shall, within ten (10) business days of receipt of a copy of
14 this Order, transfer to the Receiver or his designated agent all
15 funds if any, in account number -WK2e in the name of “Equity
16 Relief Funding, Inc.”;
- 17 • Stripe shall, within ten (10) business days of receipt of a copy of
18 this Order, transfer to the Receiver or his designated agent all
19 funds if any, in account number -1En5 in the name of “Green
20 Equitable Solutions”;
- 21 • Wells Fargo shall, within ten (10) business days of receipt of a
22 copy of this Order, transfer to the Receiver or his designated agent
23 all funds if any, in account number -9598 in the name of “Green
24 Equitable Solutions”;
- 25 • Wells Fargo shall, within ten (10) business days of receipt of a
26 copy of this Order, transfer to the Receiver or his designated agent
27 all funds if any, in account number -0432 in the name of “Infocom
28 Entertainment Ltd, Inc.”;

- 1 • Wells Fargo shall, within ten (10) business days of receipt of a
2 copy of this Order, transfer to the Receiver or his designated agent
3 all funds if any, in account number -7169 in the name of “Infocom
4 Entertainment Ltd, Inc.”;
- 5 • Wells Fargo shall, within ten (10) business days of receipt of a
6 copy of this Order, transfer to the Receiver or his designated agent
7 all funds if any, in account number -7268 in the name of “Infocom
8 Entertainment Ltd, Inc.”;
- 9 • Wells Fargo shall, within ten (10) business days of receipt of a
10 copy of this Order, transfer to the Receiver or his designated agent
11 all funds if any, in account number -7516 in the name of “Infocom
12 Entertainment Ltd, Inc.”;
- 13 • Wells Fargo shall, within ten (10) business days of receipt of a
14 copy of this Order, transfer to the Receiver or his designated agent
15 all funds if any, in account number -9154 in the name of “Infocom
16 Entertainment Ltd, Inc.”;
- 17 • Wells Fargo shall, within ten (10) business days of receipt of a
18 copy of this Order, transfer to the Receiver or his designated agent
19 all funds if any, in account number -0007 in the name of “South
20 West Consulting Enterprises, Inc.”;
- 21 • Wells Fargo shall, within ten (10) business days of receipt of a
22 copy of this Order, transfer to the Receiver or his designated agent
23 all funds if any, in account number -0064 in the name of “South
24 West Consulting Enterprises, Inc.”;
- 25 • Wells Fargo shall, within ten (10) business days of receipt of a
26 copy of this Order, transfer to the Receiver or his designated agent
27 all funds if any, in account number -9991 in the name of “South
28 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 take 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.

- 1 F. The asset freeze is modified to permit the transfers identified in this
2 Section. Upon satisfaction of the monetary judgments set forth in
3 Sections V to VII, the asset freeze as to the Corporate Defendants and
4 Relief Defendant is dissolved.
- 5 G. Money received by Plaintiffs will be used to satisfy the payment of the
6 monetary relief judgments in Sections V and VI before being used to
7 satisfy the civil penalty awarded in Section VII.
- 8 H. All money received by Plaintiffs pursuant to Sections V and VI may be
9 deposited into a fund administered by Plaintiffs or their designees to be
10 used for consumer relief, such as redress and any attendant expenses for
11 the administration of any redress fund. If representatives of Plaintiffs
12 decide that direct redress to consumers is wholly or partially
13 impracticable or money remains after such redress is completed,
14 Plaintiffs may apply any remaining money for such related relief
15 (including consumer information remedies) as they determine to be
16 reasonably related to the Corporate Defendants' and the Relief
17 Defendant's practices alleged in the First Amended Complaint, or
18 Plaintiffs may distribute funds to Plaintiff DFPI to satisfy the payment of
19 any civil penalty awarded in Section VII. The Corporate Defendants and
20 Relief Defendant have no right to challenge any actions Plaintiffs or their
21 representatives may take pursuant to this Section.
- 22 I. Any money received by Plaintiffs pursuant to Section VII shall be
23 provided to Plaintiff DFPI to satisfy the payment of any civil penalty
24 awarded in Section VII, pursuant to Cal. Fin. Code § 90007. The
25 Corporate Defendants and Relief Defendant have no right to challenge
26 any actions Plaintiff DFPI or its representatives may take pursuant to this
27 Section.
28

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

7 **IX. CUSTOMER INFORMATION**

8 IT IS FURTHER ORDERED that the Corporate Defendants, the Corporate
9 Defendants' officers, agents, employees, and attorneys, and all other Persons in active
10 concert or participation with any of them, who receive actual notice of this Order,
11 whether acting directly or indirectly, in connection with the promoting or offering for
12 sale of any Product or Service, are permanently restrained and enjoined from directly
13 or indirectly:

- 14 A. Failing to provide sufficient customer information to enable Plaintiffs to
15 efficiently administer consumer redress. If representatives of the
16 Plaintiffs request in writing any information related to redress, the
17 Corporate Defendants must provide it, in the form prescribed by the
18 Commission, within fourteen (14) days;
- 19 B. disclosing, using, or benefitting from customer information, including the
20 name, address, telephone number, email address, social security number,
21 other identifying information, or any data that enables access to a
22 customer's account (including a credit card, bank account, or other
23 financial account), that any Defendant obtained prior to entry of this
24 Order in connection with any Debt Relief Product or Service; and
- 25 C. failing to destroy such customer information in all forms in their
26 possession, custody, or control within thirty (30) days after receipt of
27 written direction to do so from representatives of Plaintiffs.
28

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

4 **X. ORDER ACKNOWLEDGMENTS**

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

- 7 A. Each Corporate Defendant and Relief Defendant, within seven (7) days
8 of entry of this Order, must submit to Plaintiffs an acknowledgment of
9 receipt of this Order sworn under penalty of perjury.
- 10 B. For five (5) years after entry of this Order, each Corporate Defendant for
11 any business that such Defendant, individually or collectively with any
12 other Defendant(s), is the majority owner or controls directly or
13 indirectly must deliver a copy of this Order to: (1) all principals, officers,
14 directors, and LLC managers and members; (2) all employees having
15 managerial responsibilities for conduct related to the subject matter of the
16 Order and all agents and representatives who participate in conduct
17 related to the subject matter of the Order; and (3) any business entity
18 resulting from any change in structure as set forth in the Section titled
19 Compliance Reporting. Delivery must occur within seven (7) days of
20 entry of this Order for current personnel. For all others, delivery must
21 occur before they assume their responsibilities.
- 22 C. From each individual or entity to which a Corporate Defendant delivered
23 a copy of this Order, that Defendant must obtain, within thirty (30) days,
24 a signed and dated acknowledgment of receipt of this Order.

25 **XI. COMPLIANCE REPORTING**

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

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

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

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

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

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

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

8 **XII. RECORDKEEPING**

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

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

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

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

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

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

23 **XIII. COMPLIANCE MONITORING**

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

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

1 Defendant must: submit additional compliance reports or other requested
2 information, which must be sworn under penalty of perjury; appear for
3 depositions; and produce documents for inspection and copying.

4 Plaintiffs are also authorized to obtain discovery, without further leave of
5 court, using any of the procedures prescribed by Federal Rules of Civil
6 Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45,
7 and 69.

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

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

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

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5 IT IS SO ORDERED.

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7 Dated: February 2, 2024

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10 FERNANDO L. AENLLE-ROCHA
11 United States District Judge
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