

1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA

3
4 Federal Trade Commission,

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6 Plaintiff,

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8 v.

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11 Federal Loan Modification

12 Law Center, LLP, et al.

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15 Defendants.
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)Case No. SACV09-401 CJC (MLGx)
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)**STIPULATED FINAL ORDER**
)**FOR PERMANENT INJUNCTION**
)**AND SETTLEMENT OF**
)**CLAIMS AS TO**
)**STEVEN OSCHEROWITZ**
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)Judge: Hon. Cormac J. Carney
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18 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on
19 April 3, 2009, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to
20 obtain preliminary and permanent injunctive and other equitable relief for
21 Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection
22 with the marketing and sale of mortgage loan modification and foreclosure relief
23 services. The FTC subsequently filed an amended complaint on June 24, 2009,
24 naming Defendants Federal Loan Modifications, SBSC Corporation, and Venture
25 Legal Support, PLC and Relief Defendants Legal Turn, LLC and MGO Capital.
26 The Court entered a Preliminary Injunction Order (“PI Order”) in this case
27 enjoining Defendants from, among other things, collecting advance fees from
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1 consumers, from making certain representations about their services, and from
2 disposing of assets outside the ordinary course of business. The FTC and
3 Defendant Steven Oscherowitz stipulate to the entry of this Final Order for
4 Permanent Injunction and Settlement of Claims. Nothing in this order supercedes
5 prohibitions on Defendant Steven Oscherowitz's conduct or his obligations
6 pursuant to any other administrative or judicial order resolving violations of the
7 FTC Act or other laws including but not limited to *In re Universal Merchants Inc.*,
8 et al, 123 F.T.C. 149 (Jan. 23, 1997) (consent order).

9 FINDINGS

10 By stipulation of the parties and being advised of the premises, the Court
11 finds:

12 1. This is an action by the FTC brought pursuant to Sections 5 and 13(b)
13 of the FTC Act, 15 U.S.C. §§ 45 and 57(b). The Amended Complaint seeks both
14 permanent injunctive relief and consumer redress for the Defendants' alleged
15 deceptive acts or practices in connection with the marketing and sale of mortgage
16 loan modification and foreclosure relief services.

17 2. The FTC has authority under Sections 13(b) of the FTC Act to seek the
18 relief it has requested, and the Amended Complaint states a claim upon which relief
19 can be granted against Defendant Steven Oscherowitz.

20 3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§
21 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a) and 53(b) and has jurisdiction over
22 the Defendant. Venue in the Central District of California is proper.

23 4. The activities of Defendant Steven Oscherowitz, as alleged in the
24 Amended Complaint, are in or affecting commerce, as defined in Section 4 of the
25 FTC Act, 15 U.S.C. § 44.
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1 5. Defendant Steven Oscherowitz enters into this Order freely and without
2 coercion and acknowledges that he has read, understands, and is prepared to abide
3 by, the provisions of this Order.

4 6. By agreeing to this Order, Defendant Steven Oscherowitz does not
5 admit any of the allegations set forth in the Amended Complaint, other than the
6 jurisdictional facts, merely by stipulating and agreeing to the entry of this Order.

7 7. Defendant Steven Oscherowitz waives all rights to seek judicial review
8 or otherwise challenge or contest the validity of this Order. Defendant Steven
9 Oscherowitz also waives any claim that he may have held under the Equal Access
10 to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the
11 date of this Order. Each party shall bear its own costs and attorneys fees.

12 8. This action and the relief awarded herein, are in addition to, and not in
13 lieu of, other remedies as may be provided by law, including both civil and criminal
14 remedies.

15 9. Entry of this Order is in the public interest.

16 **DEFINITIONS**

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

18 1. “*Assisting others*” includes, but is not limited to, providing any of the
19 following goods or services to another person: (A) performing customer service
20 functions, including, but not limited to, receiving or responding to consumer
21 complaints; (B) formulating or providing, or arranging for the formulation or
22 provision of, any telephone sales script or any other marketing material, including
23 but not limited to, the text of any Internet website, email, or other electronic
24 communication; (C) providing names of, or assisting in the generation of, potential
25 customers; (D) performing marketing services of any kind; or (E) acting or serving
26 as an owner, officer, director, manager, or principal of any entity.
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1 2. “*Credit*” means the right granted by a creditor to a debtor to defer
2 payment of debt or to incur debt and defer its payment.

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

10 4. “*Defendant*” means Steven Oscherowitz individually.

11 5. “*Financial related good or service*” means any good, service, plan, or
12 program that is represented, expressly or by implication, to (A) provide any
13 consumer, arrange for any consumer to receive, or assist any consumer in receiving,
14 credit, debit, or stored value cards; (B) improve, or arrange to improve, any
15 consumer’s credit record, credit history, or credit rating; (C) provide advice or
16 assistance to any consumer with regard to any activity or service the purpose of
17 which is to improve a consumer’s credit record, credit history, or credit rating; (D)
18 provide any consumer, arrange for any consumer to receive, or assist any consumer
19 in receiving, a loan or other extension of credit; (E) provide any consumer, arrange
20 for any consumer to receive, or assist any consumer in receiving, debt relief goods
21 or services; (F) provide any consumer, arrange for any consumer to receive, or
22 assist any consumer in receiving any service represented, expressly or by
23 implication, to renegotiate, settle, or in any way alter the terms of payment or other
24 terms of the debt between a consumer and one or more secured creditors, servicers,
25 or debt collectors.
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1 6. ***“Federal homeowner relief or financial stability program”*** means any
2 program (including its sponsoring agencies, telephone numbers, and Internet
3 websites) operated or endorsed by the United States government to provide relief to
4 homeowners or stabilize the economy, including but not limited to (A) the Making
5 Home Affordable Program; (B) the Financial Stability Plan; (C) the Troubled Asset
6 Relief Program and any other program sponsored or operated by the United States
7 Department of the Treasury; (D) the HOPE for Homeowners program, any program
8 operated or created pursuant to the Helping Families Save Their Homes Act, and
9 any other program sponsored or operated by the Federal Housing Administration;
10 or (E) any program sponsored or operated by the United States Department of
11 Housing and Urban Development (“HUD”), the HOPE NOW Alliance, the
12 Homeownership Preservation Foundation, or any other HUD-approved housing
13 counseling agency.
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15 I. ***“For-profit”*** means any activity organized to carry on business
16 for the profit of the entity engaging in the activity or that of its members.
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18 8. ***“Material fact”*** means any fact that is likely to affect a person’s choice
19 of, or conduct regarding, goods or services.

20 9. ***“Mortgage loan modification or foreclosure relief service”*** means any
21 good, service, plan, or program that is represented, expressly or by implication, to
22 assist a consumer in any manner to (A) stop, prevent, or postpone any home
23 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of
24 any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance
25 from any mortgage loan holder or servicer; (D) exercise any right of reinstatement
26 of any mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any
27 extension of the period within which the owner of property sold at foreclosure may
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1 cure his or her default or reinstate his or her obligation; (F) obtain any waiver of an
2 acceleration clause contained in any promissory note or contract secured by a deed
3 of trust or mortgage on a residence in foreclosure or contained in that deed of trust;
4 (G) obtain a loan or advance of funds that is connected to the consumer's home
5 ownership; (H) avoid or ameliorate the impairment of the consumer's credit record,
6 credit history, or credit rating that is connected to the consumer's home ownership;
7 (I) save the consumer's residence from foreclosure; (J) assist the consumer in
8 obtaining proceeds from the foreclosure sale of the consumer's residence; (K)
9 obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure;
10 (L) obtain or arrange a refinancing, recapitalization, or reinstatement of a home
11 loan, deed of trust, or mortgage; (M) audit or examine a consumer's mortgage or
12 home loan application; or (N) obtain, arrange, or attempt to obtain or arrange any
13 extension of the period within which the renter of property sold at foreclosure may
14 continue to occupy the property. The foregoing shall include any manner of
15 claimed assistance, including, but not limited to, debt, credit, budget, or financial
16 counseling; receiving money for the purpose of distributing it to creditors;
17 contacting creditors or servicers on behalf of the consumer; and giving advice of
18 any kind with respect to filing for bankruptcy.

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20 10. **"Person"** means a natural person, organization, or other legal entity,
21 including a corporation, partnership, proprietorship, association, cooperative, or any
22 other group or combination acting as an entity.

23 11. **"Servicer"** means any beneficiary, mortgagee, trustee, loan servicer,
24 loan holder, or any entity performing loan or credit account administration or
25 processing services and/or its authorized agents.

26 12. **"Telemarketing"** means any plan, program, or campaign (whether or
27 not covered by the Telemarketing Rule, 16 C.F.R. Part 310) that is conducted to
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1 induce the purchase of goods or services or the payment of money by means of the
2 use of one or more telephones.

3 **ORDER**

4 **BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE**

5 **RELIEF SERVICES**

6 **I. IT IS THEREFORE ORDERED** that Defendant, whether acting directly or
7 through any other person, is permanently restrained and enjoined from

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

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

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14 **BAN ON TELEMARKETING**

15 **II. IT IS FURTHER ORDERED** that Defendant, whether acting directly or
16 through any other person, is permanently restrained and enjoined from
17 telemarketing, or assisting others engaged in telemarketing any good or
18 service.

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21 **PROHIBITED REPRESENTATIONS RELATING TO FINANCIAL**
22 **RELATED GOODS AND SERVICES**

23 **III. IT IS FURTHER ORDERED** that Defendant and his successors, assigns,
24 officers, agents, servants, employees, and attorneys, and those persons or entities in
25 active concert or participation with any of them who receive actual notice of this
26 Order by personal service, facsimile transmission, email, or otherwise, whether
27 acting directly or through any corporation, subsidiary, division, or other device, in
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1 connection with the advertising, marketing, promotion, offering for sale or sale of
2 any financial related good or service, are hereby permanently restrained and
3 enjoined from:

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

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

8 (a) closing costs or other fees;

9 (b) the payment schedule, the monthly payment amount(s), or
10 other payment terms, or whether there is a balloon payment; interest rate(s), annual
11 percentage rate(s), or finance charge; the loan amount, the amount of credit, the
12 draw amount, or outstanding balance; the loan term, the draw period, or maturity; or
13 any other term of credit;

14 (c) the savings associated with the credit;

15 (d) the amount of cash to be disbursed to the borrower out of
16 the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any
17 third parties;

18 (e) whether the payment of the minimum amount specified
19 each month covers both interest and principal, and whether the credit has or can
20 result in negative amortization;

21 (f) that the credit does not have a prepayment penalty or that
22 no prepayment penalty and/or other fees or costs will be incurred if the consumer
23 subsequently refinances; and

24 (g) that the interest rate(s) or annual percentage rate(s) are
25 fixed rather than adjustable or adjustable rather than fixed;

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

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

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

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

12 E. Any material aspect of the performance, efficacy, nature, or
13 characteristics of the good or service.
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15 **PROHIBITIONS ON USE OF CUSTOMER INFORMATION**

16 **V. IT IS FURTHER ORDERED** that Defendant and his successors, assigns,
17 officers, agents, servants, employees, and attorneys, and those persons or entities in
18 active concert or participation with any of them who receive actual notice of this
19 Order by personal service, facsimile transmission, email, or otherwise, whether
20 acting directly or through any corporation, subsidiary, division, or other device, are
21 permanently restrained and enjoined from:

22 A. disclosing, using, or benefitting from customer information, including
23 the name, address, telephone number, email address, Social Security number, other
24 identifying information, or any data that enables access to a customer's account
25 (including a credit card, bank account, or other financial account), of any person
26 which any Defendant obtained prior to entry of this Order in connection with the
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1 advertising, marketing, promotion, offering for sale or sale of any mortgage loan
2 modification or foreclosure relief service, and

3 B. failing to dispose of such customer information in all forms in his
4 possession, custody, or control within thirty (30) days after entry of this Order.
5 Disposal shall be by means that protect against unauthorized access to the customer
6 information, such as by burning, pulverizing, or shredding any papers, and by
7 erasing or destroying any electronic media, to ensure that the customer information
8 cannot practicably be read or reconstructed.

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

12 **MONETARY RELIEF**

13 **VI. IT IS FURTHER ORDERED** that:

14 A. Judgment is hereby entered against the Defendant, jointly and
15 severally, in the amount of eleven million five hundred twenty-six thousand two
16 hundred and seventy-four dollars (\$11,526,274);

17 B. The Defendant hereby assigns to the Commission, without any
18 encumbrances, all rights and claims to, and the right to pursue any chose in action
19 to recover, any money or assets owed to them as of the date of entry of this Order
20 by any Defendant or Relief Defendant named in this civil action, or their officers,
21 agents, servants, employees, and all persons and entities in active concert or
22 participation with them;

23 C. Any funds received by the FTC pursuant to this Section shall be
24 deposited into a fund administered by the FTC or its agent to be used for equitable
25 relief, including but not limited to consumer redress and any attendant expenses for
26 the administration of any redress funds. In the event that direct redress to
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1 consumers is wholly or partially impracticable or funds remain after redress is
2 completed, the FTC may apply any remaining funds for such other equitable relief,
3 including but not limited to consumer information remedies, as the FTC determines
4 to be reasonably related to the practices alleged in the Amended Complaint. Any
5 funds not used for such equitable relief shall be deposited to the U.S. Treasury as
6 equitable disgorgement. Defendant shall have no right to challenge the FTC's
7 choice of remedies or the manner of distribution.

8 D. The Defendant relinquishes all dominion, control, and title to the funds
9 paid to the fullest extent permitted by law. The Defendant shall make no claim to
10 or demand for return of the funds, directly or indirectly, through counsel or
11 otherwise.

12 E. Defendant agrees that the facts as alleged in the Amended Complaint
13 filed in this action shall be taken as true without further proof in any bankruptcy
14 case or subsequent civil litigation pursued by the Commission to enforce its rights
15 to any payment or money judgment pursuant to this Order, including but not limited
16 to a nondischargeability complaint in any bankruptcy case. Defendant further
17 stipulates and agrees that the facts alleged in the Amended Complaint establish all
18 elements necessary to sustain an action by the Commission pursuant to Section
19 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this Order
20 shall have collateral estoppel effect for such purposes.

22 F. The judgment entered pursuant to this Section is equitable monetary
23 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or
24 forfeiture.

25 G. Upon request, the Defendant is hereby required, in accordance with 31
26 U.S.C. § 7701, to furnish to the FTC his tax identification number, which shall be
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1 used for purposes of collecting and reporting on any delinquent amount arising out
2 of this Order.

3 H. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
4 § 1681b(1), any consumer reporting agency may furnish a consumer report
5 concerning Defendant to the FTC, which shall be used for purposes of collecting
6 and reporting on any delinquent amount arising out of this Order.

7 **COOPERATION WITH FTC**

8 **VII. IT IS FURTHER ORDERED** that the Defendant shall, in connection with
9 this action or any subsequent investigation or litigation related to or associated with
10 the transactions or the occurrences that are the subject of the Amended Complaint,
11 cooperate in good faith with the FTC and appear at such places and times as the
12 FTC shall reasonably request, after written notice, for interviews, conferences,
13 pretrial discovery, review of documents, and for such other matters as may be
14 reasonably requested by the FTC. If requested in writing by the FTC, the
15 Defendant shall appear and provide truthful testimony in any trial, deposition, or
16 other proceeding related to or associated with the transactions or the occurrences
17 that are the subject of the Amended Complaint, without the service of a subpoena,
18 *provided, however*, that the Defendant shall be entitled to receive any witness fees
19 and expenses allowable pursuant to Federal Rule of Civil Procedure 45.
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21 **COMPLIANCE MONITORING**

22 **VIII. IT IS FURTHER ORDERED** that, for the purpose of (i) monitoring and
23 investigating compliance with any provision of this Order, and (ii) investigating the
24 accuracy of Defendant's financial statements upon which the FTC's agreement to
25 this Order is expressly premised:

26 A. Within ten (10) days of receipt of written notice from a representative
27 of the FTC, the Defendant shall submit additional written reports, which are true
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1 and accurate and sworn to under penalty of perjury; produce documents for
2 inspection and copying; appear for deposition; and provide entry during normal
3 business hours to any business location in Defendant's possession or direct or
4 indirect control to inspect the business operation;

5 B. In addition, the FTC is authorized to use all other lawful means,
6 including but not limited to:

7 1. obtaining discovery from any person, without further leave of
8 court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and
9 69;

10 2. posing as consumers and suppliers to the Defendant, his
11 employees, or any other entity managed or controlled in whole or in part by the
12 Defendant, without the necessity of identification or prior notice; and

13 C. The Defendant shall permit representatives of the FTC to interview
14 any employer, consultant, independent contractor, representative, agent, or
15 employee who has agreed to such an interview, relating in any way to any conduct
16 subject to this Order. The person interviewed may have counsel present.

17 D. *Provided however*, that nothing in this Order shall limit the FTC's
18 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15
19 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things,
20 testimony, or information relevant to unfair or deceptive acts or practices in or
21 affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

22 COMPLIANCE REPORTING

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24 **IX. IT IS FURTHER ORDERED** that in order that compliance with the
25 provisions of this Order may be monitored:

26 A. For a period of ten (10) years from the date of entry of this Order,

27 1. Defendant shall notify the FTC of the following:
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1 a. Any changes in Defendant's residence, mailing addresses,
2 and telephone numbers, within ten (10) days of the date of such change;

3 b. Any changes in Defendant's employment status
4 (including self-employment), and any change in Defendant's ownership in any
5 business entity, within ten (10) days of the date of such change. Such notice shall
6 include the name and address of each business that Defendant is affiliated with,
7 employed by, creates or forms, or performs services for; a detailed description of
8 the nature of the business; and a detailed description of Defendant's duties and
9 responsibilities in connection with the business or employment; and

10 c. Any changes in Defendant's name or use of any aliases or
11 fictitious names;

12 2. The Defendant shall notify the FTC of any changes in structure
13 of any corporate defendant or any business entity that Defendant directly or
14 indirectly controls, or has an ownership interest in, that may affect compliance
15 obligations arising under this Order, including but not limited to: incorporation or
16 other organization; a dissolution, assignment, sale, merger, or other action; the
17 creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or
18 practices subject to this Order; or a change in the business name or address, at least
19 thirty (30) days prior to such change, *provided* that, with respect to any proposed
20 change in the business entity about which Defendant learns less than thirty (30)
21 days prior to the date such action is to take place, Defendant shall notify the FTC as
22 soon as is practicable after obtaining such knowledge.

24 B. One hundred eighty (180) days after the date of entry of this Order and
25 annually thereafter for a period of ten (10) years, the Defendant shall provide a
26 written report to the FTC, which is true and accurate and sworn to under penalty of
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1 perjury, setting forth in detail the manner and form in which he has complied and is
2 complying with this Order. This report shall include, but not be limited to:

3 1. Defendant's then-current residence address, mailing addresses,
4 and telephone numbers;

5 2. Defendant's then-current employment status (including self-
6 employment), including the name, addresses, and telephone numbers of each
7 business that Defendant is affiliated with, employed by, or performs services for; a
8 detailed description of the nature of the business; and a detailed description of
9 Defendant's duties and responsibilities in connection with the business or
10 employment; and

11 3. Any other changes required to be reported under Subsection A
12 of this Section.

13 4. A copy of each acknowledgment of receipt of this Order,
14 obtained pursuant to the Section titled "Distribution of Order;" and

15 5. Any other changes required to be reported under Subsection A
16 of this Section.

17 C. Defendant shall notify the FTC of the filing of a bankruptcy petition by
18 Defendant within fifteen (15) days of filing.

19 D. For the purposes of this Order, the Defendant shall, unless otherwise
20 directed by the FTC's authorized representatives, send by overnight courier all
21 reports and notifications required by this Order to the FTC, to the following
22 address:
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24 Associate Director for Enforcement
25 Federal Trade Commission
26 600 Pennsylvania Avenue, N.W., Room NJ-2122
27 Washington, D.C. 20580
28 RE: *FTC v. Federal Loan Modification Law Center*, Case No.
SACV09-401 CJC (MLGx) (C.D. Ca.)

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2 *Provided* that, in lieu of overnight courier, Defendant may send such reports or
3 notifications by first-class mail, but only if Defendant contemporaneously sends an
4 electronic version of such report or notification to the FTC at: DEBrief@ftc.gov.

5 E. For purposes of the compliance reporting and monitoring required by
6 this Order, the FTC is authorized to communicate directly with Defendant .

7 **RECORD KEEPING PROVISIONS**

8 **X. IT IS FURTHER ORDERED** that, for a period of thirteen (13) years from
9 the date of entry of this Order, in connection with any business where Defendant is
10 the majority owner of the business or directly or indirectly manages or controls the
11 business, Defendant and his agents, employees, officers, corporations, and those
12 persons in active concert or participation with them who receive actual notice of
13 this Order by personal service or otherwise, are hereby restrained and enjoined from
14 failing to create and retain the following records:

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

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

22 C. Customer files containing the names, addresses, phone numbers, dollar
23 amounts paid, quantity of items or services purchased, and description of items or
24 services purchased, to the extent such information is obtained in the ordinary course
25 of business;
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1 D. Complaints and refund requests (whether received directly, indirectly,
2 or through any third party) and any responses to those complaints or requests;

3 E. Copies of all sales scripts, training materials, advertisements, or other
4 marketing materials; and

5 F. All records and documents necessary to demonstrate full compliance
6 with each provision of this Order, including but not limited to, copies of
7 acknowledgments of receipt of this Order required by the Sections titled
8 “Distribution of Order” and “Acknowledgment of Receipt of Order” and all reports
9 submitted to the FTC pursuant to the Section titled “Compliance Reporting.”

10 **DISTRIBUTION OF ORDER**

11 **XI. IT IS FURTHER ORDERED** that, for a period of ten (10) years from the
12 date of entry of this Order, Defendant shall deliver copies of the Order as directed
13 below:

14 A. Defendant as Control Person: For any business that Defendant
15 controls, directly or indirectly, or in which Defendant has a majority ownership
16 interest, Defendant must deliver a copy of this Order to (1) all principals, officers,
17 directors, and managers of that business; (2) all employees, agents, and
18 representatives of that business who engage in conduct related to the subject matter
19 of the Order; and (3) any business entity resulting from any change in structure set
20 forth in Subsection A.2 of the Section titled “Compliance Reporting.” For current
21 personnel, delivery shall be within five (5) days of service of this Order upon such
22 Defendant. For new personnel, delivery shall occur prior to them assuming their
23 responsibilities. For any business entity resulting from any change in structure set
24 forth in Subsection A.2 of the Section titled “Compliance Reporting,” delivery shall
25 be at least ten (10) days prior to the change in structure.
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1 B. Defendant as employee or non-control person: For any business where
2 an Individual Defendant is not a controlling person of a business but otherwise
3 engages in conduct related to the subject matter of this Order, such Defendant must
4 deliver a copy of this Order to all principals and managers of such business before
5 engaging in such conduct.

6 C. Defendant must secure a signed and dated statement acknowledging
7 receipt of the Order, within thirty (30) days of delivery, from all persons receiving a
8 copy of the Order pursuant to this Section.

9 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

10 **XII. IT IS FURTHER ORDERED** that Defendant, within five (5) business days
11 of receipt of this Order as entered by the Court, must submit to the FTC a truthful
12 sworn statement acknowledging receipt of this Order.

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22 **RETENTION OF JURISDICTION**

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

25 **SO STIPULATED AND AGREED:**
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SO STIPULATED:

Steven Oscherowitz, Defendant

Pro Se

FOR THE PLAINTIFF

FEDERAL TRADE COMMISSION

LAURA M. SULLIVAN

JAMES L. CHEN

LEAH E. FRAZIER

Attorneys

Federal Trade Commission

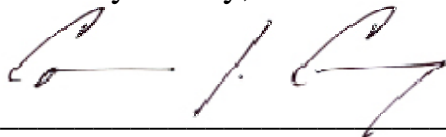
Washington, D.C. 20580

Tel: (202) 326-3327 (Sullivan); (-3332) Frazier; (-2659) Chen

Fax: (202) 326-3768

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IT IS SO ORDERED, this 12th day of July, 2010



Cormac J. Carney

United States District Judge