

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION;
the states and commonwealths of
ALABAMA, CALIFORNIA, COLORADO,
CONNECTICUT, DELAWARE, FLORIDA,
GEORGIA, ILLINOIS, INDIANA, IOWA,
KANSAS, KENTUCKY, LOUISIANA,
MAINE, MARYLAND, MASSACHUSETTS,
MICHIGAN, MISSOURI, MONTANA,
NEBRASKA, NEVADA, NEW HAMPSHIRE,
NEW JERSEY, NEW MEXICO, NEW YORK,
NORTH CAROLINA, OHIO, OKLAHOMA,
OREGON, PENNSYLVANIA, TENNESSEE,
TEXAS, UTAH, VIRGINIA, WASHINGTON,
WEST VIRGINIA, WISCONSIN, WYOMING;
and the DISTRICT OF COLUMBIA,

Case Number 21-10174
Honorable David M. Lawson

Plaintiffs,

v.

ASSOCIATED COMMUNITY SERVICES, INC.,
CENTRAL PROCESSING SERVICES, LLC,
COMMUNITY SERVICES APPEAL, LLC,
THE DALE CORP., DIRECTELE, INC.,
ROBERT WILLIAM BURLAND,
RICHARD T. COLE, AMY BURLAND,
BARBARA COLE, SCOT STEPEK,
NIKOLE GILSTORF, ANTONIO G. LIA,
and JOHN LUCIDI,

Defendants.

CONSENT JUDGMENT

On January 26, 2021, the United States Federal Trade Commission, along with 38 states and the District of Columbia, commenced this civil action by filing a complaint alleging that the defendants illegally and deceptively procured tens of millions of dollars in bogus donations from hundreds of millions of Americans, through more than 1.3 billion unsolicited telephone calls. The 167-page pleading charges that the defendants' conduct violated dozens of state and federal

statutes regulating telecommunications and consumer trade, and the plaintiffs sought preliminary and permanent injunctive relief, monetary awards of civil penalties authorized by the numerous statutes that were violated, and recovery of their costs and attorney fees.

The parties have filed stipulations severally to resolve all of the claims against various groups of defendants. The Court has reviewed the pleadings and the parties' statements of stipulated facts. The glossary of terms specified by the parties and the facts admitted by their mutual consent are incorporated herein and relied upon by the Court in making the following findings. *See* Stipulation for Entry of Consent Judgment (ECF No. 44). The Court finds based on the representations of the parties that it has subject matter jurisdiction over the federal claims pleaded in the complaint and supplemental jurisdiction via 28 U.S.C. § 1367 over the state law claims. The Court finds that it has personal jurisdiction over each of the defendants, all of whom have consented to be bound by the judgment of this Court. The Court has considered the terms of the parties' proposed settlement and finds that it is a fair, adequate, and reasonable resolution of a genuine controversy between them, the agreed injunctive relief and monetary penalties comprise reasonable redress for the grievances alleged, and the public interest favors approval. The Court further finds that it should retain jurisdiction to enforce the terms of this Consent Judgment.

Accordingly, judgment hereby is entered in favor of the plaintiffs against defendants Robert W. "Bill" Burland and Amy J. Burland (collectively, the "Burland Defendants"), and all of the following is **ORDERED AND ADJUDGED:**

I. BAN ON FUNDRAISING

The Burland Defendants are permanently restrained and enjoined from Fundraising or providing Fundraising Services to any Person, whether directly or indirectly. This includes controlling, directly or indirectly, or holding an ownership interest in, any entity engaged in Fundraising or the provision of Fundraising Services.

II. BAN ON TELEMARKETING

The Burland Defendants are permanently restrained and enjoined from engaging in, or assisting others to engage in, Telemarketing, whether acting directly or through an intermediary, including by consulting, brokering, planning, investing, or advising. Provided, however, that this Section does not prohibit the Burland Defendants, individually (including as an employee of another Person) or through any business either of them owns or operates, from initiating any Manually Dialed Call when such a call is not part of a plan, program, or campaign to induce the sale of a good or service or solicit a Contribution through a telephone call and is only incidental to the business. For purposes of this provision, “Manually Dialed Call” means a telephone call that is dialed by an individual who manually selects the telephone number to be called without the assistance of an automated dialer or similar device and without the use of any prerecorded message. Provided, further, that it is not a violation of this Consent Judgment for the Burland Defendants to own a non-controlling stock interest in a publicly traded company that engages in conduct banned in this Section II.

III. PROHIBITION AGAINST MISREPRESENTATIONS

The Burland Defendants, the Burland Defendants’ officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Consent Judgment, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, selling, or distribution of any good or service are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact.

IV. COMPLIANCE WITH STATE LAW

The Burland Defendants, the Burland Defendants’ officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this

Consent Judgment, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, selling, or distribution of any good or service are permanently restrained and enjoined from violating, causing others to violate, or assisting others in violating any provision of the state laws cited in the parties' stipulation.

V. COOPERATION

The Burland Defendants shall cooperate fully with Plaintiffs' representatives in this case, including in any investigation into any Defendant's compliance with this Consent Judgment, and in any investigation related to or associated with the transactions, occurrences, or Persons that are the subject of the Complaint. The Burland Defendants must provide truthful and complete information, evidence, and testimony. The Burland Defendants must appear for interviews, discovery, hearings, trials, and any other proceedings that any Plaintiff's representative may reasonably request upon seven days' written notice, or other reasonable notice, at such places and times as each Plaintiff's representative may designate, without the service of a subpoena.

VI. DONOR INFORMATION

The Burland Defendants, the Burland Defendants' officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly:

A. Disclosing, using, or benefitting from any information about any Donor solicited by Defendants, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a Donor's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Consent Judgment;

B. Failing to destroy such Donor information in all forms in their possession, custody, or control within 10 days after entry of this Consent Judgment; and

C. Failing to provide a sworn statement certifying they have destroyed such Donor information in all forms in their possession, custody, or control within 15 days after entry of this Consent Judgment.

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

VII. MONETARY JUDGMENT AND PARTIAL SUSPENSION

Judgment hereby is entered against the Burland Defendants as follows:

A. Judgment in the amount of One Hundred Ten Million Sixty-Three Thousand Eight Hundred Forty-Three Dollars and no cents (\$110,063,843.00) is entered in favor of Plaintiffs against Defendant Bill Burland and Defendant Amy Burland, jointly and severally, as equitable monetary relief.

B. Defendant Amy Burland shall pay Four Hundred Fifty Thousand Dollars and no cents (\$450,000.00). This sum will be paid to one or more charities as a Contribution as set forth below, following subsequent motion by the State Plaintiffs and order of this Court.

C. Defendant Amy Burland stipulates that her undersigned counsel holds the monies owed pursuant to Paragraph VII.B in a client trust account for no purpose other than payment to the Florida Department of Legal Affairs Escrow Fund (“Florida Escrow Fund”).

D. The monies owed by Defendant Amy Burland and held in a client trust account by her undersigned counsel shall be transferred within three (3) days of entry of this Consent Judgment to the Florida Escrow Fund, which shall hold this amount for no purpose other than future payment to one or more charities as a Contribution, unless otherwise ordered by this Court. This transfer shall be made by wire transfer, cashier’s check, or other certified funds made payable to the Florida Department of Legal Affairs Escrow Fund.

E. Upon completion of all payments and requirements described in Paragraphs VII.C and VII.D, the remainder of the judgment is suspended, subject to Paragraphs VII.F and VII.H.

F. Plaintiffs' agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of the Burland Defendants' sworn financial statements and related documents (collectively referred to as "Financial Representations") submitted to the Plaintiffs, namely:

1. The financial statement of Defendant Bill Burland, executed on March 10, 2020;
2. The financial statement of Defendant Amy Burland, executed on March 10, 2020;
3. Supplemental attachments to the March 10, 2020 financial statements, including bank statements and tax returns, produced by the Burland Defendants' undersigned counsel to the Commission on March 10, 2020; April 13, 2020; and May 29, 2020;
4. The sworn Declaration of Amy Jay Burland, executed on September 1, 2020; and
5. The sworn Declaration of Bill Burland executed on September 1, 2020, and the attachment thereto.

G. The suspension of the judgment will be lifted as to Defendant Bill Burland or Defendant Amy Burland if, upon motion by any Plaintiff, the Court finds that either Defendant Bill Burland or Defendant Amy Burland failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the Financial Representations identified above.

H. If the suspension of the judgment is lifted as to one or both Burland Defendants, the judgment becomes immediately due as to that Burland Defendant(s) in the amount specified in Paragraph VII.A (which the parties stipulate only for purposes of this Section represents the consumer injury that the Complaint alleges was caused by Associated Community Services, Inc., Central Processing Services, LLC, and Community Services Appeal, LLC, and for which the Burland Defendants are jointly and severally liable), less any payment previously made by Defendant Amy Burland pursuant to this Section, or by Associated Community Services, Inc.; Central Processing Services, LLC; Community Services Appeal, LLC; Richard “Dick” T. Cole; Barbara Cole; Nikole Gilstorf (a/k/a Nikole Luton and/or Nikole Dicks); Antonio “Tony” Lia; John Lucidi, or Scot Stepek pursuant to any other order entered in connection with this matter, plus interest computed from the date of entry of this Consent Judgment. Payments on the judgment shall be made to the Florida Escrow Fund if the Court has not approved one or more charities to receive the Contribution pursuant to Paragraph VII.I. Such payments shall be made by wire transfer, cashier’s check, or other certified funds made payable to the Florida Department of Legal Affairs Escrow Fund. If the Court has approved one or more charities to receive a Contribution pursuant to Paragraph VII.I, then any such payments shall be made to the approved charities.

I. The State Plaintiffs shall identify one or more charities to recommend to this Court as suitable to receive a Contribution. Within 90 days of entry of this Consent Judgment, the State Plaintiffs shall submit to this Court a motion and proposed order recommending one or more recipients for the Contribution, the amount to be paid to any approved recipient, and the manner and timeframe for such payment. All monies paid by the Burland Defendants and held in the Florida Escrow Fund shall be distributed only as authorized and directed by this Court. The

Burland Defendants shall have no right to challenge any recommendations regarding any Contribution or monetary distribution made by the State Plaintiffs.

J. Defendant Amy Burland understands that any Contribution to a charity described herein is being made in lieu of consumer restitution and not on behalf of Defendant Amy Burland. Therefore, Defendant Amy Burland stipulates that she will not claim any tax deduction, credit, or other benefit related to any Contribution to a charity discussed in this Consent Judgment.

VIII. ADDITIONAL MONETARY PROVISIONS

A. The Burland Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Consent Judgment and may not seek the return of any assets.

B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil or administrative litigation by or on behalf of any Plaintiff with either of the Burland Defendants in a proceeding to enforce the right to any payment or monetary judgment pursuant to this Consent Judgment, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by any Plaintiff pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Consent Judgment will have collateral estoppel effect for such purposes.

D. The Burland Defendants acknowledge that their Social Security Numbers, which they previously submitted to Plaintiffs, may be used for collecting and reporting on any delinquent amount arising out of this Consent Judgment, in accordance with 31 U.S.C. §7701.

IX. JUDGMENT ACKNOWLEDGMENTS

The Burland Defendants shall acknowledge receipt of this Consent Judgment as follows:

A. Defendant Bill Burland and Defendant Amy Burland, within seven days of entry of this Consent Judgment, each must submit to Plaintiff Federal Trade Commission an acknowledgment of receipt of this Consent Judgment sworn under penalty of perjury.

B. For 10 years after entry of this Consent Judgment, Defendant Bill Burland and Defendant Amy Burland, for any business that he or she, individually or collectively with any other Defendant named in this matter, is the majority owner or controls directly or indirectly, must deliver a copy of this Consent Judgment to: (1) all principals, officers, directors, and LLC managers and members and (2) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within seven days of entry of this Consent Judgment for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which the Burland Defendants delivered a copy of this Consent Judgment, the Burland Defendants must obtain, within thirty days, a signed and dated acknowledgment of receipt of this Consent Judgment.

X. COMPLIANCE REPORTING

The Burland Defendants shall make timely submissions to the Federal Trade Commission and, on behalf of the State Plaintiffs, to the Office of the Michigan Attorney General, according to the following terms:

A. One year after entry of this Consent Judgment, Defendant Bill Burland and Defendant Amy Burland each must submit a compliance report, sworn under penalty of perjury:

1. Defendant Bill Burland and Defendant Amy Burland each must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with each of them; (b) identify all of their businesses by all of their names, telephone numbers, and physical, postal, email,

and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, or sales, and the involvement of any other Defendant (which Defendant Bill Burland and Defendant Amy Burland must describe if they know or should know due to their own involvement); (d) describe in detail whether and how they are in compliance with each Section of this Consent Judgment; and (e) provide a copy of each Consent Judgment Acknowledgment obtained pursuant to this Consent Judgment, unless previously submitted to the Federal Trade Commission and the Office of the Michigan Attorney General.

2. Additionally, Defendant Bill Burland and Defendant Amy Burland each must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which either of them performs services whether as an employee or otherwise and any entity in which either of them has any ownership interest; and (c) describe in detail their involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years after entry of this Consent Judgment, Defendant Bill Burland and Defendant Amy Burland each must submit a compliance notice, sworn under penalty of perjury, within fourteen days of any change in the following:

1. Defendant Bill Burland and Defendant Amy Burland each must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that either Defendant Bill Burland and Defendant Amy Burland has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Consent Judgment, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Judgment.

2. Additionally, Defendant Bill Burland and Defendant Amy Burland each must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which he or she performs services whether as an employee or otherwise and any entity in which he or she has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Defendant Bill Burland and Defendant Amy Burland each must submit to the Commission and to the Office of the Michigan Attorney General notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against him or her within fourteen days of its filing.

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

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Consent Judgment must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

Associate Director for Enforcement,
Bureau of Consumer Protection,
Federal Trade Commission,
600 Pennsylvania Avenue NW,
Washington, DC 20580

The subject line must begin: FTC, et al. v. Associated Community Services, Inc., et al., Case No.

F. Unless otherwise directed by a representative of the Office of the Michigan Attorney General in writing, all submissions to the Office of the Michigan Attorney General pursuant to this Consent Judgment must be emailed to AG-COD@michigan.gov or sent to:

Michigan Department of Attorney General
Corporate Oversight Division
PO Box 30736
Lansing, MI 48909

The subject line must begin: FTC, et al. v. Associated Community Services, Inc., et al. Case No. _____.

G. The Burland Defendants expressly consent to the sharing of any and all documents submitted as part of their compliance reporting to any Plaintiff with all other Plaintiffs.

XI. RECORDKEEPING

The Burland Defendants must create certain records for 10 years after entry of this Consent Judgment and retain each such record for five years. Specifically, for any business that Defendant Bill Burland or Defendant Amy Burland, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold;
- B. Personnel records showing, for each individual providing services, whether as an employee or otherwise, that individual's name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. All records necessary to demonstrate full compliance with each provision of this Consent Judgment, including all submissions to the Commission and to the Office of the Michigan Attorney General; and

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

XII. COMPLIANCE MONITORING

For the purpose of monitoring the Burland Defendants' compliance with this Consent Judgment, and any failure to transfer any assets as required by this Consent Judgment the Burland Defendants shall comply with the following compliance monitoring procedures:

A. Within fourteen days of receipt of a written request from a representative of any Plaintiff, Defendant Bill Burland and Defendant Amy Burland must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. Each Plaintiff is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69. Nothing in this Consent Judgment limits any Plaintiff's lawful demand for documents or other evidence pursuant to applicable law.

B. For matters concerning this Consent Judgment, each Plaintiff is authorized to communicate directly with Defendant Bill Burland and Defendant Amy Burland. Defendant Bill Burland and Defendant Amy Burland must permit representatives of any Plaintiff to interview any employee or other individual affiliated with either Defendant Bill Burland or Defendant Amy Burland who has agreed to such an interview. The individual interviewed may have counsel present.

C. Any Plaintiff may use all other lawful means, including posing, through its representatives as consumers, donors, suppliers, or other individuals or entities, to Defendant Bill Burland or Defendant Amy Burland or any individual or entity affiliated with Defendant Bill Burland or Defendant Amy Burland, without the necessity of identification or prior notice. Nothing in this Consent Judgment limits the Commission's lawful use of compulsory process, pursuant to

Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, nor limits State Plaintiffs' lawful use of relevant state laws governing pre-suit investigation and discovery.

D. Upon written request from a representative of any Plaintiff, any consumer reporting agency must furnish consumer reports concerning Defendant Bill Burland and Defendant Amy Burland, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

XIII. STATE COURT ENFORCEMENT

Without limiting any other provisions of this Consent Judgment, each State Plaintiff shall have the authority to enforce or seek sanctions for violations of Sections I – IV, VI, and XII of this Consent Judgment independently in a court of general jurisdiction in its state, if that State Plaintiff has reason to believe that Persons in its state have been or will be affected. No approval from any other Plaintiff is required. Defendants consent to any such state court's jurisdiction for purposes of enforcing the terms of Sections I – IV, VI, and XII of this Consent Judgment.

XIV. RETENTION OF JURISDICTION

The Court retains jurisdiction over this matter for purposes of construction, modification, and enforcement of this Consent Judgment **through March 30, 2031**. Any party may file a motion on or before that date either to extend or shorten the term for the Court's retention of jurisdiction, setting forth good grounds showing why further Court supervision is or is not required.

s/David M. Lawson
DAVID M. LAWSON
United States District Judge

Dated: March 31, 2021