

1 SARAH PREIS (DC Bar No. 997387)
2 (Admitted *pro hac vice*)
3 sarah.preis@cfpb.gov
4 Tel.: (202) 435-9318
5 JESSE STEWART (NY Bar No. 5145495)
6 (Admitted *pro hac vice*)
7 jesse.stewart@cfpb.gov
8 Tel.: (202) 435-9641
9 NATHAN DIMOCK (DC Bar No. 487743)

10 (Admitted *pro hac vice*)
11 nathan.dimock@cfpb.gov
12 Tel.: (202) 435-9198
13 1700 G Street, NW
14 Washington, DC 20552
15 Fax: (202) 435-5471

16 LEANNE E. HARTMANN (CA Bar No. 264787) – Local Counsel
17 leanne.hartmann@cfpb.gov
18 301 Howard Street, Suite 1200
19 San Francisco, CA 94105
20 Tel: (415) 844-9787 / Fax: (415) 844-9788
21 *Attorneys for Plaintiff the Bureau of Consumer Financial Protection*

22 *Additional Counsel for Plaintiffs Listed on Next Page

23 **UNITED STATES DISTRICT COURT**
24 **CENTRAL DISTRICT OF CALIFORNIA**

25 Bureau of Consumer Financial
26 Protection, et al.,
27
28 Plaintiffs,
29
30 v.
31
32 Consumer Advocacy Center Inc., d/b/a
33 Premier Student Loan Center, et al.,
34
35 Defendants.

CASE NO. 8:19-cv-01998 MWF (KS)
**STIPULATION AS TO ENTRY OF
FINAL JUDGMENT AND ORDER
AS TO DEFENDANTS PRIME
CONSULTING LLC AND HORIZON
CONSULTANTS LLC**

Court: Hon. Michael W. Fitzgerald
Courtroom 5A

1 ***Additional Counsel for Plaintiffs Listed Below:**

2 **THE STATE OF MINNESOTA**

3 EVAN ROMANOFF (Attorney Reg. No. 0398223)
4 (admitted *Pro Hac Vice*)
5 Assistant Attorney General
6 445 Minnesota Street, Suite 1200
7 St. Paul, MN 55101-2130
8 Tel.: (651) 757-1454 / Email: evan.romanoff@ag.state.mn.us

Attorneys for Plaintiff the State of Minnesota

9 **THE STATE OF NORTH CAROLINA**

10 M. LYNNE WEAVER (N.C. Bar No. 19397)
11 (admitted *Pro Hac Vice*)
12 MICHAEL T. HENRY (N.C. Bar No. 35338)
13 (admitted *Pro Hac Vice*)
14 North Carolina Department of Justice
15 114 W. Edenton Street
16 Raleigh, NC 27602
17 Tel.: (919) 716-6000 / Fax: (919) 716-6050
18 Emails: lweaver@ncdoj.gov / mhenry@ncdoj.gov

Attorneys for Plaintiff the State of North Carolina

18 **THE PEOPLE OF THE STATE OF CALIFORNIA**

19 MICHAEL N. FEUER, City Attorney (CA Bar No. 111529)
20 MARY CLARE MOLIDOR, Chief Assistant City Attorney, (CA Bar No. 82404)
21 CHRISTINA V. TUSAN, Supervising Deputy City Attorney (CA Bar No. 192203)
22 WILLIAM PLETCHER, Deputy City Attorney (CA Bar No. 212664)
23 REBECCA MORSE, Deputy City Attorney (CA Bar No. 314853)
24 OFFICE OF THE CITY ATTORNEY
25 200 N. Main Street, 500 City Hall East
26 Los Angeles, California 90012-4131
27 Tel: (213) 978-8707/Fax: (213) 978-8112
28 Emails: christina.tusan@lacity.org / william.pletcher@lacity.org

Attorneys for Plaintiff the People of the State of California

1 Plaintiffs the Bureau of Consumer Financial Protection (Bureau), the State
2 of Minnesota, the State of North Carolina, and the People of the State of California
3 (collectively, Plaintiffs) commenced this civil action on October 21, 2019, and
4 filed an amended complaint on February 24, 2020 (Amended Complaint), to obtain
5 permanent injunctive relief, damages, rescission or reformation of contracts,
6 refunds of moneys paid, restitution, disgorgement or compensation for unjust
7 enrichment, civil money penalties, and other monetary and equitable relief from:
8 (1) Defendants Consumer Advocacy Center Inc. d/b/a Premier Student Loan
9 Center; True Count Staffing Inc. d/b/a SL Account Management; Prime Consulting
10 LLC d/b/a Financial Preparation Services; TAS 2019 LLC d/b/a Trusted Account
11 Services; Horizon Consultants LLC; First Priority LLC d/b/a Priority Account
12 Management; Albert Kim; Kaine Wen; and Tuong Nguyen; and (2) Relief
13 Defendants Infinite Management Corp., f/k/a Infinite Management Solutions Inc.;
14 Hold The Door, Corp.; TN Accounting Inc.; Mice and Men LLC; Sarah Kim; 1st
15 Generation Holdings, LLC; and Anan Enterprise, Inc.

16 The Amended Complaint alleges violations of sections 1031(a) and 1036(a)
17 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a),
18 5536(a); the Telemarketing and Consumer Fraud and Abuse Prevention Act,
19 15 U.S.C. § 6102(c)(2) (Telemarketing Act), based on alleged violations of the
20 Telemarketing Sales Rule (TSR), 16 C.F.R. pt. 310; the Minnesota Prevention of
21 Consumer Fraud Act (MNCFA), Minn. Stat. §§ 325F.68-.694; the Minnesota
22 Uniform Deceptive Trade Practices Act (MNDTPA), Minn. Stat. §§ 325D.43-.48;
23 the North Carolina Debt Adjusting Act (NCDAA), N.C. Gen. Stat. § 14-423 *et*
24 *seq.*; the North Carolina Telephonic Seller Registration Act (NCTSRA), N.C. Gen.
25 Stat. § 66-260 *et seq.*; the North Carolina Unfair and Deceptive Practices Act
(NCDUPA), N.C. Gen. Stat. § 75-1.1; and the California Business and Professions

1 Code 17200 *et seq.* (the Unfair Competition Law or UCL) in connection with the
2 above-named defendants' marketing and sale of debt-relief services.

3 The (1) Plaintiffs and (2) Defendants Prime Consulting LLC and Horizon
4 Consultants LLC (Settling Defendants) stipulate to the entry of a stipulated final
5 judgment and order, lodged concurrently with this stipulation, with the following
6 terms and provisions:

7 FINDINGS

8 1. This Court has jurisdiction over the parties and the subject matter of
9 this action.

10 2. Settling Defendants neither admit nor deny the allegations in the
11 Amended Complaint, except as specifically stated herein. For purposes of this
12 Order, Settling Defendants admit the facts necessary to establish the Court's
13 jurisdiction over them and the subject matter of this action.

14 3. Settling Defendants waive all rights to seek judicial review or
15 otherwise challenge or contest the validity of this Order and any claim they may
16 have under the Equal Access to Justice Act, 28 U.S.C § 2412, concerning the
17 prosecution of this action to the date of this Order. Each Party agrees to bear its
18 own costs and expenses, including, without limitation, attorneys' fees.

19 4. Entry of this Order is in the public interest.

20 DEFINITIONS

21 The following definitions apply to this Order:

22 5. "Affected Consumers" includes any consumer who paid Defendants
23 or their officers, agents, servants, employees, or attorneys for any Debt-Relief
24 Service from November 2, 2015, to October 23, 2019.

25 "Assets" means any legal or equitable interest in, right to, or claim to
26 personal, or intellectual property owned or controlled by, or held, in

1 whole or in part for the benefit of, or subject to access by any Defendant, wherever
2 located, whether in the United States or abroad. This includes, but is not limited to,
3 chattel, goods, instruments, equipment, fixtures, general intangibles, effects,
4 leaseholds, contracts, mail or other deliverables, shares of stock, commodities,
5 futures, inventory, checks, notes, accounts, credits, receivables (as those terms are
6 defined in the Uniform Commercial Code), funds, cash, and trusts, including but
7 not limited to any trust held for the benefit of any Defendant's minor children, or
8 any of Defendants' spouses.

9 7. "Assist[ing] Others" includes, but is not limited to:

- 10 a. consulting in any form whatsoever;
- 11 b. providing paralegal or administrative support services;
- 12 c. performing customer service functions, including but not
13 limited to, receiving or responding to consumer complaints;
- 14 d. formulating or providing, or arranging for the formulation or
15 provision of, any advertising or marketing material, including but not
16 limited to, any telephone sales script, direct mail solicitation, or the
17 text of any Internet website, email, or other electronic communication
18 or advertisement;
- 19 e. formulating or providing, or arranging for the formulation or
20 provision of, any marketing support material or service, including but
21 not limited to, web or Internet Protocol addresses or domain name
22 registration for any Internet websites, affiliate marketing services, or
23 media placement services;
- 24 f. providing names of, or assisting in the generation of, potential
25 customers;

1 g. performing marketing, billing, or payment services of any kind;
2 and

3 h. acting or serving as an owner, officer, director, manager, or
4 principal of any entity.

5 8. “Bankruptcy Proceeding” means *In re Consumer Advocacy Center*
6 *Inc.*, Case No. 19-10655, currently pending in the United States Bankruptcy Court,
7 Southern District of Florida, Fort Lauderdale Division.

8 9. “Bureau” means the Bureau of Consumer Financial Protection.

9 10. “Consumer Financial Product or Service” is synonymous in meaning
10 and equal in scope to the definition of the term in the CFPB, 12 U.S.C. § 5481(5),
11 and, subject to applicable restrictions contained in the CFPB, includes but is not
12 limited to:

13 a. providing financial advisory services to consumers on
14 individual consumer financial matters or relating to proprietary
15 financial products or services, including providing credit counseling
16 to any consumer or providing services to assist a consumer with debt
17 management or debt settlement, modifying the terms of any extension
18 of credit, or avoiding foreclosure; and

19 b. engaging in deposit-taking activities, transmitting or
20 exchanging funds, or otherwise acting as a custodian of funds or any
21 financial instrument for use by or on behalf of a consumer.

22 11. “Defendants” means Corporate Defendants and Individual
23 Defendants, individually, collectively, or in any combination, and each of them by
24 whatever names each might be known;

25 a. “Corporate Defendants” means Consumer Advocacy Center
26 *Inc.*, True Count Staffing Inc., Prime Consulting LLC, TAS 2019

1 LLC, Horizon Consultants LLC, and First Priority LLC, collectively,
2 or in any combination, and their successors and assigns, and each of
3 them by any other names by which they might be known, including
4 South Coast Financial Center, Direct Account Services, Financial
5 Loan Advisors, Account Preparation Services, Administrative
6 Financial, Tangible Savings Solutions, Coastal Shores Financial
7 Group, First Choice Financial Centre (a/k/a First Choice Financial
8 Center), Administrative Account Services, Primary Account
9 Solutions, Prime Document Services, Financial Accounting Center,
10 Doc Management Solutions, First Priority LLC, ALW Loans,
11 Administrative Accounting Center, Best Choice Financial Center,
12 First Document Services, Global Direct Accounting Solutions,
13 Keystone Document Center, Pacific Palm Financial Group, Pacific
14 Shores Advisory, Sequoia Account Management, Signature Loan
15 Solutions, Yellowstone Account Services, ClearStudentLoanDebt,
16 Clear Student Loan Debt, Trusted Account Services, Premier Student
17 Loan Center, and Priority Account Management;

18 b. “Individual Defendants” means Albert Kim, a/k/a Albert King;
19 Kaine Wen, a/k/a Wenting Kaine Dai, Wen-Ting Dai, Wen Ting Dai,
20 Kaine Dai, and Kaine Wen Dai; and Tuong Nguyen, a/k/a Tom
21 Nelson, collectively, or in any combination, and each of them by any
22 other names by which they might be known;

23 c. “Receivership Defendants” means True Count Staffing Inc.,
24 Prime Consulting LLC, TAS 2019 LLC, Horizon Consultants LLC,
25 and First Priority LLC, collectively, or in any combination, and their
 successors and assigns;

1 d. “Relief Defendants” means:

2 i. Infinite Management Corp., f/k/a Infinite Management
3 Solutions Inc.; Hold The Door, Corp.; TN Accounting Inc.;
4 Mice and Men LLC; 1st Generation Holdings, LLC; and Anan
5 Enterprise, Inc., collectively, or in any combination, and their
6 successors and assigns, and each of them by any other names by
7 which they might be known; and

8 ii. Sarah Kim, and any other names by which she might be
9 known.

10 e. “Settling Defendants” means Prime Consulting LLC d/b/a
11 Financial Preparation Services and Horizon Consultants LLC,
12 collectively, or in any combination, and their successors and assigns,
13 and each of them by any other names by which they might be known.

14 12. “Debt-Relief Service” means any program or service represented,
15 directly or by implication, to renegotiate, settle, or in any way alter the terms of
16 payment or other terms of the debt between a consumer and one or more unsecured
17 creditors or debt collectors, including but not limited to, a reduction in the balance,
18 interest rate, or fees owed by a consumer to an unsecured creditor or debt collector.

19 13. “Effective Date” means the date on which this Order is entered by the
20 Court.

21 14. “Enforcement Director” means the Assistant Director of the Office of
22 Enforcement for the Bureau of Consumer Financial Protection, or his or her
23 delegate.

24 15. “Person” means an individual, partnership, company, corporation,
25 association (incorporated or unincorporated), trust, estate, cooperative

26 association, or other entity;

1 16. “Plaintiffs” means the Bureau of Consumer Financial Protection, the
2 State of Minnesota, the State of North Carolina, and the People of the State of
3 California, collectively, or in any combination.

4 17. “Receiver” means Thomas W. McNamara.

5 18. “Related Consumer Action” means a private action by or on behalf of
6 one or more consumers or an enforcement action by another governmental agency
7 brought against any Settling Defendant based on substantially the same facts as
8 described in the Amended Complaint.

9 19. “States” means the State of Minnesota, the State of North Carolina,
10 and the People of the State of California.

11 20. “Service Provider” means any person that provides a material service
12 to a covered person, in connection with the offering or provision by such covered
13 person of a Consumer Financial Product or Service, including a person that—(i)
14 participates in designing, operating, or maintaining the Consumer Financial
15 Product or Service; or (ii) processes transactions relating to the Consumer
16 Financial Product or Service (other than unknowingly or incidentally transmitting
17 or processing financial data in a manner that such data is undifferentiated from
18 other types of data of the same form as the person transmits or processes). “Service
19 provider” does not include a person solely by virtue of such person offering or
20 providing to a covered person—(i) a support service of a type provided to
21 businesses generally or a similar ministerial service; or (ii) time or space for an
22 advertisement for a Consumer Financial Product or Service through print,
23 newspaper, or electronic media.

24 **CONDUCT RELIEF**

25 **I**

26 **Permanent Ban on Telemarketing and Offering or Selling Debt-Relief**

28 **STIPULATION AS TO ENTRY OF STIPULATED FINAL JUDGMENT AND ORDER**

1 **Services**

2 **It is ORDERED that:**

3 21. Settling Defendants, whether acting directly or indirectly, are
4 permanently restrained from:

- 5 a. participating in telemarketing or Assisting Others engaged in
6 telemarketing any Consumer Financial Product or Service;
- 7 b. participating in or Assisting Others in advertising, marketing,
8 promoting, offering for sale, selling, or providing any Debt-Relief
9 Service; and
- 10 c. receiving any remuneration or other consideration from,
11 holding any ownership interest in, providing services to, or working in
12 any capacity for any Person engaged in or assisting in advertising,
13 marketing, promoting, offering for sale, selling, or providing any
14 Debt-Relief Service.

15 Nothing in this Order shall be read as an exception to this Paragraph.

16 **II**

17 **Prohibited Misrepresentations and Other Conduct**

18 **It is FURTHER ORDERED that:**

19 22. Settling Defendants and their officers, agents, servants, employees,
20 and attorneys, and all other Persons in active concert or participation with them,
21 who have actual notice of this Order, whether acting directly or indirectly, in
22 connection with the advertising, marketing, promotion, offering for sale, sale, or
23 performance of any Consumer Financial Product or Service, may not misrepresent,
24 or Assist Others in misrepresenting, expressly or impliedly:

- 25 a. the benefits that a consumer will receive from the product or
26 service, including but not limited to, the amount of savings a

- 1 consumer will receive from purchasing, using, or enrolling in the
2 Consumer Financial Product or Service;
- 3 b. the time required to achieve benefits from the Consumer
4 Financial Product or Service;
- 5 c. any aspect of the nature or terms of a refund, cancellation,
6 exchange, or repurchase policy of the Consumer Financial Product or
7 Service, including but not limited to, the likelihood of a consumer
8 obtaining a full or partial refund or the circumstances in which a full
9 or partial refund will be granted to the consumer; and
- 10 d. the total costs or any other material term, fact, restriction,
11 limitation, or condition of the Consumer Financial Product or Service.

12 III

13 State Injunctive Provisions

14 **It is FURTHER ORDERED that:**

15 23. Settling Defendants and their officers, agents, servants, employees,
16 and attorneys, and all other Persons in active concert or participation with them
17 who receive actual notice of this Order, shall be permanently restrained and
18 enjoined from violating:

- 19 a. the Minnesota Uniform Deceptive Trade Practices Act, Minn.
20 Stat. § 325D.44;
- 21 b. the Minnesota Consumer Fraud Act, Minn. Stat. § 325F.69; and
- 22 c. the Minnesota Debt Settlement Services Act, Minn. Stat. §
23 332B.

24 24. Settling Defendants and their officers, agents, servants, employees
25 and attorneys, and those Persons in active concert or participation with any of them

1 who receive actual notice of this Order, shall be permanently restrained and
2 enjoined from violating:

- 3 a. the North Carolina Debt Adjusting Act, N.C. Gen. Stat. § 14-
4 423, *et seq.*;
- 5 b. the North Carolina Unfair and Deceptive Practices Act, N.C.
6 Gen. Stat. § 75-1.1; and
- 7 c. the North Carolina Telephonic Seller Registration Act, N.C.
8 Gen. Stat. § 66-260, *et seq.*

9 25. Under the Court’s inherent equitable powers and as authorized by
10 California Business and Professions Code section 17203, this Court is empowered
11 to “make such orders or judgments . . . as may be necessary to prevent the use or
12 employment by any person of any practice which constitutes unfair
13 competition . . .” Cal. Bus & Prof Code § 17203. Accordingly, Settling Defendants
14 and their officers, agents, servants, employees, and attorneys, and all other persons
15 in active concert or participation with them, whether acting directly or indirectly,
16 are permanently restrained from any of the following:

- 17 a. violating California Business and Professions Code section
18 17200, *et seq.*, through unlawful, fraudulent and/or unfair acts or
19 practices including but not limited to:
 - 20 i. Violating California Financial Code section 12000, *et*
21 *seq.*, the California Check Sellers, Bill Payers and Proraters
22 Law, by acting as a check seller, bill payer, or prorater within
23 the State of California without first obtaining a license from the
24 California Commissioner of Business Oversight; and
 - 25 ii. Violating California Financial Code section 28100, *et*
seq., the California Student Loan Servicing Act, by engaging in

1 the business of servicing student loans in California without first
2 obtaining a license as required under the Act.

3 **IV**

4 **Customer Information**

5 **It is FURTHER ORDERED that:**

6 26. Settling Defendants and their officers, agents, servants, employees,
7 and attorneys, and all other Persons in active concert or participation with any of
8 them, who receive actual notice of this Order, whether acting directly or indirectly,
9 may not:

- 10 a. disclose, use, or benefit from customer information, including
11 the name, address, telephone number, email address, social security
12 number, other identifying information, or any data that enables access
13 to a customer's account (including a credit card, bank account, or
14 other financial account), that Defendants obtained before the
15 Effective Date in connection with the offering or providing of Debt-
16 Relief Services; and
17 b. attempt to collect, sell, assign, or otherwise transfer any right to
18 collect payment from any consumer who purchased or agreed to
19 purchase a Debt-Relief Service from any Defendant.

20 27. However, customer information may be disclosed if requested by a
21 government agency or required by law, regulation, or court order.

22 **MONETARY PROVISIONS**

23 **V**

24 **Order to Pay Redress**

25 **It is FURTHER ORDERED that:**

26 A judgment for monetary relief is entered in favor of Plaintiffs and

1 against Settling Defendants as set forth below. Settling Defendant Prime
2 Consulting LLC is liable, jointly and severally, in the amount of \$95,057,757, for
3 the purpose of providing redress to Affected Consumers. Of this judgment for
4 monetary relief:

5 a. Settling Defendant Horizon Consultants LLC shall be jointly
6 and severally liable for the amount of \$12,942,045, such amount also
7 being for the purpose of providing redress to Affected Consumers.

8 29. However, full payment of each Settling Defendant's portion of this
9 judgment set forth in Paragraph 28 will be suspended, based on each Settling
10 Defendant's inability to pay, upon each Settling Defendant's satisfaction of the
11 obligations in Paragraphs 30-33 of this Section, Section VI, Paragraphs 42 and 44-
12 45 of Section VII, Paragraph 51 of Section IX, and subject to Section VIII of this
13 Order.

14 30. Except as necessary to effectuate the transfers required by Paragraph
15 79, Settling Defendants hereby grant to the Bureau all rights and claims they have
16 to all Assets subject to the asset freeze imposed by the Preliminary Injunction
17 entered on November 15, 2019 (ECF 103), and all Assets identified in Attachment
18 A.

19 31. To the extent they have not already done so, Settling Defendants are
20 ordered to transfer and relinquish to the Receiver, or to its designated agent,
21 possession, custody, and control of the following Assets within 7 days of entry of
22 this Order, unless otherwise stated:

23 a. dominion and all legal and equitable right, title, and interest in,
24 as well as any accounts receivable from, the following entities and
25 their Assets: Settling Defendants, including their successors, assigns,
affiliates, or subsidiaries, and each of them by whatever names each

1 might be known; and

2 b. all Assets listed on Attachment A.

3 32. Settling Defendants shall cooperate fully with the Receiver and shall
4 execute any instrument or document presented by the Receiver, and take any other
5 actions the Receiver deems necessary or appropriate to effect the transfers required
6 by Paragraph 31. All property set forth in Paragraph 31 shall constitute Assets of
7 the receivership estate.

8 33. Except as necessary to effectuate the transfers required by Paragraph
9 79, Settling Defendants hereby grant to the Bureau all rights and claims they have
10 to any Assets not subject to Paragraph 30 that are currently in the possession,
11 custody, or control of the Receiver, including but not limited to any such Assets
12 identified in Paragraph 31, and shall forfeit any rights and claims to the funds in
13 the receivership estate, including but not limited to: all funds held, obtained, or to
14 be obtained by the Receiver since the inception of the receivership whether
15 through this Order or otherwise.

16 34. The suspension of the monetary judgment in Paragraph 29 shall not
17 affect the Receiver's ability to pursue recovery of funds from any third parties to
18 satisfy all or a portion of the full monetary judgment entered in Paragraph 28.
19 Settling Defendants shall remain jointly and severally liable for full payment of
20 this judgment to the extent that funds to satisfy all or a portion of this judgment are
21 able to be recovered from third parties by the Receiver acting on behalf of the
22 Receivership Defendants.

23 35. With regard to any redress that Settling Defendants pay under this
24 Section, if Settling Defendants receive, directly or indirectly, any reimbursement or
25 indemnification from any source, including but not limited to payment made under
an insurance policy, or if Settling Defendants secure a tax deduction or tax credit

1 with regard to any federal, state, or local tax, Settling Defendants must: (a)
2 immediately notify the Enforcement Director and States in writing, and (b) within
3 10 days of receiving the funds or monetary benefit, Settling Defendants must
4 transfer the full amount of such funds or monetary benefit (Additional Payment) to
5 the Bureau or to the Bureau's agent according to the Bureau's wiring instructions.
6 After the Bureau receives the Additional Payment, the amount of the suspended
7 judgment referenced in Paragraph 29 will be reduced by the amount of the
8 Additional Payment and the Additional Payment will be applied toward
9 satisfaction of the monetary judgment entered in Paragraph 28.

10 36. Any funds received by the Bureau in satisfaction of this judgment will
11 be deposited into a fund or funds administered by the Bureau or to the Bureau's
12 agent according to applicable statutes and regulations to be used for redress for
13 Affected Consumers, including but not limited to refund of moneys, restitution,
14 damages or other monetary relief, and for any attendant expenses for the
15 administration of any such redress.

16 37. If the Bureau determines, in its sole discretion, that providing redress
17 to consumers is wholly or partially impracticable or if funds remain after the
18 administration of redress is completed, the Bureau will deposit any remaining
19 funds in the U.S. Treasury as disgorgement. Settling Defendants will have no right
20 to challenge the Bureau's choice of remedies under this Section, and will have no
21 right to contest the manner of distribution chosen by the Bureau.

22 38. Payment of redress to any Affected Consumer under this Order may
23 not be conditioned on that Affected Consumer waiving any right.

24 VI

25 Order to Pay Civil Money Penalty to the Bureau

26 **FURTHER ORDERED that:**

1 39. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of
2 the violations of law alleged in the Amended Complaint and taking into account
3 the factors in 12 U.S.C. § 5565(c)(3), each Settling Defendant must pay a civil
4 money penalty of \$1 to the Bureau. These nominal civil penalties are based on
5 each Settling Defendant's limited ability to pay as attested to in all financial
6 statements and supporting documents listed in Section VIII.

7 40. Within 10 days of the Effective Date, each Settling Defendant must
8 pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent
9 in compliance with the Bureau's wiring instructions.

10 41. The civil money penalty paid under this Order will be deposited in the
11 Civil Penalty Fund of the Bureau as required by section 1017(d) of the CFPA,
12 12 U.S.C. § 5497(d).

13 VII

14 Order to Pay Civil Money Penalties to the States

15 **It is FURTHER ORDERED that:**

16 42. Settling Defendants are each jointly and severally liable to pay civil
17 penalties in this Enforcement Action under Minn. Stat. § 8.31 in the total amount
18 of \$25,000 to the State of Minnesota, as provided in Paragraph 79.

19 43. The Minnesota Attorney General will remit these funds to the general
20 fund of the State of Minnesota pursuant to Minn. Stat. §§ 8.31 and 16A.151.

21 44. Settling Defendants are each jointly and severally liable to pay civil
22 penalties in this Enforcement Action under N.C. Gen. Stat. § 75-15.2 in the total
23 amount of \$25,000 to the State of North Carolina, as provided in Paragraph 79.

24 45. Settling Defendants are each jointly and severally liable to pay civil
25 penalties in this Enforcement Action under California Business and Professions

1 Code section 17206 in the total amount of \$25,000 to the People of the State of
2 California, as provided in Paragraph 79.

3 **VIII**

4 **Misrepresentation or Omission Regarding Financial Condition or Non-**
5 **Compliance with Order to Pay Redress or Civil Money Penalty**

6 **It is FURTHER ORDERED that:**

7 46. The suspension of the monetary judgment entered in Section V of this
8 Order is expressly premised on the truthfulness, accuracy, and completeness of
9 Settling Defendants' sworn financial statements and supporting documents, which
10 each Settling Defendant asserts are truthful, accurate, and complete, and which
11 include:

- 12 a. Financial Statement of Prime Consulting LLC, including all
13 attachments, signed on November 1, 2019, and submitted to the
14 Bureau on or about November 4, 2019, and supplemented on August
15 7, 2020; and
16 b. Financial Statement of Horizon Consultants LLC, including all
17 attachments, signed on August 13, 2020, and submitted to the Bureau
18 on or about August 17, 2020.

19 47. If upon motion by any Plaintiff, the Court determines that any Settling
20 Defendant has failed to disclose any material Asset or that any of their financial
21 statements contain any material misrepresentation or omission, including
22 materially misstating the value of any Asset, the Court shall terminate the
23 suspension of the monetary judgment for that Settling Defendant entered in Section
24 V and without further adjudication, shall reinstate the judgment entered in Section
25 V of this Order and the full judgment set forth in that Section with respect to that
Settling Defendant shall be immediately due and payable, less any amounts paid to

1 the Bureau under Section V of this Order by that Settling Defendant.

2 48. If the Court terminates the suspension of the monetary judgment
3 under this Section, the Bureau will be entitled to interest on the judgment,
4 computed from the date of entry of this Order, at the rate prescribed by 28 U.S.C.
5 § 1961, as amended, on any outstanding amounts not paid.

6 49. Provided, however, that in all other respects this Order shall remain in
7 full force and effect unless otherwise ordered by the Court; and, provided further,
8 that proceedings instituted under this Section would be in addition to, and not in
9 lieu of any other civil or criminal remedies as may be provided by law, including
10 any other proceedings that Plaintiffs may initiate to enforce this Order.

11 **IX**

12 **Additional Monetary Provisions**

13 **It is FURTHER ORDERED that:**

14 50. In the event of any default on Settling Defendants' obligations to
15 make payment under this Order, interest, computed under 28 U.S.C. § 1961, as
16 amended, will accrue on any outstanding amounts not paid from the date of default
17 to the date of payment, and will immediately become due and payable by the
18 defaulting Settling Defendant.

19 51. Settling Defendants relinquish all dominion, control, and title to the
20 funds and all other Assets transferred or paid under this Order to the fullest extent
21 permitted by law and no part of the funds or other Assets may be returned to any
22 Settling Defendant.

23 52. The facts alleged in the Amended Complaint will be taken as true and
24 given collateral estoppel effect, without further proof, in any proceeding based on
25 the entry of the Order, or in any subsequent civil litigation by or on behalf of the
26 Settling Defendants, including in a proceeding to enforce their rights to any payment or

1 monetary judgment under this Order, such as a non-dischargeability complaint in
2 any bankruptcy case.

3 53. The facts alleged in the Amended Complaint establish all elements
4 necessary to sustain an action by the Plaintiffs under section 523(a)(2)(A) of the
5 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and for such purposes this Order will
6 have collateral estoppel effect against each Settling Defendant, even in such
7 Defendant's capacity as debtor-in-possession.

8 54. Under 31 U.S.C. § 7701, Settling Defendants, unless they already
9 have done so, must furnish to Plaintiffs any taxpayer-identifying numbers
10 associated with them or their Assets, which may be used for purposes of collecting
11 and reporting on any delinquent amount arising out of this Order.

12 55. Within 30 days of the entry of a final judgment, order, or settlement in
13 a Related Consumer Action, Settling Defendants must notify the Enforcement
14 Director of the final judgment, order, or settlement in writing. That notification
15 must indicate the amount of redress, if any, that the Settling Defendant paid or is
16 required to pay to consumers and describe the consumers or classes of consumers
17 to whom that redress has been or will be paid. To preserve the deterrent effect of
18 the civil money penalty in any Related Consumer Action, Settling Defendants may
19 not argue that they are entitled to, nor may any Settling Defendant benefit by, any
20 offset or reduction of any monetary remedies imposed in the Related Consumer
21 Action because of the civil money penalty paid in this action or because of any
22 payment that the Bureau makes from the Civil Penalty Fund. If the court in any
23 Related Consumer Action offsets or otherwise reduces the amount of
24 compensatory monetary remedies imposed against any Settling Defendant based

25 on the civil money penalty paid in this action or based on any payment that the
26 Bureau makes from the Civil Penalty Fund, the Settling Defendant must, within 30

1 days after entry of a final order granting such offset or reduction, notify the Bureau
2 and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment
3 will not be considered an additional civil money penalty and will not change the
4 amount of the civil money penalty imposed in this action.

5 56. Settling Defendants must treat all civil money penalties paid under
6 this Order as a penalty paid to the government for all purposes. Regardless of how
7 such funds are used, Settling Defendants may not:

- 8 a. claim, assert, or apply for a tax deduction, tax credit, or any
9 other tax benefit for any civil money penalty paid under this Order; or
- 10 b. seek or accept, directly or indirectly, reimbursement or
11 indemnification from any source, including but not limited to payment
12 made under any insurance policy, with regard to any civil money
13 penalty paid under this Order.

14 **X**
15 **Lifting of Asset Freeze**

16 **It is FURTHER ORDERED that:**

17 57. The freeze on the Assets of Settling Defendants is modified to permit
18 the payments and other transfers of Assets identified in Sections V, VI, VII and IX
19 of this Order. Upon completion of all payments and other obligations identified in
20 Sections V, VI, VII and IX of this Order, the freeze of the Settling Defendants'
21 Assets pursuant to the Preliminary Injunction entered on November 15, 2019 (ECF
22 103), shall be dissolved.
23
24

1 **COMPLIANCE PROVISIONS**

2 **XI**

3 **Reporting Requirements**

4 **It is FURTHER ORDERED that:**

5 58. Settling Defendants must notify Plaintiffs of any development that
6 may affect compliance obligations arising under this Order, including but not
7 limited to, a dissolution, assignment, sale, merger, or other action that would result
8 in the emergence of a successor company; the creation or dissolution of a
9 subsidiary, parent, or affiliate that engages in any acts or practices subject to this
10 Order; the filing of any bankruptcy or insolvency proceeding by or against any
11 Settling Defendant; or a change in any Settling Defendant's name or address.
12 Settling Defendants must provide this notice at least 30 days before the
13 development or as soon as practicable after learning about the development,
14 whichever is sooner.

15 59. Within 7 days of the Effective Date, each Settling Defendant must:

16 a. designate at least one telephone number and email, physical,
17 and postal address as points of contact, which Plaintiffs may use to
18 communicate with such Settling Defendant;

19 b. identify all businesses for which the Settling Defendant is the
20 majority owner, or that such Settling Defendant directly or indirectly
21 controls, by all of their names, telephone numbers, and physical,
22 postal, email, and Internet addresses; and

23 c. describe the activities of each such business, including the
24 products and services offered, and the means of advertising,
25 marketing, and sales.

Each Settling Defendant must report any change in the information

1 required to be submitted under Paragraph 59 above at least 30 days before the
2 change or as soon as practicable after learning about the change, whichever is
3 sooner.

4 XII

5 Order Distribution and Acknowledgment

6 **It is FURTHER ORDERED that:**

7 61. For 5 years from the Effective Date, each Settling Defendant must
8 deliver a copy of this Order to any business entity resulting from any change in
9 structure referred to in Section XI, any future board members and executive
10 officers, as well as to any managers, employees, Service Providers, or other agents
11 and representatives who will have responsibilities related to the subject matter of
12 the Order before they assume their responsibilities.

13 XIII

14 Recordkeeping

15 **It is FURTHER ORDERED that:**

16 62. Each Settling Defendant must create, for at least 10 years from the
17 Effective Date, the following business records: all documents and records
18 necessary to demonstrate full compliance with each provision of this Order,
19 including all submissions to any Plaintiff. Each Settling Defendant must retain
20 these documents for at least 10 years after creation and make them available to
21 Plaintiffs upon any Plaintiff's request.

22 63. Settling Defendants must maintain, for at least 10 years from the
23 Effective Date or 5 years after creation, whichever is longer:

- 24 a. copies of all sales scripts; training materials; advertisements;
25 websites; and other marketing materials, including any such materials
used by a third party on any Settling Defendant's behalf, relating to

1 any Consumer Financial Product or Service;

2 b. for each individual Affected Consumer and his or her
3 enrollment in that Consumer Financial Product or Service: the
4 consumer's name, address, phone number, email address; amount
5 paid, quantity of Consumer Financial Products or Services purchased,
6 description of the Consumer Financial Product or Service purchased,
7 the date on which the Consumer Financial Product or Service was
8 purchased, a copy of any promotional or welcome materials provided,
9 and, if applicable, the date and reason the consumer left the program;

10 c. for all Consumer Financial Products or Services, accounting
11 records showing the gross and net revenues generated by the
12 Consumer Financial Product or Service;

13 d. all consumer complaints and refund requests (whether received
14 directly or indirectly, such as through a third party) relating to a
15 Consumer Financial Product or Service, and any responses to those
16 complaints or requests;

17 e. records showing, for each employee providing services related
18 to a Consumer Financial Product or Service, that person's name,
19 telephone number, email, physical, and postal address, job title or
20 position, dates of service, and, if applicable, the reason for
21 termination; and

22 f. records showing, for each Service Provider providing services
23 related to a Consumer Financial Product or Service, the name of a
24 point of contact, and that Person's telephone number, email, physical,
25 and postal address, job title or position, dates of service, and, if
26 applicable, the reason for termination.

1 Order must be sent by overnight courier or first-class mail to the below address and
2 contemporaneously by email to lweaver@ncdoj.gov:

3 M. Lynne Weaver, Special Deputy Attorney General
4 North Carolina Department of Justice
5 114 W. Edenton Street
6 Raleigh, North Carolina 27603

7 68. Unless otherwise directed by the State of California in writing, all
8 submissions to the State of California pursuant to this Order must be sent by
9 overnight courier or first-class mail to the below address and contemporaneously
10 by email to christina.tusan@lacity.org:

11 Christina Tusan
12 Supervising Deputy City Attorney
13 Los Angeles City Attorney's Office
14 200 N. Main Street, 5th Floor
15 Los Angeles, CA 90012

16 69. The Enforcement Director may, in his or her discretion, modify any
17 non-material requirements of this Order (e.g., reasonable extensions of time and
18 changes to reporting requirements) if he or she determines good cause justifies the
19 modification. Any such modification by the Enforcement Director must be in
20 writing.

21 XV

22 Cooperation with Plaintiffs

23 **It is FURTHER ORDERED that:**

24 70. Settling Defendants must cooperate fully with Plaintiffs in this matter
25 and in any investigation or litigation related to or associated with the conduct

in the Amended Complaint, including related to the Bankruptcy

1 Proceeding. Settling Defendants must provide truthful and complete information,
2 evidence, and testimony. Settling Defendants must cause their officers, employees,
3 representatives, or agents to appear for interviews, discovery, hearings, trials, and
4 any other proceedings that any Plaintiff may reasonably request upon 10 days
5 written notice, or other reasonable notice, at such places and times as Plaintiff may
6 designate, without the service of compulsory process.

7 71. Settling Defendants must cooperate fully to help Plaintiffs determine
8 the identity, location, and contact information of any Defendant and any Person
9 who might have contact information for any Defendant. Settling Defendants must
10 provide such information in their or their agents' possession or control within 14
11 days of receiving a written request from any Plaintiff.

12 72. Settling Defendants must cooperate fully to help Plaintiffs determine
13 the identity and location of, and the amount of injury sustained by, each Affected
14 Consumer. Settling Defendants must provide such information in their or their
15 agents' possession or control within 14 days of receiving a written request from
16 any Plaintiff.

17 XVI

18 Compliance Monitoring

19 **It is FURTHER ORDERED that**, to monitor Settling Defendants' compliance
20 with this Order, including the financial representations upon which part of the
21 judgment was suspended:

22 73. Within 14 days of receipt of a written request from any Plaintiff, each
23 Settling Defendant must submit additional Compliance Reports or other requested
24 information, which must be made under penalty of perjury; provide sworn
25 testimony or produce documents.

1 the Settling Defendants. Within 14 days of entry of this Order, the Receiver shall
2 transfer \$1,400,000 of Settling Defendants' Assets currently maintained in the
3 Receiver's account to the Bureau. Future transfers of funds recovered by the
4 Receiver shall be treated as Additional Payments, pursuant to Paragraph 35.

5 79. Within 14 days of liquidating Settling Defendants' Assets transferred
6 pursuant to Paragraph 31, the Receiver shall transfer \$25,000 to the State of
7 Minnesota, \$25,000 to the North Carolina Attorney General, and \$25,000 to the
8 People of the State of California from the Settling Defendants' Assets maintained
9 in the Receiver's account. These transfers shall be made to satisfy the civil money
10 penalties to each State as set forth in Section VII.

11 80. The Receiver shall promptly take all steps necessary to liquidate the
12 Settling Defendants' Assets using any commercially reasonable means, including
13 auction and/or private sale, and all such sales shall be deemed authorized and
14 approved under 28 U.S.C. § 2004 without further notice, hearing, or court order.
15 After such liquidation, the Receiver shall remit the net proceeds to the Bureau or
16 its designated representative as payment toward the monetary judgments entered
17 against Settling Defendants within 21 days of each such sale or liquidation, subject
18 to Paragraph 79.

19 81. The Receiver and his representatives shall continue to be entitled to
20 reasonable compensation for the performance of their duties pursuant to this Order
21 from the Assets of the Receivership Defendants. The Receiver and his
22 representatives shall not increase their hourly rates without prior approval of the
23 Court.

24 XVIII

Retention of Jurisdiction

25 **FURTHER ORDERED that:**

1 82. The Court will retain jurisdiction of this matter for the purpose of
2 enforcing this Order.

3
4 SO STIPULATED AND AGREED:

5
6 Respectfully submitted,

7
8 Dated: August 25, 2020

9 By: /s/ Jesse Stewart
10 Jesse Stewart (NY Bar No. 5145495)
11 (admitted *pro hac vice*)
12 Enforcement Attorney
13 1700 G Street NW
14 Washington, DC 20552
15 Phone: (202) 435-9641
16 Fax: (202) 435-9346
17 Email: jesse.stewart@cfpb.gov

18 *Attorney for Plaintiff*
19 *Bureau of Consumer Financial Protection*

20
21 Dated: August 25, 2020

22 By: /s/ M. Lynne Weaver
23 M. Lynne Weaver (N.C. Bar No. 19397)
24 (admitted *pro hac vice*)
25 Special Deputy Attorney General
North Carolina Department of Justice
114 W. Edenton St.
Raleigh, NC 27603
Phone: (919) 716-6039
Fax: (919) 716-6050
Email: lweaver@ncdoj.gov

Attorney for Plaintiff
State of North Carolina

26
27 Dated: August 25, 2020

28 By: /s/ Evan Romanoff



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Evan Romanoff (Atty. Reg. No. 0398223)
(admitted *pro hac vice*)
Assistant Attorney General
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130
Phone: (651) 757-1454
Fax: (651) 296-7438
Email: evan.romanoff@ag.state.mn.us

*Attorney for Plaintiff
State of Minnesota*

Dated: August 25, 2020

By: /s/ Christina Tusan
Christina Tusan,
Supervising Deputy City Attorney
Office of the City Attorney
Consumer and Workplace Protection Unit
200 N. Main Street, 500 City Hall East
Los Angeles, CA 90012
213-473-6908
christina.tusan@lacity.org

*Attorney for Plaintiff the People of the State
of California*

Dated: August 25, 2020

By: /s/ Marc S. Williams
Marc S. Williams
Cohen Williams LLP
724 South Spring Street, 9th Floor
Los Angeles, CA 90014
Telephone: (213) 232-5162
Facsimile: (213) 232-5167

*Attorney for Defendants Prime Consulting
LLC and Horizon Consultants LLC*



The Trial Version

Stewart, attest that all other signatories listed, and on whose behalf the

1 filing is submitted, concur in the filing's content and have authorized the filing.

2 /s/ Jesse Stewart

3 Jesse Stewart

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

From Post at GetOutOfDebt.org