

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 15-23070-Civ-COOKE/TORRES

Consumer Financial Protection Bureau,
Plaintiff,

v.

ORION PROCESSING, LLC, a Texas limited liability company, d/b/a World Law Processing, Wld Credit Repair, and World Law Debt; FAMILY CAPITAL INVESTMENT & MANAGEMENT LLC, a Delaware limited liability company, a/k/a FCIAM Property Management; WORLD LAW DEBT SERVICES, LLC, a Delaware limited liability company; WORLD LAW PROCESSING, LLC, a Delaware limited liability company; DERIN SCOTT, an individual; DAVID KLEIN, an individual; and BRADLEY JAMES HASKINS, individually and d/b/a World Law Group, LLP, World Law Group America, LLP, WLD Price Global, Inc., World Law Forms and Mediation, and World Law South;

Defendants,

Shannon Scott, an individual,

Relief Defendant.

**STIPULATED FINAL JUDGMENT AND ORDER AGAINST ORION
PROCESSING, LLC**

Plaintiff, the Consumer Financial Protection Bureau (“Bureau”) commenced this civil action on August 17, 2015 to obtain permanent injunctive relief, rescission or reformation of contracts, the refund of moneys paid, restitution, disgorgement or compensation for unjust enrichment, civil money penalties, and other equitable relief from Defendants (a) Orion Processing, LLC, a Texas limited liability company, d/b/a World

Law Processing, Wld Credit Repair, and World Law Debt (collectively “Orion”); (b) Family Capital Investment & Management LLC, a Delaware limited liability company, a/k/a FCIAM Property Management; (c) World Law Debt Services, LLC, a Delaware limited liability company; (d) World Law Processing, LLC, a Delaware limited liability company; (e) Derin Scott, an individual; (f) David Klein, an individual; and (g) Bradley James Haskins, individually and d/b/a as World Law Group, LLP, World Law Group America, LLP, WLD Price Global, Inc., World Law Forms and Mediation, and World Law South. The Bureau brought this Complaint under sections 1031(a), 1036(a), 1054, and 1055 of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a), 5564(a), and 5581, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6102(c)(2), 6105(d), alleging Defendants violated the CFPA and the Telemarketing Sales Rule (“TSR”), 16 C.F.R. pt. 310 in connection with the marketing and sale of debt relief services.

The Bureau and the Trustee (as defined below) for Orion, by and through counsel, request that the Court enter this Stipulated Final Judgment and Order (“Order”).

THEREFORE, IT IS ORDERED:

FINDINGS

1. On February 27, 2015, before the commencement of the instant civil action, Orion filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (2012) (“Bankruptcy Code”), initiating a bankruptcy case pending in the United States Bankruptcy Court for the Western District of Texas, Austin Division (“Bankruptcy Court”), captioned *In re Orion Processing LLC*, Case No. 15-10279 (“Bankruptcy Proceeding”).
2. On August 20, 2015, three days after the commencement of the instant civil action, the Bankruptcy Court converted the Bankruptcy Proceeding to a Chapter 7 proceeding over Orion’s objection, and appointed a trustee.

3. Randolph N. Osherow has been appointed Chapter 7 trustee (“Trustee”). Pursuant to 11 U.S.C. § 323, the Trustee is the representative of Orion’s bankruptcy estate and has the capacity to sue and be sued.
4. The Trustee is not operating the business of Orion and is proceeding with an orderly liquidation under Chapter 7. Given that Orion is a Chapter 7 debtor and is no longer doing business, the Bureau has agreed not to seek its customary injunction, compliance and reporting requirements.
5. The automatic stay of the Bankruptcy Code does not stay this civil action against Orion because the action falls within the police and regulatory power exception to the automatic stay set forth in 11 U.S.C. § 362(a), (b)(4).
6. On November 23, 2015, the Bureau timely filed a proof of claim in the Bankruptcy Proceeding seeking at least \$67 million in monetary relief and also seeking civil money penalties for Orion’s violations of the TSR and the CFPA as alleged in the Complaint.
7. The Bankruptcy Court has authorized the Trustee to enter into this Order by order dated February 21, 2017, a copy of which is attached as Exhibit B to the Unopposed Motion to Enter Stipulated Final Judgment and Order. The Bankruptcy Court’s order is now final and non-appealable.
8. The Bureau and the Trustee (the “Parties”) agree to entry of this Order, without adjudication of any issue of fact or law, to settle and resolve all matters in this dispute arising from the conduct of Orion alleged in the Complaint to the date this Order is entered.
9. For purposes of this Order, the Trustee admits the facts necessary to establish the Court’s jurisdiction over the Trustee and the subject matter of this action, but is without sufficient information to otherwise admit or deny the factual allegations. The Trustee waives service under Rule 4(d) of the Federal Rules of Civil Procedure and waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order. The Trustee also waives any claim that Orion may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this

action to the date of this Order. Each Party will bear its own costs and expenses, including, without limitation, attorneys' fees.

10. This Court has jurisdiction over the parties and the subject matter of this action pursuant to 12 U.S.C. § 5565(a)(1) and 28 U.S.C. §§ 1331, 1345, and 1367.
11. Venue in the Southern District of Florida is proper under 28 U.S.C. § 1391(b) and (c) and 12 U.S.C. § 5564(f).
12. The Complaint states claims upon which relief may be granted under the CFPA and TSR. The relief provided in this Order is appropriate and available pursuant to Sections 1054 and 1055 of the CFPA, 12 U.S.C. §§ 5564, 5565, and pursuant to the Telemarketing and Consumer Fraud and Abuse and Prevention Act, 15 U.S.C. § 6102(c).
13. During the Relevant Period, Defendants operated as a common enterprise while engaging in the acts and practices described in the complaint. Defendants conducted the business practices described in the complaint through an interrelated network of companies that had common business functions, employees, and office locations. Moreover, Defendants also commingled funds and shared operations and proceeds of the unlawful activity. Because Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged in the complaint.
14. Orion is a "covered person," "related person," and a "service provider" as those terms are defined by the CFPA, 12 U.S.C. § 5481(6)(A), (19), (25), and (26).
15. During the Relevant Period, Defendants offered or provided financial advisory services, including services to assist consumers settle debts.
16. Defendants' business included inducing the purchase of financial advisory services by use of one or more telephones and involved more than one interstate telephone call. Defendants are "sellers" or "telemarketers" of a "debt relief service," who engage in "telemarketing," as defined in the TSR. 16 C.F.R. § 310.2.
17. In the course of telemarketing debt relief services during the Relevant Period, Defendants requested or received payment of fees or consideration from consumers

for debt relief services before: (1) they had renegotiated, settled, reduced, or otherwise altered the terms of at least one debt pursuant to a settlement agreement, debt management plan, or other such valid contractual agreement executed by the consumer; and (2) the consumer had made at least one payment pursuant to that agreement.

18. Defendants have falsely represented that consumers who enroll in Defendants' debt relief program:
 - a. will receive legal representation;
 - b. will be represented by a local attorney; and/or
 - c. will have settlements of their debts negotiated with their creditors by an attorney.
19. During the Relevant Period, Defendants charged at least \$106,813,049 in unlawful fees, including unlawful advance fees, to Affected Consumers.
20. Defendants' acts and practices described above violate the TSR, 16 C.F.R. § 310.4(a)(5)(i), and are abusive acts or practices in telemarketing.
21. Defendants' representations described in the complaint and above are false and misleading, and constitute deceptive acts or practices in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C § 5531, 5536.
22. Section 1055 of the CFPA, 12 U.S.C. § 5565 empowers this Court to order injunctive and other relief, restitution, and civil money penalties.
23. The Bureau is entitled to an Order imposing permanent injunctive relief; requiring Orion to make restitution of \$106,813,049, which the bankruptcy court has deemed an allowed general unsecured claim in the Bankruptcy Proceeding.
24. Entry of this Order is in the public interest.

DEFINITIONS

The following definitions apply to this Order:

25. “**Advance Fee**” means any fee or consideration requested or received by a Debt Relief Service Provider from a consumer for any Debt Relief Service, whether directly or indirectly, that occurs before;
 - a. the Debt Relief Service Provider has renegotiated, settled, reduced, or otherwise altered the terms of a debt pursuant to a settlement agreement, debt management plan, or other valid contractual agreement executed by the Consumer; and
 - b. the Consumer has made at least one payment pursuant to that settlement agreement, debt management plan, or other valid contractual agreement between the Consumer and the creditor or debt collector.
26. “**Affected Consumers**” means any consumer who paid an Advance Fee or any other fees to Defendants or their officers, agents, servants, employees, or attorneys for Debt Relief Products or Services between July 1, 2010 and the Effective Date.
27. “**Assets**” means any legal or equitable interest in, right to, or claim to any real, personal, or intellectual property owned or controlled by, or held, in whole or in part for the benefit of, or subject to access by any Defendant or Relief Defendant, wherever located, whether in the United States or abroad. This includes, but is not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares of stock, commodities, futures, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), funds, cash, and trusts, including, but not limited to any trust held for the benefit of any Defendant, Relief Defendant, any of the Individual Defendants’ minor children, or any of the Individual Defendants’ spouses.

28. **“Bankruptcy Proceeding”** means *In re Orion Processing LLC*, Case No. 15-10279 currently pending in the United States Bankruptcy Court, Western District of Texas, Austin Division.
29. **“Chapter 7 Trustee”** means Randolph N. Osherow, the Trustee appointed over Defendant Orion Processing, LLC by the United States Bankruptcy Court, Western District of Texas, Austin Division in the Bankruptcy Proceeding and any successor trustee.
30. **“Consumer Financial Product or Service”** is synonymous in meaning and equal in scope to the definition of the term in Section 1002(5) of the CFPA, 12 U.S.C. § 5481(5), and, subject to applicable restrictions contained in the CFPA, includes, but is not limited to:
 - c. Extending credit and servicing loans, including acquiring, purchasing, selling, brokering, or other extensions of credit (other than solely extending commercial credit to a person who originates consumer credit transactions);
 - d. Providing financial advisory services to consumers on individual financial matters or relating to proprietary financial products or services, including providing credit counseling to any consumer or providing services to assist a consumer with debt management or debt settlement, modifying the terms of any extension of credit, or avoiding foreclosure;
 - e. Collecting, analyzing, maintaining, or providing consumer report information or other account information, including information relating to the credit history of consumers, used or expected to be used in connection with any decision regarding the offering or provision of a Consumer Financial Product or Service; or
 - f. Collecting debt related to any Consumer Financial Product or Service.
31. **“Debt Relief Product or Service”** means any program or service represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more creditors or

debt collectors, including but not limited to, a reduction in the balance, interest rate, or fees owed by a person to a creditor or debt collector.

32. **“Debt Relief Service Provider”** means any Person that offers or provides any Debt Relief Product or Service.
33. **“Defendants”** means the Individual Defendants and the Corporate Defendants, individually, collectively, or in any combination, and each of them by whatever names each might be known;
 - g. **“Corporate Defendants”** means: Orion Processing, LLC d/b/a World Law Processing, Wld Credit Repair and World Law Debt (collectively, “Orion”) and its successors and assigns; Family Capital Investment & Management LLC a/k/a FCIAM Property Management (“FCIAM”) and its successors and assigns; World Law Debt Services, LLC and its successors and assigns; and World Law Processing, LLC and its successors and assigns.
 - h. **“Individual Defendants”** means Derin Scott, David Klein, and Bradley Haskins, collectively, or in any combination, and each of them by any other names by which they might be known;
34. **“Effective Date”** means the date on which the Order is issued.
35. **“Enforcement Director”** means the Assistant Director for the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegee.
36. **“Estate”** or **“Orion Estate”** means the bankruptcy estate created within the Bankruptcy Proceeding by operation of law pursuant to 11 U.S.C. § 541.
37. **“Receiver”** means Robb Evans & Associates LLC.
38. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Defendant based on substantially the same facts as described in the Complaint.
39. **“Relevant Period”** includes the period from July 1, 2010 to the Effective Date.

40. “**Telemarketing**” means any plan, program, or campaign that is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones, whether or not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310.

ORDER

I.

ORION NOT TO RESUME OPERATIONS

IT IS ORDERED that:

41. Orion will not engage in the following, and the Trustee shall not move the Bankruptcy Court pursuant to 11 U.S.C. § 721 or otherwise seek authorization to operate Orion’s business, including seeking authorization for Orion, whether acting directly or through any other Person, to engage in the following:
- a. Telemarketing or assisting others engaged in telemarketing any Consumer Financial Product or Service;
 - b. Advertising, marketing, promoting, offering for sale, selling, or providing any Debt Relief Product or Service;
 - c. Assisting others in advertising, marketing, promoting, offering for sale, selling, or providing any Debt Relief Product or Service; and
 - d. Receiving any remuneration or other consideration from, holding any ownership interest in, providing services to, or working in any capacity for any person engaged in or assisting others in advertising, marketing, promoting, offering for sale, selling, or providing any Debt Relief Product or Service.

II.

PROHIBITED USE OF CUSTOMER INFORMATION

IT IS FURTHER ORDERED that:

42. The Trustee and the Orion Estate may not disclose, use, or benefit from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer’s account (including a credit card, bank account, or other financial

account), that Defendants obtained before the Effective Date in connection with Consumer Financial Products or Services or Debt Relief Products or Services offered by Defendants.

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

IT IS FURTHER ORDERED that:

43. The Trustee and the Orion Estate are hereby permanently restrained and enjoined from attempting to collect, collecting, selling, or assigning, or otherwise transferring any right to collect payment from any consumer who purchased or agreed to purchase Debt Relief Products or Services from Defendants.

III.

ORDER TO PAY REDRESS

IT IS FURTHER ORDERED that:

44. A judgment for monetary relief is entered in favor of the Bureau and against Orion, jointly and severally, in the amount of \$106,813,049 for the purpose of providing redress to Affected Consumers for the violations described in the Complaint. This redress is to compensate consumers for their actual pecuniary losses.
45. This monetary judgment will be deemed by the Trustee to be an allowed general unsecured claim against Orion's Estate, subject to 11 U.S.C. §§ 507(a) and 726 governing priorities of expenses and claims in the Bankruptcy Proceeding.
46. Any funds received by the Bureau in satisfaction of this judgment shall be deposited into a fund or funds administered by the Bureau or its agent in accordance with applicable statutes and regulations to be used for redress for Affected Consumers, including, but not limited to, refund of moneys, restitution, damages, or other monetary relief, and for any attendant expenses for the administration of any such redress.
47. If the Bureau determines, in its sole discretion, that providing redress to consumers is wholly or partially impracticable or if funds remain after the administration of redress is completed, any funds not used for equitable relief will be deposited in the

U.S. Treasury as disgorgement. The Trustee will have no right to challenge the choice of remedies under this Section or to contest the manner of distribution.

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

IV.

ORDER TO PAY CIVIL MONEY PENALTIES

IT IS FURTHER ORDERED that:

49. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law alleged in the Complaint, and taking into account the factors in 12 U.S.C. § 5565(c)(3), a civil money penalty in favor of the Bureau and against Orion's Estate is ordered in the amount of \$20 million, which the Bankruptcy Court has deemed a general unsecured claim.
50. The Bureau will deposit any payment made to satisfy the judgment for a civil penalty into the Civil Penalty Fund administered by the Bureau under Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

V.

ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

51. Subject to 11 U.S.C. §§ 507(a) and 726 governing priorities of expenses and claims in the Bankruptcy Proceeding, the Trustee must relinquish all dominion, control, and title to the funds paid to the Bureau on account of its claims to the fullest extent permitted by law and no part of the funds may be returned to Orion's Estate.
52. Under 31 U.S.C. § 7701, the Trustee must, unless he has already done so, furnish to the Bureau Orion's taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Order.
53. Within 30 days of the entry of a final judgment, order or settlement in a Related Consumer Action, the Trustee must notify the Assistant Director for Enforcement in writing of the final judgment, order or settlement. That notification must include the amount of redress, if any, that the Orion Estate paid or is required to pay to

consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

VI.

PENDENCY OF BANKRUPTCY PROCEEDING

IT IS FURTHER ORDERED that:

54. The Bureau must, if it has not already done so, seek leave of the Bankruptcy Court to amend its proof of claim to conform with the judgment amounts set forth in this Order.
55. The Trustee shall not object to the Bureau's proof of claim as amended so long as it complies with the provisions of this Order.
56. The Trustee's obligations under this Order will terminate upon the closure of the Bankruptcy Proceeding.

VII.

REPORTING REQUIREMENTS

IT IS FURTHER ORDERED that:

57. Given that Orion's Estate is being liquidated and the Trustee is not operating and will not seek to operate the business of Orion, extensive compliance obligations by the Trustee are not warranted. The Trustee shall notify the Bureau of the occurrence of any of the following:
 - a. The Trustee's discovery of any Assets in the Estate or any Assets that could be the subject of a turnover motion by the Trustee;
 - b. The Trustee's filing of a motion under 11 U.S.C. § 363 in the Bankruptcy Proceeding to use, sell or lease property of the Estate;
 - c. The Trustee's filing of any interim report to the Bankruptcy Court; and
 - d. The closure of the Bankruptcy Proceeding.

The Trustee must provide this notice at least 21 days before the development or as soon as practicable after learning about the development, whichever is sooner.

VIII.

NOTICES

IT IS FURTHER ORDERED that:

58. Unless otherwise directed in writing by the Bureau, the Trustee must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line, “*CFPB v. Orion Processing, et al.*, Case No. 15-23070-Civ-COOKE/TORRES,” and send them either:

a. By overnight courier (not the U.S. Postal Service), as follows:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1625 Eye Street, N.W.
Washington D.C. 20006; or

b. By first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1700 G Street, N.W.
Washington D.C. 20552

VIII.

COOPERATION WITH THE BUREAU

IT IS FURTHER ORDERED that:

59. In connection with this action, the Order, or any subsequent investigations related to or associated with the transactions or occurrences that are the subject of the Complaint, the Trustee shall cooperate in good faith with the Bureau to the extent there are funds available to the Estate to pay the costs of such cooperation.

60. Within 21 calendar days of receipt of a written request from the Bureau, the Trustee must provide any documents or information that are the subject of the request that are available to him.

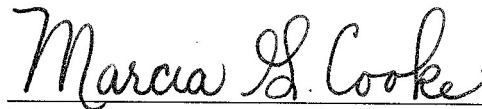
61. Nothing in this Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process, subject to the Trustee's ability to seek a protective order.

IX.

RETENTION OF JURISDICTION

62. The Court shall retain jurisdiction over matters pertaining to the Order for purposes of its construction, modification, and enforcement; provided, however, that nothing herein shall divest the Bankruptcy Court of its jurisdiction over the Bankruptcy Proceeding. The Parties may jointly seek to modify the terms of the Order, which may be modified only by Court order.

DONE and ORDERED in chambers, at Miami, Florida, this 22nd day of March 2017..



MARCIA G. COOKE
United States District Judge

Copies furnished to:
Edwin G. Torres, U.S. Magistrate Judge
Counsel of record