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

Bureau of Consumer Financial
Protection, et al.,

Plaintiffs,

v.

Consumer Advocacy Center Inc., d/b/a
Premier Student Loan Center, et al.,

Defendants.

CASE NO. 8:19-cv-01998 MWF (KS)

**FINAL JUDGMENT
AND ORDER AS TO DEFENDANT
KAINE WEN**

Court: Hon. Michael W. Fitzgerald
Date: May 1, 2023
Time: 9:30 AM
Place: Courtroom 5A

Plaintiffs the Bureau of Consumer Financial Protection (Bureau), the State of Minnesota, the State of North Carolina, and the People of the State of California (collectively, Plaintiffs) have filed a motion for partial summary judgment pursuant to Federal Rule of Civil Procedure 56 against Defendant Kaine Wen (Defendant Wen). After considering the pleadings, declarations, exhibits, summary judgment briefing, and the entire record in this matter, this Court hereby orders and adjudges

1 that the Plaintiffs’ motion for partial summary judgment is **GRANTED**.

2 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

3 **FINDINGS**

4 **I**

5 1. Plaintiffs commenced this civil action on October 21, 2019, to obtain
6 injunctive, equitable, and monetary relief and civil penalties from multiple
7 defendants, including Defendant Wen in his individual capacity and as trustee of
8 the Kaine Wen 2017 Trust.

9 2. Plaintiffs alleged that from at least November 2015 until October
10 2019, Defendant Wen and his co-defendants operated a nationwide debt-relief
11 enterprise that deceived federal-student-loan borrowers and collected over \$95
12 million in illegal advance fees.

13 3. The operative complaint, the Third Amended Complaint (ECF Nos.
14 314-315), alleged violations of sections 1031(a) and 1036(a) of the Consumer
15 Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), 5536(a); the
16 Telemarketing and Consumer Fraud and Abuse Prevention Act (TCFAPA),
17 15 U.S.C. § 6102(c)(2), based on alleged violations of the Telemarketing Sales
18 Rule (TSR), 16 C.F.R. pt. 310; the Minnesota Prevention of Consumer Fraud Act
19 (MNCFA), Minn. Stat. §§ 325F.68-.694; the Minnesota Uniform Deceptive Trade
20 Practices Act (MNDTPA), Minn. Stat. §§ 325D.43-.48; the North Carolina Debt
21 Adjusting Act (NCDAA), N.C. Gen. Stat. § 14-423 *et seq.*; the North Carolina
22 Unfair and Deceptive Practices Act (NCUDPA), N.C. Gen. Stat. § 75-1.1; and the
23 California Unfair Competition Law (UCL), Cal. Bus. & Prof. Code § 17200 *et*
24 *seq.*, in connection with the Defendants’ marketing and sale of Debt-Relief
25 Services. The Third Amended Complaint also included claims for avoidance of
26 fraudulent transfers under the Federal Debt Collection Procedures Act, 28 U.S.C.

1 §§ 3001-3308, and the California Uniform Voidable Transactions Act, Cal. Civ.
2 Code §§ 3439-3439.14.

3 4. Plaintiffs sought permanent injunctive relief, damages, rescission or
4 reformation of contracts, refunds of moneys paid, restitution, disgorgement or
5 compensation for unjust enrichment, civil money penalties, and other monetary
6 and equitable relief.

7 5. This Court has subject-matter jurisdiction over this action because it
8 was brought under Federal consumer financial law, 12 U.S.C. § 5565(a)(1),
9 presents a federal question, 28 U.S.C. § 1331, and the Bureau is an agency of the
10 United States, 28 U.S.C. § 1345. This Court has supplemental jurisdiction over the
11 States' (as defined below) claims pursuant to 28 U.S.C. § 1367. Venue is proper in
12 this district pursuant to 12 U.S.C. § 5564(f), because Defendant Wen is located,
13 resides, or does business in this district.

14 6. The Third Amended Complaint states claims against Defendant Wen
15 upon which relief can be granted.

16 7. There is no genuine issue as to any material fact concerning the
17 liability of Defendant Wen for the unlawful practices charged against him in
18 Counts I through III, V, VII, IX, XI, XVII through XX, and XXII of the Third
19 Amended Complaint, or the amount of redress and civil money penalties resulting
20 from Defendant Wen's unlawful practices.

21 8. From at least November 5, 2015, through October 23, 2019, the
22 Student Loan Debt-Relief Companies (as defined below) operated as a common
23 enterprise controlled by Wen and his business partner. Accordingly, each may be
24 held liable for the illegal acts and practices of the others, *FTC v. Grant Connect,*
25 *LLC*, 763 F.3d 1094, 1105 (9th Cir. 2014); *FTC v. Network Servs. Depot, Inc.*,
26 617 F.3d 1127, 1142-43 (9th Cir. 2010); *FTC v. All. Document Preparation,*
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1 296 F. Supp. 3d 1197, 1203-1204 (C.D. Cal. 2017).

2 9. The Student Loan Debt-Relief Companies are “covered person[s]” as
3 that term is defined by the CFPA, 12 U.S.C. § 5481(6)(A), (19), because they
4 engaged in offering or providing services which purported to modify the terms of
5 consumers’ federal student loans.

6 10. Defendant Wen is a “related person” as that term is defined by the
7 CFPA, 12 U.S.C. § 5481(25)(C), because he owned, controlled, and managed the
8 Student Loan Debt-Relief Companies, and materially participated in the conduct of
9 their affairs.

10 11. Defendant Wen is a “covered person” as that term is defined by the
11 CFPA, 12 U.S.C. § 5481(6)(A), (19), because he is a “related person,” 12 U.S.C.
12 § 5481(25)(B).

13 12. The Student Loan Debt-Relief Companies engaged in a “debt-relief
14 service” as defined in the TSR, 16 C.F.R. § 310.2(o), because they offered and
15 provided services that purported to renegotiate, settle, or alter the terms of payment
16 or other terms of the debt for consumers’ unsecured federal student loans by
17 submitting requests for loan consolidation and income driven repayment plans to
18 consumers’ student-loan servicers.

19 13. The Student Loan Debt-Relief Companies engaged in “telemarketing”
20 and are “telemarketers,” as defined in the TSR, 16 C.F.R. § 310.2(gg), (ff), because
21 they offered and provided debt-relief services to consumers nationwide through a
22 plan, program, or campaign by initiating and receiving telephone calls with
23 consumers and employing more than one interstate telephone call.

24 14. The Student Loan Debt-Relief Companies are “sellers,” as defined in
25 the TSR, 16 C.F.R. § 310.2(dd), because they offered and provided these services
26 to consumers in exchange for payment of fees in connection with a telemarketing
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1 transaction.

2 15. The Student Loan Debt-Relief Companies are therefore “sellers” and
3 “telemarketers” of a “debt relief service” and engaged in “telemarketing,” as
4 defined in the TSR, 16 C.F.R. § 310.2(o), (y), (dd), (ff), (gg).

5 16. Defendant Wen is a “seller” of a “debt relief service” as defined in the
6 TSR, 16 C.F.R. § 310.2(o), (dd), because he exercised control over the Student
7 Loan Debt-Relief Companies and arranged for them to provide debt-relief services
8 in exchange for consideration.

9 17. From at least November 5, 2015, through October 23, 2019, in
10 connection with telemarketing debt-relief services, the Student Loan Debt-Relief
11 Companies requested and received enrollment and monthly fees from consumers
12 before the Student Loan Debt-Relief Companies renegotiated, settled, reduced, or
13 otherwise altered the terms of at least one of such consumers’ debt and before
14 consumers made at least one payment pursuant to any settlement agreement, debt
15 management plan, or other valid contractual agreement between consumers and
16 their creditors. These fees were not placed in an account that was used for
17 payments to creditors and were not otherwise maintained in a way that complied
18 with the independent escrow account exception set forth in 16 C.F.R.
19 § 310.4(a)(5)(ii). The Student Loan Debt-Relief Companies therefore violated the
20 TSR, 16 C.F.R. § 310.4(a)(5)(i).

21 18. From at least November 5, 2015, through October 23, 2019, in
22 connection with telemarketing debt-relief services, the Student Loan Debt-Relief
23 Companies misrepresented, expressly or by implication, the following:

- 24 a. the purpose of their fees, specifically that fees paid by consumers were
25 payments toward consumers’ outstanding loan debt, that these fees were
26 all consumers owed on their loans, and that the fees were a necessary cost
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1 to participate in an income-driven repayment plan; and

2 b. the nature and benefits of their services, specifically that their fees were
3 consumers' new monthly loan payment, that consumers' repayment
4 amount would be lower based on false information about consumers'
5 family size and marital status, that the consumers' new payment amount
6 would last for the entire term of the loan, that consumers' loans would be
7 forgiven if they enrolled in the Student Loan Debt-Relief Company's
8 services; and that it was the Student Loan Debt-Relief Companies'
9 practice to falsify consumers' family size and marital status to
10 consumers' student-loan servicers.

11 These representations and omissions were material. The Student Loan Debt-Relief
12 Companies therefore violated the TSR, 16 C.F.R. § 310.3(a)(2)(iii), (x).

13 19. From at least November 5, 2015, through October 23, 2019, in
14 connection with telemarketing debt-relief services, Defendant Wen (a) participated
15 directly in, or had the authority to control, the acts or practices described in
16 Paragraphs 17-18, and (b) had knowledge of those acts and practices, was
17 recklessly indifferent to the acts or practices, or was aware of a high probability of
18 the illegal conduct along with an intentional avoidance of the truth, *see CFPB v.*
19 *CashCall, Inc.*, 35 F.4th 734, 749 (9th Cir. 2022); *see also In re Sanctuary Belize*
20 *Litig.*, No. PJM 18-3309, 2019 WL 1934673, at *2 (D. Md. Apr. 30, 2019).
21 Defendant Wen therefore violated the TSR, 16 C.F.R. § 310.3(a)(2)(iii), (x), and
22 16 C.F.R. § 310.4(a)(5)(i).

23 20. From at least November 5, 2015, through October 23, 2019, in
24 connection with telemarketing debt-relief services, Defendant Wen provided
25 substantial assistance or support to the Student Loan Debt-Relief Companies while
26 Defendant Wen knew or consciously avoided knowing that the Student Loan Debt-
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1 Relief Companies were engaged in acts or practices that constituted deceptive and
2 abusive conduct in violation of the TSR, as set forth in this Order. Defendant Wen
3 therefore violated the TSR, 16 C.F.R. § 310.3(b).

4 21. From at least November 5, 2015, through October 23, 2019, in
5 connection with offering or providing student loan debt-relief services, the Student
6 Loan Debt-Relief Companies misrepresented, expressly or by implication, the
7 following:

- 8 a. the purpose of their fees, specifically that fees paid by consumers were
9 payments toward the consumers' outstanding loan debt, that these fees
10 were all consumers owed on their loans, and that the fees were a
11 necessary cost to participate in an income-driven repayment plan; and
- 12 b. the nature and benefits of their services, specifically that their fees were
13 consumers' new monthly loan payment, that consumers' repayment
14 amount would be lower based on false information about consumers'
15 family size and marital status, that the consumers' new payment amount
16 would last for the entire term of the loan, that consumers' loans would be
17 forgiven if they enrolled in the Student Loan Debt-Relief Company's
18 services; and that it was the Student Loan Debt-Relief Companies'
19 practice to falsify consumers' family size and marital status to
20 consumers' student-loan servicers.

21 These representations and omissions were material and likely to mislead
22 consumers acting reasonably under the circumstances. The Student Loan Debt-
23 Relief Companies therefore violated the CFPA, 12 U.S.C. §§ 5531(a),
24 5536(a)(1)(B).

25 22. From at least November 5, 2015, through October 23, 2019, in
26 connection with offering or providing student loan debt-relief services, Defendant
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1 Wen (a) participated directly in, or had the authority to control, the acts or
2 practices described in Paragraph 21, and (b) had knowledge of those acts and
3 practices, was recklessly indifferent to the acts or practices, or was aware of a high
4 probability of the illegal conduct along with an intentional avoidance of the truth,
5 *see CashCall*, 35 F.4th at 749. Defendant Wen therefore violated the CFPA,
6 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

7 23. From at least November 5, 2015, through October 23, 2019, in
8 connection with the offering or provision of student loan debt-relief services,
9 Defendant Wen provided substantial assistance to the Student Loan Debt-Relief
10 Companies while Defendant Wen knew, or recklessly avoided knowing, the
11 Student Loan Debt-Relief Companies’ material misrepresentations or omissions to
12 consumers. Defendant Wen therefore violated the CFPA, 12 U.S.C. § 5536(a)(3).

13 24. From at least November 5, 2015, through October 23, 2019,
14 Defendant Wen violated the TSR as a “covered person” by charging and collecting
15 illegal advance fees and engaging in deceptive conduct, as further set forth in this
16 Order. Defendant Wen therefore also violated a rule under section 1031 of the
17 CFPA regarding unfair, deceptive, or abuse acts or practices, 12 U.S.C.
18 § 5536(a)(1)(A), 15 U.S.C. § 6102(c).

19 25. By reason of the facts described in Paragraph 21, the Student Loan
20 Debt-Relief Companies violated the MNCFA, Minn. Stat. §§ 325F.68-.694, and
21 the MNDTPA, Minn. Stat. §§ 325D.43-.48.

22 26. By reason of the facts described in Paragraphs 21-22, the violation
23 described in Paragraph 25, and by Defendant Wen’s participation, direction,
24 management, or control of the Student Loan Debt Relief Companies, Defendant
25 Wen violated the MNCFA, Minn. Stat. §§ 325F.68-.694, and the MNDTPA, Minn.
26 Stat. §§ 325D.43-.48. *See State v. Alpine Air Products, Inc.*, 490 N.W.2d 888,
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1 897-98 (Minn. Ct. App. 1992), *aff'd*, 500 N.W.2d 788 (Minn. 1993); *Meyer v.*
2 *Dygart*, 156 F. Supp. 2d 1081, 1086-87 (D. Minn. 2001).

3 27. By reason of the facts described in Paragraph 17, and because the
4 Student Loan Debt-Relief Companies collected fees from consumers before fully
5 rendering services purporting to reduce, settle, or alter the terms of payment on
6 their student loans, the Student Loan Debt-Relief Companies violated the NCDAA,
7 N.C. Gen. Stat. § 14-424.

8 28. By reason of the facts described in Paragraph 21, the Student Loan
9 Debt-Relief Companies violated the NCUDPA, N.C. Gen. Stat. § 75-1.1(a).

10 29. By reason of the facts described in Paragraphs 17-19 and 21-22, the
11 violations described in Paragraphs 27-28, and by Defendant Wen's participation,
12 direction, management, or control of the Student Loan Debt Relief Companies,
13 Defendant Wen violated the NCUDPA, N.C. Gen. Stat. § 75-1.1, and the NCDAA,
14 N.C. Gen. Stat. § 14-424. *See State ex rel. Cooper v. NCCS Loans, Inc.*, 624 S.E.2d
15 371, 380 (N.C. Ct. App. 2005); *State ex rel. Easley v. Rich Food Servs., Inc.*,
16 535 S.E.2d 84, 93 (N.C. Ct. App. 2000).

17 30. By reason of the facts described in Paragraph 21, the Student Loan
18 Debt-Relief Companies violated the UCL, Cal. Bus. & Prof. Code § 17200. *See*
19 *Cel-Tech Commc'ns, Inc. v. L.A. Cellular Tel. Co.*, 973 P.2d 527, 539-40 (1999).

20 31. By reason of the facts and violations described in Paragraphs 17-19,
21 21-22, and 30, and by Defendant Wen's participation, direction, management, or
22 control of the Student Loan Debt Relief Companies, Defendant Wen violated the
23 UCL, Cal. Bus. & Prof. Code § 17200. *See* Cal. Bus. & Prof. Code § 17201; *Cel-*
24 *Tech Commc'ns*, 973 P.2d at 539-40.

25 32. As no material facts are in dispute, and the undisputed evidence
26 establishes Defendant Wen's liability as to the claims set forth in Counts I through
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1 III, V, VII, IX, XI, XVII through XX, and XXII in the Third Amended Complaint,
2 Plaintiffs are entitled to judgment as a matter of law pursuant to Rule 56(a) of the
3 Federal Rules of Civil Procedure on those claims.

4 33. Sections 1054 and 1055 of the CFPA, 12 U.S.C. §§ 5564 and 5565;
5 the TCFAPA, 15 U.S.C. 6103(a); Minnesota law, Minn. Stat. § 8.31; North
6 Carolina law, N.C. Gen. Stat. §§ 14-425, 75-14, 75-15.1, and 75-15.2; and
7 California law, Cal. Bus. & Prof. Code §§ 17203 and 17206, empower this Court
8 to order injunctive and other equitable relief against Defendant Wen for violations
9 of the TSR, CFPA, MNCFA, MNDTPA, NCDAA, NCUDPA, and UCL, and to
10 award restitution, damages, refund of moneys, and disgorgement of ill-gotten gains
11 resulting from Defendant Wen's unlawful practices, and civil money penalties for
12 violations of the Federal consumer financial laws and the States' laws.

13 34. From at least November 2015 through October 2019, defendants
14 collected approximately \$95,057,757 in fees paid by Affected Consumers (as
15 defined below). The Bureau is entitled to relief in the amount of \$95,057,757
16 against Defendant Wen as redress for the fees paid by Affected Consumers, as set
17 forth below. This redress will provide the relief sought by the States for Affected
18 Consumers in their respective states.

19 35. Defendant Wen has recklessly violated the TSR and the CFPA,
20 warranting second-tier civil money penalties of \$147,985,000 to the Bureau.
21 12 U.S.C. § 5565(c)(2)(B).

22 36. By reason of Defendant Wen's violations of the state laws set forth in
23 this Order, and under Cal. Bus. Prof. Code § 17206, Minn. Stat. § 8.31, and N.C.
24 Gen. Stat. § 75-15.2, Defendant Wen is liable for civil money penalties to each
25 State, as set forth below.

26 37. This action and the relief awarded herein are in addition to, and not in
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1 lieu of, other remedies as may be provided by law, including both civil and
2 criminal remedies.

3 38. Entry of this Judgment is in the public interest.

4 DEFINITIONS

5 II

6 The following definitions apply to this Order:

7 39. “Affected Consumers” includes any consumer who paid any of the
8 Defendants or their officers, agents, servants, employees, or attorneys for any
9 Debt-Relief Service from November 5, 2015, to October 23, 2019.

10 40. “Assets” means any legal or equitable interest in, right to, or claim to
11 any real, personal, or intellectual property owned or controlled by, or held, in
12 whole or in part for the benefit of, or subject to access by any Defendant or Relief
13 Defendant, wherever located, whether in the United States or abroad. This
14 includes, but is not limited to, chattel, goods, instruments, equipment, fixtures,
15 general intangibles, effects, leaseholds, contracts, mail or other deliverables, shares
16 of stock, commodities, futures, inventory, checks, notes, accounts, credits,
17 receivables (as those terms are defined in the Uniform Commercial Code), funds,
18 cash, and trusts, including but not limited to any trust held for the benefit of
19 Defendant Wen.

20 41. “Assisting Others” includes, but is not limited to:

- 21 a. consulting in any form whatsoever;
- 22 b. providing paralegal or administrative support services;
- 23 c. performing customer service functions, including but not limited to,
24 receiving or responding to consumer complaints;
- 25 d. formulating or providing, or arranging for the formulation or provision
26 of, any advertising or marketing material, including but not limited to,
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1 any telephone sales script, direct mail solicitation, or the text of any
2 Internet website, email, or other electronic communication or
3 advertisement;

4 e. formulating or providing, or arranging for the formulation or provision
5 of, any marketing support material or service, including but not limited
6 to, web or Internet Protocol addresses or domain name registration for
7 any Internet websites, affiliate marketing services, or media placement
8 services;

9 f. providing names of, or assisting in the generation of, potential customers;

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

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

13 42. “Bankruptcy Proceedings” means *In re Consumer Advocacy Center*
14 *Inc.*, Case No. 19-10655, pending in the United States Bankruptcy Court, Southern
15 District of Florida, Fort Lauderdale Division, and *In re Anan Enterprise, Inc.*, Case
16 No. 2:20-bk-19228-ER, pending in the United States Bankruptcy Court, Central
17 District of California, Los Angeles Division.

18 43. “Bureau” means the Bureau of Consumer Financial Protection.

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

23 a. providing financial advisory services to consumers on individual
24 consumer financial matters or relating to proprietary financial products or
25 services, including providing credit counseling to any consumer or
26 providing services to assist a consumer with debt management or debt
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1 settlement, modifying the terms of any extension of credit, or avoiding
2 foreclosure; and

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

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

11 46. “Defendant Wen” means Defendant Kaine Wen, a/k/a Wenting Kaine
12 Dai, Wen-Ting Dai, Wen Ting Dai, Kaine Dai, and Kaine Wen Dai, in his
13 individual capacity and as trustee of the Kaine Wen 2017 Trust, and any other
14 names by which he may be known.

15 47. “Defendants” means Corporate Defendants and Individual
16 Defendants, individually, collectively, or in any combination, and each of them by
17 whatever names each might be known:

- 18 a. “Corporate Defendants” means Consumer Advocacy Center Inc., True
19 Count Staffing Inc., Prime Consulting LLC, TAS 2019 LLC, Horizon
20 Consultants LLC, and First Priority LLC, collectively, or in any
21 combination, and their successors and assigns, and each of them by any
22 other names by which they might be known, including South Coast
23 Financial Center, Direct Account Services, Financial Loan Advisors,
24 Account Preparation Services, Administrative Financial, Tangible
25 Savings Solutions, Coastal Shores Financial Group, First Choice
26 Financial Centre (a/k/a First Choice Financial Center), Administrative

1 Account Services, Primary Account Solutions, Prime Document
2 Services, Financial Accounting Center, Doc Management Solutions,
3 ALW Loans, Administrative Accounting Center, Best Choice Financial
4 Center, First Document Services, Global Direct Accounting Solutions,
5 Keystone Document Center, Pacific Palm Financial Group, Pacific
6 Shores Advisory, Sequoia Account Management, Signature Loan
7 Solutions, Yellowstone Account Services, ClearStudentLoanDebt, Clear
8 Student Loan Debt, Trusted Account Services, Premier Student Loan
9 Center, and Priority Account Management; and

10 b. “Individual Defendants” means Albert Kim, a/k/a Albert King; Kaine
11 Wen, a/k/a Wenting Kaine Dai, Wen-Ting Dai, Wen Ting Dai, Kaine
12 Dai, and Kaine Wen Dai, in his individual capacity and as trustee of the
13 Kaine Wen 2017 Trust; and Tuong Nguyen, a/k/a Tom Nelson,
14 collectively, or in any combination, and each of them by any other names
15 by which they might be known.

16 48. “Effective Date” means the date on which this Order is entered by the
17 Court.

18 49. “Enforcement Director” means the Assistant Director of the Office of
19 Enforcement for the Bureau, or his or her delegate.

20 50. “Person(s)” means an individual, partnership, company, corporation,
21 association (incorporated or unincorporated), trust, estate, cooperative
22 organization, or other entity.

23 51. “Plaintiffs” means the Bureau, the State of Minnesota, the State of
24 North Carolina, and the People of the State of California, collectively, or in any
25 combination.

26 52. “Receiver” means Thomas W. McNamara.

1 53. “Receivership Defendants” means True Count Staffing Inc., Prime
2 Consulting LLC, TAS 2019 LLC, Horizon Consultants LLC, and First Priority
3 LLC, collectively, or in any combination, and their successors and assigns.

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

8 55. “Relief Defendants” means:

9 a. Infinite Management Corp., f/k/a Infinite Management Solutions Inc.;
10 Hold the Door, Corp.; TN Accounting Inc.; Mice and Men LLC; 1st
11 Generation Holdings, LLC; and Anan Enterprise, Inc., collectively, or in
12 any combination, and their successors and assigns, and each of them by
13 any other names by which they might be known; and

14 b. Sarah Kim and Judy Dai, in her individual capacity and as trustee of the
15 Judy Dai 2017 Trust, and any other names by which each of them might
16 be known.

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

4 57. “States” means the State of Minnesota, the State of North Carolina,
5 and the People of the State of California.

6 58. “Student Loan Debt-Relief Companies” means Consumer Advocacy
7 Center Inc., True Count Staffing Inc., and Prime Consulting LLC, collectively, and
8 their successors and assigns, and each of them by any other names by which they
9 might be known.

10 **CONDUCT RELIEF**

11 **III**

12 **Permanent Ban on Engaging in Consumer Financial Products or Services**

13 **It is ORDERED that:**

14 59. Defendant Wen, whether acting directly or indirectly, is permanently
15 restrained from:

- 16 a. advertising, marketing, promoting, offering for sale, selling, or providing
17 any Consumer Financial Product or Service; and
- 18 b. Assisting Others in advertising, marketing, promoting, offering for sale,
19 selling, or providing any Consumer Financial Product or Service.

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

21 **IV**

22 **TSR and CFPA Injunctive Provisions**

23 60. Defendant Wen and his officers, agents, servants, employees, and
24 attorneys, and all other Persons in active concert or participation with them who
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1 receive actual notice of this Order, whether acting directly or indirectly, shall be
2 permanently restrained and enjoined from:

- 3 a. violating sections 1031(a) and 1036(a)(1)(B), (a)(3) of the CFPA,
4 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), (a)(3);
- 5 b. violating the TSR, 16 C.F.R. §§ 310.3(a)(2)(iii), (a)(2)(x), (b),
6 310.4(a)(5); and
- 7 c. in connection with the advertising, marketing, promotion, offering for
8 sale, sale, or performance of any Consumer Financial Product or Service,
9 misrepresenting, or Assisting Others in misrepresenting, expressly or
10 impliedly:
- 11 i. the benefits that a consumer will receive from the product or
12 service, including but not limited to, the amount of savings a
13 consumer will receive from purchasing, using, or enrolling in
14 the Consumer Financial Product or Service;
- 15 ii. the time required to achieve benefits from the Consumer
16 Financial Product or Service;
- 17 iii. any aspect of the nature or terms of a refund, cancellation,
18 exchange, or repurchase policy of the Consumer Financial
19 Product or Service, including but not limited to, the likelihood
20 of a consumer obtaining a full or partial refund or the
21 circumstances in which a full or partial refund will be granted
22 to the consumer; and
- 23 iv. the total costs or any other material term, fact, restriction,
24 limitation, or condition of the Consumer Financial Product or
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1 Service.

2 V

3 State Injunctive Provisions

4 It is FURTHER ORDERED that:

5 61. Defendant Wen and his officers, agents, servants, employees, and
6 attorneys, and all other Persons in active concert or participation with them who
7 receive actual notice of this Order, shall be permanently restrained and enjoined
8 from violating:

9 a. the Minnesota Uniform Deceptive Trade Practices Act, Minn. Stat.
10 § 325D.44; and

11 b. the Minnesota Consumer Fraud Act, Minn. Stat. § 325F.69.

12 62. Defendant Wen and his officers, agents, servants, employees and
13 attorneys, and all other Persons in active concert or participation with any of them
14 who receive actual notice of this Order, shall be permanently restrained and
15 enjoined from violating:

16 a. the North Carolina Debt Adjusting Act, N.C. Gen. Stat. § 14-423, *et seq.*;
17 and

18 b. the North Carolina Unfair and Deceptive Practices Act, N.C. Gen. Stat.
19 § 75-1.1.

20 63. Under the Court’s inherent equitable powers and as authorized by
21 California Business and Professions Code section 17203, this Court is empowered
22 to “make such orders or judgments . . . as may be necessary to prevent the use or
23 employment by any person of any practice which constitutes unfair
24 competition . . .” Cal. Bus & Prof Code § 17203. Accordingly, Defendant Wen and
25 his officers, agents, servants, employees, and attorneys, and all other persons in
26 active concert or participation with them, whether acting directly or indirectly, are
27

1 permanently restrained from:

2 a. violating California Business and Professions Code section 17200, *et*
3 *seq.*, through unlawful, fraudulent and/or unfair acts or practices,
4 including but not limited to:

5 i. violating sections 1031(a) and 1036(a)(1)(B), (a)(3) of the
6 CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), (a)(3); and

7 ii. violating the TSR, 16 C.F.R. §§ 310.3(a)(2)(iii), (a)(2)(x), (b),
8 310.4(a)(5).

9 **VI**

10 **Customer Information**

11 **It is FURTHER ORDERED that:**

12 64. Defendant Wen and his officers, agents, servants, employees, and
13 attorneys, and all other Persons in active concert or participation with any of them,
14 who receive actual notice of this Order, whether acting directly or indirectly, may
15 not:

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

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

1 **MONETARY PROVISIONS**

2 **VII**

3 **Order to Pay Redress**

4 **It is FURTHER ORDERED that:**

5 65. A judgment for monetary relief is entered in favor of Plaintiffs and
6 against Defendant Wen. Defendant Wen is liable, jointly and severally, in the
7 amount of \$95,057,757, for the purpose of providing redress to Affected
8 Consumers. The monetary judgment set forth in this Section is immediately due
9 and payable to the Bureau upon entry of this Order and is enforceable by Plaintiffs
10 against Defendant Wen or any Asset owned by, on behalf of, for the benefit of, or
11 in trust by or for Defendant Wen.

12 66. Except as necessary to effectuate the transfers required by Paragraph
13 112, this Order grants to the Bureau all rights and claims that Defendant Wen has
14 to all Assets frozen by the Preliminary Injunction entered on November 15, 2019
15 (ECF No. 103) and all Assets attributed to Defendant Wen in the Report of Pamela
16 A. Clegg dated March 29, 2022 (ECF No. 364-3, 365-3), including but not limited
17 to the Assets identified in Paragraph 67, and Defendant Wen shall forfeit any rights
18 to those Assets.

19 Provided, however, that the following Assets shall be released to Defendant
20 Wen: the personal property identified as furniture, household goods, appliances,
21 computer equipment, home electronics, and personal electronics on Defendant
22 Wen's Amended and Corrected Individual Financial Statement (as of November 1,
23 2019), executed on December 17, 2020 (ECF No. 365-6, Ex. 7 at 168-173).

24 67. Any Person located within this Court's jurisdiction that holds,
25 controls, or maintains accounts or Assets of, on behalf of, or for the benefit of
26 Defendant Wen, shall turn over such account or Asset to the Bureau, the Receiver,
27

1 or the Bureau's designated agent, at the Bureau's sole discretion, within ten (10)
2 business days of receiving notice of this Order by any means, including but not
3 limited to via facsimile or email. Any such turnover to the Bureau must be by wire
4 transfer to the Bureau or to the Bureau's agent and according to the Bureau's
5 wiring instructions. The Assets that must be turned over pursuant to this Paragraph
6 include but are not limited to the following:

- 7 a. all Assets in the Bank of New York Mellon Corporation account number
8 ending in 1000 in the name of the Kaine Wen 2017 Trust;
- 9 b. all Assets in the Wells Fargo Bank, N.A. checking account ending in
10 account number 3052 in the name of the Kaine Wen 2017 Trust;
- 11 c. all bitcoin held at the following bitcoin addresses as of the date of this
12 Order:

- 13 i. 1FaQ7TNzt9uGCTiZ65qiBBUimaV4nqSHSF
- 14 ii. 1CnrRf645iE1SmSyLRcHxida7HKwaSxFJs
- 15 iii. 17DveKFbhpNJYXAGAqRkYYFAERAnJ7PFCt
- 16 iv. 1LMoynaFJVnUey4mqT4itpeqcn4TRCgWbM
- 17 v. 1LARuJ5G4uU699tmdbdZQPuXTTLhhUFoYa
- 18 vi. 1NZ7a1jic5aib7SoGShkvvZi7SfrtcWAtG
- 19 vii. 1EzNbQxehk5pxHcYyhXoCGikXPfMkPDdkM
- 20 viii. 1BaUoNXvo84n1gVXxPdqb9dKaSR7DgE98Y
- 21 ix. 1N1DwLGuq87m3uWqX3QT76uHfQMNkVK6sZ
- 22 x. 1Mu5PY6iFhpts9m1JyJs1imyZdUQ27Xask
- 23 xi. 1mgGejBqKFrMTayWwKj27ZQAGgszycPwT
- 24 xii. 1KNeuQiYVx1XqqhJ7WiSJ7VN04RkHNQw5V
- 25 xiii. 189oB9QGHAQLHenzuLVFc6Y47cGswsoHc
- 26 xiv. 1Bu4zay9qUdMB234h2uuSFd9bnhtUJGAT2

- xv. 1aQv6sy8mQP4wfH9Kcy5GPbiY8gSyH1P7
- xvi. 1Gk6oDyWuMhFT8UWiZLfi2uC6t97nybEtK
- xvii. 12NBMijDzDsxAuwRLFU6tAtJhRExxcvCbZ
- xviii. 37JRJeB4zBCyHKFrkxJ9qKDDyE26phd5R
- xix. 3GAyQ4r3vf5g62dW5T1GLVmeMjN73E6Ynh
- xx. 1JA73SXeybusqMMJBdFEqwdWJV81tAgHQ9
- xxi. 1kJdtoMuReQar9bcUnPAwH2YBBuyCwDWY
- xxii. 1XSB1Yr7XTT8UbM43fMwTRa9MroDtmeXG
- xxiii. 15NEe5BJLSSuWat1jhjoWm1rTt3GyLnpmg
- xxiv. 1EqMERSMYRYTQxWTb611qvBKXTogZq3m5U
- xxv. 3CvGqmQwqzRbpVupLB3c2CLNagKhxf9t5P

d. all ether held at the following ether addresses as of the date of this Order:

i. 0x4d586195aeed6b32b62daaaa60122ed9088990d4

ii. 0x6644b681eAB811591C146A3E54BBf6d91cb6d455

e. all Assets in the Binance.com cryptocurrency account associated with the user ID number ending in 7692 in the name of Defendant Wen;

f. approximately 170,000 Stellar Lumen and 100 Monero that Defendant Wen transferred to the Receiver on or about November 29, 2022, pursuant to this Court's Order (ECF No. 405);

g. Audemars Piguet Royal Oak Offshore watch (black);

h. Audemars Piguet Royal Oak Offshore watch (white);

i. Breitling Super Avenger watch (blue);

j. 3.584 carat diamond (round), ASG ending in 6001;

k. Reus car stereo system, Stage 2; and

l. Escher prints (3 prints).

1 68. Defendant Wen shall cooperate fully with the Bureau, the Receiver, or
2 the Bureau's agent and shall execute any instrument or document presented by
3 them, and take any other actions necessary or appropriate to effect the transfers and
4 liquidation required by Paragraphs 66-67 and 112-113. All property transferred to
5 the Receiver under Paragraph 67 shall constitute assets of the receivership estate.
6 Defendant Wen shall forfeit any rights and claims to the funds in the receivership
7 estate, including but not limited to all funds held, obtained, or to be obtained by the
8 Receiver since the inception of the receivership whether through this Order or
9 otherwise.

10 69. With regard to any redress that Defendant Wen pays under this
11 Section, if Defendant Wen receives, directly or indirectly, any reimbursement or
12 indemnification from any source, including but not limited to payment made under
13 any insurance policy, or if Defendant Wen secures a tax deduction or tax credit
14 with regard to any federal, state, or local tax, Defendant Wen must: (a)
15 immediately notify the Enforcement Director and States in writing, and (b) within
16 10 days of receiving the funds or monetary benefit, Defendant Wen must transfer
17 the full amount of such funds or monetary benefit (Additional Payment) to the
18 Bureau or to the Bureau's agent according to the Bureau's wiring instructions.

19 70. Any funds received by the Bureau in satisfaction of this judgment will
20 be deposited into a fund or funds administered by the Bureau or to the Bureau's
21 agent according to applicable statutes and regulations to be used for redress for
22 Affected Consumers, including but not limited to refund of moneys, restitution,
23 damages or other monetary relief, and for any attendant expenses for the
24 administration of any such redress.

25 71. If the Bureau determines, in its sole discretion, that providing redress
26 to consumers is wholly or partially impracticable or if funds remain after the
27

1 administration of redress is completed, the money will not revert to Defendant
2 Wen. Defendant Wen will have no right to challenge the Bureau's choice of
3 remedies under this Section and will have no right to contest the manner of
4 distribution chosen by the Bureau.

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

7 **VIII**

8 **Order to Pay Civil Money Penalty to Plaintiffs**

9 **It is FURTHER ORDERED that:**

10 73. Under sections 1042(a) and 1055(c) of the CFPA, 12 U.S.C.
11 §§ 5552(a) and 5565(c), Cal. Bus. Prof. Code § 17206, Minn. Stat. § 8.31, and
12 N.C. Gen. Stat. § 75-15.2, by reason of the violations of law alleged in the Third
13 Amended Complaint and taking into account the factors in 12 U.S.C. § 5565(c)(3),
14 Defendant Wen must pay a civil money penalty of \$148,000,000 to Plaintiffs.

15 74. Of the civil money penalty ordered in Paragraph 73, \$5,000 shall be
16 paid to each State as set forth in Paragraph 112.

17 75. Within 10 days of the Effective Date, Defendant Wen must pay
18 \$147,985,000 to the Bureau by wire transfer to the Bureau or to the Bureau's agent
19 in compliance with the Bureau's wiring instructions.

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

23 77. The civil money penalty paid to Minnesota under this Order will be
24 remitted to the general fund of the State of Minnesota pursuant to Minn. Stat.
25 §§ 8.31 and 16A.151.

26 78. Defendant Wen must treat all civil money penalties paid under this
27

1 Order as a penalty paid to the government for all purposes. Regardless of how such
2 funds are used, Defendant Wen may not:

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

9 79. The civil penalty imposed by the Order represents penalties paid to
10 the United States Government and the States, respectively, is not compensation for
11 actual pecuniary loss, and, thus, as to the Defendant Wen, are not subject to
12 discharge under the Bankruptcy Code under 11 U.S.C. § 523(a)(7).

13 IX

14 Additional Monetary Provisions

15 **It is FURTHER ORDERED that:**

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

20 81. Defendant Wen relinquishes all dominion, control, and title to the
21 funds and all other Assets transferred or paid under this Order to the fullest extent
22 permitted by law and no part of the funds or other Assets may be returned to
23 Defendant Wen. The Bureau, in its sole discretion, may apply any funds paid to it
24 under this Order to satisfy the order to pay redress in Section VII or the civil
25 money penalty owed to the Bureau as set forth in Section VIII.

26 82. The facts alleged in the Third Amended Complaint will be taken as
27

1 true and given collateral estoppel effect, without further proof, in any proceeding
2 based on the entry of the Order, or in any subsequent civil litigation by or on behalf
3 of the Plaintiffs, including in a proceeding to enforce their rights to any payment or
4 monetary judgment under this Order, such as a non-dischargeability complaint in
5 any bankruptcy case.

6 83. The facts alleged in the Third Amended Complaint establish all
7 elements necessary to sustain an action by the Plaintiffs under section 523(a)(2)(A)
8 of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and for such purposes this
9 Order will have collateral estoppel effect against Defendant Wen, even in his
10 capacity as debtor-in-possession.

11 84. Under 31 U.S.C. § 7701, Defendant Wen, unless he has already done
12 so, must furnish to Plaintiffs any taxpayer-identifying numbers associated with him
13 or his Assets, which may be used for purposes of collecting and reporting on any
14 delinquent amount arising out of this Order.

15 85. Within 30 days of the entry of a final judgment, order, or settlement in
16 a Related Consumer Action, Defendant Wen must notify the Enforcement Director
17 of the final judgment, order, or settlement in writing. That notification must
18 indicate the amount of redress, if any, that Defendant Wen paid or is required to
19 pay to consumers and describe the consumers or classes of consumers to whom
20 that redress has been or will be paid. To preserve the deterrent effect of the civil
21 money penalty in any Related Consumer Action, Defendant Wen may not argue
22 that he is entitled to, nor may Defendant Wen benefit by, any offset or reduction of
23 any monetary remedies imposed in the Related Consumer Action because of the
24 civil money penalty paid in this action or because of any payment that the Bureau
25 makes from the Civil Penalty Fund. If the court in any Related Consumer Action
26 offsets or otherwise reduces the amount of compensatory monetary remedies
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1 imposed against Defendant Wen based on the civil money penalty paid in this
2 action or based on any payment that the Bureau makes from the Civil Penalty
3 Fund, Defendant Wen must, within 30 days after entry of a final order granting
4 such offset or reduction, notify the Bureau and pay the amount of the offset or
5 reduction to the U.S. Treasury. Such a payment will not be considered an
6 additional civil money penalty and will not change the amount of the civil money
7 penalty imposed in this action.

8 86. Upon written request of a representative of Plaintiffs, any consumer
9 reporting agency must furnish consumer reports to Plaintiffs concerning Defendant
10 Wen under section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681
11 b(a)(1), which may be used for purposes of collecting and reporting on any
12 delinquent amount arising out of this Order.

13 **X**

14 **Lifting of Asset Freeze**

15 **It is FURTHER ORDERED that:**

16 87. The freeze on the Assets of Defendant Wen is modified to permit the
17 payments and other transfers of Assets identified in Sections VII, VIII, IX, and
18 XVII of this Order. Upon completion of all payments and other obligations
19 identified in Sections VII, VIII, IX, and XVII of this Order, the freeze of
20 Defendant Wen's Assets pursuant to the Preliminary Injunction entered on
21 November 15, 2019 (ECF 103), shall be dissolved.

1 **COMPLIANCE PROVISIONS**

2 **XI**

3 **Reporting Requirements**

4 **It is FURTHER ORDERED that:**

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

14 89. Within 7 days of the Effective Date, Defendant Wen must:

- 15 a. designate at least one telephone number and email, physical, and postal
16 address as points of contact that Plaintiffs may use to communicate with
17 him;
- 18 b. identify all businesses for which Defendant Wen is the majority owner,
19 or that he directly or indirectly controls, by all of their names, telephone
20 numbers, and physical, postal, email, and Internet addresses;
- 21 c. describe the activities of each such business, including the products and
22 services offered, and the means of advertising, marketing, and sales;
- 23 d. identify all Defendant Wen’s telephone numbers and all email, Internet,
24 physical, and postal addresses, including all residences; and
- 25 e. describe in detail Defendant Wen’s involvement in any business for
26 which he performs services in any capacity or which he wholly or
27

1 partially owns, including his title, role, responsibilities, participation,
2 authority, control, and ownership.

3 90. Defendant Wen must report any change in the information required to
4 be submitted under Paragraph 89 at least 30 days before the change or as soon as
5 practicable after learning about the change, whichever is sooner.

6 91. One year after the Effective Date, Defendant Wen must submit to the
7 Enforcement Director an accurate written compliance progress report sworn to
8 under penalty of perjury (Compliance Report), which, at a minimum:

- 9 a. lists each applicable paragraph and subparagraph of this Order and
10 describes in detail the manner and form in which Defendant Wen has
11 complied with each such paragraph and subparagraph of this Order; and
12 b. attaches a copy of each Order Acknowledgment obtained under Section
13 XII, unless previously submitted to the Bureau.

14 XII

15 Order Distribution and Acknowledgment

16 **It is FURTHER ORDERED that:**

17 92. Within 7 days of the Effective Date, Defendant Wen must submit to
18 the Enforcement Director an acknowledgment of receipt of this Order, sworn under
19 penalty of perjury.

20 93. Within 30 days of the Effective Date, Defendant Wen, for any
21 business for which he is the majority owner or which he directly or indirectly
22 controls, must deliver a copy of this Order to each of its board members and
23 executive officers, as well as to any managers, employees, Service Providers, or
24 other agents and representatives who have responsibilities related to the subject
25 matter of the Order.

26 94. For 5 years from the Effective Date, Defendant Wen, for any business
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1 for which he is the majority owner or which he directly or indirectly controls, must
2 deliver a copy of this Order to any business entity resulting from any change in
3 structure referred to in Section XI, any future board members and executive
4 officers, as well as to any managers, employees, Service Providers, or other agents
5 and representatives who will have responsibilities related to the subject matter of
6 the Order before they assume their responsibilities.

7 95. Defendant Wen must secure a signed and dated statement
8 acknowledging receipt of a copy of this Order, ensuring that any electronic
9 signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et*
10 *seq.*, within 30 days of delivery, from all Persons receiving a copy of this Order
11 under this Section.

12 96. Within 90 days of the Effective Date, Defendant Wen must provide
13 the Bureau with a list of all Persons and their titles to whom this Order was
14 delivered through that date under Paragraphs 93-94 and a copy of all signed and
15 dated statements acknowledging receipt of this Order under Paragraph 95.

16 XIII

17 Recordkeeping

18 **It is FURTHER ORDERED that:**

19 97. Defendant Wen must create, for at least 10 years from the Effective
20 Date, the following business records for any business for which Defendant Wen,
21 individually or collectively with any other Defendant, is a majority owner or which
22 Defendant Wen directly or indirectly controls: all documents and records necessary
23 to demonstrate full compliance with each provision of this Order, including all
24 submissions to any Plaintiff. Defendant Wen must retain these documents for at
25 least 10 years after creation and make them available to Plaintiffs upon any
26 Plaintiff's request.

1 98. Defendant Wen must maintain, for at least 10 years from the
2 Effective Date or 5 years after creation, whichever is longer:

- 3 a. copies of all sales scripts; training materials; advertisements; websites;
4 and other marketing materials, including any such materials used by a
5 third party on Defendant Wen's behalf, relating to any Consumer
6 Financial Product or Service;
- 7 b. for each individual consumer and his or her enrollment in that Consumer
8 Financial Product or Service: the consumer's name, address, phone
9 number, email address; amount paid, quantity of Consumer Financial
10 Products or Services purchased, description of the Consumer Financial
11 Product or Service purchased, the date on which the Consumer Financial
12 Product or Service was purchased, a copy of any promotional or welcome
13 materials provided, and, if applicable, the date and reason the consumer
14 left the program;
- 15 c. for all Consumer Financial Products or Services, accounting records
16 showing the gross and net revenues generated by the Consumer Financial
17 Product or Service;
- 18 d. all consumer complaints and refund requests (whether received directly
19 or indirectly, such as through a third party) relating to a Consumer
20 Financial Product or Service, and any responses to those complaints or
21 requests;
- 22 e. records showing, for each employee providing services related to a
23 Consumer Financial Product or Service, that Person's name, telephone
24 number, email, physical, and postal address, job title or position, dates of
25 service, and, if applicable, the reason for termination; and
- 26 f. records showing, for each Service Provider providing services related to
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1 a Consumer Financial Product or Service, the name of a point of contact,
2 and that Person’s telephone number, email, physical, and postal address,
3 job title or position, dates of service, and, if applicable, the reason for
4 termination.

5 99. Defendant Wen must make these materials available to Plaintiffs upon
6 any Plaintiff’s request.

7 **XIV**

8 **Notices**

9 **It is FURTHER ORDERED that:**

10 100. Unless otherwise directed in writing by the Bureau, Defendant Wen
11 must provide all submissions, requests, communications, or other documents
12 relating to this Order in writing, with the subject line, “*CFPB, et al., v. CAC, et al.,*
13 *Case No. 8:19-cv-01998-MWF-KS*” and send them by overnight courier or first-
14 class mail to the below address and contemporaneously by email to
15 Enforcement_Compliance@cfpb.gov:

16 Assistant Director for Enforcement
17 Bureau of Consumer Financial Protection
18 ATTENTION: Office of Enforcement
19 1700 G Street, N.W.
20 Washington, D.C. 20552

21 101. Unless otherwise directed by a representative of the State of
22 Minnesota in writing, all submissions to the State of Minnesota pursuant to this
23 Order must be sent by overnight courier or first-class mail to the below address and
24 contemporaneously by email to evan.romanoff@ag.state.mn.us:

25 Evan Romanoff, Assistant Attorney General
26 Office of the Minnesota Attorney General

1 445 Minnesota Street, Suite 1200
2 St. Paul, MN 55101

3 102. Unless otherwise directed by a representative of the State of North
4 Carolina in writing, all submissions to the State of North Carolina pursuant to this
5 Order must be sent by overnight courier or first-class mail to the below address and
6 contemporaneously by email to lweaver@ncdoj.gov:

7 M. Lynne Weaver, Special Deputy Attorney General
8 North Carolina Department of Justice
9 114 W. Edenton Street
10 Raleigh, NC 27603

11 103. Unless otherwise directed by the State of California in writing, all
12 submissions to the State of California pursuant to this Order must be sent by
13 overnight courier or first-class mail to the below address and contemporaneously
14 by email to christina.tusan@lacity.org:

15 Christina Tusan
16 Supervising Deputy City Attorney
17 Los Angeles City Attorney's Office
18 200 N. Main Street, 5th Floor
19 Los Angeles, CA 90012

20 **XV**

21 **Compliance Monitoring**

22 **It is FURTHER ORDERED that:**

23 104. Within 14 days of receipt of a written request from any Plaintiff,
24 Defendant Wen must submit additional compliance reports or other requested
25 information, which must be sworn under penalty of perjury; provide sworn
26 testimony; or produce documents.

1 transferred pursuant to Paragraph 67, the Receiver shall transfer \$5,000 to the State
2 of Minnesota, \$5,000 to the North Carolina Attorney General, and \$5,000 to the
3 People of the State of California from the Defendant Wen's Assets maintained in
4 the Receiver's account. Provided, however, that following liquidation of any
5 Assets identified in Paragraph 67 by the Receiver, if the total proceeds after
6 deduction for liquidation costs are less than \$15,000, the Receiver shall distribute
7 such proceeds to each of the States in equal pro rata shares. These transfers shall be
8 made to satisfy the civil money penalties to the States as set forth in Section VIII.
9 Any remaining Assets of Defendant Wen controlled by the Receiver shall be
10 transferred to the Bureau as set forth in Paragraph 113.

11 110. The Receiver shall promptly take all steps necessary to liquidate any
12 of Defendant Wen's Assets transferred to him pursuant to Paragraph 67 using any
13 commercially reasonable means, including auction and/or private sale, and all such
14 sales shall be deemed authorized and approved under 28 U.S.C. § 2004 without
15 further notice, hearing, or court order. After such liquidation, the Receiver shall
16 remit the net proceeds to the Bureau or its designated representative as payment
17 toward the monetary judgments entered against Defendant Wen within 21 days of
18 each such sale or liquidation, subject to Paragraph 115.

19 111. The Receiver may abandon, without further court order, any Assets
20 transferred to him pursuant to Paragraph 67 that he deems in his discretion to be of
21 inconsequential or no value.

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

1 **XVII**

2 **Retention of Jurisdiction**

3 **It is FURTHER ORDERED that:**

4 113. The Court will retain jurisdiction of this matter for the purpose of
5 enforcing this Order.

6 **XIX**

7 **Service**

8 **IT IS FURTHER ORDERED that:**

9 114. This Order may be served upon Defendant Wen by electronic mail,
10 certified mail, or United Parcel Service, either by the United States Marshal, the
11 Clerk of the Court, or any representative or agent of the Bureau.

12
13
14 It is **SO ORDERED**, this 7th day of July, 2023.

15 

16 _____
17 Michael W. Fitzgerald

18 United States District Judge
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