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

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)

**STIPULATED FINAL  
JUDGMENT AND ORDER AS TO  
DEFENDANT CONSUMER  
ADVOCACY CENTER, INC.**

Court: Hon. Michael W. Fitzgerald  
Courtroom 5A

**STIPULATED FINAL JUDGMENT AND ORDER AS TO  
CONSUMER ADVOCACY CENTER, INC.**

1 Plaintiffs, the Bureau of Consumer Financial Protection (“Bureau”), the  
2 State of Minnesota, the State of North Carolina, and the People of the State of  
3 California (collectively, the “Plaintiffs”), commenced this civil action on October  
4 21, 2019, and filed an amended complaint on February 24, 2020 (“Amended  
5 Complaint”), and a second amended complaint (Second Amended Complaint) on  
6 April 20, 2021, to obtain permanent injunctive relief, damages, rescission or  
7 reformation of contracts, refunds of moneys paid, restitution, disgorgement or  
8 compensation for unjust enrichment, civil money penalties, and other monetary  
9 and equitable relief from: (1) Defendants Consumer Advocacy Center Inc. d/b/a  
10 Premier Student Loan Center; True Count Staffing Inc. d/b/a SL Account  
11 Management; Prime Consulting LLC d/b/a Financial Preparation Services; TAS  
12 2019 LLC d/b/a Trusted Account Services; Horizon Consultants LLC; First  
13 Priority LLC d/b/a Priority Account Management; Albert Kim; Kaine Wen in his  
14 individual capacity and as trustee of the Kaine Wen 2017 Trust; and Tuong  
15 Nguyen; and (2) Relief Defendants Infinite Management Corp., f/k/a Infinite  
16 Management Solutions Inc.; Hold the Door, Corp.; TN Accounting Inc.; Mice and  
17 Men LLC; Sarah Kim; 1st Generation Holdings, LLC; Anan Enterprise, Inc.; and  
18 Judy Dai in her individual capacity and as trustee of the Judy Dai 2017 Trust.

19 The Second Amended Complaint alleges violations of sections 1031(a) and  
20 1036(a) of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§  
21 5531(a), 5536(a); the Telemarketing and Consumer Fraud and Abuse Prevention  
22 Act, 15 U.S.C. § 6102(c)(2) (Telemarketing Act), based on Defendants’ violations  
23 of the Telemarketing Sales Rule (TSR), 16 C.F.R. pt. 310; the Minnesota  
24 Prevention of Consumer Fraud Act (MNCFA), Minn. Stat. §§ 325F.68-.694; the  
25 Minnesota Uniform Deceptive Trade Practices Act (MNDTPA), Minn. Stat. §§

1 325D.43-.48; the North Carolina Debt Adjusting Act (NCDAA), N.C. Gen. Stat. §  
2 14-423 *et seq.*; the North Carolina Telephonic Seller Registration Act (NCTSRA),  
3 N.C. Gen. Stat. § 66-260 *et seq.*; the North Carolina Unfair and Deceptive  
4 Practices Act (NCUDPA), N.C. Gen. Stat. § 75-1.1; and the California Business  
5 and Professions Code 17200 *et seq.* (the Unfair Competition Law or UCL) in  
6 connection with the above-named Defendants’ marketing and sale of debt-relief  
7 services. The Second Amended Complaint also includes claims for avoidance of  
8 fraudulent transfers under the Federal Debt Collection Procedures Act and the  
9 California Uniform Voidable Transactions Act.

10 The Plaintiffs and the Trustee (as defined below) for CAC request that the  
11 Court enter this Stipulated Final Judgment and Order (“Order”).

12 **THEREFORE, IT IS ORDERED:**

13 **FINDINGS**

14 1. On January 16, 2019, before the commencement of the instant civil  
15 action, CAC filed a voluntary petition for relief under Chapter 11 of the United  
16 States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (“Bankruptcy Code”) initiating a  
17 bankruptcy proceeding in the United States Bankruptcy Court for the Southern  
18 District of Florida, Fort Lauderdale Division (“Bankruptcy Court”), captioned *In re*  
19 *Consumer Advocacy Center Inc.*, Case No. 19-10655.

20 2. On July 31, 2019, the Bankruptcy Court directed the appointment of a  
21 trustee over CAC’s estate. Sonya Salkin Slott was appointed as CAC’s Chapter 11  
22 trustee on August 5, 2019.

23 3. On August 12, 2019, the Chapter 11 trustee moved to convert the  
24 proceeding to a Chapter 7 case.

1           4.     On August 19, 2019, the Bankruptcy Court granted the Trustee’s  
2 motion to convert the proceeding to a Chapter 7 case. Sonya Salkin Slott was  
3 appointed as CAC’s Chapter 7 trustee (“Trustee”) on August 20, 2019.

4           5.     The Trustee is not operating the business of CAC and is proceeding  
5 with an orderly liquidation under Chapter 7. Given that CAC is a Chapter 7 debtor,  
6 is no longer doing business, and there is an independent fiduciary in place, the  
7 Bureau has agreed not to seek its customary compliance and reporting  
8 requirements.

9           6.     On February 21, 2020, the Trustee produced to the Bureau all non-  
10 privileged documents in CAC’s possession, custody, or control, to which the  
11 Trustee had access.

12           7.     The automatic stay of the Bankruptcy Code does not stay the  
13 affirmative relief sought in this civil action against CAC because the action falls  
14 within the police and regulatory power exception to the automatic stay set forth in  
15 11 U.S.C. 362(a)(b)(4).

16           8.     On March 25, 2020, the Bureau timely filed an amended proof of  
17 claim in the Bankruptcy Proceeding seeking at least \$35,105,017.93 in monetary  
18 relief for CAC’s violations of the TSR and CFPA as alleged in the Second  
19 Amended Complaint (“Bureau Claim”).

20           9.     On February 10, 2020, the State of North Carolina timely filed an  
21 amended proof of claim in the Bankruptcy Proceeding seeking at least  
22 \$2,871,359.26 for CAC’s violations of the NCDAA, the NCTSRA, and the  
23 NCUDPA, as alleged in the Second Amended Complaint (“North Carolina  
24 Claim”).

1           10. On February 28, 2020, the State of Minnesota timely filed an  
2 amended proof of claim in the Bankruptcy Proceeding seeking at least  
3 \$32,923,344.02 in monetary relief for CAC’s violations of the TSR, MNCFA, and  
4 MNDTPA as alleged in the Second Amended Complaint (“Minnesota Claim”).

5           11. On March 25, 2020, the People of the State of California timely filed  
6 a proof of claim seeking at least \$10,545,496.40 for CAC’s violations of the  
7 California Unfair Competition Law, as alleged in the Second Amended Complaint  
8 (“California Claim”).

9           12. On January 10, 2020, prior to the amendments of such claims, the  
10 Trustee filed objections to each of the Bureau Claim, the North Carolina Claim and  
11 the Minnesota Claim in the Bankruptcy Proceeding (“Trustee’s Claim  
12 Objections”).

13           13. The Bankruptcy Court has authorized the Trustee to enter into this  
14 Order by order dated June 25, 2021, a copy of which is attached as Exhibit A to the  
15 Stipulation as to Entry of Final Judgment and Order. The Bankruptcy Court’s order  
16 is now final and no longer subject to appeal.

17           14. The Plaintiffs and the Trustee (the “Parties”) agree to entry of this  
18 Order, without adjudication of any issue of fact or law, to settle and resolve all  
19 matters in dispute between them arising from the conduct of CAC alleged in the  
20 Second Amended Complaint as well as the Trustee’s Claim Objections.

21           15. The Trustee is an independent fiduciary for CAC and its bankruptcy  
22 estate, having been appointed by the Office of the United States Trustee and  
23 approved by the Bankruptcy Court. Accordingly, the Plaintiffs make no allegations  
24 against the Trustee, but only against CAC.

1           16. For purposes of this Order, the Trustee admits the facts necessary to  
2 establish the Court’s jurisdiction over CAC solely with respect to the subject  
3 matter of this action. On behalf of CAC, the Trustee waives service under Rule  
4 4(d) of the Federal Rules of Civil Procedure and waives all rights to seek judicial  
5 review or otherwise challenge or contest the validity of this Order. On behalf of  
6 CAC, the Trustee also waives any claim that Consumer Advocacy Center Inc. may  
7 have under the Equal Access to Justice Act, 28 U.S.C. § 2414, concerning the  
8 prosecution of this action to the date of this Order. Each Party agrees to bear its  
9 own costs and expenses, including, without limitation, attorneys’ fees.

10           17. This Court has jurisdiction over the subject matter of this action.

11           18. The Second Amended Complaint states claims upon which relief may  
12 be granted under the CFPA, 12 U.S.C. §§ 5531(a), 5536(a), 5564, 5581, the  
13 Telemarketing Act, 15 U.S.C. §§ 6102(c)(2), 6105(d), and the TSR, 16 C.F.R. pt.  
14 310, the MNCFA, Minn. Stat. §§ 325F.68-.694, the MNDTPA, Minn. Stat.  
15 §§ 325D.43-.48, the NCDAAs, N.C. Gen. Stat. § 14-423 *et seq.*, the NCTSRA, N.C.  
16 Gen. Stat. § 66-260 *et seq.*, the NCUDPA, N.C. Gen. Stat. § 75-1.1, and the UCL,  
17 California’s Business and Professions Code 17200 *et seq.* The relief provided in  
18 this Order is appropriate and available pursuant to the CFPA, 12 U.S.C. §§ 5564,  
19 5565, and the Telemarketing Act, 15 U.S.C. § 6102(c), 6105(d) and the TSR, 16  
20 C.F.R. pt. 310, the MNCFA, Minn. Stat. §§ 325F.68-.694, the MNDTPA, Minn.  
21 Stat. §§ 325D.43-.48, the NCDAAs, N.C. Gen. Stat. § 14-423 *et seq.*, the NCTSRA,  
22 N.C. Gen. Stat. § 66-260 *et seq.*, the NCUDPA, N.C. Gen. Stat. § 75-1.1, and the  
23 UCL, California’s Business and Professions Code 17200 *et seq.*

24           19. Consumer Advocacy Center Inc. is a “covered person” as defined in  
25 the CFPA, 12 U.S.C. § 5481(1), (6), (19), (25), and (26).

1           20. During the Relevant Period, Consumer Advocacy Center Inc. offered  
2 or provided Consumer Financial Products or Services, including financial advisory  
3 services to assist consumers in settling debts, 12 U.S.C. § 5481(5), (15)(A)(viii).

4           21. Consumer Advocacy Center Inc. induced the purchase of financial  
5 advisory services by use of one or more telephones and conducted more than one  
6 interstate telephone call. Consumer Advocacy Center Inc. is therefore a “seller” or  
7 “telemarketer” of a “debt relief service,” who engaged in “telemarketing,” as  
8 defined by the TSR. 16 C.F.R. § 310.2 (o), (dd), (ff), (gg).

9           22. In the course of telemarketing Debt-Relief Services and offering or  
10 providing Consumer Financial Products or Services during the Relevant Period,  
11 Consumer Advocacy Center Inc. misrepresented material aspects of its services,  
12 including material aspects of the performance, efficacy, nature, or central  
13 characteristics of the services.

14           23. During the Relevant Period, CAC received at least \$35,105,017.93 in  
15 unlawful fees, including unlawful advance fees, from Affected Consumers directly  
16 or through True Count Staffing Inc.

17           24. Consumer Advocacy Center Inc., True Count Staffing Inc., and Prime  
18 Consulting caused harm to consumers in the amount of the total fees consumers  
19 paid for their purported Debt-Relief Services, less any refunds.

20           25. The Court finds that Consumer Advocacy Center Inc.’s acts and  
21 practices described above violate the TSR, 16 C.F.R. §§ 310.3(a)(2)(iii), (x),  
22 310.3(b), 310.4(a)(5)(i); the CFPA, 12 U.S.C. §§ 5531(a), 5536(a); 15 U.S.C. §  
23 6102(c)(2); the MNCFA, Minn. Stat. §§ 325F.68-.694, the MNDTPA, Minn. Stat.  
24 §§ 325D.43-.48, the NCDA, N.C. Gen. Stat. § 14-423 *et seq.*, the NCTSRA, N.C.

1 Gen. Stat. § 66-260 *et seq.*, the NCUDPA, N.C. Gen. Stat. § 75-1.1, and the UCL,  
2 California’s Business and Professions Code 17200 *et seq.*

3 26. Consumer Advocacy Center Inc.’s acts and practices described in the  
4 Second Amended Complaint and above violate the TSR, 16 C.F.R. §  
5 310.4(a)(5)(i)(A)-(B) and are abusive acts or practices in telemarketing.

6 27. Consumer Advocacy Center Inc.’s acts and practices described in the  
7 Second Amended Complaint and above are false and misleading and constitute  
8 deceptive acts or practices in violation of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), (x),  
9 and sections 1031(a) and 1036(a) of the Consumer Financial Protection Act of  
10 2010 (CFPA), 12 U.S.C. §§ 5531(a), CFPA, 12 U.S.C. §§ 5531, 55536.

11 28. Consumer Advocacy Center Inc.’s acts and practices described in the  
12 Second Amended Complaint and above are also false and misleading and  
13 constitute unlawful, unfair, or deceptive business acts or practices in violation of  
14 the North Carolina Debt Adjusting Act (“NCDA”), N.C. Gen. Stat. § 14-423 *et*  
15 *seq.*, the North Carolina Telephonic Seller Registration Act (“NCTSRA”), N.C.  
16 Gen. Stat. § 66-260 *et seq.*, and the North Carolina Unfair and Deceptive Practices  
17 Act (“NCUDPA”), N.C. Gen. Stat. § 75-1.1, including but not limited to Consumer  
18 Advocacy Center Inc.’s predicate violations of the TSR, 16 C.F.R. §  
19 310.3(a)(2)(iii), (x), and sections 1031(a) and 1036(a) of the Consumer Financial  
20 Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), CFPA, 12 U.S.C. §§ 5531,  
21 55536.

22 29. Consumer Advocacy Center Inc.’s acts and practices described in the  
23 Second Amended Complaint and above are also false and misleading and  
24 constitute deceptive business acts or practices in violation of the MNCFA, Minn.  
25 Stat. §§ 325F.68-.694, and the MNDTPA, Minn. Stat. §§ 325D.43-.48, including  
26



1 but not limited to Consumer Advocacy Center Inc.’s predicate violations of the  
2 TSR, 16 C.F.R. § 310.3(a)(2)(iii), (x).

3 30. Consumer Advocacy Center Inc.’s acts and practices described in the  
4 Second Amended Complaint and above are also false and misleading and  
5 constitute unlawful, unfair, or fraudulent business acts or practices in violation of  
6 the California Unfair Competition Law (“UCL”), Cal Bus & Prof Code § 17200,  
7 including but not limited to Consumer Advocacy Center Inc.’s predicate violations  
8 of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), (x), and sections 1031(a) and 1036(a) of  
9 the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a),  
10 CFPA, 12 U.S.C. §§ 5531, 55536.

11 31. Entry of this Order is in the public interest.

12 **DEFINITIONS**

13 The following definitions apply to this Order:

14 32. “Advance Fee” means any fee or consideration requested or received  
15 by a Debt-Relief Service Provider from a consumer for any Debt-Relief Service,  
16 whether directly or indirectly, that occurs before:

- 17 a. the Debt-Relief Service Provider has renegotiated, settled,  
18 reduced, or otherwise altered the terms of a debt pursuant to a  
19 settlement agreement, debt management plan, or other valid  
20 contractual agreement executed by the Consumer; and
- 21 b. the Consumer has made at least one payment pursuant to that  
22 settlement agreement, debt management plan, or other valid  
23 contractual agreement between the Consumer and the creditor or debt  
24 collector.

1 33. “Affected Consumers” includes any consumer who paid Consumer  
2 Advocacy Center Inc. or its officers, agents, servants, employees, or attorneys, for  
3 any Debt-Relief Service from November 2, 2015, to December 31, 2018.

4 34. “Anan Adversary Proceeding” means the adversary action complaint  
5 filed on December 30, 2019, by the Trustee against Anan Enterprise, Inc., *Sonya S.*  
6 *Slott, Chapter 7 Trustee v. Anan Enterprise, Inc.*, Adv. Case No. 19-01960, for  
7 recovery of certain avoidable transfers or fraudulent transferred funds.

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

17 36. “Assist[ing] Others” includes, but is not limited to:

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

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

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

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

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

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

17 38. “Bureau” means the Bureau of Consumer Financial Protection.

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

22 a. providing financial advisory services to consumers on  
23 individual consumer financial matters or relating to proprietary  
24 financial products or services, including providing credit counseling  
25 to any consumer or providing services to assist a consumer with debt  
26

1 management or debt settlement, modifying the terms of any extension  
2 of credit, or avoiding foreclosure; and

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

6 40. “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 41. “Debt-Relief Service Provider” means any Person that offers or  
12 provides any Debt-Relief Service.

13 42. “Defendants” means Corporate Defendants and Individual  
14 Defendants, individually, collectively, or in any combination, and each of them by  
15 whatever names each might be known;

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

1 Solutions, Prime Document Services, Financial Accounting Center,  
2 Doc Management Solutions, First Priority LLC, ALW Loans  
3 Administrative Accounting Center, Best Choice Financial Center,  
4 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,  
8 Clear Student Loan Debt, Trusted Account Services, Premier Student  
9 Loan Center, and Priority Account Management;

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

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

17 44. “Enforcement Director” means the Assistant Director of the Office of  
18 Enforcement for the Bureau of Consumer Financial Protection, or his or her  
19 delegate.

20 45. “Estate” or “Consumer Advocacy Center Estate” means the  
21 bankruptcy estate created within the Bankruptcy Proceeding pursuant to 11 U.S.C.  
22 § 541.

23 46. “Person” means an individual, partnership, company, corporation,  
24 association (incorporated or unincorporated), trust, estate, cooperative  
25 organization, or other entity.

1           47. “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           48. “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 the Estate based on substantially the same facts as described in the  
7 Second Amended Complaint.

8           49. “Relevant Period” means November 2, 2015, to October 23, 2019.

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

11           51. “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 product  
15 or service; or (ii) processes transactions relating to the consumer financial product  
16 or service (other than unknowingly or incidentally transmitting or processing  
17 financial data in a manner that such data is undifferentiated from other types of  
18 data of the same form as the person transmits or processes). “Service provider”  
19 does not include a person solely by virtue of such person offering or providing to  
20 a covered person—(i) a support service of a type provided to businesses generally  
21 or a similar ministerial service; or (ii) time or space for an advertisement for  
22 a consumer financial product or service through print, newspaper, or electronic  
23 media.



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

2 **II**

3 **Customer Information**

4 **It is FURTHER ORDERED that:**

5 54. The Trustee, on behalf of and as a fiduciary for the Estate of  
6 Consumer Advocacy Center, may not:

7 a. disclose, use, or benefit from customer information, including  
8 names, addresses, telephone numbers, email addresses, social security  
9 numbers, other identifying information, or any data that enables  
10 access to a customer's account (including a credit card, bank account,  
11 or other financial account), that was obtained before the Effective  
12 Date in connection with the offering or providing of Debt-Relief  
13 Services by Consumer Advocacy Center Inc., True Count Staffing  
14 Inc., and Prime Consulting LLC;

15 b. attempt to collect, sell, assign, or otherwise transfer any right to  
16 collect payment from any consumer who purchased or agreed to  
17 purchase a Debt-Relief Service from any Defendant.

18 55. However, customer information may be disclosed if requested by a  
19 government agency or required by law, regulation, or court order, including  
20 without limitation as may be required by the Bankruptcy Court in the Bankruptcy  
21 Proceeding.

22 **III**

23 **Monetary Judgment**

24 **It is FURTHER ORDERED that:**

25 56. A judgment for monetary relief is entered in favor of the Plaintiffs and  
26



1 against Consumer Advocacy Center Inc., in the total amount of \$35,105,017.93, to  
2 be paid to the Bureau for the purpose of providing redress to Affected Consumers  
3 (“Monetary Judgment”).

4 57. The Monetary Judgment will be deemed to be an allowed general  
5 unsecured claim against the Estate in favor of the Bureau on behalf of all of the  
6 Plaintiffs, subject to 11 U.S.C. §§ 507(a) and 726 governing priorities of expenses  
7 and claims in the Bankruptcy Proceeding.

8 58. Except as provided herein, the Monetary Judgment shall constitute the  
9 entirety of the Plaintiffs’ allowed claims in the Bankruptcy Proceeding, including  
10 the Bureau Claim, the North Carolina Claim, the Minnesota Claim and the  
11 California Claim, and shall resolve the Trustee’s Claim Objections. As a result, the  
12 Bureau Claim shall be deemed an allowed general unsecured claim in the amount  
13 of the Monetary Judgment, and the North Carolina Claim, the Minnesota Claim  
14 and the California Claim shall be reduced to \$5,000.00 each as provided herein.

15 59. Any funds received by the Bureau in satisfaction of the Monetary  
16 Judgment shall be deposited into a fund or funds administered by the Bureau or its  
17 agent according to applicable statutes and regulations to be used for redress for  
18 Affected Consumers, including but not limited to refund of moneys, restitution,  
19 damages or other monetary relief, and for any attendant expenses for the  
20 administration of any such redress.

21 60. If the Bureau determines, in its sole discretion, that providing redress  
22 to consumers is wholly or partially impracticable or if funds remain after the  
23 administration of redress is completed, the Bureau will deposit any remaining  
24 funds in the U.S. Treasury as disgorgement. The Trustee will have no right to  
25

1 challenge the Bureau's choice of remedies under this Section, and will have no  
2 right to contest the manner of distribution chosen by the Bureau.

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

5 **IV**

6 **Order to Pay Civil Money Penalties**

7 **It is FURTHER ORDERED that:**

8 62. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of  
9 the violations of law alleged in the Second Amended Complaint and taking into  
10 account the factors in 12 U.S.C. § 5565(c)(3), a civil money penalty in favor of the  
11 Bureau and against the Estate is ordered in the amount of \$1, which shall be  
12 deemed an allowed general unsecured claim in the Bankruptcy Proceeding.

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

16 64. Under N.C. Gen. Stat. § 75-15.2, by reason of the violations of law  
17 alleged in the Second Amended Complaint, a civil money penalty in favor of the  
18 State of North Carolina and against the Estate is ordered in the amount of \$5,000,  
19 which shall be deemed an allowed general unsecured claim in the Bankruptcy  
20 Proceeding. Accordingly, the North Carolina Claim shall be deemed allowed in the  
21 amount of \$5,000.00.

22 65. Under Minnesota Statutes Section 8.31, by reason of the violations of  
23 law alleged in the Second Amended Complaint, a civil money penalty in favor of  
24 the State of Minnesota and against the Estate is ordered in the amount of \$5,000,  
25 which shall be deemed an allowed general unsecured claim in the Bankruptcy  
26

1 Proceeding. Accordingly, the Minnesota Claim shall be deemed allowed in the  
2 amount of \$5,000.00. The Minnesota Attorney General will remit these funds to  
3 the general fund of the State of Minnesota pursuant to Minn. Stat. §§ 8.31 and  
4 16A.151.

5 66. Under section 17206 of the UCL, Cal Bus & Prof Code § 17206, by  
6 reason of the violations of law alleged in the Second Amended Complaint and  
7 taking into account the factors in section 17206, a civil money penalty in favor of  
8 the People of the State of California and against the Estate is ordered in the amount  
9 of \$5,000, which shall be deemed an allowed general unsecured claim in the  
10 Bankruptcy Proceeding. Accordingly, the California Claim shall be deemed  
11 allowed in the amount of \$5,000.00.

12 **V**

13 **Additional Monetary Provisions**

14 **It is FURTHER ORDERED that:**

15 67. Subject to 11 U.S.C. §§ 507(a) and 726 governing priorities of  
16 expenses and claims in the Bankruptcy Proceeding, the Trustee must relinquish  
17 all dominion, control, and title to the funds paid to the Bureau on account of its  
18 claims to the fullest extent permitted by law and no part of the funds may be  
19 returned to the Estate.

20 68. Within 30 days of the entry of a final judgment, order or settlement  
21 in a Related Consumer Action, to the extent that such a Related Consumer Action  
22 is commenced in the Bankruptcy Proceeding or otherwise on notice to the Trustee  
23 while the Bankruptcy Proceeding is pending, then the Trustee must notify the  
24 Assistant Director for Enforcement in writing of any such final judgment, order  
25 or settlement. Such notification must include the amount of redress, if any, that  
26

1 the Estate paid or is required to pay to consumers and, to the extent available to  
2 the Trustee, describe the consumers or classes of consumers to whom that redress  
3 has been or will be paid.

4 69. Within 30 days of the entry of a final judgment, order or settlement  
5 in the Anan Adversary Proceeding, the Trustee must notify the Assistant Director  
6 for Enforcement in writing of any such final judgment, order or settlement. Such  
7 notification should include the amount of recovery of any avoidable or fraudulent  
8 transfers.

9 **VI**

10 **Pendency of Bankruptcy Proceeding**

11 **IT IS FURTHER ORDERED that:**

12 70. Plaintiffs must, if they have not already done so, seek leave of the  
13 Bankruptcy Court to amend and reduce their proofs of claim to conform with the  
14 Monetary Judgment as set forth herein. In the alternative, the Order approving the  
15 resolution of the Plaintiffs’ claims in the Bankruptcy Proceeding may serve as the  
16 amendment to Plaintiffs’ proofs of claim.

17 71. The Trustee shall not object to the Plaintiffs’ proofs of claim as  
18 amended herein.

19 72. The Trustee’s agreed-to obligations under this Order in this Court  
20 will terminate upon the closure of the Bankruptcy Proceeding.

21 **VII**

22 **Cooperation with Plaintiffs**

23 **IT IS FURTHER ORDERED that:**

24 73. In connection with this action, the Order, or any subsequent  
25

1 investigations related to or associated with the transactions or occurrences that  
2 are the subject of the Second Amended Complaint, the Trustee shall provide  
3 reasonable and good faith cooperation to help Plaintiffs determine the identity  
4 and location of, and the amount of injury sustained by, each Affected Consumer,  
5 to the extent that such information has not previously been produced to Plaintiffs  
6 by the Trustee and to the extent that such information is in the Trustee’s  
7 possession or control.

8  
9 74. Within 21 calendar days of receipt of a written request from any  
10 Plaintiff, the Trustee must provide any available documents or information that  
11 are the subject of the request.

12 **VIII**

13 **Notices**

14 **It is FURTHER ORDERED that:**

15 75. Unless otherwise directed in writing by the Bureau, the Trustee must  
16 provide all submissions, requests, communications, or other documents relating to  
17 this Order in writing, with the subject line, “CFPB, et al., v. CAC, et al., Case No.  
18 8:19-cv-01998-MWF-KS” by email to Enforcement\_Compliance@cfpb.gov. The  
19 Trustee may send an additional copy by overnight courier or first-class mail to the  
20 below address:

21 Assistant Director for Enforcement  
22 Bureau of Consumer Financial Protection  
23 ATTENTION: Office of Enforcement  
24 1700 G Street, N.W.  
25 Washington D.C. 20552

1 76. Unless otherwise directed by a representative of the State of  
2 Minnesota in writing, all submissions to the State of Minnesota pursuant to this  
3 Order must be sent by email to [evan.romanoff@ag.state.mn.us](mailto:evan.romanoff@ag.state.mn.us). The Trustee may  
4 send an additional copy by overnight courier or first-class mail to the below  
5 address:

6 Evan Romanoff, Assistant Attorney General  
7 Office of the Minnesota Attorney General  
8 445 Minnesota Street, Suite 1200  
9 St. Paul, Minnesota 55101

10 77. Unless otherwise directed by a representative of the State of North  
11 Carolina in writing, all submissions to the State of North Carolina pursuant to this  
12 Order must be sent by email to [lweaver@ncdoj.gov](mailto:lweaver@ncdoj.gov). The Trustee may also send an  
13 additional copy by overnight courier or first-class mail to the below address:

14 M. Lynne Weaver, Special Deputy Attorney General  
15 North Carolina Department of Justice  
16 114 W. Edenton Street  
17 Raleigh, North Carolina 27603

18 78. Unless otherwise directed by the State of California in writing, all  
19 submissions to the State of California pursuant to this Order must be sent by email  
20 to [christina.tusan@lacity.org](mailto:christina.tusan@lacity.org). The Trustee may also send an additional copy by  
21 overnight courier or first-class mail to the below address:

22 Christina Tusan  
23 Supervising Deputy City Attorney  
24 Los Angeles City Attorney's Office  
25 200 N. Main Street, 5<sup>th</sup> Floor

1 Los Angeles, CA 90012

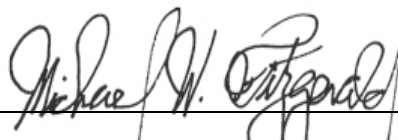
2 **IX**

3 **Retention of Jurisdiction**

4 **It is FURTHER ORDERED that:**

5 79. The Court will retain jurisdiction of this matter for the purpose of  
6 enforcing this Order.

7  
8 It is **SO ORDERED**, this 14th day of July, 2021.

9  
10 

11 MICHAEL W. FITZGERALD

12 United States District Judge