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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**FORENSIC CASE MANAGEMENT
SERVICES, INC., et al.,**

Case No. LACV11-7484 (RGK)

1 Plaintiff Federal Trade Commission (“FTC” or “Commission”) commenced
2 this civil action on September 12, 2011 against defendants Forensic Case
3 Management Services, Inc.; Specialized Recovery, Inc.; Commercial Receivables
4 Acquisition, Inc.; David M. Hynes II; James Hynes; Kevin Medley; Heather True;
5 Frank E. Lindstrom, Jr.; and Lorena Quiroz-Hynes (hereinafter collectively
6 “Defendants”). The FTC brought this action pursuant to Sections 13(b) and 19 of
7 the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and
8 Section 814 of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. §
9 1692l, to obtain preliminary and permanent injunctive and other equitable relief for
10 Defendants’ violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the
11 FDCPA, 15 U.S.C. § 1692-1692p, in connecti
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- 1 3. This Court has jurisdiction over the subject matter of this case pursuant to 28
2 U.S.C. §§ 1331, 1337(a), and 1345, 15 U.S.C. §§ 53(b), 57b, and 1692l, and
3 has jurisdiction over Settling Defendants. Venue in the Central District of
4 California is proper under 28 U.S.C. § 1391(b)-(d), and 15 U.S.C. § 53(b).
- 5
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7 4. Settling Defendants neither admit nor deny any of the allegations in the First
8 Amended Complaint, except as specifically stated in this Order. Only for
9 purposes of this action, Settling Defendants admit the facts necessary to
10 establish jurisdiction.
- 11
12 5. Settling Defendants waive all rights to appeal or otherwise challenge or
13 contest the validity of this Order.
- 14
15 6. Settling Defendants waive any claim that they may have held under the
16 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution
17 of this action through the date of this Order, and agree to bear their own
18 costs and attorneys' fees. The Settling Defendants further waive and release
19 any claim they may have against the FTC, its employees, representatives, or
20 agents that relate to this action.
- 21
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23 7. This action and the relief awarded herein are in addition to, and not in lieu
24 of, other remedies that may be provided by law, including both civil and
25 criminal remedies.
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28 8. Entry of this Order is in the public interest.

1 **DEFINITIONS**

2 For the purposes of this Order, the following definitions shall apply:

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- 4 1. **“And”** and **“or”** shall be understood to have both conjunctive and disjunctive
- 5 meanings.
- 6
- 7 2. **“Asset”** or **“Assets”** means any legal equitable interest in, right to, or claim
- 8 to, any real or personal property, including, but not limited to: goods,
- 9 instruments, equipment, fixtures, general intangibles, inventory, checks, or
- 10 notes (as these terms are defined in the Uniform Commercial Code), lines of
- 11 credit, chattels, leaseholds, contracts, mail or other deliveries, shares of
- 12 stock, lists of consumer names, accounts, credits, premises, receivables,
- 13 funds, and all cash, wherever located.
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- 16 3. **“Commission”** or **“FTC”** means the Federal Trade Commission.
- 17
- 18 4. **“Consumer”** means any natural person.
- 19
- 20 5. **“Defendants”** means Forensic Case Management Services, Inc.; Specialized
- 21 Recovery, Inc.; Commercial Receivables Acquisition, Inc.; David M. Hynes
- 22 II; James Hynes; Kevin Medley; Heather True; Frank E. Lindstrom, Jr.; and
- 23 Lorena Quiroz-Hynes, individually, collectively, or in any combination. The
- 24 relief defendants are expressly excluded from this definition.
- 25
- 26 6. **“Document”** is synonymous in meaning and equal in scope to the usage of
- 27 the term in the Federal Rules of Ci
- 28

1 drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic
2 correspondence, including e-mail and instant messages, photographs, audio
3 and video recordings, contracts, accounting data, advertisements (including,
4 but not limited to, advertisements placed on the World Wide Web), FTP
5 Logs, Server Access Logs, USENET Newsgroup postings, World Wide Web
6 pages, books, written or printed records, handwritten notes, telephone logs,
7 telephone scripts, receipt books, ledgers, personal and business canceled
8 checks and check registers, bank statements, appointment books, computer
9 records, and other data compilations from which information can be
10 obtained and translated, if necessary, through detection devices into
11 reasonably usable form. A draft or non-identical copy is a separate
12 document within the meaning of the term.
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- 18 7. “*Material*” means likely to affect a person’s choice of, or conduct regarding,
19 goods or services.
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21 8. “*Permanent Receiver*” means Thomas W. McNamara, appointed as
22 Permanent Receiver in the Preliminary Injunction in this matter (DE 47-1).
23
24 9. “*Person*” means a natural person, organization, or other legal entity,
25 including a corporation, partnership, proprietorship, association, cooperative,
26 or any other group or combination acting as an entity.
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1 10. **“Relief Defendants”** means Vesper Collins, LLC, Innsbruck, LLC,
2 Ramillies, LLC, and Kester-Archwood, LLC, individually, collectively, or in
3 any combination.
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5 11. **“Settling Relief Defendants”** or **“Settling Defendants”** means: (1) Vesper
6 Collins, LLC f/k/a DMHT Holding, LLC; (2) Ramillies, LLC; and (3)
7 Innsbruck, LLC, individually, collectively, or in any combination.
8

9 **ORDER**

10 **MONETARY RELIEF**

11 **I. IT IS ORDERED** that:
12

13 A. Judgment is hereby entered against relief defendant Vesper Collins,
14 LLC in the amount of TWO HUNDRED THIRTY-FIVE
15 THOUSAND NINE HUNDRED FORTY-TWO DOLLARS
16 (\$235,942). In satisfaction of the judgment against Vesper Collins,
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1 number xxxx7417 in the name of DMHT Holding LLC, which
2 amount was approximately \$232,002 at that time; and
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- 4 2. JP Morgan Chase shall transfer to the FTC or its designated
5 agent all funds held in account number xxxxx1560 in the name
6 of Vesper Collins LLC, which amount is approximately \$3,940.
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8 B. Judgment is hereby entered against relief defendant Innsbruck, LLC in
9 the amount of FORTY-SEVEN THOUSAND FIVE HUNDRED
10 FORTY-FIVE DOLLARS (\$47,545). In satisfaction of the judgment
11 against Innsbruck, LLC, the following institutions shall, within ten
12 (10) business days from receipt of a copy of this Order, transfer to the
13 FTC or its designated agent all funds held in the designated accounts
14 below as follows: JP Morgan Chase shall transfer to the FTC or its
15 designated agent all funds held in account number xxxxx7492 in the
16 name of Innsbruck LLC, which amount is approximately \$47,545.
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18 C. Judgment is hereby entered against relief defendant Ramillies, LLC in
19 the amount of ONE HUNDRED TWENTY THOUSAND DOLLARS
20 (\$120,000).
21

- 22 1. In partial satisfaction of the judgment against Ramillies, LLC,
23 the following institutions shall, within ten (10) business days
24 from receipt of a copy of this Order, transfer to the FTC or its
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1 designated agent all funds held in the designated accounts
2 below as follows: Charles Schwab shall transfer to the FTC or
3 its designated agent all investment gains realized since
4 September 15, 2011 and any and all additional funds held in
5 account number xxxx7417 in the name of DMHT Holding
6 LLC, which amount is approximately \$35,000;
7

8
9 2. Ramillies shall also pay to the FTC or its designated agent the
10 remaining balance of the ONE HUNDRED TWENTY
11 THOUSAND DOLLARS (\$120,000) judgment, within two
12 hundred seventy (270) business days from receipt of a copy of
13 this Order.
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16 D. To effect the surrender of the funds identified in subsections I.A.1,
17 I.A.2, I.B, and I.C, the court directs that the entities holding the funds
18 or their successors shall, within ten (10) business days of the date of
19 receipt of this Order, remit the funds to the Commission by certified
20 check(s) or other guaranteed funds payable to the FTC, Financial
21 Management Office, or by wire transfer in accordance with directions
22 provided by counsel for the Commission. To the extent any identified
23 nonparty cannot comply with this subsection without the assistance of
24 one or more of the Settling Defendants, such party must, within three
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1 (3) business days of receiving this Order, notify the Settling
2 Defendant(s) and counsel for the Commission of its inability to
3 comply. Such notification shall specify the actions by the Settling
4 Defendant(s) that are necessary to comply with this Order. The
5 Settling Defendant(s) shall immediately complete any action
6 necessary to facilitate the identified nonparty's ability to timely
7 comply with this subsection, and the failure of the Settling
8 Defendant(s) to complete such action within ten (10) days shall be
9 deemed a violation of the Order and interest at the rate prescribed in
10 28 U.S.C. § 1961(a) shall immediately begin to accrue.

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LIFTING OF ASSET FREEZE

II. IT IS FURTHER ORDERED that the freeze of Settling Defendants’ assets set forth in the preliminary injunction, entered by this court on September 27, 2011, shall be lifted to the extent necessary to turn over the Settling Defendants’ assets as required by Section I of this Order, and, shall be lifted permanently immediately upon completion of the turn-over.

IT IS SO ORDERED, this 3rd day of January, 2013.



R. GARY KLAUSNER
UNITED STATES DISTRICT JUDGE

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