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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DENNY LAKE, *et al.*

Defendants.

1 Plaintiff Federal Trade Commission (“Commission”) filed its Complaint for
2 Permanent Injunction and Other Equitable Relief on April 14, 2015, pursuant to
3 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15
4 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse
5 Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and the 2009
6 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678
7 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability
8 Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123
9 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the
10 Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-
11 203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”),
12 12 U.S.C. § 5538. The Commission and Defendant Chad Caldaronello (a/k/a Chad
13 Carlson and Chad Johnson) (“Caldaronello”) stipulate to the entry of this
14 Stipulated Final Order for Permanent Injunction and Monetary Judgment Against
15 Defendant Chad Caldaronello (“Order”) to resolve all matters in dispute in this
16 action between them.

17 THEREFORE, IT IS ORDERED as follows:

18 **FINDINGS**

- 19 1. This Court has jurisdiction over this matter.
- 20 2. The Complaint charges that, with respect to the sale of Mortgage
21 Assistance Relief Services (“MARS”), Defendant Caldaronello participated in
22 deceptive acts and practices in violation of Section 5 of the FTC Act, 15 U.S.C. §
23 45, the MARS Rule, 12 C.F.R. § 1015, and the Telemarketing Sales Rule (“TSR”),
24 16 C.F.R. Part 310. These deceptive acts and practices included, without
25 limitation, falsely stating that consumers were approved for government-backed
26 home loan modifications and taking advance fees for MARS.

1 3. Except as expressly specified herein, Caldaronello neither admits nor
2 denies the allegations in the Complaint. Only for purposes of this action,
3 Caldaronello admits the facts necessary to establish jurisdiction.

4 4. Caldaronello waives any claim that he may have under the Equal
5 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
6 through the date of this Order, and agrees to bear his own costs and attorney fees.

7 5. Caldaronello waives any claim that he may have against the
8 Commission, the Receiver, or their agents.

9 6. Caldaronello and the Commission waive all rights to appeal or
10 otherwise challenge or contest the validity of this Order.

11 DEFINITIONS

12 For the purposes of this Order, the following definitions apply:

13 A. “**Assisting others**” includes:

14 1. performing customer service functions, including receiving or
15 responding to consumer complaints;

16 2. formulating or providing, or arranging for the formulation or
17 provision of, any advertising or marketing material, including any telephone sales
18 script, direct mail solicitation, or the design, text, or use of images of any Internet
19 website, email, or other electronic communication;

20 3. formulating or providing, or arranging for the formulation or
21 provision of, any marketing support material or service, including web or Internet
22 Protocol addresses or domain name registration for any Internet websites, affiliate
23 marketing services, or media placement services;

24 4. providing names of, or assisting in the generation of, potential
25 customers;

26 5. performing marketing services of any kind including, but not
27 limited to, telemarketing;

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- 6. performing billing or payment services of any kind;
- 7. acting or serving as an owner,

1 **III. BAN ON TELEMARKETING**

2 IT IS FURTHER ORDERED that Defendant is permanently restrained and
3 enjoined from engaging or participating in telemarketing, directly or through an
4 intermediary, including, but not limited to, by consulting, brokering, planning,
5 investing, marketing, or by providing customer service, billing, or payment
6 services.

7 **IV. PROHIBITED USE OF ALIASES**

8 IT IS FURTHER ORDERED
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1 judgment pursuant to this Order, such as a nondischargeability complaint in any
2 bankruptcy case.

3 G. The facts alleged in the Complaint establish all elements necessary to
4 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the
5 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral
6 estoppel effect for such purposes.

7 H. Defendant acknowledges that his Social Security number, which he
8 previously submitted to the Commission, ma
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1 **VII. CUSTOMER INFORMATION**

2 IT IS FURTHER ORDERED that Defendant, his officers, agents,
3 employees, and attorneys, and all others in active concert or participation with any
4 of them, who receive actual notice of this Order, are permanently restrained and
5 enjoined from directly or indirectly:

6 A. disclosing, using, or benefitting from customer information, including
7 the name, address, telephone number, email address, Social Security Number,
8 other identifying information, or any data that enables access to a customer's
9 account (including a credit card, bank account, or other financial account), that any
10 defendant obtained prior to entry of this Order in connection with the marketing or
11 promotion of mortgage assistance relief products or services or debt relief products
12 or services; and

13 B. failing to destroy such customer information in all forms in their
14 possession, custody, or control within 10 days after entry of this Order.

15 Provided, however, that customer information need not be disposed of, and
16 may be disclosed, to the extent requested by a government agency or required by
17 law, regulation, or court order.

18 **VIII. COOPERATION**

19 IT IS FURTHER ORDERED that Defendant must fully cooperate with
20 representatives of the Commission in this case and in any investigation related to
21 or associated with the transactions or the occurrences that are the subject of the
22 Complaint. Defendant must provide truthful and complete inf.227 1(ay3aa f 5maPaethe selos.63

1 **IX. ORDER ACKNOWLEDGMENTS**

2 IT IS FURTHER ORDERED that Defendant obtain acknowledgments of
3 receipt of this Order:

4 A. Defendant, within 7 days of entry of this Order, must submit to the
5 Commission an acknowledgment of receipt of this Order sworn under penalty of
6 perjury.

7 B. For 20 years after entry of this Order, for any business that Defendant,
8 individually or collectively with any other any defendants, is the majority owner or
9 controls directly or indirectly, Defendant must deliver a copy of this Order to: (1)
10 all principals, officers, directors, and LLC managers and members; (2) all
11 employees, agents, and representatives whose work relates to financial products;

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1 E. Unless otherwise directed by a Commission representative in writing,
2 all submissions to the Commission pursuant to this Order must be emailed to
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
5 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
6 subject line must begin: *FTC v. Lake* – Chad Caldaronello, X150052.

7 **XI. RECORDKEEPING**

8 IT IS FURTHER ORDERED that Defendant must create certain records for
9 20 years after entry of the Order, and retain each such record for 5 years.
10 Specifically, Defendant and any business that Defendant, individually or
11 collectively with any other defendants, is a majority owner or controls directly or
12 indirectly, must create and retain the following records:

13 A. accounting records showing the revenues from all products, services,
14 plans, or programs sold;

15 B. personnel records showing, for each person providing services,
16 whether as an employee or otherwise, that person's: name, addresses, telephone
17 numbers, job title or position, dates of service, and (if applicable) the reason for
18 termination;

19 C. records of all consumer complaints and refund requests, whether
20 received directly or indirectly, such as through a third party, and any response;

21 D. all records necessary to demonstrate full compliance with each
22 provision of this Order, including all submissions to the Commission; and

23 E. a copy of each unique advertisement or other marketing material.

24 **XII. COMPLIANCE MONITORING**

25 IT IS FURTHER ORDERED that, for the purpose of monitoring
26 Defendant's compliance with this Order, including any failure to transfer any
27 assets as required by this Order:
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1 A. Within 14 days of receipt of a written request from a representative of
2 the Commission, Defendant must: submit additional compliance reports or other
3 requested information, which must be sworn under penalty of perjury; appear for
4 depositions; and produce documents for inspection and copying. The Commission
5 is also authorized to obtain discovery, without further leave of court, using any of
6 the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including
7 telephonic depositions), 31, 33, 34, 36, 45, and 69.

8 B. For matters concerning this Order, the Commission is authorized to
9 communicate directly with Defendant. Defendant must permit representatives of
10 the Commission to interview any employee or other person affiliated with him who
11 has agreed to such an interview. The person interviewed may have counsel
12 present.

13 C. The Commission may use all other lawful means, including posing
14 through its representatives as consumers, suppliers, or other individuals or entities,
15 to Defendant or any individual or entity affiliated with Defendant, without the
16 necessity of identification or prior notice. Nothing in this Order limits the
17 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of
18 the FTC Act, 15 U.S.C. §§ 49, 57b-1.


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1 **XIII. RETENTION OF JURISDICTION**

2 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
3 matter for all purposes of construction, modification, and enforcement of this
4 Order.

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7 **IT IS SO ORDERED**, this 3rd day of November, 2015.

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10 Dated: _November 3, 2015

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12 _____
13 CORMAC J. CARNEY
14 UNITED STATES DISTRICT JUDGE
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