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

14 _____
 15 **FEDERAL TRADE COMMISSION,**)
 Plaintiff,)
 16 vs.)
 17 **GOOD EBUSINESS, LLC,** also d/b/a)
 AAP Firm; Student Loan Help Direct;)
 18 Select Student Loan; **SELECT**)
 19 **STUDENT LOAN HELP, LLC;**)
 20 **SELECT DOCUMENT**)
 21 **PREPARATION, INC.;** **TOBIAS**)
WEST aka Tobey West, Toby West,)
 22 and Eric West; and **KOMAL WEST,**)
 23 Defendants, and)
 24 **BEVERLY HILLS TAX GROUP,**)
LLC ,)
 25 Relief Defendant.)

LACV-16-1048-(ODW(JPRx)

**ORDER FOR PERMANENT
 INJUNCTION AND FINAL
 JUDGMENT AS TO DEFENDANTS
 TOBIAS AND KOMAL WEST**

1 Plaintiff, Federal Trade Commission (“Commission” or “FTC”), filed its
2 Complaint for Permanent Injunction and Other Equitable Relief, subsequently
3 amended as First Amended Complaint for Permanent Injunction and Other
4 Equitable Relief (“Complaint”), pursuant to Section 13(b) of the Federal Trade
5 Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and
6 Defendants TOBIAS WEST aka Toby West, Tobey West, and Eric West, and
7 KOMAL WEST (“Stipulating Defendants”) stipulate to entry of this Permanent
8 Injunction and Final Judgment (“Order”) to resolve all matters in dispute in this
9 action between them as follows:

10 **FINDINGS OF FACT**

- 11 1. This Court has jurisdiction over this matter.
- 12 2. The Complaint charges that Stipulating Defendants participated in deceptive
13 acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and
14 the Mortgage Assistance Relief Services (“MARS Rule/Regulation O”), 12 C.F.R.
15 § 1015, and the Telemarketing Sales Rule, 16 C.F.R. § 310, in connection with the
16 advertising, marketing, promotion, offering for sale, or sale of mortgage assistance
17 relief services and student debt relief services.
- 18 3. Stipulating Defendants neither admit nor deny any of the allegations in the
19 Complaint, except as specifically stated in this Order. Only for purposes of this
20 action, Stipulating Defendants admit the facts necessary to establish jurisdiction.
- 21 4. Stipulating Defendants waive any claim that they may have under the Equal
22 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
23 through the date of this Order, and agree to bear their own costs and attorney fees.
- 24 5. Stipulating Defendants and the Commission waive all rights to appeal or
25 otherwise challenge or contest the validity of this Order.

26 **DEFINITIONS**

27 A. “**Assisting others**” includes: (1) performing customer service functions,
28 including receiving or responding to consumer complaints; (2) formulating or

1 providing, or arranging for the formulation or provision of, any advertising or
2 marketing material, including any telephone sales script, direct mail solicitation, or
3 the design, text, or use of images of any Internet website, email, or other electronic
4 communication; (3) formulating or providing, or arranging for the formulation or
5 provision of, any marketing support material or service, including web or Internet
6 Protocol addresses or domain name registration for any Internet websites, affiliate
7 marketing services, or media placement services; (4) providing names of, or
8 assisting in the generation of, potential customers; (5) performing marketing,
9 billing, or payment services of any kind; or (6) acting or serving as an owner,
10 officer, director, manager, or principal of any entity.

11 B. **“Financial product or service”** means any product, service, plan, or
12 program represented, expressly or by implication, to: (1) provide any consumer,
13 arrange for any consumer to receive, or assist any consumer in receiving, a loan or
14 other extension of credit; (2) provide any consumer, arrange for any consumer to
15 receive, or assist any consumer in receiving, credit, debit, or stored value cards; (3)
16 improve, repair, or arrange to improve or repair, any consumer’s credit record,
17 credit history, or credit rating; or (4) provide advice or assistance to improve any
18 consumer’s credit record, credit history, or credit rating.

19 C. **“Person”** means a natural person, organization, or other legal entity,
20 including a corporation, partnership, proprietorship, association, cooperative, or
21 any other group or combination acting as an entity.

22 D. **“Secured or unsecured debt relief product or service”** means:

23 1. With respect to any mortgage, loan, debt, or obligation between a
24 person and one or more secured or unsecured creditors or debt collectors, any
25 product, service, plan, or program represented, expressly or by implication, to: (a)
26 stop, prevent, or postpone any mortgage or deed of foreclosure sale for a person’s
27 dwelling, any other sale of collateral, any repossession of a person’s dwelling or
28 other collateral, or otherwise save a person’s dwelling or other collateral from

1 foreclosure or repossession; (b) negotiate, obtain, or arrange a modification, or
2 renegotiate, settle, or in any way alter any terms of the mortgage, loan, debt, or
3 obligation, including a reduction in the amount of interest, principal balance,
4 monthly payments, or fees owed by a person to a secured or unsecured creditor or
5 debt collector; (c) obtain any forbearance or modification in the timing of
6 payments from any secured or unsecured holder or servicer of any mortgage, loan,
7 debt, or obligation; (d) negotiate, obtain, or arrange any extension of the period of
8 time within which a person may (i) cure his or her default on the mortgage, loan,
9 debt, or obligation, (ii) reinstate his or her mortgage, loan, debt, or obligation, (iii)
10 redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the
11 mortgage, loan, debt, or obligation or redeem a dwelling or other collateral; (e)
12 obtain any waiver of an acceleration clause or balloon payment contained in any
13 promissory note or contract secured by any dwelling or other collateral; or (f)
14 negotiate, obtain, or arrange (i) a short sale of a dwelling or other collateral, (ii) a
15 deed-in-lieu of foreclosure, or (iii) any other disposition of a mortgage, loan, debt,
16 or obligation other than a sale to a third party that is not the secured or unsecured
17 loan holder. The foregoing shall include any manner of claimed assistance,
18 including auditing or examining a person's application for the mortgage, loan,
19 debt, or obligation.

20 2. With respect to any loan, debt, or obligation between a person and one
21 or more unsecured creditors or debt collectors, any product, service, plan, or
22 program represented, expressly or by implication, to: (a) repay one or more
23 unsecured loans, debts, or obligations; or (b) combine unsecured loans, debts, or
24 obligations into one or more new loans, debts, or obligations.

25 E. **“Stipulating Defendants”** means Tobias West aka Tobey West, Toby West,
26 and Eric West, and Komal West.

1 **ORDER**

2 **I. BAN ON SECURED AND UNSECURED DEBT RELIEF PRODUCTS**
3 **AND SERVICES**

4 **IT IS ORDERED** that Stipulating Defendants are permanently restrained
5 and enjoined from advertising, marketing, promoting, offering for sale, or selling,
6 or assisting others in the advertising, marketing, promoting, offering for sale, or
7 selling, of any secured or unsecured debt relief product or service.

8 **II. PROHIBITION AGAINST MISREPRESENTATIONS RELATING**
9 **TO FINANCIAL PRODUCTS AND SERVICES**

10 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their
11 officers, agents, employees, and attorneys, and all other persons or entities in
12 active concert or participation with any of them, who receive actual notice of this
13 Order, whether acting directly or indirectly, in connection with the advertising,
14 marketing, promoting, offering for sale, or selling of any financial product or
15 service, are permanently restrained and enjoined from misrepresenting, or assisting
16 others in misrepresenting, expressly or by implication:

17 A. the terms or rates that are available for any loan or other extension of credit,
18 including:

- 19 1. closing costs or other fees;
- 20 2. the payment schedule, monthly payment amount(s), any balloon
21 payment, or other payment terms;
- 22 3. the interest rate(s), annual percentage rate(s), or finance charge(s), or
23 whether they are fixed or adjustable;
- 24 4. the loan amount, credit amount, draw amount, or outstanding balance;
25 the loan term, draw period, or maturity; or any other term of credit;
- 26 5. the amount of cash to be disbursed to the borrower out of the
27 proceeds, or the amount of cash to be disbursed on behalf of the borrower to any
28 third parties;

1 6. whether any specified minimum payment amount covers both interest
2 and principal, or whether the credit has or can result in negative amortization; or

3 7. that the credit does not have a prepayment penalty or whether
4 subsequent refinancing may trigger a prepayment penalty and/or other fees;

5 B. the ability to improve or otherwise affect a consumer's credit record, credit
6 history, credit rating, or ability to obtain credit, including that a consumer's credit
7 record, credit history, credit rating, or ability to obtain credit can be improved by
8 permanently removing current, accurate negative information from the consumer's
9 credit record or history;

10 C. that a consumer will receive legal representation; or

11 D. any other fact material to consumers concerning any financial product or
12 service, such as: the total costs; any material restrictions, limitations, or conditions;
13 or any material aspect of its performance, efficacy, nature, or central
14 characteristics.

15 **III. PROHIBITION AGAINST MISREPRESENTATIONS RELATING**
16 **TO ANY PRODUCTS OR SERVICES**

17 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their
18 officers, agents, employees, and attorneys, and all other persons in active concert
19 or participation with any of them, who receive actual notice of this Order, whether
20 acting directly or indirectly, in connection with advertising, marketing, promoting,
21 offering for sale, or selling of any product, service, plan, or program, are hereby
22 permanently restrained and enjoined from misrepresenting, or assisting others in
23 misrepresenting, expressly or by implication:

24 A. any material aspect of the nature or terms of any refund, cancellation,
25 exchange, or repurchase policy, including the likelihood of a consumer obtaining a
26 full or partial refund, or the circumstances in which a full or partial refund will be
27 granted to the consumer;

28 B. that any person is affiliated with, endorsed or approved by, or otherwise

1 connected to any other person; government entity; public, non-profit, or other non-
2 commercial program; or any other program;

3 C. the nature, expertise, position, or job title of any person who provides any
4 product, service, plan, or program;

5 D. the person who will provide any product, service, plan, or program to any
6 consumer;

7 E. that any person providing a testimonial has purchased, received, or used the
8 product, service, plan, or program;

9 F. that the experience represented in a testimonial of the product, service, plan,
10 or program represents the person's actual experience resulting from the use of the
11 product, service, plan, or program under the circumstances depicted in the
12 advertisement; or

13 G. any other fact material to consumers concerning any good or service, such
14 as: the total costs; any material restrictions, limitations, or conditions; or any
15 material aspect of its performance, efficacy, nature, or central characteristics.

16 **IV. PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS**

17 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their
18 officers, agents, employees, and attorneys, and all other persons in active concert
19 or participation with any of them, who receive actual notice of this Order, whether
20 acting directly or indirectly, in connection with the sale of any product or service,
21 are permanently restrained and enjoined from making any representation or
22 assisting others in making any representation, expressly or by implication, about
23 the benefits, performance, or efficacy of any product or service, unless the
24 representation is non-misleading, and, at the time such representation is made,
25 Stipulating Defendants possess and rely upon competent and reliable evidence that
26 is sufficient in quality and quantity based on standards generally accepted in the
27 relevant fields, when considered in light of the entire body of relevant and reliable
28 evidence, to substantiate that the representation is true.

1 **V. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

2 **IT IS FURTHER ORDERED** that:

3 A. Judgment in the amount of two million three hundred twenty-nine thousand
4 four hundred fifty-six dollars (\$2,329,456.00) is entered in favor of the
5 Commission against Stipulating Defendants, jointly and severally, as equitable
6 monetary relief.

7 B. Stipulating Defendants Tobias West and Komal West relinquish dominion
8 and all legal and equitable right, title, and interest in favor of the FTC in all funds
9 of Defendants Good EBusiness, LLC, Select Student Loan Help, LLC, and Select
10 Document Preparation, Inc., and Relief Defendant Beverly Hills Tax Group, LLC,
11 remaining after payment of the fees authorized by the Court to the court-appointed
12 receiver, Tom McNamara. Such payment, if any, shall be made by the holder of
13 the funds by electronic fund transfer in accordance with instructions provided to
14 the holder of the funds by a representative of the Commission. The remainder of
15 the judgment is suspended upon payment of any such remaining funds to the FTC,
16 or if no such funds remain, upon entry of this Order, subject to the Subsections
17 below.

18 C. The Commission's agreement to the suspension of part of the judgment is
19 expressly premised upon the truthfulness, accuracy, and completeness of
20 Stipulating Defendants' sworn financial statements dated March 1, 2016, and
21 related documents (collectively, "financial representations") submitted to the
22 Commission.

23 D. The suspension of the judgment will be lifted as to any Stipulating
24 Defendant if, upon motion by the Commission, the Court finds that Stipulating
25 Defendant failed to disclose any material asset, materially misstated the value of
26 any asset, or made any other material misstatement or omission in the financial
27 representations identified above.

1 E. If the suspension of the judgment is lifted, the judgment becomes
2 immediately due in the amount specified in Subsection A above (which the parties
3 stipulate only for purposes of this Section) which represents the consumer injury
4 alleged in the Complaint, less any payment previously made pursuant to this
5 Section, plus interest computed from the date of entry of this Order.

6 **VI. OTHER MONETARY PROVISIONS**

7 A. Stipulating Defendants relinquish dominion and all legal and equitable right,
8 title, and interest in all assets transferred pursuant to this Order and may not seek
9 the return of any assets.

10 B. The facts alleged in the Complaint will be taken as true, without further
11 proof, in any subsequent civil litigation by or on behalf of the Commission,
12 including in a proceeding to enforce its rights to any payment or money judgment
13 pursuant to this Order, such as a nondischargeability complaint in any bankruptcy
14 case.

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

19 D. Stipulating Defendants acknowledge that the Taxpayer Identification
20 Numbers and Social Security Numbers, which Stipulating Defendants previously
21 submitted to the Commission, may be used for collecting and reporting on any
22 delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

23 E. All money paid to the Commission pursuant to this Order may be deposited
24 into a fund administered by the Commission or its designee to be used for
25 equitable relief, including consumer redress and any attendant expenses for the
26 administration of any redress fund. If a representative of the Commission decides
27 that direct redress to consumers is wholly or partially impracticable or money
28 remains after redress is completed, the Commission may apply any remaining

1 money for such other equitable relief (including consumer information remedies)
2 as it determines to be reasonably related to Stipulating Defendants' practices
3 alleged in the Complaint. Any money not used for such equitable relief is to be
4 deposited to the U.S. Treasury as disgorgement. Stipulating Defendants have no
5 right to challenge any actions the Commission or its representative may take
6 pursuant to this Subsection.

7 F. Upon entry of this Order, the freeze on the personal assets of Tobias West
8 aka Tobey West, Toby West, and Eric West, and Komal West, pursuant to the
9 Preliminary Injunction entered in this action is lifted.

10 **VII. CUSTOMER INFORMATION**

11 **IT IS FURTHER ORDERED** that Stipulating Defendants and their
12 officers, agents, employees, and attorneys, and those persons or entities in active
13 concert or participation with them who receive actual notice of this Order by
14 personal service or otherwise, whether acting directly or through any corporation,
15 subsidiary, division, or other device, are hereby permanently restrained and
16 enjoined from directly or indirectly:

17 A. disclosing, using, or benefitting from customer information, including the
18 name, address, telephone number, email address, social security number, other
19 identifying information, or any data that enables access to a customer's account
20 (including a credit card, bank account, or other financial account), that any
21 Stipulating Defendant obtained prior to entry of this Order; and

22 B. failing to destroy such customer information in all forms in their possession,
23 custody, or control within thirty (30) days after receipt of written direction to do so
24 from a representative of the Commission.

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

1 **VIII. ORDER ACKNOWLEDGMENTS**

2 **IT IS FURTHER ORDERED** that Stipulating Defendants obtain
3 acknowledgments of receipt of this Order:

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

7 B. For five (5) years after entry of this Order, Stipulating Defendants, for any
8 business that such Stipulating Defendants, individually or collectively with any
9 other Defendant, is the majority owner or controls directly or indirectly, must
10 deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
11 managers and members; (2) all employees, agents, and representatives who
12 participate in conduct related to the subject matter of this Order; and (3) any
13 business entity resulting from any change in structure as set forth in the Section
14 titled Compliance Reporting. Delivery must occur within seven (7) days of entry
15 of this Order for current personnel. For all others, delivery must occur before they
16 assume their responsibilities.

17 C. From each individual or entity to which a Stipulating Defendant delivered a
18 copy of this Order, that Stipulating Defendant must obtain, within thirty (30) days,
19 a signed and dated acknowledgment of receipt of this Order.

20 **IX. COMPLIANCE REPORTING**

21 **IT IS FURTHER ORDERED** that Stipulating Defendants make timely
22 submissions to the Commission:

23 A. One year after entry of this Order, each Stipulating Defendant must submit a
24 compliance report, sworn under penalty of perjury. Stipulating Defendants must:

25 1. identify the primary physical, postal, and email address and telephone
26 number, as designated points of contact, which representatives of the Commission
27 may use to communicate with Stipulating Defendants;

28 2. identify all of Stipulating Defendants' businesses by all of their

1 names, telephone numbers, and physical, postal, email, and Internet addresses;

2 3. describe the activities of each business, including the goods and
3 services offered, the means of advertising, marketing, and sales, and the
4 involvement of any other Stipulating Defendant;

5 4. describe in detail whether and how Stipulating Defendants are in
6 compliance with each Section of this Order; (e) provide a list of all domain names
7 held or registered by any Stipulating Defendant; and

8 5. provide a copy of each Order Acknowledgment obtained pursuant to
9 this Order, unless previously submitted to the Commission.

10 B. For ten (10) years after entry of this Order, each Stipulating Defendant must
11 submit a compliance notice, sworn under penalty of perjury, within fourteen (14)
12 days of any change in the following:

13 1. any designated point of contact; or

14 2. the structure of any entity that Stipulating Defendants have any
15 ownership interest in or control directly or indirectly that may affect compliance
16 obligations arising under this Order, including: creation, merger, sale, or
17 dissolution of the entity or any subsidiary, parent, or affiliate that engages in any
18 acts or practices subject to this Order; and

19 C. Each Stipulating Defendant must submit to the Commission notice of the
20 filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by
21 or against such Stipulating Defendant within fourteen (14) days of its filing.

22 D. Any submission to the Commission required by this Order to be sworn under
23 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746,
24 such as by concluding: “I declare under penalty of perjury under the laws of the
25 United States of America that the foregoing is true and correct. Executed on:
26 _____” and supplying the date, signatory’s full name, title (if applicable), and
27 signature.

28 E. Unless otherwise directed by a Commission representative in writing, all

1 submissions to the Commission pursuant to this Order must be emailed to
2 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
3 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
4 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
5 subject line must begin: FTC v. Good EBusiness, LLC, *et al.*, X160029.

6 **X. RECORDKEEPING**

7 **IT IS FURTHER ORDERED** that Stipulating Defendants must create
8 certain records for ten (10) years after entry of the Order, and retain each such
9 record for five (5) years. Specifically, for any business for which such Stipulating
10 Defendant, individually or collectively, is a majority owner or controls directly or
11 indirectly, must create and retain the following records:

- 12 A. accounting records showing the revenues from all goods or services sold;
- 13 B. personnel records showing, for each person providing services, whether as
14 an employee or otherwise, that person's: name; addresses; telephone numbers; job
15 title or position; dates of service; and (if applicable) the reason for termination;
- 16 C. records of all consumer complaints and refund requests, whether received
17 directly or indirectly, such as through a third party, and any response;
- 18 D. all records necessary to demonstrate full compliance with each provision of
19 this Order, including all submissions to the Commission; and
- 20 E. a copy of each unique advertisement or other marketing material.

21 **XI. COMPLIANCE MONITORING**

22 **IT IS FURTHER ORDERED** that, for the purpose of monitoring
23 Stipulating Defendants' compliance with this Order, including the financial
24 attestations upon which all or part of the judgment was suspended and any failure
25 to transfer any assets as required by this Order:

- 26 A. Within fourteen (14) days of receipt of a written request from a
27 representative of the Commission, each Stipulating Defendant must: submit
28 additional compliance reports or other requested information, which must be sworn

1 under penalty of perjury; appear for depositions; and produce documents for
2 inspection and copying. The Commission is also authorized to obtain discovery,
3 without further leave of court, using any of the procedures prescribed by Federal
4 Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36,
5 45, and 69.

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

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

17 **XII. ENTRY OF JUDGMENT**

18 **IT IS FURTHER ORDERED** that there is no just reason for delay of entry
19 of this judgment, and that, pursuant to Federal Rule of Civil Procedure 54(b), the
20 Clerk immediately shall enter this Order as a final judgment as to Stipulating
21 Defendants.

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1 **XIII. RETENTION OF JURISDICTION**

2 **IT IS FURTHER ORDERED** that this Court retains jurisdiction of this
3 matter for purposes of construction, modification, and enforcement of this Order.
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6 DATED: May 13, 2016

7 Hon. Otis D. Wright

8 UNITED STATES DISTRICT JUDGE
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