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THOMAS R. FALLQUIST
SPOKANE COUNTY CLERK

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE

STATE OF WASHINGTON,

Plaintiff,

v.

FORECLOSURE ASSISTANCE
SOLUTIONS, LLC, a Florida limited
liability company,

Defendant.

NO.

08201832-1

CONSENT DECREE

1. JUDGMENT SUMMARY

1.1.	Judgment Creditor	State of Washington
1.2.	Judgment Debtors	Foreclosure Assistance Solutions, a Florida limited liability company;
1.3.	Principal Judgment Amount:	\$178,125.00
	a. Restitution	\$ 78,125.00
	b. Civil Penalties	\$100,000.00 (conditionally suspended)
1.4.	Costs & Attorneys Fees:	\$ 20,000.00
	a. Costs	\$ 0.00
	b. Attorneys Fees	\$ 20,000.00
1.5.	Total Judgment	\$198,125.00 (\$100,000 suspended)
1.6.	Post Judgment Interest Rate	12% per annum

1 a. “Customer” shall refer to any member (business or individual) of the
2 public.

3 b. “Advertise” or “Advertisement” shall refer to any direct or indirect
4 representation or promotional device used to promote the sale of products or services
5 and/or to educate, inform or attract customers, including but not limited to those that
6 are telephonic, Internet-based, electronic, digital, oral, visual, aural, written, video or
7 printed.

8 **3.4.** Defendant and its members, directors, successors, assigns, transferees, officers,
9 agents, servants, employees, representatives, and all other persons in active concert or
10 participation with Defendant are hereby enjoined, restrained, and prevented from directly or
11 indirectly engaging in the following acts or practices in the State of Washington and from
12 failing to comply with the provisions of the CPA, CSOA, and CTSA, as amended, including
13 but not limited to the following:

14 a. requiring consumers to pay a fee before Defendant completes its
15 promised services without first obtaining a surety bond in violation of RCW
16 19.134.020(1);

17 b. making untrue and misleading representations in the advertisement,
18 offer, or sale of its services in violation of RCW 19.134.020(4);

19 c. failing to maintain “information statement” files in violation of RCW
20 19.134.040;

21 d. failing to provide consumers with “information statements” and thus
22 failing to provide the seven separate disclosures to be communicated by the statements
23 in violation of RCW 19.134.050;

24 e. failing to include in the contract the mandatory notification of the 5-day
25 cancellation period in violation of RCW 19.134.060(1)(a);
26

1 f. attempting to or requiring consumers to waive attorney fees and other
2 damages provided by RCW 19.134.080 in violation of RCW 134.070(1);

3 g. failing to provide the mandatory “notice of cancellation” forms to
4 consumers in violation of RCW 134.060(2);

5 h. attempting to or requiring consumers to waive the 5-day cancellation
6 period provided by RCW 19.134.060 in favor of a 3-day period in violation of RCW
7 19.134.070(1);

8 i. failing to fully and in detail describe in the contract the services to be
9 provided, guarantees, promises of refunds, estimated date by which the services are to
10 be performed, or estimated length of time for performing the services in violation of
11 RCW 19.134.060(1)(c);

12 j. engaging in unfair or deceptive commercial telephone solicitations in
13 violation of RCW 19.158.040(1),

14 k. failing to provide purchasers of their services with written
15 confirmations as required by RCW 19.158.120(1);

16 l. failing to register with Washington State prior to conducting
17 commercial telephone solicitations of Washington consumers in violation of RCW
18 19.158.150;

19 m. failing to clearly and intelligibly make the oral disclosures required by
20 RCW 19.158.110, in violation of RCW 19.158.110(6);

21 n. engaging in conduct the natural consequences of which is to harass,
22 intimidate or torment any person in connection with the telephone call in violation of
23 RCW 19.158.040(3);

24 o. making misrepresentations or omissions constituting unfair or deceptive
25 acts or practices in trade or commerce, and/or unfair methods of competition in
26

1 violation of RCW 19.86.020, RCW 19.134.020, RCW 19.158.040, or RCW
2 19.158.110;

3 p. engaging in unfair acts and practices constituting unfair or deceptive
4 acts or practices in trade or commerce, and/or unfair methods of competition in
5 violation of RCW 19.86.020, RCW 19.134.020, RCW 19.158.040, or RCW
6 19.158.110.

7 3.5. Defendant and its members, directors, successors, assigns, transferees, officers,
8 agents, servants, employees, representatives, and all other persons in active concert or
9 participation with Defendant shall in good faith respond to complaints or inquiries raised by
10 Washington consumers concerning the services Defendant markets or sells, or concerning the
11 marketing or sale of such services.

12
13 **4. CONSUMER INFORMATION**

14 4.1. At time of entry of this Consent Decree, or at another time to which Washington
15 agrees in writing, Defendant shall, to the extent such information is obtainable from Defendant's
16 records and files, provide Washington with a list of persons who purchased Defendant's services
17 and who, as represented at any time to Defendant, has or had a telephone number having the
18 prefix 425, 360, 206, 509 or 253, or an address in Washington State (hereinafter, "Consumer
19 List".)

20 4.2. Defendant shall include the following information relating to each person on the
21 Consumer List to the extent such information is obtainable from Defendant's records and files
22 (electronic or otherwise):

23 a. last known name, address, telephone number, date of birth, and Social
24 Security Number of each person;

25 b. the amount the person paid for Defendant's services; and
26

1 c. the amount that Defendant refunded to each person, if any, and the date
2 each refund was sent.

3 4.3. Any material misrepresentation or omission of information by Defendant
4 contained in or concerning the Consumer List shall be a material breach of this Consent Decree.
5 Defendant's failure to timely provide the Consumer List shall be a material breach of this Consent
6 Decree.

7 4.4. Washington may use the Consumer List for any purpose as authorized by law.
8 This includes, without limitation, using the information contained therein to provide restitution to
9 consumers, to pursue other persons for violations of the CPA, CSOA, or CTSA, or sharing the
10 information with other regulatory agencies, all as permitted by law.

11
12 **5. RESTITUTION**

13 5.1. Pursuant to RCW 19.86.080, Defendant shall pay Washington \$78,125.00 as
14 restitution to be provided to Washington consumers who purchased Defendant's services
15 pursuant to Section 8 of this Consent Decree. Washington shall provide restitution to each
16 person listed on the Consumer List in a pro rata amount determined by the ratio each such
17 person's payment for Defendant's services (net of any refund Defendant previously provided
18 to the person) bears to the total amount of Washington consumer payments for Defendant's
19 services (net of all refunds Defendant previously paid back to Washington consumers).
20 Restitution payments shall be made pursuant to the following process. Washington shall
21 deliver via first class mail a refund check to each person on the Consumer List within 90 days
22 of receipt of the Consumer List from Defendant. If any person's mailed refund check is
23 returned undeliverable, then Washington shall have an additional 30 days to attempt to find
24 and confirm the person's current address and redeliver the refund check to the proper address.
25 If the redelivered refund check is returned as undeliverable, then Washington has no further
26 obligation to attempt to deliver a refund to that person.

1 **9.2.** The violation of any term of this Consent Decree shall constitute a violation of the
2 Consumer Protection Act, RCW 19.86.020.

3 **9.3.** Jurisdiction is retained by this Court for the purpose of enabling any party to this
4 Consent Decree with or without the prior consent of the other party to apply to the Court at any
5 time for enforcement of compliance with this Consent Decree, to punish violations thereof, or
6 otherwise address the provisions of this Consent Decree.

7 **9.4.** Nothing in this Consent Decree shall be construed to limit or bar any other
8 governmental entity or person from pursuing other available remedies against Defendant or any
9 other person.

10 **9.5.** Under no circumstances shall this Consent Decree, or the name of the State of
11 Washington, the Spokane County Superior Court, the Office of the Attorney General, the
12 Consumer Protection Division, or any of their employees or representatives be used by Defendant
13 or any of its members, directors, successors, assigns, transferees, officers, agents, servants,
14 employees, representatives, and all other persons or entities in active concert or participation
15 with Defendant, in connection with any selling, advertising, or promotion of products or services,
16 or as an endorsement or approval of Defendant's acts, practices, or conduct of business.

17 **9.6.** Washington shall be permitted, upon ten (10) days' advance notice to
18 Defendant, to access, inspect and/or copy, all business records or documents in possession,
19 custody or under control of Defendant to monitor compliance with this Consent Decree,
20 provided that the inspection and copying shall avoid unreasonable disruption of Defendant's
21 business activities.

22 **9.7.** Washington shall be permitted to question Defendant or any member, officer,
23 director, agent, or employee of Defendant by deposition pursuant to the provisions of CR 30 to
24 monitor compliance with this Consent Decree.

25 **9.8.** Defendant shall fully cooperate with Washington and other civil regulatory
26 agencies in any civil investigation of any other person who advertised, marketed, or sold any of

1 Defendant's goods, products or services. Defendant also shall fully cooperate with
2 Washington and other civil regulatory agencies in any civil investigation of any other agent,
3 employee, independent contractor, or representative of Defendant who is alleged to have
4 violated any of the provisions of this Consent Decree after having received the memorandum
5 required pursuant to paragraph 3.2 herein. Defendant's failure to fully cooperate as required
6 by this paragraph 9.8 shall be a material breach of this Consent Decree.

7 9.9. The Complaint is hereby dismissed with prejudice with respect to Defendant and
8 this Judgment and Consent Decree is entered pursuant to RCW 19.86.080.

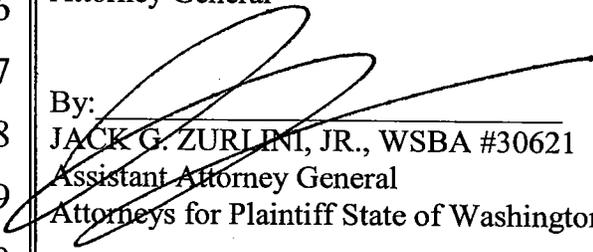
9 9.10. The Clerk of the Court is ordered to enter the foregoing Judgment and Consent
10 Decree immediately.

11 **DONE IN OPEN COURT** this _____ day of April, 2008.

12 JAMES V. WOODWARD
13 COMMISSIONER PROTEM
14 _____
15 JUDGE

14 Presented By:

15 ROBERT M. MCKENNA
16 Attorney General

17 By: 
18 JACK G. ZURLINI, JR., WSBA #30621
19 Assistant Attorney General
20 Attorneys for Plaintiff State of Washington

21 Notice of Presentment Waived and
22 Approved as to Form by:

23 By: _____
24 KATHRYN R. MCKINLEY, WSBA#25105
25 Wolkey McKinley, PS
26 Attorneys for Defendant Foreclosure
Assistance Solutions, LLC