

1 ALEJANDRO N. MAYORKAS  
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3 Chief, Civil Division  
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6 Los Angeles, CA 90012  
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8 Attorneys for Plaintiff  
United States of America

**ENTERED**  
OCT - 8 1999  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA OFFICE  
DEPUTY

99007-5 PM 4:11

**FILED**  
OCT - 7 1999  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA OFFICE  
BY DEPUTY

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA  
12 WESTERN DIVISION

13 UNITED STATES OF AMERICA

14 Plaintiff,

15 v.

16 UNICOR FUNDING, INC.,  
17 a California corporation

18 Defendant.  
19

CIVIL NO. SACV 99-1228 GLT (AMX)

CONSENT DECREE

20 WHEREAS: Plaintiff, the United States of America, has commenced this action by filing the  
21 Complaint herein; defendant has waived service of the Summons and Complaint; the parties have been  
22 represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement  
23 of this action upon the following terms and conditions, without adjudication of any issue of fact or law  
24 and without defendant admitting liability or fault for any of the matters alleged in the Complaint;

25 THEREFORE, on the joint motion of plaintiff and defendant, it is hereby ORDERED,  
26 ADJUDGED, AND DECREED as follows:

27 FINDINGS

- 28 1. This Court has jurisdiction of the subject matter and of the parties.

THIS CONSTITUTES NOTICE OF ENTRY  
AS REQUIRED BY FRCP, RULE 77(d).

cc: Haynes 10-19-99



1 § 1961 from the date of default to the date of payment, shall immediately become due and payable.

2 II.

3 IT IS FURTHER ORDERED that defendant, its successors and assigns, and its officers, agents,  
4 servants, employees and attorneys, and all persons in active concert or participation with any one or more  
5 of them who receive actual notice of this Consent Decree by personal service or otherwise, are hereby  
6 enjoined, directly or through any corporation, subsidiary, division or other device from:

- 7 1. using the term "pre-approved" or any similar term to describe an offer of credit in the  
8 advertising, marketing, offering, or sale of credit unless the consumer will actually receive  
9 the offered credit if he or she responds to the solicitation;
- 10 2. in situations where the defendant intends to review a consumer's credit history prior to  
11 providing credit, failing to clearly and conspicuously disclose in the advertising,  
12 marketing, offering, or sale of credit that the credit may be subject to a credit review; and
- 13 3. making any misrepresentation in connection with the advertising, marketing, offering, or  
14 sale of credit.

15 III.

16 IT IS FURTHER ORDERED that defendant, its successors and assigns, and its officers, agents,  
17 servants, employees and attorneys, and all persons in active concert or participation with any one or more  
18 of them who receive actual notice of this Consent Decree by personal service or otherwise, are hereby  
19 enjoined, directly or through any corporation, subsidiary, division or other device from:

- 20 1. failing to provide notice of adverse action to any applicant for credit, where credit has  
21 been denied in whole or in part because of information in a consumer report, in  
22 accordance with the procedures set forth in Section 615(a) of the FCRA, 15 U.S.C.  
23 § 1681m(a);
- 24 2. failing to provide the information required by Section 615(d) of the FCRA, 15 U.S.C.  
25 § 1681m(d), on each written solicitation for credit or insurance when a consumer's name  
26 is selected by the process of prescreening; and



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VII.

IT IS FURTHER ORDERED that defendant is hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the Federal Trade Commission its taxpayer identifying numbers, which shall be used for purposes of collecting and reporting on any delinquent amount arising out of its relationship with the government.

VIII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purposes of enabling any of the parties to this Consent Decree to apply to the Court at any time for such further order or directives as may be necessary or appropriate for the interpretation or modification of this Consent Decree, for the enforcement of compliance therewith, or for the punishment of violations thereof, or as justice may require.

JUDGMENT IS THEREFORE ENTERED in favor of plaintiff and against defendant, pursuant to all the terms and conditions recited above.

Dated this 7<sup>th</sup> day of October, 1999.

GARY L. TAYLOR

UNITED STATES DISTRICT JUDGE

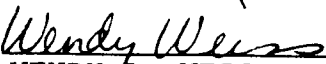
The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Decree as set forth above and consent to the entry thereof. Defendant waives any rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat., 847, 863-64 (1996).

FOR THE UNITED STATES OF AMERICA

DAVID W. OGDEN  
Acting Assistant Attorney General  
Civil Division  
U.S. Department of Justice

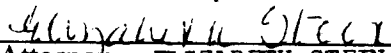
1 ALEJANDRO N. MAYORKAS  
United States Attorney  
2 Central District of California

3 LEON W. WEIDMAN  
Assistant United States Attorney  
4 Chief, Civil Division

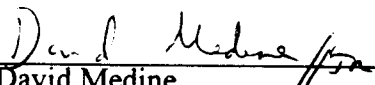
5   
6 WENDY L. WEISS  
Assistant United States Attorney

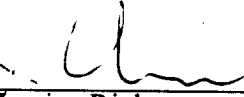
7 Attorneys for Plaintiff  
8 United States of America

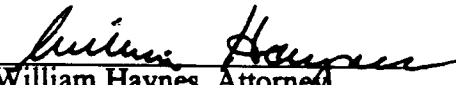
9 EUGENE M. THIROLF  
Director  
10 Office of Consumer Litigation

11   
12 Attorney - ELIZABETH STEIN  
Office of Consumer Litigation  
13 Civil Division  
U.S. Department of Justice  
14 Washington, D.C. 20530

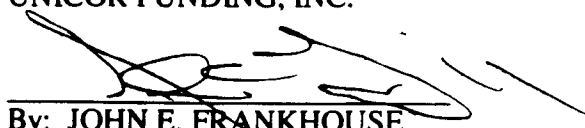
15 FOR THE FEDERAL TRADE COMMISSION:

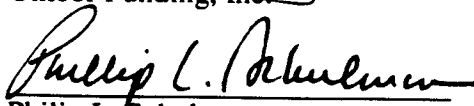
16   
17 David Medine  
Associate Director for Financial Practices

18   
19 Jessica Rich  
20 Assistant Director for Financial Practices

21   
22 William Haynes, Attorney  
Division of Financial Practices  
23 Federal Trade Commission  
Washington, D.C. 20580

1 FOR THE DEFENDANT  
2 UNICOR FUNDING, INC.

3   
4 By: JOHN E. FRANKHOUSE  
5 President  
6 Unicorn Funding, Inc.

7   
8 Philip L. Schulman  
9 Kirkpatrick & Lockhart, LLP  
10 1800 Massachusetts Ave. N.W., 2d Floor  
11 Washington, D.C. 20036-1800  
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## **REASONS FOR SETTLEMENT**

This statement accompanies the Consent Decree executed by defendant Unicor Funding Inc. in settlement of an action brought to recover penalties and other equitable relief from defendant for engaging in acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and the Fair Credit Reporting Act, 15 N.S.C. § 1681 et seq.

Pursuant to Section 5(m)(3) of the Federal Trade Commission Act, as amended (15 U.S.C. § 45(m)(3)), the Commission hereby sets forth its reasons for settlement by entry of a Consent Decree and injunction:

On the basis of the allegations contained in the attached Complaint, the Commission believes that the payment of \$100,000 in civil penalties by the defendant, Unicor Funding Inc., constitutes an appropriate amount upon which to base a settlement. The amount should assure compliance with the law by defendant and others who may be in violation of the Fair Credit Reporting Act. Further, defendant is permanently enjoined from violating The Fair Credit Reporting Act and from misrepresenting its credit products as "pre-approved" in violation of Section 5 of the Federal Trade Commission Act. With the entry of such Consent Decree the time and expense of litigation will be avoided.

For the foregoing reasons, the Commission believes that the settlement by entry of the attached Consent Decree with Unicor Funding Inc. is justified and well within the public interest.



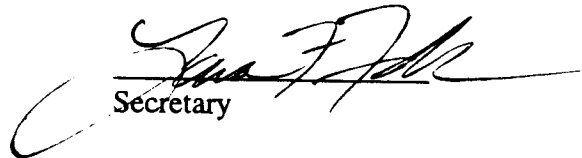
**UNICOR FUNDING INC.**

I, John E. Frankhouse, do hereby certify that the following is a complete, true and correct copy of certain resolutions of the Board of Directors of Unicor Funding Inc., a corporation duly organized and existing under the laws of the State of California, which resolutions were duly adopted at a duly called meeting of the said Board held on 2/26/99, a quorum being present, and are set forth in the minutes of the said meeting; and that the said resolutions have not been rescinded or modified:

RESOLVED, That John E. Frankhouse and Kirkpatrick & Lockhart LLP are authorized to enter into the Consent Decree between the Company and the Federal Trade Commission in the form attached hereto; and

FURTHER RESOLVED, That the officers of the Company be, and they are each hereby, authorized and empowered to execute and deliver such other documents and to do such other acts as they deem appropriate and necessary to effectuate the intent of the preceding resolution.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation, this 26<sup>th</sup> day of February 1999.

  
Secretary