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CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA DEPUTY

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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
DEPUTY

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

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FEDERAL TRADE COMMISSION,
 Plaintiff,
 v.
 UNIVERSAL IT SOLUTIONS, INC.,
 and
 ANTHONY TAMRAZ,
 Defendants.

SACV 02-1026 DOC (MLGx) ✓

**STIPULATED JUDGMENT AND
ORDER FOR PERMANENT
INJUNCTION AS TO
DEFENDANTS UNIVERSAL IT
SOLUTIONS, INC. AND
ANTHONY TAMRAZ**

Plaintiff Federal Trade Commission ("Commission" or "FTC") filed its complaint pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and Sections 521(a) and 522(a) of the Gramm-Leach-Bliley Act ("GLB Act"), 15 U.S.C. §§ 6821(a) and 6822(a). The Commission and Defendants, as hereinafter defined, hereby stipulate to the entry of and request the Court to enter this Stipulated Judgment and Order for Permanent Injunction ("Order") to resolve all matters of dispute between them in this action.

IT IS THEREFORE STIPULATED, AGREED, AND ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter and the parties pursuant

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1 to 15 U.S.C. §§ 45(a), 53(b), 6821(a), and 6822(a), and 28 U.S.C. §§ 1331, 1337(a),
2 and 1345.

3 2. Venue is proper as to all parties in the Central District of California
4 pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

5 3. The activities of Defendants are in or affecting commerce, as defined in
6 Section 4 of the FTC Act, 15 U.S.C. § 44.

7 4. The Complaint states a claim upon which relief may be granted against
8 Defendants under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and
9 53(b), and under Sections 521(a) and 522(a) of the GLB Act, 15 U.S.C. §§ 6821(a)
10 and 6822(a).

11 5. Defendants have entered into this Order freely and without coercion.
12 Defendants further acknowledge that they have read the provisions of this Order and
13 are prepared to abide by them.

14 6. The Plaintiff and Defendants, by and through their counsel, have agreed that
15 the entry of this Order resolves all matters of dispute between them arising from the
16 Complaint in this action, up to the date of entry of this Order.

17 7. Defendants waive all rights to seek appellate review or otherwise challenge
18 or contest the validity of this Order. Defendants further waive and release any claim
19 they may have against the Commission, its employees, representatives, or agents.

20 8. Defendants agree that this Order does not entitle Defendants to seek or to
21 obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28
22 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and
23 Defendants further waive any rights to attorneys' fees that may arise under said
24 provision of law.

25 9. This Order is in addition to, and not in lieu of, any other civil or criminal
26 remedies that may be provided by law.

27 10. Entry of this Order is in the public interest.

28 11. This Order does not constitute and shall not be interpreted to constitute

1 either an admission by Defendants or a finding by the Court that Defendants have
2 engaged in any violations of law.

3 **ORDER**

4 **Definitions**

5 A. "Assets" means any legal or equitable interest in, right to, or claim to,
6 any real and personal property, including but not limited to chattel, goods,
7 instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises,
8 contracts, mail or other deliveries, shares of stock, lists of consumer names,
9 inventory, checks, notes, accounts, credits, receivables, funds, and all cash, wherever
10 located.

11 B. "Defendants" means Universal IT Solutions, Inc. ("UIT"), Anthony
12 Tamraz ("Tamraz"), and their officers, agents, servants, employees, subsidiaries,
13 affiliates, successors, assigns, and all persons or entities in active concert or
14 participation with them who receive notice of this order by personal service or
15 otherwise.

16 C. "Document" is synonymous in meaning and equal in scope to the usage
17 of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings,
18 graphs, charts, photographs, audio and video recordings, computer records, and other
19 data compilations from which information can be obtained and translated, if
20 necessary, into reasonably usable form through detection devices. A draft or non-
21 identical copy is a separate document within the meaning of the term.

22 D. "Plaintiff" means Federal Trade Commission.

23 E. "Spoofing" means the practice of disguising a commercial email to
24 make the email appear to come from an address from which it actually did not
25 originate. Spoofing involves placing in the "From" or "Reply-to" lines, or in other
26 portions of email messages, an email address other than the actual sender's address,
27 without the consent or authorization of the user of the email address whose address is
28 spoofed.

1 F. "Customer information of a financial institution" is synonymous in
2 meaning and equal in scope to the usage of the term in Section 527(2) of the GLB
3 Act, 15 U.S.C. § 6827(2).

4 G. "Assisting and facilitating" means providing substantial assistance or
5 support to any third party, where the party knows or has reason to believe, that the
6 third party is engaged in any practice that violates the FTC Act or the GLB Act.

7 Conduct Prohibitions

8 **I. INJUNCTION AGAINST MISREPRESENTATIONS**

9 **IT IS THEREFORE ORDERED** that in connection with the advertising,
10 promotion, offering or sale of goods or services in commerce, Defendants are hereby
11 restrained and enjoined from making, or assisting or facilitating the making of, any
12 express or implied misrepresentation or omission of material fact that is false or
13 misleading, in any manner, directly or indirectly, to any consumer or entity,
14 including, but not limited to, the following:

15 A. Representing that Defendants are affiliated with, or are calling from or on
16 behalf of, a financial institution, including, but not limited to, Radian, Prudential, or
17 Fannie Mae, or a company affiliated with these businesses;

18 B. Representing that the email addresses of email recipients will, upon
19 request of the email recipients, be removed from any lists of addresses to which future
20 email solicitations will be sent;

21 C. Placing the email addresses of consumers, without their authorization or
22 consent, in the "from" or "reply-to" portion of emails;

23 D. Inducing consumers to divulge their personal financial information by
24 representing that Defendants are affiliated with financial institutions; and

25 E. Representing any information material to a consumer's decision to
26 provide personal financial information.

27 **II. INJUNCTION AGAINST SPOOFING**

28 **IT IS FURTHER ORDERED** that in connection with the advertising,

1 promotion, offering or sale of goods or services in commerce, Defendants are hereby
2 restrained and enjoined from the practice of “spoofing” or assisting and facilitating
3 the practice of “spoofing.”

4 **III. INJUNCTION AGAINST GRAMM-LEACH-BLILEY ACT VIOLATIONS**

5 **IT IS FURTHER ORDERED** that in connection with the advertising,
6 promotion, offering or sale of goods or services in commerce, Defendants are hereby
7 restrained and enjoined from obtaining or attempting to obtain, or assisting and
8 facilitating in obtaining or attempting to obtain, “customer information of a financial
9 institution,” including, but not limited to, mortgage amount, rate, and type, by making
10 false, fictitious, or fraudulent statements or representations to consumers or financial
11 institutions.

12 **IV. MONETARY JUDGMENT**

13 **IT IS FURTHER ORDERED** that:

14 A. Judgment in the amount of Sixty Thousand Five Hundred Dollars
15 (\$60,500.00) is hereby entered against Defendants Universal IT Solutions, Inc. and
16 Anthony Tamraz, jointly and severally. Provided, however, that this amount shall be
17 suspended until further order of the Court, and provided further that this judgment
18 shall be subject to the conditions set forth in Subsection B of this Section.

19 B. The Commission’s agreement to this Order is expressly premised upon
20 the truthfulness, accuracy and completeness of their sworn financial statements and
21 supporting documents submitted to the Commission, namely those of Defendant
22 Universal IT Solutions, Inc. dated November 11, 2002 and those of Defendant
23 Anthony Tamraz dated November 11, 2002. Such financial statements and
24 supporting documents contain material information upon which the Commission
25 relied in negotiating and agreeing to this Order. If, upon motion by the Commission,
26 this Court finds that Defendants Universal IT Solutions, Inc. or Anthony Tamraz has
27 failed to disclose any material asset or materially misstated the value of any asset in
28 the financial statements and related documents described above, or has made any

1 other material misstatement or omission in the financial statements and related
2 documents described above, the Court shall enter judgment in the amount of Sixty
3 Thousand Five Hundred Dollars (\$60,500.00) against such Defendant. The entire
4 amount of the judgment would be rendered immediately due and payable by
5 Defendants Universal IT Solutions, Inc. and Anthony Tamraz.

6 C. In accordance with 31 U.S.C. § 7701, Defendants Universal IT
7 Solutions, Inc. and Anthony Tamraz are hereby required, unless they have done so
8 already, to furnish to the Commission their respective taxpayer identifying numbers
9 (social security numbers or employer identification numbers) which shall be used for
10 purposes of collecting and reporting on any delinquent amount arising out of
11 Defendants' relationship with the government.

12 D. Defendant Anthony Tamraz is further required, unless he has done so
13 already, to provide the Commission with clear, legible and full-size photocopies of all
14 valid driver's licenses he possesses, which will be used for reporting and compliance
15 purposes.

16 E. Defendants agree that the facts as alleged in the Complaint filed in this
17 action shall be taken as true for the purpose of a nondischargeability complaint in any
18 bankruptcy proceeding.

19 F. Proceedings instituted under this Section are in addition to, and not in
20 lieu of, any other civil or criminal remedies that may be provided by law, including
21 any other proceedings the Commission may initiate to enforce this Order.

22 V. COMMISSION'S USE OF MONETARY JUDGMENT

23 **IT IS FURTHER ORDERED** that all funds paid pursuant to Section IV of
24 this Order shall be deposited into a fund administered by the Commission or its agent
25 to be used for equitable relief, including, but not limited to, consumer redress and any
26 attendant expenses for the administration of any redress fund. In the event that direct
27 redress to consumers is wholly or partially impracticable or funds remain after redress
28 is completed, the Commission may apply any remaining funds for such other

1 equitable relief (including consumer information remedies) as it determines to be
2 reasonably related to Defendants' practices alleged in the complaint. Any funds not
3 used for such equitable relief shall be deposited to the United States Treasury as
4 disgorgement. Defendants shall have no right to challenge the Commission's choice
5 of remedies under this Section.

6 **VI. ASSET FREEZE**

7 **IT IS FURTHER ORDERED** that, upon entry of this Order, the freeze of
8 Defendants' assets set forth in the Stipulated Order of Preliminary Injunction shall be
9 dissolved.

10 **VII. COMPLIANCE MONITORING**

11 **IT IS FURTHER ORDERED** that, for the purpose of monitoring and
12 investigating compliance with any provision of this Order,

13 A. Within ten (10) days of receipt of written notice from a representative of
14 the Commission, Defendants Universal IT Solutions, Inc. and Anthony Tamraz each
15 shall submit additional written reports, sworn to under penalty of perjury; produce
16 documents for inspection and copying; appear for deposition; and/or provide entry
17 during normal business hours to any business location in such Defendant's possession
18 or direct or indirect control to inspect the business operation;

19 B. In addition, the Commission is authorized to monitor compliance with
20 this Order by all other lawful means, including but not limited to the following:

21 1. obtaining discovery from any person, without further leave of
22 court, using the procedures proscribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;

23 2. posing as consumers and suppliers to: Defendants Universal IT
24 Solutions, Inc. and Anthony Tamraz, Defendants Universal IT Solutions, Inc.'s and
25 Anthony Tamraz's employees, or any other entity managed or controlled in whole or
26 in part by Defendants Universal IT Solutions, Inc. and Anthony Tamraz, without the
27 necessity of identification or prior notice;

28 *Provided* that nothing in this Order shall limit the Commission's lawful use of

1 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49,
2 57b-1, to obtain any documentary material, tangible things, testimony, or information
3 relevant to unfair or deceptive acts or practices in or affecting commerce (within the
4 meaning of 15 U.S.C. § 45(a)(1)).

5 C. Defendants Universal IT Solutions, Inc. and Anthony Tamraz shall
6 permit representatives of the Commission to interview any employer, consultant,
7 independent contractor, representative, agent, or employee who has agreed to such an
8 interview, relating in any way to any conduct subject to this Order. The person
9 interviewed may have counsel present.

10 **VIII. COMPLIANCE REPORTING BY DEFENDANT**

11 **IT IS FURTHER ORDERED** that, in order that compliance with the
12 provisions of this Order may be monitored:

13 A. For a period of three (3) years from the date of entry of this Order,

14 1. Defendant Anthony Tamraz shall notify the Commission of the
15 following:

16 a. Any changes in Defendant's residence, mailing addresses,
17 and telephone numbers, within ten (10) days of the date of such change;

18 b. Any changes in Defendant's employment status (including
19 self-employment) within ten (10) days of the date of such change. Such notice shall
20 include the name and address of each business that Defendant is affiliated with,
21 employed by, or performs services for; a statement of the nature of the business; and a
22 statement of Defendant's duties and responsibilities in connection with the business;

23 c. Any changes in Defendant's name or use of any aliases or
24 fictitious names; and

25 2. Defendant Universal IT Solutions, Inc. shall notify the
26 Commission of any changes in corporate structure that may affect compliance
27 obligations arising under this Order, including but not limited to a dissolution,
28 assignment, sale, merger, or other action that would result in the emergence of a

1 successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate
2 that engages in any acts or practices subject to this Order; the filing of a bankruptcy
3 petition; or a change in the corporate name or address, at least thirty (30) days prior to
4 such change, *provided* that, with respect to any proposed change in the corporation
5 about which the Defendant learns less than thirty (30) days prior to the date such
6 action is to take place, Defendant shall notify the Commission as soon as is
7 practicable after obtaining such knowledge.

8 B. One hundred eighty (180) days after the date of entry of this Order,
9 Defendants Universal IT Solutions, Inc. and Anthony Tamraz each shall provide a
10 written report to the FTC, sworn to under penalty of perjury, setting forth in detail the
11 manner and form in which they have complied and are complying with this Order.
12 This report shall include, but not be limited to:

- 13 1. Any changes required to be reported pursuant to subsection A
14 above; and
- 15 2. A copy of each acknowledgment of receipt of this Order obtained
16 by Defendant pursuant to Section X.

17 C. For the purposes of this Order, Defendant shall, unless otherwise
18 directed by the Commission's authorized representatives, mail all written
19 notifications to the Commission to:

20 Associate Director, Division of Marketing Practices
21 Federal Trade Commission
22 600 Pennsylvania Ave. NW
Washington, DC 20580
Re: FTC v. GM Funding, et al., Civil Action No. SACV 02-1026

23 D. For purposes of the compliance reporting required by this Section, the
24 Commission is authorized to communicate directly with Defendant Anthony Tamraz.

25 IX. RECORD KEEPING PROVISIONS

26 **IT IS FURTHER ORDERED** that, for a period of six (6) years from the date
27 of entry of this Order, in connection with any business where Defendant Anthony
28 Tamraz is the majority owner of the business or directly or indirectly manages or

1 controls the business, Defendants and their agents, employees, officers, corporations,
2 successors, and assigns, and those persons in active concert or participation with them
3 who receive actual notice of this Order by personal service or otherwise, are hereby
4 restrained and enjoined from failing to create and retain the following records:

5 A. Accounting records that reflect the cost of goods or services sold,
6 revenues generated, and the disbursement of such revenues;

7 B. Personnel records accurately reflecting: the name, address, and
8 telephone number of each person employed in any capacity by such business,
9 including as an independent contractor; that person's job title or position; the date
10 upon which the person commenced work; and the date and reason for the person's
11 termination, if applicable;

12 C. Customer files containing the names, addresses, phone numbers, dollar
13 amounts paid, quantity of items or services purchased, and description of items or
14 services purchased, to the extent such information is obtained in the ordinary course
15 of business;

16 D. Complaints and refund requests (whether received directly, indirectly or
17 through any third party) and any responses to those complaints or requests; and

18 E. Copies of all sales scripts, training materials, advertisements, or other
19 marketing materials.

20 **X. DISTRIBUTION OF ORDER BY DEFENDANT**

21 **IT IS FURTHER ORDERED** that, for a period of three (3) years from the
22 date of entry of this Order,

23 A. Defendant Universal IT Solutions, Inc. shall deliver a copy of this Order
24 to all principals, officers, directors, managers, employees, agents, and representatives
25 having responsibilities with respect to the subject matter of this Order, and shall
26 secure from each such person a signed and dated statement acknowledging receipt of
27 the Order. Defendant Universal IT Solutions, Inc. shall deliver this Order to current
28 personnel within thirty (30) days after the date of service of this Order, and to new

1 personnel within thirty (30) days after the person assumes such position or
2 responsibilities.

3 B. Defendant Anthony Tamraz shall deliver a copy of this Order to the
4 principals, officers, directors, managers and employees under Defendant Anthony
5 Tamraz's control for any business that (a) employs or contracts for personal services
6 from Defendant Anthony Tamraz and (b) has responsibilities with respect to the
7 subject matter of this Order. Defendant Anthony Tamraz shall secure from each such
8 person a signed and dated statement acknowledging receipt of the Order within thirty
9 (30) days after the date of service of the Order or the commencement of the
10 employment relationship.

11 **XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

12 **IT IS FURTHER ORDERED** that each Defendant, within five (5) business
13 days of receipt of this Order as entered by the Court, must submit to the Commission
14 a truthful sworn statement acknowledging receipt of this Order.

15 **XII. RETENTION OF JURISDICTION**

16 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
17 matter for purposes of construction, modification and enforcement of this Order.

18 **XIII. MONITORING COMPLIANCE OF SALES PERSONNEL**

19 **IT IS FURTHER ORDERED** that Defendants Universal IT Solutions, Inc.
20 and Anthony Tamraz, in connection with any business where Defendant Anthony
21 Tamraz is the majority owner of the business or directly or indirectly manages or
22 controls the business, is hereby permanently restrained and enjoined from:

23 A. Failing to take reasonable steps sufficient to monitor and ensure that all
24 employees and independent contractors engaged in sales or other customer service
25 functions comply with Sections I, II, and III of this Order. Such steps shall include
26 adequate monitoring of sales presentations or other calls with customers, and shall
27 also include, at a minimum, the following: (1) listening to the oral representations
28 made by persons engaged in sales or other customer service functions;

1 (2) establishing a procedure for receiving and responding to consumer complaints;
2 and (3) ascertaining the number and nature of consumer complaints regarding
3 transactions in which each employee or independent contractor is involved;

4 B. Failing promptly to investigate fully any consumer complaint received
5 by any business to which this Section applies; and

6 C. Failing to take corrective action with respect to any sales person whom
7 Defendant Anthony Tamraz determines is not complying with this Order, which may
8 include training, disciplining, and/or terminating such sales person.

9 **XIV. PROHIBITIONS INVOLVING CONSUMER LISTS**

10 **IT IS FURTHER ORDERED** that Defendants are hereby restrained and
11 enjoined from:

12 A. Selling, renting, leasing, transferring, or otherwise disclosing the name,
13 address, telephone number, credit card number, bank account number, email address,
14 or other identifying information of any person who submitted such information to
15 Defendants at any time prior to entry of this Order, in connection with the advertising,
16 promotion, telemarketing, offering for sale, or sale of any product or service in
17 commerce, except in connection with communications to actual and prospective
18 lenders, which are made with the consumer's prior written authorization; and

19 B. Benefitting from or using the name, address, telephone number, credit
20 card number, bank account number, email address, or other identifying or financial
21 information of any person who submitted such information to Defendants as a result
22 of, derived from, or otherwise related to the activities alleged in the Commission's
23 complaint.

24 *Provided however,* that Defendants may disclose such identifying information
25 to a law enforcement agency, or as required by any law, regulation or court order.

26 **XV. FEES AND COSTS**

27 **IT IS FURTHER ORDERED** that each party to this Order hereby agrees to
28 bear its own costs and attorneys' fees incurred in connection with this action.

