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15
16

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

19
20 FEDERAL TRADE COMMISSION,

21 Plaintiff,

22 v.

23 FIRST ALLIANCE MORTGAGE
COMPANY, et al.,

24 Defendants.
25
26

CIVIL NO.

SACV 00-964 DOC (MLGx)

ORDER PRELIMINARILY
APPROVING STIPULATED
FINAL JUDGMENT, PERMANENT
INJUNCTION, AND MONETARY
SETTLEMENT
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1 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”) has filed a
2 complaint for permanent injunction and other equitable relief pursuant to Sections 5(a) and
3 13(b) of the Federal Trade Commission Act, 15 U.S.C. §§ 45(a) and 53(b). The FTC’s
4 complaint charges Defendants First Alliance Corporation, a Delaware Corporation, First
5 Alliance Mortgage Company, a California Corporation, First Alliance Mortgage Company,
6 a Minnesota Corporation (collectively, the “Corporate Defendants”) and Brian Chisick
7 with deceptive acts and practices in the soliciting and offering of credit in violation of
8 Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 13(b); charges the
9 Corporate Defendants with violations of Section 108(c) of the Truth in Lending Act
10 (“TILA”), 15 U.S.C. § 1607(c), and the TILA’s implementing Regulation Z (“Regulation
11 Z”), 12 C.F.R. § 226, as amended; and names Sarah Chisick as a Relief Defendant.

12 The FTC’s complaint was consolidated for pre-trial proceedings with certain actions
13 alleging similar unfair business practices by the States of Arizona, California, Florida,
14 Illinois, Massachusetts, and New York (collectively, the “State Attorneys General”); Velda
15 Dumey, Mary Ryan, Lucrecia Wilder, Carol and Henry Hong, and Ida Mae Forrest
16 (collectively the “California Six”); Jacqueline Bowser, Irene Huston, Frank G. and
17 Nicolena Aiello, Paul and Lenore Carabetta, Vito and Stella Cicci, Veronica Maines, and
18 Thaddeus and Marissa Zychlinski (collectively, the “Class Claimants”); *AARP*, and the
19 Official Joint Borrowers Committee. The FTC, the plaintiffs in the foregoing actions
20 (collectively, the “Coordinated Plaintiffs”) and numerous other defendants entered into a
21 global Stipulation of Settlement (the “Settlement Agreement”) dated as of February 25,
22 2002, which is incorporated herein by this reference, inclusive of all defined terms.

23 The Corporate Defendants, together with First Alliance Portfolio Services, a Nevada
24 Corporation (collectively, the “Related Debtors”), each filed a voluntary petition for relief
25 under Chapter 11 of the Bankruptcy Code on March 23, 2000, in the United States
26 Bankruptcy Court, Central District of California, Case No. SA 00-12370 LR (jointly
27 administered with Case Nos. SA 00- 12371 LR, SA 00- 12372 LR, and SA 00- 12373 LR).

1 The Related Debtors will jointly file a Chapter 11 Liquidating Plan consistent with the
2 terms of this Order and the Settlement Agreement (the “Liquidating Plan”).

3 The FTC, the Corporate Defendants, and Brian and Sarah Chisick, having been
4 represented by counsel and acting by and through such counsel, have consented to the
5 entry of this Order Preliminarily Approving Stipulated Final Judgment, Permanent
6 Injunction, and Monetary Settlement by this Court to resolve all matters of dispute between
7 the FTC, the Corporate Defendants, and Brian and Sarah Chisick, without any of the
8 parties admitting liability to the others. This Order and the Settlement Agreement only
9 settle claims as to the Defendants and the Persons receiving releases, and shall not act as
10 a bar to any claim by the FTC and do not preclude the FTC from seeking any remedy
11 against, any other persons, corporations, or entities, including persons who may be subject
12 to portions of this Order as persons acting in active concert or participation with
13 Defendants or persons who are party to any indemnification agreement with Defendants.
14 The Corporate Defendants and Brian and Sarah Chisick, do not, by their agreement to this
15 settlement, admit liability as alleged in the FTC’s complaint.

16 **NOW, THEREFORE**, the FTC, the Corporate Defendants, and Brian and Sarah
17 Chisick having requested the Court to enter this Order,

18 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

19 **FINDINGS**

20 1. This Court has jurisdiction of the subject matter of this case and **of** the parties
21 consenting hereto. Venue is proper as to all parties in the Central District of California.

22 2. The activities of Corporate Defendants and Brian Chisick are in or affecting
23 commerce, as defined in the FTC Act, 15 U.S.C. § 44.

24 3. The FTC’s Second Amended Complaint states a claim upon which relief may
25 be granted against the Corporate Defendants and Brian Chisick under Sections 5(a) and
26 13(b) of the FTC Act, as amended, 15 U.S.C. §§ 45(a) and 53(b), and against the Corporate
27 Defendants under the TILA’s implementing Regulation Z, and against Sarah Chisick as a
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1 relief defendant.

2 4. The FTC has authority under Sections 5(a) and 13(b) of the FTC Act, 15
3 U.S.C. §§ 45(a) and 53(b), and Section 108(c) of TILA, 15 U.S.C. § 1607(c), to seek the
4 relief it has requested.

5 5. The Corporate Defendants and Brian and Sarah Chisick have waived all rights
6 to seek judicial review of, or otherwise challenge or contest the validity of, this Order. The
7 Corporate Defendants and Brian and Sarah Chisick **also** waive all rights that may arise
8 under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110
9 Stat. 847,863-64 (1996).

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

11 I. EFFECTIVE DATE

12 **IT IS FURTHER ORDERED** that:

13 A. The Effective Date of this Order shall be the first business day after the
14 expiration of five (5) calendar days following the occurrence of the last of the conditions
15 set forth in ¶ 7.1 of the Settlement Agreement.

16 B. **This** Order shall be null and void and of no force and effect if any of the
17 conditions set forth in ¶ 7.1 of the Settlement Agreement are not met. In such event, the
18 parties shall be returned to their respective positions as of the date of this Order and this
19 Order shall not be deemed to prejudice in any way the positions of the **FTC** and the
20 Corporate Defendants and Brian and Sarah Chisick, including but not limited to their
21 positions with respect to the allegations in the FTC's Second Amended Complaint or the
22 allowance of the Coordinated Plaintiffs' claims in the Related Debtors' bankruptcy cases,
23 nor shall the Order be deemed to entitle any party to the recovery of costs and expenses
24 incurred to implement this Order.

25 11. PROHIBITED BUSINESS PRACTICES

26 **IT IS FURTHER ORDERED** that the Corporate Defendants and Brian Chisick,
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28

1 and their officers, agents, and employees, and all those persons or entities in active concert
2 or participation with them who receive actual notice of this Order by personal service or
3 otherwise, whether acting directly or through any entity, corporation, subsidiary, division,
4 or other device, are hereby permanently restrained and enjoined in connection with the
5 advertising, marketing, solicitation, brokering, origination, closing, offering for sale, or
6 sale of credit, from making, or causing or assisting others to make, expressly or by
7 implication, any false or misleading representation about the terms, costs, or other
8 conditions of any loan or other extension of credit to consumers, including, but not limited
9 to, misrepresenting:

10 A. the monthly payment amount, interest rate, annual percentage rate, finance
11 charge, loan amount, loan term, or any other term of repayment;

12 B. the terms of any adjustable rate mortgage (“**ARM**”) loan, including, but not
13 limited to:

14 1. the manner in which the interest rate or monthly payments on the loan
15 adjust over time, and

16 2. the relationship between adjustments in the interest rates, any index
17 rate, and the initial rate;

18 C. the existence, absence, terms, **or** amount of any loan origination fees;

19 D. whether prepaid finance charges, such as the loan origination fees, are **part of**
20 the interest payments on the loan; and
21

22 E. the amount borrowed and upon which interest accrues.
23

24 Further, the Corporate Defendants and Brian Chisick, and their officers, agents, and
25 employees, and all those persons or entities in active concert or participation with them
26 who receive actual notice of this Order by personal service or otherwise, whether acting
27 directly or through any entity, corporation, subsidiary, division, or other device, are hereby
28

1 permanently restrained and enjoined in connection with the advertising, marketing,
2 solicitation, brokering, origination, closing, offering for sale, or sale of credit, from
3 making, or causing or assisting others to make, expressly or by implication, any
4 representation that consumers will save money when consolidating debt, unless, at the time
5 of making such representation, such persons or entities possess and rely upon competent
6 and reliable evidence that substantiates the representation.

7 **111. VIOLATIONS OF THE TRUTH IN LENDING ACT**

8 **IT IS FURTHER ORDERED** that Corporate Defendants, and their officers, agents,
9 and employees, and all those persons or entities in active concert or participation with them
10 who receive actual notice of this Order by personal service or otherwise, whether acting
11 directly or through any entity, corporation, subsidiary, division, or other device, are hereby
12 permanently restrained and enjoined from violating the TILA, 15 U.S.C. §§ 1601-1666j,
13 as amended, including Regulation Z, 12 C.F.R. Part 226, as amended, by:

14 **A.** failing to provide consumers with the booklet titled *Consumer Handbook on*
15 *Adjustable Rate Mortgages* or a suitable substitute, as required by Section 226.19(b)(1) of
16 Regulation Z, 12 C.F.R. § 226.19(b)(1); and

17 **B.** failing to comply with any other provision of TILA or Regulation Z.

18 **IV. MONETARY RELIEF**

19 **IT IS FURTHER ORDERED** that:

20 **A.** For purposes of this Order and Settlement Agreement and distribution under
21 the Liquidating Plan, the claims of the Plaintiffs will be treated as a joint claim and
22 allowed, pursuant to 11 U.S.C. § 502, as a general, unsecured claim against the Related
23 Debtors in the amount of Two Hundred Seventeen Million Dollars (\$217,000,000);
24 **provided** that this amount shall not be binding in proceedings by Plaintiffs against any
25 Non-Settling Defendants; **provided further** that this amount shall not be binding in the
26 event that the Effective Date fails to occur.
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1 B. On the Effective Date and pursuant to the Liquidating Plan, Related Debtors,
2 jointly and severally, shall pay to the Redress Fund to be established and administered by
3 the FTC, for the benefit of the Members of the Class and other Plaintiffs, the remaining
4 cash of the Related Debtors' Estates, as set forth in ¶ 2.7(a) of the Settlement Agreement,
5 including the additional amounts paid to the Related Debtors by Brian and Sarah Chisick
6 pursuant to ¶ 2.1 of the Settlement Agreement. Following the Effective Date and pursuant
7 to the Liquidating Plan, the Liquidating Trustee shall pay to the Redress Fund the
8 additional sums required pursuant to ¶ 2.9 of the Settlement Agreement. All payments to
9 the Redress Fund by the Related Debtors shall be paid in cash by electronic funds transfer
10 pursuant to instructions provided by the Commission.

11 C. The Redress Fund shall be established and administered by the FTC for the
12 benefit of the Class **and** other Plaintiffs. The FTC, with the input of the Coordinated
13 Plaintiffs, shall submit to the Court for review and approval a plan for the disbursement
14 of the funds to the Members of the Class and other Plaintiffs, and for any attendant
15 expenses for the administration of the Redress Fund. Defendants shall have no right to
16 contest the substance or manner of distribution of the Redress Fund nor any responsibility
17 in connection therewith. The Commission will take reasonable steps to locate Members
18 of the Class for purposes of the distribution **of** the Redress Fund. In the event that funds
19 remain after direct redress to all located Members of the Class is completed, the
20 Commission, after consultation with Coordinated Plaintiffs, may elect to make a
21 subsequent distribution to all located Members of the Class or, if appropriate, may apply
22 any remaining funds for such other equitable relief, including consumer education
23 remedies as the Commission determines to be reasonably related to the practices of the
24 Corporate Defendants and Brian Chisick alleged in the Second Amended Complaint. **Any**
25 funds not used for such equitable relief shall be paid to the United States Treasury.

26 D. The FTC and the Coordinated Plaintiffs shall use their best efforts to
27 negotiate, and the Court shall award, any professional fees and expenses it deems
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1 appropriate to counsel for the Coordinated Plaintiffs and/or the National Association of
2 Attorneys General in this litigation, which fees and expenses shall be paid from the
3 Redress Fund; **provided** that the fees and expenses payable to the attorneys for the Official
4 Joint Borrowers Committee as an administrative expense pursuant to 11 U.S.C. § 330, 331
5 and 503, shall be paid from the Liquidating Trust. As set forth in ¶ 2.14 of the Settlement
6 Agreement, the Defendants shall have no right to object to the fee procedure established
7 by the Coordinated Plaintiffs and approved by the Court, or fees to be paid under that
8 procedure, to the extent those fees are paid from the Redress Fund.

9 E. Subject to entry of a protective order on terms acceptable to the FTC and the
10 Corporate Defendants, the Corporate Defendants shall, within fourteen (14) days of
11 receiving a written request from the Commission or its designated agent, provide loan data
12 in computer-readable format concerning consumers who obtained loans from the Corporate
13 Defendants from January 1, 1992 to March 23, 2000. Such data shall include, but is not
14 limited to: the consumer's name, most recent known address and telephone number, social
15 security number, date of loan consummation, amount financed, finance charge, annual
16 percentage rate, monthly payment amount, total number of payments, amount and date of
17 any balloon payment, loan payoff or end date, amounts of all disbursements made from the
18 loan proceeds, and the total settlement charges paid by the consumer in connection with
19 the loan, identifying by type and amount any settlement charges listed on lines 800 through
20 and including 811 of the HUD-1 settlement statement. The Corporate Defendants shall
21 take all reasonable steps to provide this data, including address and telephone information,
22 in a form that is the most recent and accurate available to the Corporate Defendants, and
23 in a format useable and compatible with the Commission's information system.

24 F. In the event of any default on any obligation to make any payment to the
25 Redress Fund required under this ~~Part~~ and the Settlement Agreement, which default
26 continues for ten (10) days beyond the due date of the payment, the entire unpaid amount
27 together with interest, computed pursuant to 28 U.S.C. §§ 1961(a) from the date of default
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1 in which each employee or independent contractor is involved; **provided** that this Part
2 does not authorize or require any Defendant to take any steps that violate federal, state, or
3 local law;

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

6 C. failing to take corrective action with respect to any salesperson whom the
7 Corporate Defendants and Brian Chisick determine is not complying with this Order,
8 which may include training, disciplining, and/or terminating such salesperson.
9

10 **VI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**
11 **BRIAN CHISICK AND SARAH CHISICK**

12 **IT IS FURTHER ORDERED** that, within five (5) business days after receipt by
13 Brian and Sarah Chisick of this Order as preliminarily entered by the Court, Brian and
14 Sarah Chisick shall submit to the Commission a truthful sworn statement, in the form
15 shown on **Appendix A**, that acknowledges receipt of this Order.

16 **VII. DISTRIBUTION OF ORDER BY DEFENDANTS**

17 **IT IS FURTHER ORDERED** that, for a period of ten (10) years from the Effective
18 Date, the Corporate Defendants and Brian Chisick shall each:

19 A. Provide a copy of this Order to each officer and director, and, to the extent he
20 or she has responsibility for the extension of credit to consumers or other responsibilities
21 under Parts VII through **IX** of this Order, each employee, agent, and independent
22 contractor, and secure from each such person a signed and dated statement acknowledging
23 receipt of this Order; **provided** that such a statement shall be secured from current officers,
24 directors, employees, agents, and independent contractors within thirty (30) days of the
25 Effective Date, and from future officers, directors, employees, agents, and independent
26 contractors within thirty (30) days after the person assumes such position or
27 responsibilities;
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1 inaction, or if action is taken, the basis for taking such action;

2 B. copies of all manuals, sales scripts, training materials, advertisements, or other
3 marketing materials used in connection with soliciting, offering, or providing consumer
4 credit;

5 C. records accurately reflecting the name, address, and phone number of each
6 employee or independent contractor of the Corporate Defendants or Brian Chisick, that
7 person's job title or position, the date on which the person commenced work, and the date
8 and reasons for his or her termination, if applicable.

9 D. The provisions of this ~~Part~~ apply to:

10 1. Corporate Defendants and any business entity directly or indirectly
11 owned or controlled by any of the Corporate Defendants; and

12 2. Any business entity engaged in the residential loan origination business
13 that Brian Chisick directly or through any Person, entity, corporation, subsidiary,
14 division, or other similar device owns, controls, or manages.

15 IX. COMPLIANCE REPORTING

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

18 A. For a period of eight (8) years from the Effective Date, the Corporate
19 Defendants and Brian Chisick shall notify the FTC of the following: any proposed change
20 in the structure of any of the Corporate Defendants, such as dissolution, assignment, sale,
21 merger, creation, or dissolution of subsidiaries, proposed filing of a bankruptcy petition,
22 or change in the corporate name, or address, or any other change that may affect
23 compliance obligations arising **out** of this Order, at least thirty (30) days prior to the
24 effective date of any proposed change; **provided** however, that with respect to any
25 proposed change in a corporation about which Corporate Defendants and Brian Chisick
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1 learn less than thirty (30) days prior to the date such action is to take place, Corporate
2 Defendants and Brian Chisick shall notify the FTC as soon as is practicable after learning
3 of such proposed change;

4 B. Sixty (60) days after the Effective Date, the Corporate Defendants and Brian
5 Chisick shall provide a written report to the FTC, sworn to under penalty of perjury, setting
6 forth in detail the manner and form in which the Corporate Defendants and Brian Chisick
7 have complied and are complying with this Order. This report shall include, but not be
8 limited to:

9 1. for the Corporate Defendants, the current address(es), telephone
10 number(s), fax number(s), and email address(es) of each of the Corporate
11 Defendants;

12 2. a copy of each acknowledgment of receipt of this Order obtained by the
13 Corporate Defendants pursuant to ~~Part~~ VII of this Order;

14 3. a statement describing the manner in which the Corporate Defendants
15 have complied with and are complying with Parts II through IX of this Order; and

16 4. for Brian Chisick, his current employment, business addresses,
17 telephone numbers, fax numbers, and email addresses;

18 5. for Brian Chisick, a description of the business activities of each
19 employer and his title and responsibilities for each employer.

20 C. For a period of eight (8) years from the Effective Date, Brian Chisick shall
21 notify the **FTC** of the following:

22 1. any changes in his residence(s), mailing address(es), telephone
23 number(s), and email address(es) within ten (10) days of the date of such change;

24 2. any changes in his employment status (including self-employment) with
25 respect to any business entity that involves the extension of credit to consumers or
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1 the sale of any product or service to consumers within ten (10) days of such change.
2 Such notice shall include the name and address of every such business with which
3 Brian Chisick is, in any manner, employed or serves as an officer or director, a
4 statement of the nature of the business entity, and a statement **of** his duties and
5 responsibilities in connection with the business entity; and

6 3. any proposed change in the structure of any business entity involving
7 the extension of credit to consumers or the sale of any product or service to
8 consumers that is owned or controlled, directly or indirectly, by Brian Chisick, such
9 as creation, incorporation, dissolution, assignment, sale, merger, creation or
10 dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the
11 corporate name or address, or any other change that may affect compliance
12 obligations arising out of this Order, thirty (30) days prior to the effective date of
13 any proposed change; **provided** that, with respect to any proposed change in the
14 business entity about which Brian Chisick learns less than thirty (30) days prior to
15 the date such action is to take place, he shall notify the FTC as soon as is practicable
16 after learning of such proposed change;

17 D. For purposes of this **Part**, “employment” includes the performance of services
18 as an employee, consultant, or independent contractor; and “employers” include any
19 individual or entity for whom Brian Chisick performs services as an employee, consultant,
20 or independent contractor.

21 **X. TAXPAYER IDENTIFICATION NUMBERS**

22
23 **IT IS FURTHER ORDERED** that the Corporate Defendants, and Brian and Sarah
24 Chisick **are** hereby required, in accordance with 31 U.S.C. § 7701, to furnish **to** the FTC
25 their respective taxpayer identifying numbers (social security number **or** employer
26 identification number), which shall be used for purposes of collecting and reporting on any
27 delinquent amount arising out of the relationship of the Corporate Defendants, Brian
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1 Chisick, and Sarah Chisick, with the government.

2 **XI. COMMISSION'S AUTHORITY TO MONITOR COMPLIANCE**

3 **IT IS FURTHER ORDERED** that the Commission is authorized to monitor
4 compliance with this Order by all lawful means, including but not limited to the following
5 means:

6
7 A. The Commission is authorized, without further leave of the Court, to obtain
8 discovery from any person in the manner provided by Chapter V of the Federal Rules of
9 Civil Procedure, Fed. R. Civ. P. 26 - 37, including the use of compulsory process pursuant
10 to Fed. R. Civ. P. 45, for the purpose of monitoring and investigating compliance with any
11 provision of this Order by the Corporate Defendants and Brian Chisick;

12 B. The Commission is authorized to use representatives posing as consumers
13 and suppliers to (1) the Corporate Defendants and Brian Chisick, (2) the employees of the
14 Corporate Defendants or Brian Chisick, or (3) any entity owned, managed or controlled in
15 whole or in part, directly or indirectly, by any of the Corporate Defendants or Brian
16 Chisick, without the necessity of identification or prior notice; **and**

17 C. Nothing in this Order limits the Commission's lawful use of compulsory
18 process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and 57b-1, to
19 investigate whether the Corporate Defendants or Brian Chisick have violated any provision
20 of this Order, the FTC Act, the Truth in Lending Act, the Regulation Z, or any other
21 provision of law enforced by the Commission.

22 **XII. NOTIFICATIONS**

23
24 **IT IS FURTHER ORDERED** that, for the purposes of this Order, the Corporate
25 Defendants, **Brian** and Sarah Chisick shall, unless otherwise directed by the Commission

1 or its representatives, mail all written notifications to the Commission to:

2 Associate Director for Financial Practices
3 Federal Trade Commission
4 600 Pennsylvania Avenue, N.W.
5 Washington D.C. 20580

6
7 **XIII. RETENTION OF JURISDICTION**

8 **IT IS FURTHER ORDERED** that this Court shall retain exclusive jurisdiction of
9 this matter for all purposes, including but not limited to, the purpose of enabling any of the
10 parties to this Order to apply to the Court at any time for such further orders or directives
11 as may be necessary or appropriate for the interpretation or modification of this Order, for
12 the enforcement of compliance therewith or for the punishment of violations thereof.

13
14 **XIV. FINAL JUDGMENT AND ORDER**

15 The parties hereby consent to entry of the foregoing Order, which, upon entry of a
16 final order approving class action settlement, shall constitute a final judgment and order
17 on the FTC's Second Amended Complaint.
18

19
20 **IT IS SO ORDERED**, this ____ day of _____, 2002.

21
22
23 _____
24 Honorable David O. Carter
25 United States District Judge
26
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1 The parties hereby STIPULATE AND AGREE TO the terms and conditions set forth
2 above and consent to entry of this Order Preliminarily Approving Stipulated Final
3 Judgment, Permanent Injunction, and Monetary Settlement.
4

5 Dated: March 1, 2002
6

WILLIAM E. KOVACIC
General Counsel

Anne M. McCormick

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JOHN A. KREBS
RAMONA D. ELLIOTT
ERIC H. IMPERIAL
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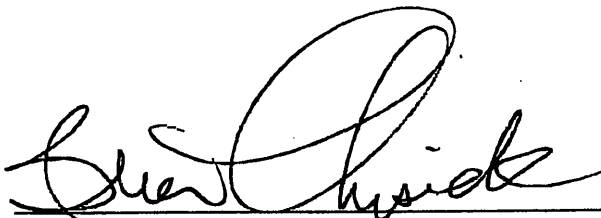
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ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION

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BRIAN CHISICK, individually

Approved As To Form By:



RONALD RUS
Rus Miliband & Smith
2600 Michelson Drive, Suite 700
Irvine, CA 92612-1043


Attorney for Brian Chisick


SARAH CHISICK, individually

Approved As To Form By:

STUART JASPER
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19800 MacArthur Blvd., Suite 860
Irvine, CA 92612



.Attorneyfor Sarah Chisick

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3

BRIAN CHISICK, individually

4

5

Approved As To Form By:

6

7

**RONALD RUS
Rus Miliband & Smith
2600 Michelson Drive, Suite 700
Irvine, CA 92612-1043**

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Attorney for Brian Chisick

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16

SARAH CHISICK, individually

17

18

Approved As To Form By:

19

Stuart Jasper 3/1/2

20

**STUART JASPER
Jasper & Jasper, P.C.
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Irvine, CA 92612**

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24



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Attorney for Sarah Chisick

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FIRST ALLIANCE MORTGAGE COMPANY,
FIRST ALLIANCE CORPORATION,
FIRST ALLIANCE MORTGAGE (MINNESOTA)

By:



Approved As To Form By:

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Attorney for Corporate Defendants

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FTC SAT 4

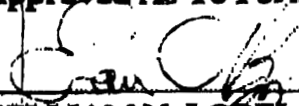
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FIRST ALLIANCE MORTGAGE COMPANY,
FIRST ALLIANCE CORPORATION,
FIRST ALLIANCE MORTGAGE (MINNESOTA)

By: _____

Approved As To Form By:



WILLIAM N. LOBEL
ATTORNEY AT LAW

EVAN BORGES
Ireid & Manella
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Attorney for Corporate Defendants

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Attorney for Corporate Defendants

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FIRST ALLIANCE MORTGAGE COMPANY,
FIRST ALLIANCE CORPORATION,
FIRST ALLIANCE MORTGAGE (MINNESOTA)

By: _____

Approved As To Form By:

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EVAN BORGES
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Attorney for Corporate Defendants

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APPENDIX A
to *Federal Trade Commission v. First Alliance Mortgage Co.*
Stipulated Final Judgment and Order for Permanent Injunction
and Monetary Settlement

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

FEDERAL TRADE COMMISSION,

CIVIL NO.

Plaintiff,

SACV 00-964 DOC (MLGx)

v.

FIRST ALLIANCE MORTGAGE
COMPANY, a California Corporation,
FIRST ALLIANCE CORPORATION,
a Delaware Corporation, and FIRST
ALLIANCE MORTGAGE
COMPANY, a Minnesota Company,
and BRIAN CHISICK,

Defendants, and

SARAH CHISICK,

Relief Defendant.

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[Name of Defendant or Relief Defendant], being duly sworn, hereby states and affirms
as follows:

1. My name is _____. My current residence address is _____
I am a citizen of the United States and am over the age of eighteen. I have personal
knowledge of the facts set forth in this Affidavit.

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2. I am a [Defendant or Relief Defendant] in *Federal Trade Commission v. First Alliance Mortgage Co.* (United States District Court for the Central District of California).

3. On _____, I received a copy of the Order Preliminarily Approving Stipulated Final Judgment, Permanent Injunction, and Monetary Settlement, which was signed by the Honorable David O. Carter, and entered by the Court on _____. A true and correct copy of the Order I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on [date], at [city and state].

[Full name of Defendant or Relief Defendant]

State of _____
County of _____

Subscribed and sworn to before me
this ___ day of _____, 2002.

Notary Public
My Commission Expires:
