

Cause No. D-1-GV-06-001852

STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
Plaintiff	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
STEVE HENRY MCINTOSH, ALSO KNOWN	§	
AS STEVE HENRY BRUCE, DOING	§	
BUSINESS AS AUSTIN CREDIT DOCTOR,	§	
Defendant	§	200 <sup>TH</sup> JUDICIAL DISTRICT

Filed: The District Court of Travis County, Texas

JUN 19 2007  
At 1:12 P.M.  
Amalia Rodriguez-Mendoza, Clerk

**AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION**

On June 18, 2007, this matter was called for trial. Plaintiff, the State of Texas, appeared through counsel and announced ready. Defendant, Steve Henry McIntosh, appeared and announced ready. After conferring with the Court, the parties represented on the record that they agreed to the Judgment of the Court set forth below:

**DEFINITIONS**

For the purposes of this Agreed Final Judgment and Permanent Injunction, the following definitions shall apply:

1. "DTPA" shall mean the Texas Deceptive Trade Practices-Consumer Protection Act, Tex. Bus. & Com. Code Ann. § 17.41 - 17.63 (West 2002 & Supp. 2006-07).
2. "Austin Credit Doctor" and/or "America's Credit Doctor" shall mean the business name under which Defendant runs his credit service business.
3. "Credit service organization" means a person who provides or represents that the person can or will provide for the payment of valuable consideration any of the following services with respect to the extension of consumer credit by others:
  - (A) improving a consumer's credit history or rating;
  - (B) obtaining an extension of consumer credit for a consumer; or
  - (C) providing advice or assistance to a consumer with regard to Paragraph (A) or (B).
 Tex Finance Code § 393.001(3) (West 2006 & Supp. 2006-07).

## FINDINGS

The Court **FINDS** that:

- a. It has jurisdiction over the subject matter of this action;
- b. It has jurisdiction over the Defendants;
- c. Venue is proper in Travis County, Texas;
- d. The activities of Defendant Steve Henry McIntosh constitute trade or commerce.
- e. That at all times from August 16, 2004 until the present, Steve Henry McIntosh, also known as Steve Henry Bruce, doing business as Austin Credit Doctor and/or America's Credit Doctor, is a credit service organization as defined in the Texas Finance Code § 393.001(3).
- f. The Motion for Partial Summary Judgment on the issue of liability as to Defendant Steve Henry McIntosh was granted on May 1, 2007.
- g. In particular, the Order granting the Motion for Partial Summary Judgment found:
  1. Pursuant to Texas Finance Code § 393.306 and Texas Finance Code § 393.101(a)(1), Steve Henry McIntosh was required to register with the Texas Secretary of State's Office before he advertised or offered his credit repair services. Steve Henry McIntosh failed to do so between August 16, 2004 when he began offering his services until September 25, 2006, when he registered. Thus, Steve Henry McIntosh violated Texas Finance Code § 393.101(a)(1) from August 16, 2004 until September 25, 2006.
  2. Steve Henry McIntosh violated Texas Finance Code § 393.306 by advertising his services from August 16, 2004 until September 25, 2006 because he failed to register as a credit service organization before advertising his services, as required.
  3. Steve Henry McIntosh violated Texas Finance Code § 393.302 by charging for services before completing such services without establishing a trust account or surety bond. The violation occurred from the day he began offering the services, August 16, 2004, until September 25, 2006 the day he registered and committed to not charging for services before the services were completed.
  4. Steve Henry McIntosh violated Texas Finance Code § 393.201(b)(2) by failing to provide in his contracts a date certain and within 180 days of the contract by which he would complete his services. This

violation occurred from the day he began to offer services, August 16, 2004 until October 25, 2006, when he agreed to change his contract to reflect that all services would be completed within 180 days of the entry of the contract.

5. Steve Henry McIntosh violated Texas Finance Code §393.105 by failing to provide disclosures required by this section to consumers. This violation occurred from the day he began to offer services, August 16, 2004 until October 25, 2006, when he changed his contract to reflect all disclosures required by Texas Finance Code section.
  6. Steve Henry McIntosh violated the Texas Deceptive Trade Practices Act by engaging in the above enumerated violations of the Texas Finance Code pursuant to Texas Finance Code §393.504. This violation occurred from the day he began to offer services, August 16, 2004 until October 25, 2006, when he came into compliance with the Texas Finance Code.
  7. Steve Henry McIntosh violated Texas Deceptive Trade Practices Act § 17.46 (b)(5) by advertising that he could remove all negative references from credit reports when in fact he could only do so if the negative references were incorrect, incomplete or obsolete. This violation occurred from the day he began to advertise services, August 16, 2004, until November 16, 2006, when he changed his website to delete this false advertisement.
  8. Steve Henry McIntosh violated Texas Deceptive Trade Practices-Consumer Protection Act, § 17.46 (b)(5) by advertising that he was in compliance with all federal and state laws when, in fact he was not in compliance with such laws. This violation occurred from the day he began to make this advertisement, no later than January 3, 2005, until October 31, 2006, when he changed his website to delete this false advertisement.
- h. Plaintiff is entitled to a permanent injunction pursuant to Texas Business & Commerce Code § 17.47(b) and Texas Finance Code Ann. § 393.502 to prevent defendant from violating the Texas Deceptive Trade Practices and the Texas Finance Code in the future. See *State v. Tex. Pet Foods*, 591 S.W.2d 800, 805 (Tex. 1979) and Texas Bus. & Comm. Code § 17.47 (a) (“Cessation of unlawful conduct after such prior contact, shall not render such court action moot under any circumstances, and such injunctive relief shall lie even if such person has ceased such unlawful after such prior contact.”).

## PERMANENT INJUNCTION

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that Defendant, Steve Henry McIntosh, his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with the Defendant who receive actual notice of this injunction shall be permanently enjoined, restrained, and prohibited from engaging in the following conduct:

- A. Advertising or providing credit repair services either individually or under any assumed name without first registering the individual's name or each assumed name under which business is done with the Texas Secretary of State's Office.
- B. Receiving payment, partial or otherwise, for credit repair services before completing all services if Defendant has not first obtained a surety bond or established and maintained a surety account.
- C. Entering into a contract for credit repair services or receiving valuable consideration from a consumer without first providing the consumer a document which includes in 14 point type:
  1. A complete and detailed description of the services to be performed by the organization for the consumer and the total costs of those services;
  2. A complete and accurate statement of the consumer's right to review information on the consumer maintained in a file by a consumer reporting agency as provided by the Fair Credit Reporting Act (15 U.S.C. Section 1681 *et seq.*);
  3. A statement that information in the consumer's file is available for review:
    - (a) without charge on request made to the consumer reporting agency not later than the 30<sup>th</sup> day after the date on which the agency receives notice the consumer has been denied credit; and
    - (b) for a minimal charge at any other time;
  4. A complete and accurate statement of the consumer's right to dispute directly with a consumer reporting agency the completeness or accuracy of an item contained in the consumer's file maintained by the agency;
  5. A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;
  6. A complete and accurate statement explaining
    - (a) when consumer information becomes obsolete; and
    - (b) that a consumer reporting agency is prevented from issuing a report containing obsolete information;

7. A complete and accurate statement on the availability of nonprofit credit counseling services;
- D. Entering into a contract for credit repair services, which does not:
1. Contain the payment terms, including the total payments to be made by the consumer, whether to the organization or to another person;
  2. Fully describe the services the organization is to perform for the consumer, including each guarantee and each promise of a full or partial refund and the estimated period of performing the services, not to exceed 180 days;
  3. Contain the address of the organization's principal place of business; and
  4. Contain the name and address of the organization's agent in this state authorized to receive service of process.
- E. Entering into a contract for credit repair services or receiving valuable consideration from a consumer without first providing the consumer a document which provides in 14 point type: (1) an explanation of the consumer's right to proceed against the surety bond or account obtained under Section 393.302; and (2) the name and address of the surety company that issued the surety bond or that name and address of the depository and the trustee and the account number of the surety account, as appropriate, if Defendant obtains a surety bond or has established and maintained a surety account and is charging for services before the services are completed.
- F. Advertising that he can remove negative items from a credit report without also disclosing that the negative items must be inaccurate or obsolete to be removed; and,
- G. Advertising that he is in compliance with the law if he is not.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant STEVE HENRY MCINTOSH comply with this Order from this date forward.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State of Texas shall have all writs of execution and other processes necessary to enforce this Agreed Final Judgment and Permanent Injunction. Defendant, by his signature below, hereby acknowledges notice of this Permanent Injunction and acceptance of same; therefore, no writ need be issued.

**PENALTIES, ATTORNEY'S FEES AND COSTS**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant STEVE HENRY MCINTOSH pay \$10,000.00 (TEN THOUSAND DOLLARS AND NO CENTS) in Civil Penalties to the State of Texas for the violations of the Texas Deceptive Trade Practices Act and the Texas Finance Code. Terms of payment are set forth in a letter agreement between Defendant

and Plaintiff.

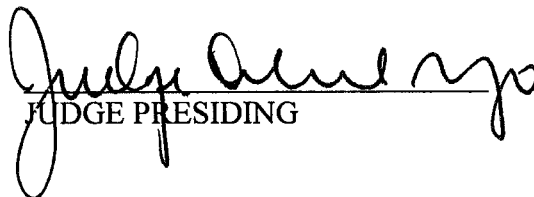
**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant STEVE HENRY MCINTOSH pay \$65,000.00 (SIXTY-FIVE THOUSAND DOLLARS AND NO CENTS) in attorney's fees and costs to the State of Texas for the prosecution of this case. Terms of payment are set forth in a letter agreement between Defendant and Plaintiff.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that if Defendants fail to pay these amount on the effective date of this Order, postjudgment interest at the rate of 8.25% shall accrue.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that each party shall bear their own costs of court.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that all relief not expressly granted herein is denied.

SIGNED this 19 day of June, 2007.

  
JUDGE PRESIDING

**AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:**

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Attorney General of Texas

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**DEFENDANT**

**ATTORNEYS FOR THE STATE OF  
TEXAS**