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UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
**FILED**  
JUL 16 2013  
*lag*  
CLERK, U.S. DISTRICT COURT  
By \_\_\_\_\_  
Deputy

\_\_\_\_\_  
UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
EXPERT GLOBAL SOLUTIONS, INC., f/k/a  
NCO GROUP, INC., a corporation,  
NCO FINANCIAL SYSTEMS, INC., a corporation,  
ALW SOURCING, LLC, a limited liability  
company, TRANSWORLD SYSTEMS INC.,  
a corporation,  
  
Defendants.  
\_\_\_\_\_

Civil Action No.

**3-13 CV 2611-M**

**STIPULATED ORDER FOR PERMANENT  
INJUNCTION AND MONETARY JUDGMENT**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission ("Commission" or "FTC") pursuant to Section 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 56(a), has filed its Complaint for a permanent injunction, civil penalties, and other relief. Defendants Expert Global Solutions, Inc. ("NCO Group"), NCO Financial Systems, Inc. ("NCOF"), ALW Sourcing, LLC ("ALW"), and Transworld Systems Inc. ("Transworld") have waived service of the summons and Complaint. The parties, represented by the counsel identified below, have agreed to this settlement of this action, without adjudication of any issue of fact or law, to resolve all matters in dispute in this action between them by stipulation to this Order for Permanent Injunction and Monetary Judgment ("Order").

**THEREFORE, it is hereby ORDERED, ADJUDGED and DECREED as follows:**

## FINDINGS

1. This Court has jurisdiction of the subject matter and of the parties.
2. The Complaint states a claim upon which relief may be granted against Defendants under Sections 5(a), 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), and 56(a), and the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. §§ 1692-1692p.
3. Venue in this district is proper under 28 U.S.C. §§ 1391(b)-(c) and 1395(a), and 15 U.S.C. § 53(b).
4. The activities of Defendants are in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. Defendants have entered into this Order freely and without coercion. Defendants further acknowledge that they have read the provisions of this Order and are prepared to abide by them.
6. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order and, only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.
7. All parties waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Defendants further waive and release any claim they may have against the Plaintiff or the Commission, and their employees, representatives, or agents.
8. Defendants agree that this Order does not entitle them to seek or obtain attorneys’ fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 100 Stat. 847, 863-64 (1996), and further waive any right to attorneys’ fees that may arise under said provision of law.

9. Entry of this Order is in the public interest.

#### DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. "Debt," for purposes of this Order, means any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

2. "Debt Collector," for purposes of this Order, means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. Notwithstanding the exclusion provided by clause (F) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of this Order, such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests. The term does not include—

- (A) any officer or employee of a creditor while, in the name of the creditor, collecting debts for such creditor;

- (B) any person while acting as a debt collector for another person, both of whom are related by common ownership or affiliated by corporate control, if the person acting as a debt collector does so only for persons to whom it is so related or

affiliated and if the principal business of such person is not the collection of debts;

(C) any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties;

(D) any person while serving or attempting to serve legal process on any other person in connection with the judicial enforcement of any debt;

(E) any nonprofit organization which, at the request of consumers, performs bona fide consumer credit counseling and assists consumers in the liquidation of their debts by receiving payments from such consumers and distributing such amounts to creditors; and

(F) any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity

(i) is incidental to a bona fide fiduciary obligation or a bona fide escrow arrangement;

(ii) concerns a debt which was originated by such person;

(iii) concerns a debt which was not in default at the time it was obtained by such person; or

(iv) concerns a debt obtained by such person as a secured party in a commercial credit transaction involving the creditor.

3. "Collecting on debt" for purposes of this Order, means a Debt Collector recovering

or attempting to recover, directly or indirectly, debts owed or due or asserted to be owed or due another.

4. “Defendants” means Defendants NCO Group, NCOF, ALW, and Transworld, and their successors and assigns.

5. “Investigation,” for purposes of this Order, means objectively evaluating the circumstances and considering information, including an assessment of the relevance, reliability, accuracy, and completeness of such information, to determine whether a person owes a debt in the amount asserted by Defendants while collecting on debt. The information Defendants shall assess in an Investigation shall include but not be limited to:

(A) any applicable information that Defendants received from the credit originator or the creditor to whom the debt is owed, such as: (i) the debtor’s credit application; (ii) the credit contract between the debtor and the credit originator, (iii) documents with the current or former name, address, and telephone phone number of the debtor, (iv) documents with the debtor’s account number, in whole or in part, and account statements, (v) documents with the date and amount of last payment, (vi) documents with the date and outstanding balance at charge-off, and (vii) collector’s notes;

(B) any applicable information that Defendants received from data aggregators, data brokers, consumer reporting agencies, skip tracers, and other third-parties, such as: (i) documents with the current or former name, address, and telephone number of the debtor, (ii) documents with consumer report information, including

credit scores and updates to the information in credit reports, and (iii) the scoring of the debt through the use of a predictive model;

(C) any applicable information that Defendants created or maintained in collecting on the debt, such as collectors' notes; and

(D) any applicable information Defendants received from the person denying, disputing, or challenging the claim that the person owes the debt or the amount of the debt, such as: (i) documents with the person's current or former name, address, and telephone number, (ii) receipts or other evidence of payment from the credit originator, the creditor to whom the debt is owed, or a debt collector, and (iii) canceled checks, bank account statements, credit card statements, and other documents evidencing payment.

6. "Debtor," for purposes of this Order, means any person obligated or allegedly obligated to pay any debt, as well as that person's spouse, parent (if the debtor is a minor), guardian, executor, or administrator.

#### **I. CIVIL PENALTY**

**IT IS ORDERED** that:

A. Judgment in the amount of three million two hundred thousand dollars (\$3,200,000) is entered against Defendants, jointly and severally, as a civil penalty, pursuant to Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

B. Defendants shall make the payment required by this Section within ten (10) days following entry of this Order. Such payment shall be made by electronic fund transfer in

accordance with procedures specified by a representative of the Plaintiff.

C. In the event of any default in payment, which default continues for ten (10) days beyond the due date of payment, the entire unpaid amount, together with interest, as computed pursuant to 28 U.S.C. § 1961 from the date of default to the date of payment, shall immediately become due and payable.

D. Defendants relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendants shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise.

E. Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true, without further proof, in any subsequent civil litigation filed by or on behalf of the Commission to enforce its rights to any payment or money judgment pursuant to this Order.

## II. INJUNCTION AGAINST UNLAWFUL COLLECTION PRACTICES

**IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with collecting on debt, are hereby permanently restrained and enjoined from:

A. Using any false, deceptive, or misleading representation or means in connection with the collection of any debt, including but not limited to falsely representing, directly or indirectly, expressly or by implication, that: (1) Defendants will take steps to prevent the

placement of additional calls to telephone numbers in attempts to collect debts or locate debtors; or (2) Defendants will not place additional calls to telephone numbers in attempts to collect debts or locate debtors;

B. Communicating, except when seeking to acquire location information in compliance with Section 804 of the FDCPA, 15 U.S.C. § 1692b, with any person other than the debtor, the debtor's attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector, in connection with the collection of a debt, unless Defendants have the prior consent of the debtor given directly to Defendants or the express permission of a court of competent jurisdiction, or Defendants can show that such communication is reasonably necessary to effectuate a postjudgment judicial remedy or related to an administrative wage garnishment pursuant to and in compliance with Department of Education regulations;

C. Communicating more than once with persons other than the debtor for the purpose of obtaining location information about the debtor unless such person requests that the Defendants communicate with him or her again or Defendants have a reasonable belief that the person's denial of knowledge of the debtor or the debtor's location in response to Defendants' first location communication was erroneous or incomplete and the person now has correct or complete location information;

D. Engaging in conduct the natural consequence of which is to harass, oppress, or abuse a person, including, but not limited to, causing a telephone to ring, or engaging a person in telephone conversation, repeatedly or continuously with the intent to annoy, abuse, or harass the person at the called number. *Provided that*, for purposes of this



provision (Section II.D), there shall exist a rebuttable presumption of an intent to annoy, harass, or abuse if Defendants place more than one call to any person about a debt after that person has notified Defendants either orally or in writing that the person refuses to pay such debt or that the person wishes Defendants to cease further communication with the person;

E. Communicating with a person in connection with the collection of any debt at a time or place known or which should be known to be inconvenient to the person including, but not limited to communicating with a person at the person's place of employment if Defendants know or have reason to know that the person's employer prohibits the person from receiving such communication;

F. Communicating with a debtor with respect to a debt if the debtor has notified Defendants in writing that the debtor refuses to pay a debt or that the debtor wishes Defendants to cease further communication with the debtor, unless the further communication is: (a) to advise the debtor that Defendants' further efforts are being terminated; (b) to notify the debtor that Defendants or the creditor may invoke specified remedies which are ordinarily invoked by Defendants or the creditor; or (c) to notify the debtor that Defendants or the creditor intend to invoke a specified remedy; and

G. Violating any provision of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692-1692p (a copy of which is attached hereto as Attachment A), including, but not limited to: (1) Section 807, 15 U.S.C. § 1692e; (2) Section 805(b), 15 U.S.C. § 1692c(b); (3) Section 804(3), 15 U.S.C. § 1692b(3); (4) Section 806(5), 15 U.S.C. § 1692d(5); (5) Section 805(a), 15 U.S.C. § 1692c(a); and (6) Section 805(c), 15 U.S.C. § 1692c(c).

**III. INJUNCTION AGAINST UNSUBSTANTIATED CLAIMS**

**IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with collecting on debt, are hereby permanently restrained and enjoined from:

- A. Making any representation, expressly or by implication, that a person owes a debt or as to the amount of a debt, unless, at the time of making the representation, Defendants can substantiate such a representation; and
- B. Failing, after a person denies, disputes, or challenges the Defendants' claim that the person owes the debt or owes the debt in the amount asserted, to:
  1. Within fourteen (14) days after the denial, dispute, or challenge, report the debt as disputed or request deletion of that item from the person's credit reporting file by any credit reporting agency to which the debt was reported by Defendants; and
  2. Promptly after the denial, dispute, or challenge:
    - a. Cease collection, and not sell, provide, or transfer the debt to any person or entity other than the creditor to whom the debt is owed; or
    - b. Commence and complete, within thirty days (30) days after a person denies, disputes, or challenges Defendants' claim that the person owes the debt or that it owes the debt in the amount asserted, an

Investigation of the denial, dispute, or challenge, *provided that* Defendants shall not be required to investigate any denial, dispute, or challenge more than once unless the person provides to Defendants or the Defendants otherwise acquire or obtain information, data, or documentation that was not considered in any prior investigation.

- i. If Defendants reasonably conclude after their Investigation that the person owes the debt in the amount asserted, Defendants, within fifteen (15) days of reaching their conclusion, shall provide verification of the debt to the person, inform the person of their conclusion, and provide the basis for it, after which they may continue collection.
- ii. If Defendants reasonably conclude after their Investigation that the person does not owe the debt, Defendants shall, within fifteen (15) days of reaching their conclusion: (a) inform the person of their conclusion and the basis for it; (b) request that a consumer reporting agency to which the debt has been reported delete the debt from the person's credit reporting file; (c) cease collection; and (d) not sell, provide, or transfer the debt to any person or entity other than the creditor to whom the debt is allegedly owed.
- iii. If Defendants reasonably conclude after their Investigation

that the person does owe the debt but not in the amount that Defendants asserted, Defendants shall, within fifteen (15) days of reaching their conclusion: (a) inform the person of their conclusion and the basis for it; and (b) request that a consumer reporting agency to which the debt has been reported amend the person's credit reporting file to reflect the correct amount of the debt, after which they may continue collection.

*Provided that*, if the person initiates contact with Defendants by any means, Defendants may respond to the person prior to the completion of the Investigation.

*Provided further that*, nothing in this Part affects Defendants' obligation to comply with all applicable provisions of the FDCPA and the Fair Credit Reporting Act ("FCRA").

*Provided further that*, nothing in this Part prohibits Defendants from requiring debtors who deny, dispute, or challenge a debt on the grounds of fraud or identity theft to do so in writing, so long as Defendants clearly and conspicuously disclose these requirements to debtors.

#### **IV. TELEPHONE MESSAGE REQUIREMENTS TO AVOID THIRD-PARTY DISCLOSURE**

**IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with collecting on debt, are hereby permanently restrained and enjoined from:

A. Leaving recorded messages, such as on the voicemail, answering machine, or messaging service of any person, in which Defendants state both: (1) the first or last name of the debtor, and (2) disclose that they are a debt collector, are attempting to collect a debt, or that the debtor owes a debt. *Provided that*, Defendants may leave such a message if: (1) the recorded greeting on the messaging system discloses the person's first and last name, and only that person's first and last name, and that first and last name is the same as the person who allegedly owes the debt; or (2) Defendants have already spoken with the person on at least one prior occasion using the telephone number associated with the messaging system. *Provided further that*, Defendants may not leave such a message under any circumstances if the person has explicitly prohibited Defendants from leaving recorded messages on that phone number.

B. Communicating with a person about a debt in an in-bound call in response to a message left in compliance with Part IV.A for the purpose of acquiring location information for the debtor.

**V. INJUNCTION AGAINST EXCESSIVE TELEPHONE CALLS**

**IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants, employees, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with collecting on debt, are hereby permanently restrained and enjoined from:

A. Contacting any person about a particular account at a telephone number after that person or anyone at that telephone number has informed Defendants, either orally or in

writing, that either (a) the debtor that Defendants are trying to contact cannot be reached at that telephone number or (b) the person does not have location information about the debtor Defendants are trying to reach, unless Defendants have a reasonable belief that the person's earlier statements were erroneous or incomplete, and that such person now has correct or complete location information.

B. Failing to create and maintain (for at least three years from the date of last contact with the person) records documenting that a person has informed Defendants, either orally or in writing, that the debtor that Defendants are trying to contact cannot be reached at that telephone number or the person does not have location information about the debtor that Defendants are trying to reach.

C. Failing to create and maintain (for at least three years from the date of last contact with the person) records documenting that Defendants had a reasonable belief that a person's statement that the debtor Defendants are trying to contact cannot be reached at that telephone number, or that the person does not have location information about the debtor, were erroneous, incomplete, or out of date, before calling that telephone number again.

*Provided that*, for purposes of this subsection V, to have a "reasonable belief" that a person's earlier statements were erroneous or incomplete and that such person now has correct or complete location information, Defendant must have: (1) conducted a thorough review of all applicable records, documents, and database entries for the debtor Defendants are trying to reach to search for any notations that indicate that the debtor cannot be reached at that telephone number or that the person does not have location information about the debtor Defendants are trying to

reach; and (2) obtained and considered information or evidence from a new or different source other than the information or evidence previously relied upon by Defendants in attempting to contact the debtor Defendants are trying to reach, and such information or evidence substantiates Defendants' belief that the person's earlier statements were erroneous or incomplete and that such person now has correct or complete location information.

#### **VI. TELEPHONE COMMUNICATION COMPLIANCE REQUIREMENTS**

**IT IS FURTHER ORDERED** that for a period of six (6) years from the date of entry of this Order, Defendants are hereby restrained and enjoined from failing to create and maintain tape recordings of at least seventy-five (75) percent of all telephone calls between Defendants and anyone they contact in collecting on debt, provided that Defendants must commence making such recordings no later than one (1) year after the date of this Order and must maintain these recording for 90 days after they are made.

#### **VII. ATTORNEY REFERRALS**

This Order shall not apply to attorney and law firm vendors who Defendants arrange to provide legal representation for their clients.

#### **VIII. NOTICE REQUIREMENTS**

**IT IS FURTHER ORDERED** that:

A. For a period of 5 years from the date of entry of this Order, Defendants, whether acting directly or indirectly, shall make the following disclosure clearly and conspicuously on each written collection communication that is sent to a debtor for the purpose of collecting on debt:

Federal and state law prohibit certain methods of debt collection, and

require that we treat you fairly. If you have a complaint about the way we are collecting your debt, please visit our website at [www.ncogroup.com](http://www.ncogroup.com) [or applicable corporate website] or contact the FTC online at [www.ftc.gov](http://www.ftc.gov); by phone at 1-877-FTC-HELP; or by mail at 600 Pennsylvania Ave., NW, Washington, DC 20580. If you want information about your rights when you are contacted by a debt collector, please contact the FTC online at [www.ftc.gov](http://www.ftc.gov).

The above disclosure shall be given in the language(s) that appear in such communications sent to debtors. Defendants shall be responsible for the requirement in Part VIII.A sixty (60) days after entry of this Order. Defendants may also satisfy the requirements in Part VIII.A through use of an insert added to written collection communications for six (6) months after responsibility for the requirement in VIII.A begins.

B. Defendants shall be deemed to have complied with the notice requirement of Part VIII.A of this Order if Defendants provide a notice in a specific state, county, or city that (1) is required by the laws or regulations of that jurisdiction, (2) complies with those laws or regulations, and (3) is substantially similar to the notice required in Part VIII.A, above.

C. Defendants, whether acting directly or indirectly, shall provide a written (electronic or paper) copy of the following notice to all officers, servants, agents, and employees having responsibility with respect to the collection of debts, within sixty (60) days of the date of entry of this Order, and to each employee hired for a period of five (5) years after that date, no later than the time the employee assumes responsibility with respect to the collection of such debts, and shall secure from each such person, within thirty (30) days of delivery, a signed and dated statement acknowledging that he or she has read the notice.



Debt collectors must comply with the federal Fair Debt Collection Practices Act, which limits our activities in trying to collect money from consumers.

Section 804 of the Act says that, when contacting someone to acquire location information about the debtor, you may not state that the debtor owes a debt. You also may not contact this person more than once unless the person asks you to or unless you reasonably believe the person's earlier response was wrong or incomplete and that the person now has correct or complete location information to provide to you.

Section 805 of the Act says that, in connection with the collection of a debt, you may not communicate with any person other than the debtor for a purpose other than to obtain location information about the debtor. This means that you may not reveal the existence of a debt to anyone other than (1) the person who allegedly owes the debt or (2) the debtor's spouse, parent (if the debtor is a minor), guardian, executor, or administrator.

Section 805 of the Act also says that you may not communicate with a debtor in connection with the collection of any debt: (1) at any unusual time or place or a time or place known or which should be known to be inconvenient to the debtor; or (2) at the debtor's place of employment if the debt collector knows or has reason to know that the employer prohibits the debtor from receiving such communication.

Section 805 of the Act also says that, if a person notifies you in writing that they refuse to pay a debt or that they wish you to cease further communication with them, you shall not communicate further with that person with respect to such debt, except: (1) to advise them that further collection efforts are being terminated; (2) to notify them that the debt collector or creditor may invoke specified remedies which are ordinarily invoked by such debt collector or creditor; or (3) where applicable, to notify them that the debt collector or creditor intends to invoke a specified remedy.

Section 806 of the Act states that you may not harass, oppress, or abuse any person in connection with the collection of a debt. Among other things, this includes calling someone repeatedly or continuously to annoy, abuse, or harass the person.

Section 807 of the Act prohibits the use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information about a debtor.

**Individual debt collectors are liable for their violations of the Act, and may be required to pay penalties if they violate it.**

*Provided that*, for purposes of compliance with Part VIII.C of this Order, the signature required for the employee's statement that he or she has read the notice may be in the form of an electronic signature.

**IX. ORDER AND FDCPA ACKNOWLEDGMENTS**

**IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of receipt of this Order and the FDCPA (attached hereto as Attachment A) and as it may hereafter be amended:

- A. Each Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For a period of 5 years from the date of entry of this Order, each Defendant, must deliver a copy of this Order and the FDCPA to: (1) all principals, officers, directors, and managers who formulate, direct, or control Defendants' policies and practices relating to debt collection goods or services who participate in collecting or attempting to collect debts; (2) all employees, agents, and representatives who participate in collecting or attempting to collect debts; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 30 days of entry of this Order for current personnel. To all others, delivery must occur before they assume their responsibilities.
- C. From each individual or entity to which a Defendant delivered a copy of this Order

and the FDCPA, that Defendant must obtain, within sixty (60) days, a signed and dated acknowledgment of receipt of this Order and the FDCPA.

**X. COMPLIANCE REPORTING**

**IT IS FURTHER ORDERED** that Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury. Each Defendant must: (1) designate at least one telephone number and an email, physical, and postal address as points of contact, which representatives of the Commission and Plaintiff may use to communicate with Defendant; (2) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (3) describe the activities of each business, including the products and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant; (4) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (5) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission;

B. For 10 years following entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following: (1) any designated point of contact; or (2) the structure of any Defendant or any entity that Defendant has any ownership interest in or directly or indirectly controls that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any

acts or practices subject to this Order.

C. Each Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_" and supplying the date, signatory's full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *U.S. v. NCO Group, Inc., et al.*, No. 1023201.

#### **XI. RECORDKEEPING**

**IT IS FURTHER ORDERED** that Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years, unless otherwise indicated. Specifically, Defendants, in connection with debt collection activities, must maintain the following records:

A. Accounting records showing the revenues from all debt collection goods or services, all costs incurred in generating those revenues, and the resulting net profit or loss;

B. Personnel records showing, for each person providing debt collection goods or services, whether as an employee or otherwise, that person's: name, addresses, and telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination;

C. Consumer files containing the names, addresses, phone numbers, dollar amounts of debt owed, records of collection activity, and amounts collected;

D. For every consumer complaint, whether received directly, indirectly, or through a third party, records that include:

1. Any complaint and the date received, and the nature of the complaint as reflected in any notes, logs, or memoranda, including a description of the conduct alleged; and
2. The basis of the complaint, including the names of any debt collectors or supervisors complained about; the nature of any investigation conducted concerning the validity of any complaint; all documents relating to the disposition of the complaint, including records of all contacts with the consumer; Defendants' response to the complaint and the response date; whether the complaint was resolved; the date of resolution; and any action taken to correct the conduct complained about.

E. Copies of all scripts and other training materials related to the collection of debts;

F. Copies of all advertisements and other marketing materials relating to offering or providing debt collection goods or services; and

G. All records and documents necessary to demonstrate full compliance with each

provision of this Order, including all submissions to the Commission.

## **XII. COMPLIANCE MONITORING**

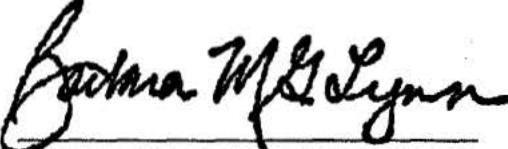
**IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants' compliance with this Order,:

- A. Within 14 days of receipt of a written request from a representative of the Commission or Plaintiff, each Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents, for inspection and copying. The Commission and Plaintiff is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.
- B. For matters concerning this Order, the Commission and Plaintiff is authorized to communicate with each Defendant through undersigned counsel. If such counsel no longer represents the Defendant, the Commission and Plaintiff are authorized to communicate directly with such Defendant. Defendants must permit representatives of the Commission and Plaintiff to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.
- C. The Commission and Plaintiff may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

**XIII. RETENTION OF JURISDICTION**

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

DATE: July 16, 2013

  
UNITED STATES DISTRICT JUDGE

**FOR THE PLAINTIFF:**

**FOR THE UNITED STATES OF AMERICA**

STUART DELERY  
Acting Assistant Attorney General  
Civil Division  
U.S. DEPARTMENT OF JUSTICE

MICHAEL S. BLUME  
Director  
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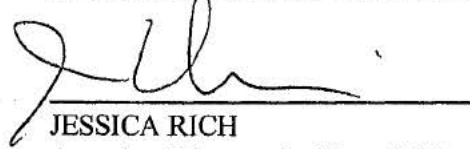
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**FOR THE FEDERAL TRADE COMMISSION:**

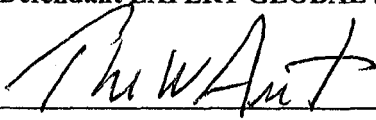


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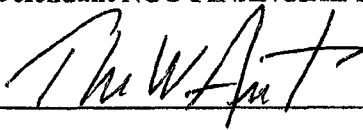
**FOR Defendant EXPERT GLOBAL SOLUTIONS, INC.:**

By: 

*Executive Vice President* of Defendant Expert Global  
Solutions, Inc.

Date: March 11, 2013

**FOR Defendant NCO FINANCIAL SYSTEMS, INC.:**

By: 

*Executive Vice President* of Defendant NCO Financial  
Systems, Inc.

Date: March 11, 2013

**FOR Defendant ALW SOURCING, LLC:**

By: *William L. Alb*

of Defendant ALW Sourcing, LLC

Date: 3/12/13

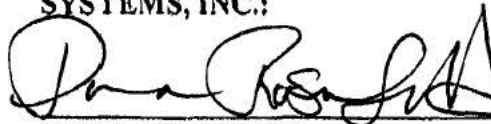
**FOR Defendant TRANSWORLD SYSTEMS INC.:**

By: 

*Executive Vice President* of Defendant Transworld Systems  
Inc.

Date: March 11, 2013

**COUNSEL FOR Defendants EXPERT GLOBAL SOLUTIONS, INC.; NCO FINANCIAL SYSTEMS, INC.; ALW SOURCING, LLC; and TRANSWORLD SYSTEMS, INC.:**



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