

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

ENTERED
FILED

FEB 9 2006

DEPUTY CLERK

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

Civil No. PJM 03-3317

STIPULATED FINAL JUDGMENT AND ORDER AS TO PAMELA PUKKE

Plaintiff, the Federal Trade Commission ("Plaintiff," "FTC" or "Commission"), has filed a Complaint for permanent injunctive and other equitable relief pursuant to Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) and 53(b), and Sections 503 and 505(a)(7) of the Gramm-Leach-Bliley Act ("GLB Act"), 15 U.S.C. §§ 6803 and 6805(a)(7). The Complaint charges the Defendants with unfair or deceptive acts or practices in promoting and offering credit counseling and debt management plans in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). The Complaint also names Pamela Pukke a/k/a Pamela Shuster ("Pamela Pukke") as a relief defendant.

The Plaintiff and Relief Defendant Pamela Pukke, by and through their respective counsel, have agreed to entry of this Stipulated Final Judgment and Order ("Order") by this Court without trial or adjudication of any issue of fact or law, except that Pamela Pukke stipulates that: (1) any and all funds paid pursuant to this Order were derived unlawfully from payments by consumers as a consequence of the acts and practices alleged in the FTC's

complaint; (2) she does not have a legitimate claim to those funds; and (3) those funds are held in constructive trust for consumers. This Order settles only the FTC's claims against Relief Defendant Pamela Pukke, and shall not act as a bar to any claim by the FTC nor preclude the FTC from seeking any remedy against any other persons, corporations, or entities, including persons who may be subject to portions of this Order as persons acting in active concert or participation with Relief Defendant Pamela Pukke or persons who are party to any indemnification agreement with Relief Defendant Pamela Pukke. Further, the Parties have agreed that this Order shall be filed for approval contemporaneously with the filing of a motion for approval of the nationwide class action settlement as to Pamela Pukke in *Alyssa Polacsek, et al. v. Debticated Consumer Counseling, Inc., et al.*, Case Number PJM-04-cv-631 (D. Md.) (consolidated for trial with the Commission's action herein) ("Nationwide Class Action"). These two settlements are intended to resolve all claims pending against Pamela Pukke in the FTC and Nationwide Class Action cases. In the event that, for any reason, the settlement in the Nationwide Class Action does not receive final approval or does not prevail on any appeal taken from a final approval, Pamela Pukke agrees and stipulates that this Order remains final as to the FTC and Pamela Pukke.

NOW, THEREFORE, the Plaintiff and Pamela Pukke (collectively referred to as the "Consenting Parties") having requested the Court to enter this Order,

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

FINDINGS

1. This Court has jurisdiction over the subject matter of the FTC Action and of the Consenting Parties. Venue in the District of Maryland is proper.

2. The Complaint states a claim upon which relief may be granted against Pamela Pukke under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).
3. The activities of Pamela Pukke charged in the Complaint are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. Any and all funds paid pursuant to this Order were derived unlawfully from payments by consumers as a consequence of the acts and practices alleged in the FTC's complaint. Further, Pamela Pukke does not have a legitimate claim to those funds. Therefore, any and all funds paid pursuant to this Order are held in constructive trust for consumers.
5. Pamela Pukke waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order. Pamela Pukke also waives all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412.
6. Entry of this Order is in the public interest.

DEFINITIONS

1. "Receiver" or "Court-Appointed Receiver" shall mean Robb Evans & Associates, LLC, the receiver appointed by the Court in this matter over the assets of Individual Defendant Andris Pukke and Defendant Debtworks, Inc.
2. "Redress Program" shall mean a program to be established and administered by the FTC for the purpose of providing consumer redress as set forth in this Order;
3. "Receivership Property" shall mean any assets, wherever located, that are (1) owned, controlled or held by or for the benefit of Individual Defendant Andris

Pukke or Defendant Debtworks, Inc., in whole or in part; (2) in the actual or constructive possession of Andris Pukke or Debtworks; (3) held by an agent of Andris Pukke or Debtworks, including as a retainer for the agent's provision of services to either or both of them; or (4) owned, controlled or held by, or in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, trust, or other entity directly or indirectly owned or controlled by either Andris Pukke or Debtworks, including The P Family Trust, The P II Family Trust, and The Pukke 2002 Family Irrevocable Trust.

4. "Redress Sum" shall mean all funds paid to the FTC by Relief Defendant Pamela Pukke pursuant to this Order.

I. MONETARY JUDGMENT

IT IS ORDERED that:

A. Judgment is hereby entered against Pamela Pukke and in favor of the FTC for a sum equal to the value of all the assets described in this Subparagraph, the amount of which is approximately \$1,800,000. Pamela Pukke irrevocably assigns, waives, releases, discharges, and disclaims to the Commission any and all right, title, interest, and claims, known and unknown, that she has or may have in, to and against any and all Receivership Property, including but not limited to:

1. the cash proceeds, held in escrow by the Receiver, from the sale of the real estate located at 11509 Dahlia Terrace, Potomac, Maryland 20854;
2. the real property located at 6493 Allison Road, Miami Beach, Florida 33141 ("Allison Road property") and any cash proceeds resulting from the

sale of that property; *provided however*, that upon the sale of the Allison Road property, Pamela Pukke will receive one-half of the net proceeds of the sale (after the payment of all valid liens of record and reasonable and customary closing costs incurred in connection with such sale, including brokerage fees), not to exceed \$500,000, and hereby irrevocably assigns to the Commission any amount of her share in excess of \$500,000, *provided further*, that Pamela Pukke will receive said proceeds only if (i) she cooperates with the Receiver in the sale of the Allison Road property and (ii) the United States Internal Revenue Service releases any claims and liens it has or might have with respect to Pamela Pukke's ownership interest in the Allison Road property. Pamela Pukke will vacate the premises at this address within thirty (30) days notice from the Receiver;

3. all claims, legal and equitable, that she has against Individual Defendant Andris Pukke which have been asserted or which may be asserted in the pending Pukke divorce action, Pukke v. Pukke, Civ. No. 35515-FL (Cir. Ct. Montgomery County);
4. all right, title, interest, and claims in, to, and against any and all assets, real or personal, held by the Receiver, and Pamela Pukke will seek no further payments from the Receiver.

B. Notwithstanding Subsection I.A. of this Order, Pamela Pukke may retain the following two assets currently held by Pamela Pukke and identified by Pamela Pukke in her financial disclosure statement relied upon by the Commission in reaching this settlement and

referenced in Subsection II.A.:

1. The Citibank bank account held in her name; and
2. The Secondary Life One, LP investment held in her name.

C. Pamela Pukke releases and waives any statutory, common law, or other homestead exemption that may apply to the Allison Road property, or to any other real or personal property in which Pamela Pukke has any interest as of the date of this Order and shall not declare or claim any homestead exemption in the Allison Road property or such other property. Pamela Pukke also releases and waives any statutory, common law or other exemption in any and all assets, real or personal, held by the Receiver.

D. Pamela Pukke shall cooperate fully with the Commission and be responsible for preparing, executing, and recording the necessary documents and doing whatever else the Commission deems necessary or desirable to evidence and effect the assignment, waiver, release, discharge, and disclaimer to the Commission of her right, title, interest, and claims in, to and against the assets held by the court-appointed Receiver and to carry out the purposes of this Order.

E. Any and all funds paid pursuant to this Order shall be held by the Receiver as Receivership Property to be used by the Commission for equitable relief including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. If the related settlement in the Nationwide Class Action receives final approval and prevails on any appeal taken thereof, the FTC and counsel for the plaintiffs in the Nationwide Class Action shall agree upon a program whereby the funds will be distributed fairly to class members in the Nationwide Class Action, including both Ameridebt and other consumers in the

class, and for plaintiffs' attorneys' fees and costs as approved by the Court in the Nationwide Class Action, *provided, however*, that the FTC reserves the right to object to the amount of attorneys' fees and costs requested by plaintiffs' counsel in the Nationwide Class Action. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC, in consultation with plaintiffs' counsel in the Nationwide Class Action, may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices as alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Pamela Pukke has no right to challenge the FTC's choice of remedies under this Subsection.

F. Pamela Pukke further agrees that the facts as alleged in the Complaint shall be taken as true, without further proof, in the event of any subsequent litigation to enforce this Order or to collect amounts due pursuant to this Order, including, but not limited to, a nondischargeability complaint filed in any bankruptcy case.

G. Notwithstanding any other provision of this Order, if Pamela Pukke fails to meet any of the payment and other obligations set forth in this Order, Pamela Pukke shall pay the costs and attorneys' fees incurred by the FTC and its agents in any attempts to collect amounts due.

H. Pamela Pukke relinquishes all dominion, control and title to the funds paid to the FTC pursuant to this Order. Pamela Pukke shall make no claim to or demand for the return of the funds, directly or indirectly, through counsel or otherwise.

I. All funds paid pursuant to this Order are equitable monetary relief, solely remedial in nature, and not a fine, penalty, punitive assessment, or forfeiture.

II. RIGHT TO REOPEN

A. The Commission's agreement to, and the Court's approval of, this Order as to Pamela Pukke is expressly premised upon the truthfulness, accuracy, and completeness of Pamela Pukke's financial condition, as represented in her financial statement dated July 20, 2005, including any attachments, and in any other documents or testimony submitted by Pamela Pukke, upon which the Commission relied in negotiating and agreeing to the terms of this Order. By agreeing to this Order, Pamela Pukke reaffirms and attests to the truthfulness, accuracy, and completeness of her financial statement dated July 20, 2005.

B. If, upon motion by the Commission, this Court finds that Pamela Pukke failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from her financial statement, this Court will enter judgment in the amount of \$4,000,000, which will immediately become due and payable, less any funds received pursuant to Section I of this Order. Interest on the judgment shall be computed at the rate prescribed under 28 U.S.C. Section 1961, as amended, which shall be due from the date of entry of this Order, and the Commission will be permitted to execute upon the judgment immediately and engage in discovery in aid of execution.

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

D. For the purposes of this Section and any subsequent proceedings to enforce the Commission's rights against Pamela Pukke under this Order, including but not limited to a non-dischargeability complaint filed in any bankruptcy case, Pamela Pukke agrees that the facts

as alleged in the Commission's Complaint shall be taken as true without further proof.

III. EFFECT OF NATIONWIDE CLASS ACTION SETTLEMENT

IT IS FURTHER ORDERED that the claims settled in this Order shall be distinct and severable from any claims advanced by the plaintiffs in the Nationwide Class Action and settled with Relief Defendant Pamela Pukke. If the United States District Court for the District of Maryland or any appeals court should decline to certify, decertify, or refuse to approve the settlement of any such claims, that decision shall not affect either the implementation of the Redress Program or the terms of this Order.

IV. COORDINATION WITH NATIONWIDE CLASS ACTION

IT IS FURTHER ORDERED that the FTC and counsel for the plaintiffs in the Nationwide Class Action shall negotiate and agree upon the content and manner of dissemination of the Class Action Notice to be submitted to and approved by the United States District Court for the District of Maryland in the Nationwide Class Action. The National Class Action plaintiffs shall bear all costs associated with dissemination of the Class Action Notice. In addition, plaintiffs' counsel in the Nationwide Class Action shall bear all costs associated with receiving and processing consumers' requests for exclusion ("opt outs") from the class. Plaintiffs' counsel shall not be responsible for any costs directly related to the FTC's redress program (*e.g.*, the provision of redress checks to AmeriDebt consumers).

V. REDRESS PROGRAM ADMINISTRATION

IT IS FURTHER ORDERED that the Redress Program shall be established and administered by the FTC in its sole discretion for the purpose of providing consumer redress to Ameridebt consumers. The FTC, in consultation with plaintiffs' counsel in the Nationwide Class

Action, shall determine the plan for the disbursement of the funds to Ameridebt consumers in the Nationwide Class Action. Class members shall be notified that the FTC's redress distribution to Ameridebt consumers constitutes a distribution from the Nationwide Class Action and satisfies the Nationwide Class Action's obligations to Ameridebt consumers. The FTC, in its sole discretion, shall assign the administration of the Redress Program to one of its approved contractors (Redress Program Administrator), or such other entity as ordered by the Court upon the FTC's request. Pamela Pukke shall have no right to contest the substance or manner of distribution of redress, nor the FTC's selection of the Redress Program Administrator.

VI. COOPERATION WITH GOVERNMENT COUNSEL

IT IS FURTHER ORDERED that Pamela Pukke shall, in connection with the FTC action, including the bankruptcy case filed by Andris Pukke, Case No. 8:05-cv-02362-PJM (D. Md.), cooperate in good faith with the FTC and appear at such places and at such times as the FTC shall reasonably request for interviews, conferences, pretrial discovery, review of documents, and for other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Pamela Pukke shall appear and provide testimony under oath in any trial, deposition, or other proceeding in connection with the FTC action, including Andris Pukke's bankruptcy case, without the service of a subpoena.

VII. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Pamela Pukke, within five (5) business days after receipt of this Order as entered by the Court, must submit to the FTC a truthful sworn statement acknowledging receipt of this Order, in the form set forth in Attachment A.

VIII. COSTS AND ATTORNEYS FEES

IT IS FURTHER ORDERED that all parties to this Order will bear their own costs and attorneys fees incurred in connection with this action.

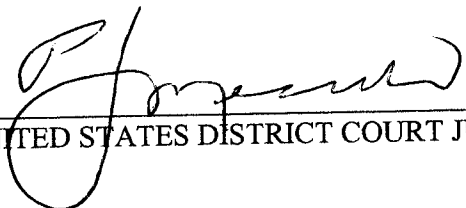
IX. RETENTION OF JURISDICTION

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

X. ENTRY OF THIS FINAL JUDGMENT

IT IS FURTHER ORDERED pursuant to Fed. R. Civ. P. 54(b), that there is no just reason for delay of entry of this judgment and the Clerk immediately shall enter this Order as a final judgment as to Pamela Pukke.

SO ORDERED this 8 day of FEB, 2006.



UNITED STATES DISTRICT COURT JUDGE

STIPULATED AND AGREED TO BY:



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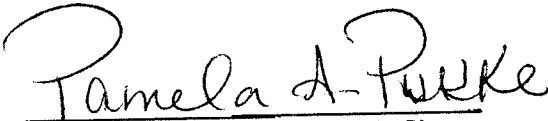
By: Pamela Pukke a/k/a Pamela Shuster,
Individually

By: Robert M. Adler
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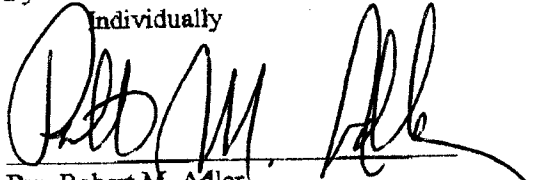
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[Attachment A: Affidavit for Receipt of Final Order]

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

_____)	
FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil No. PJM 03-3317
)	
AMERIDEBT, INC., et al.,)	
)	
Defendants.)	
)	
_____)	

[Name of defendant], being duly sworn, hereby states and affirms as follows:

1. My name is _____. My current residence address is _____.

I am a citizen of _____ and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a relief defendant in *Federal Trade Commission v. Ameridebt, Inc., et al.* Civil No. PJM 03-3317 (United States District Court for the District of Maryland).

3. On _____, I received a copy of the Stipulated Order for Permanent Injunction and Final Judgment, which was signed by the Court, 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]

State of _____, City of _____

Subscribed and sworn to before me this ___ day of _____, 2006.

Notary Public

My Commission Expires: