

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA,**

**Plaintiff,**

**v.**

**CASE NO. 06-725 (JP)**

**PAYMENT PROCESSING CENTER,  
LLC, DONALD M. HELLINGER,  
MICHAEL WEISBERG, RANDY  
D. TROST, JAMI M. PEARLMAN,  
MICHELLE O'KEEFE QUIGLEY,  
RONALD HELLINGER, AND  
ROBERT DEBOYACE,**

**Defendants.**

**PERMANENT INJUNCTION BY CONSENT  
OF ALL DEFENDANTS**

**WHEREAS**, the United States of America, filed a Verified Complaint for Injunctive Relief seeking a temporary restraining order, a preliminary and permanent injunction, and other equitable relief, under the Anti-Fraud Injunction Statute, 18 U.S.C. § 1345;

**WHEREAS**, the United States filed a motion for an ex parte temporary restraining order and preliminary injunction ("TRO") as to defendants Payment Processing Center, LLC ("PPC"), Donald M. Hellinger, Michael Weisberg, Randy D. Trost, and relief defendants Jami M. Pearlman, Michele O'Keefe Quigley, Ronald Hellinger, and Robert DeBoyace;

**WHEREAS**, the Court, upon a finding of probable cause that the defendants were engaged in mail fraud, 18 U.S.C. §1341, wire fraud, 18 U.S.C. §1343, and violations of banking

**FINAL**

laws, as defined by 18 U.S.C. §3322, granted the United States' ex parte request for a TRO, as amended, on February 21, 2006;

**WHEREAS**, on April 7, 2006, the parties entered a Stipulated Preliminary Injunction;

**WHEREAS**, on July 6, 2006, the United States filed an Amended Verified Complaint for Injunctive Relief;

**WHEREAS**, defendants deny liability under 18 U.S.C. §1345, and the Court's entry of this Permanent Injunction does not represent a finding that defendants have violated the law as alleged by the United States in its complaints; this stipulation is for settlement purposes only, and does not constitute an admission of facts or violations of law as alleged by the United States in its complaints, and defendants deny same; and with the understanding that the defendants contend that they have at all times been in compliance with all applicable laws, and that they do not agree or concede that the claims or allegations asserted by the government have merit;

**WHEREAS**, the fact that defendants have agreed to a permanent injunction shall not be admitted into evidence or otherwise used against them in any other matter;

**WHEREAS**, the Court has jurisdiction over all parties to this Permanent Injunction as to All Defendants (the "Permanent Injunction");

**WHEREAS**, entry of this Permanent Injunction is in the public interest; and

**WHEREAS**, the defendants agree that this Permanent Injunction is binding upon each of them;

**NOW, THEREFORE**, the parties do hereby **CONSENT**, and it is **ORDERED**, as follows:

**I.**  
**TERMINATION OF PPC'S OPERATIONS**  
**AND APPOINTMENT OF PERMANENT RECEIVER**

1. PPC shall cease all operations effective immediately.
2. The Court appoints Wayne Geisser of Nihill & Riedley, P.C. as the Permanent Receiver for PPC (the "Receiver"). The Receiver shall locate and collect all of PPC's assets for the primary purposes of implementing a restitution program for consumers and of preserving PPC's assets, books and records.
3. The Receiver is authorized to:
  - a. take and retain immediate possession, custody, and control of all assets and property of PPC, and the books and records of PPC; *except* that the Receiver shall not take possession, custody, or control of PPC's Wachovia Account No. 2000013369448, nor any account registered in the name of NSF Check Recovery, LLC ("NSF"), nor the books and records of NSF. The defendants shall make available to the Receiver reasonable access to the books and records of NSF, upon request, only for the purpose of reconciling amounts owed by NSF to PPC (if any);
  - b. take all steps he deems necessary to secure and protect the assets and property of PPC, including but not limited to the premises, files, and information systems of PPC;
  - c. acquire and retain all rights and powers that the owners of PPC would have to manage, control, and maintain PPC (including but not limited to the power to direct, hire, suspend, and terminate personnel), and to possess, receive, or use income, earnings, rents, and profits to commence, maintain, defend, or participate in legal proceedings, to sue for, collect,

receive and take into possession all goods, chattels, rights, general intangibles, rights in legal actions, credits, monies, effects, lands, books and records of account, and other papers, including exclusive authority to make expenditures on behalf of PPC, and make necessary tax filings for the time period after the entry of the Permanent Injunction, with a view to preserving assets and the records of PPC.

d. open and close bank accounts and securities accounts; to purchase or sell securities in any such account of PPC; and to execute checks or otherwise disburse money from those bank or securities accounts of PPC to pay its obligations in the normal course of the receivership and liquidation;

e. take such further action as the Court shall deem equitable, just and appropriate under the circumstances upon proper application.

4. The Receiver shall make no payment, distribution, or redemption to any defendant, except to the extent the Receiver chooses to compensate such defendant for specific services performed on behalf of the Receiver, or as otherwise ordered by the Magistrate Judge.

5. The Receiver, upon notice to the parties, may apply to the Court and/or the Magistrate Judge for further instructions or for additional authority, upon good cause shown, as may be needed to accomplish the Receiver's purposes.

6. The Receiver shall report to the Magistrate Judge and the parties within 60 days of the entry of this Permanent Injunction the following information:

a. all assets, liabilities, money, funds, securities, and real or personal property currently held directly or indirectly by or for the benefit of PPC and any controlled, related, or affiliated entities, including but not limited to bank accounts, brokerage accounts, investments,

business interests, and real and personal property, wherever situated, identifying and describing each asset and liability, its current location and account;

b. the names, last known addresses, and account-identifying information of all financial institutions, bailees, debtors and other persons and entities that are currently holding any money, assets, funds, securities, real or personal property for the direct or indirect benefit of PPC.

7. Defendants and their successors, assigns, shareholders, officers, agents, servants, employees, or subsidiaries and those persons in active concert or participation with them, who receive actual notice of this Permanent Injunction, by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are enjoined and restrained from interfering in any way with the functions and duties of the Receiver and shall take no action, directly or indirectly, to hinder or obstruct the Receiver in the conduct of his duties.

8. The Receiver and all personnel hired by the Receiver as herein authorized shall be entitled to reasonable compensation for the performance of duties pursuant to this Permanent Injunction, and for reasonable out-of-pocket expenses incurred by them, to be paid from PPC's Operating Fund (as defined in Paragraph Nos. 37, 39), upon approval of the Magistrate Judge. The Receiver shall file with the Clerk of the Court, and serve on the parties, periodic accountings and requests for the payment of such reasonable compensation.

9. A bond shall be required in connection with the appointment of the Receiver. PPC shall pay the reasonable costs and expenses thereof.

10. The Receiver and all persons whom he may engage or employ to assist him in carrying out his duties and obligations hereunder shall not be liable for any act or omission of the Receiver or such person, or any of their partners, employees, or agents, unless it shall be proven that the Receiver or such other person acted in bad faith. This provision shall apply to claims based on conduct during the term of any agreement that may be entered into between the Receiver and any other person who may be engaged or employed by the Receiver hereunder, even if such claims are filed after the termination of any such agreement.

11. The Receiver shall be responsible for filing PPC's federal, state and local tax returns. Neither the Receiver nor PPC shall be responsible or liable for payment of any tax obligation owed by the individual defendants. The Receiver shall not distribute any PPC assets (other than to Consumers pursuant to Paragraph Nos. 16, 45-55) until the Receiver has determined that all tax obligations of PPC as an independent entity have been satisfied, except that with the approval of the Magistrate Judge the Receiver may make a partial distribution after determining that sufficient PPC assets exist to satisfy any such PPC tax obligation. All tax refunds to PPC as an independent entity shall be assets of PPC.

12. PPC shall indemnify, defend and hold harmless the Receiver and his firm and his or its agents, employees, consultants, successors, and assigns, from and against all actions (pending or threatened and whether at law or in equity forum), liabilities, damages, losses, costs and expenses including but not limited to reasonable attorney's fees and other professional fees arising from the conduct or omission of the Receiver or his firm and his or its agents, employees, consultants, successors, and assigns, arising from the Receivership, except if it is proven that the Receiver or such other person acted in bad faith.

13. The defendants shall indemnify, defend and hold harmless the Receiver and his firm and his or its agents, employees, consultants, successors, and assigns, from and against all actions (pending or threatened and whether at law or in equity forum), liabilities, damages, losses, costs and expenses including but not limited to reasonable attorney's fees and other professional fees arising from the conduct or omission of the Receiver or his firm and his or its agents, employees, consultants, successors, and assigns, for the defendants' conduct occurring before the entry of the Permanent Injunction.

14. The defendants shall indemnify, defend and hold harmless the Receiver and his firm and his or its agents, employees, consultants, successors, and assigns, from and against all actions (pending or threatened and whether at law or in equity forum), liabilities, damages, losses, costs and expenses including but not limited to reasonable attorney's fees and other professional fees arising from the defendants' conduct or failure to act concerning PPC's non-consumer creditors after the date of the Permanent Injunction.

15. The defendants agree to cooperate in good faith with the Receiver for the purpose of identifying assets belonging to PPC, and collecting and preserving the assets of PPC.

16. The Receiver shall pay all Consumer requests for refunds verified by the Receiver that have been received by PPC or by the Receiver on or before the entry of this Permanent Injunction and shall take reasonable steps to assure that Consumers to whom refund checks have been issued pursuant to this Court's orders have received, and have had an opportunity, to deposit such checks.

17. The Receiver shall not have the power to waive the attorney-client privilege on behalf of PPC. PPC's right and ability to assert and defend the attorney-client privilege shall be

vested in PPC through defendant Michael Weisberg. In the event that defendant Weisberg elects to assert or defend the attorney-client privilege on behalf of PPC, defendant Weisberg may seek indemnification from PPC for the legal fees and costs reasonably incurred in connection with the assertion and defense of the privilege on behalf of PPC. The Magistrate Judge shall decide whether PPC shall indemnify defendant Weisberg, and the amount of any such indemnification. Weisberg shall not be indemnified by PPC for legal fees incurred asserting or defending the privilege of any individual defendant, or where the Magistrate Judge determines that the assertion or defense of the privilege on behalf of PPC was frivolous or in bad faith. Legal fees shall not be indemnified by PPC at a rate greater than \$250 per hour.

18. The Receiver shall not file suit against any of the defendants or against MOQ Financial, LLC, Business Development Services Corp., LLC, Choices Unlimited, LLC, ODI Financial Solutions, LLC, Payment Processing Solutions, LLC, JMP Consulting, LLC, RDT, LLC, or DM Capital (the "Defendants' Entities").

19. The Receiver shall not file suit against Nylon Holdings, LLC ("Nylon"), unless the Receiver determines that PPC has a claim against Nylon for an amount in addition to the \$1,238,229 referenced in Paragraph No. 35.

20. The Receiver shall not file suit against NSF, unless the Receiver determines that PPC has a claim against NSF for an amount in excess of \$67,319, in connection with the reconciliation of amounts owed by NSF to PPC, if any.

21. The Receiver shall not file suit against any of the following entities to recover costs incurred before the entry of the Permanent Injunction associated with the use of PPC's office resources, e.g., physical space, computers, telephones, administrative and personnel

support, and office supplies: DONJA, First Liberty, American Research Service Center, SJD Real Estate, Sentrex, Direct Technologies, CRS Holding, UBC Corp., Transaction Support Services, JODA Management, Inc, NSF, and Nylon.

22. The following entities are barred from filing suit against PPC for any reason whatsoever: the Defendant Entities, DONJA, First Liberty, American Research Service Center, SJD Real Estate, Sentrex, Direct Technologies, CRS Holding, UBC Corp., Transaction Support Services, JODA Management, Inc, NSF, and Nylon, except if the Receiver makes any claims against NSF or Nylon pursuant to Paragraph Nos. 19 or 20, above, NSF or Nylon may file counterclaims against PPC.

23. The hourly billing rate of the Receiver, anyone in the Receiver's firm, and counsel for the Receiver, shall be capped at \$250. After December 31, 2007, the Receiver may make application to the Magistrate Judge for a reasonable fee increase (for the Receiver and any professionals).

24. The Receiver shall not pay legal fees or costs in connection with the defense of this action that are incurred after the date of this Permanent Injunction, *except* that subject to approval by the United States Magistrate Judge, the Receiver may pay legal fees for services provided by PPC's current counsel to the Receiver for matters relating to implementing the Permanent Injunction and/or assisting the Receiver. Such legal fees shall be capped at the rate of \$250 per hour. Legal fees incurred by PPC prior to the entry of the Permanent Injunction shall be paid subject to the process in place before the entry of the Permanent Injunction.

25. The Receiver shall maintain all of the records of PPC, including all electronically-stored information, until further order of the Magistrate Judge. The Receiver shall provide the parties reasonable access to the books and records of PPC.

## II. PERMANENT INJUNCTION AND CERTIFICATION

26. The defendants are hereby enjoined permanently from engaging or participating in any activity in which an unsigned bank draft is processed as part of a consumer transaction arising out of telemarketing, or receiving payment or consideration in any form from any source in connection with such processing activity arising out of telemarketing. For purposes of this Permanent Injunction, “telemarketing” means a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones, and which involves more than one interstate telephone call, as set forth in 16 C.F.R. §310.2(cc).

27. The defendants are hereby enjoined permanently from engaging or participating in any activity in which an unsigned bank draft is processed as part of a consumer transaction arising out of a solicitation other than telemarketing, or receiving payment or consideration in any form from any source in connection with such processing activity arising out of a solicitation other than telemarketing, *except where*:

- a. the solicitation is not false or misleading;
- b. the solicitation clearly and conspicuously:
  - i. describes the offered product of service;

- ii. provides payment terms;
  - iii. provides a process for cancelling a contract of purchase;
  - iv. provides a process for obtaining a refund and the address and operating toll-free telephone number for effectuating a refund;
  - v. states that the consumer should keep the solicitation for his or her records;
- c. if the solicitation is for a membership program, it also includes the following statement or substantially similar words that have the same substantive meaning and does not materially change any of the terms of the disclosure:

Accepting the enclosed offer will result in a charge of [\$\_\_\_\_\_]  
[then current (annual or monthly, as applicable, fee)] to your [name  
of account] for a membership in [Membership Program] unless you  
cancel within the Trial Offer period. To cancel, you must call [toll-  
free number] within [length of Trial Offer period] of the date you  
receive your membership fulfillment materials. We will not have  
to ask for [if applicable: your [name of account, account number]  
or your further consent to charge you. [If a corporate logo appears  
on the solicitation and is otherwise applicable: Membership  
Program is not affiliated with [corporation identified with logo].  
At the end of each membership term, or if billed monthly, each  
billing cycle, [membership Program] will charge your [name of

Account] Account the membership fee in effect at that time unless  
you call to cancel.

28. The disclosures required in Paragraph 26 (a)-(c) must be made in the solicitation  
in any one of the following ways:

- i. in the first paragraph of the main body;
- ii. in the first page of the main body in type which is bold and of  
equal or greater font-size in comparison to the majority of other text on the page;
- iii. in the main body, if a clear and conspicuous notice is included at  
the bottom of the first page of the main body stating the following, or substantially similar words  
that have the same substantive meaning and do not materially change the terms of the disclosure:

Important Notice: Your [name of account] will automatically be  
charged for the [membership] fee if you accept this offer and fail to  
cancel within the Trial Offer period [if applicable]. See [as  
applicable: below, over, next page, page \_\_] for details”; or

- iv. in the main body, if there is included on the first page of the main  
body clear and conspicuous information regarding the offer, including (1) the price; (2) that the  
consumer will be charged if he or she does not cancel within the Trial Offer period (if  
applicable); (3) the terms of any automatic renewal feature. Items (1) through (3) shall be  
disclosed in close proximity to one another, without the use of any form or any of the words  
otherwise specified when providing this information.

29. Upon the United States' written request, the defendants shall provide to the United States a sample of each solicitation offered to consumers pursuant to Paragraph No. 26 no later than 30 days after such request. This requirement shall expire January 1, 2012.

30. Upon the United States' written request, the defendants shall provide to the United States copies of all written complaints received relating to each solicitation offered to consumers pursuant to Paragraph No. 26 (which written complaints the defendants shall maintain for no less than one year from receipt), and the names and contact information for the ten most recent consumers (as of the date of the United States's request ) who had accepted the solicitation. This requirement shall expire January 1, 2012.

31. The defendants may otherwise engage in the processing of unsigned bank drafts where: (1) a check is hand-signed by the consumer; and (2) the hand-signed check has been returned by a depository bank on the ground of insufficient funds; and (3) an unsigned bank draft is used solely to collect a fee or penalty from the consumer's bank account; and (4) the consumer has been sent written notice clearly stating that a fee or penalty may be charged and collected by use of an unsigned bank draft for checks returned for "insufficient funds"; and (5) all actions taken in connection with the processing of the consumers' checks and the collection of fees or penalties comply with state and federal laws and regulations.

32. Each defendant shall certify to the Court annually that he or she is in compliance with this Permanent Injunction. The certification shall be filed with the Clerk and served upon the United States on or about December 1. This requirement shall expire January 1, 2012.

33. Each defendant shall notify the United States on or about April 15 of each year the following information:

- a. the location of the defendant's residence and all mailing address(es) and home telephone number(s);
- b. the name, address, telephone number and principals of each person or business from which the defendant has received income (of any kind whatsoever) during the preceding year of \$10,000 or more, or other consideration valued at \$10,000 or more;
- c. for each business identified in subsection (b), a statement of the nature of the activity in which the business is engaged, including a statement of the defendant's duties and responsibilities in connection with the business;
- d. changes in defendant's name or use of any aliases or fictitious names. All changes with respect to any of the required information shall be reported to the United States within ten days of occurrence.

The requirements in this paragraph shall expire January 1, 2012.

### **III. LIQUIDATION OF PPC'S ASSETS AND CREATION OF CONSUMER FUND**

34. All of PPC's assets shall be liquidated and consolidated by the Receiver (subject to the limited exceptions identified in Paragraph No. 3(a)). These assets include but are not limited to all PPC bank accounts under restraints imposed by the Court, all PPC assets deposited into other bank accounts, all PPC assets identified by the Receiver as being owned or beneficially owned by PPC, all PPC assets collected or liquidated by the Receiver after the entry of this Permanent Injunction, and all of PPC's office equipment and other property (including its computers). Funds already transferred from PPC to the defendants or the Defendants' Entities

before the entry of the Permanent Injunction, and funds held in the individual defendants' or the Defendants' Entities' own names, are not assets of PPC.

35. The defendants shall deliver to the DECHERT, LLP Client Escrow Fund the full amount of the loans the defendants made to Nylon, which amount defendants hereby represent total \$1,238,229 (the "Nylon Escrow Amount"). Upon entry by the Court of this Permanent Injunction, DECHERT LLP shall transfer the Nylon Escrow Amount to the Receiver.

36. The defendants shall deliver \$67,319 to the DECHERT LLP Client Escrow Fund to secure any amounts that may be owed by NSF to PPC. Within 60 days of the entry of the Permanent Injunction, the Receiver shall determine all amounts owed by NSF to PPC, if any. Any amount owed to by NSF to PPC shall be paid from the DECHERT LLP Client Escrow Fund to the Receiver within 30 days of notice by the Receiver. If the Receiver determines that no money is owned by NSF to PPC, the escrowed money shall be released.

37. After aggregating all of PPC assets, the Receiver shall allocate PPC's assets between a Consumer Fund and an Operating Fund. The Consumer Fund shall receive a ninety-four percent (94%) allocation, and the Operating Fund a six percent (6%) allocation. At the Receiver's discretion, such allocation may be accomplished by separate accounts or by an allocation of any single account.

38. The money in the Consumer Fund shall be used only for restitution to Consumers, unless otherwise ordered by the Magistrate Judge.

39. The money in the Operating Fund shall be made available for administrative costs and related expenses of the Receiver, and the notice and claims costs for the Restitution Program, as defined below. If the Receiver determines that the Operating Fund is insufficient to pay the

costs associated with the Receiver and the Claims Procedure, the Receiver shall notify the Magistrate Judge and the parties and may seek an Order to allow payment of administrative expenses from the Consumer Fund.

40. All administrative costs, including those of the Receiver and Restitution Program, shall receive first priority in payment. As necessary, the Receiver shall establish reasonable reserves for future expenses for such items as continuing expenses associated with maintenance and storage of both electronic and paper records; tax filings; outstanding legal matters; and costs associated with winding-up PPC affairs including corporate dissolution. Such reserves for administrative costs shall also be deemed first priority obligations. Claims of Consumers shall receive second priority in payment. Claims of all non-consumer creditors shall be paid as a third priority, only after all expenses in the first two priority categories are satisfied and to the extent that any funds may be available to make such payments.

41. The Receiver, at his sole discretion but only after conferring with the parties, shall provide notice to PPC's non-consumer creditors of the existence and terms of this Permanent Injunction, and the possible dissolution of PPC. The defendants (directly or through counsel) shall cooperate in good faith with the Receiver concerning the resolution of claims of non-consumer creditors.

42. The United States may participate in any legal proceedings arising from creditor claims against PPC, and any other legal proceeding arising from this Permanent Injunction.

43. Counsel representing any of the defendants may appear in any legal proceeding arising from this Permanent Injunction on behalf of one or more of the individual defendants (at the cost of the respective individual defendant(s)), but not the corporate defendant.

44. The Receiver may provide status reports to the Magistrate Judge at appropriate times and may seek an Order to approve any plans for partial or final distribution and/or resolution of PPC's affairs.

#### **IV. RESTITUTION PROGRAM**

45. A Restitution Program shall be created for the benefit of consumers. For purposes of the provisions of the Permanent Injunction relating to the Restitution Program, the term "Consumer" means a person who has had money withdrawn from his or her bank account by a bank draft created by PPC, and who has not already received a full refund for such transaction(s) (subject to resolution of Star Claims, as referenced in Paragraph No. 59).

46. The Restitution Program shall be executed expeditiously in accordance with the proposed schedule set forth in Exhibit A, which may be modified by the Magistrate Judge.

47. The Receiver shall select and retain a claims administrator to implement the Claims Procedure, after receiving comment from the parties.

48. The United States shall design a notice and claims program to be directed to Consumers (the "Claims Procedure"), and shall design a plan for the allocation of the Consumer Fund.

49. The Claims Procedure and the allocation plan for the Consumer Fund shall be approved by the Magistrate Judge after the parties have had a reasonable opportunity to comment.

50. The Claims Procedure shall include the mailing to each Consumer of a notice, a claim form, and a pre-paid postage method for the return of the claim form to the claims administrator. The administrator shall identify for each Consumer as part of the notice and claim form each transaction processed by PPC for which a refund has not been paid by PPC. Claims forms shall be returned to the claims administrator no later than 90 days after the mailing of the notice.

51. Within 20 days after the claims administrator informs the Receiver that all timely claims have been received and processed, the Receiver shall authorize the distribution of the money in the Consumer Fund to Qualified Claimants in full, or on a pro rata basis if the amount in the Consumer Fund is not sufficient to pay all Qualified Claims in full. Subject to an opportunity for the parties to comment, the Magistrate Judge shall retain authority to modify the allocation plan after all claim forms have been received and evaluated by the claims administrator.

52. For purposes of this Permanent Injunction, a “Qualified Claimant” is a Consumer who has not already received a full refund from PPC has returned the claim form postmarked within ninety days of the Receiver’s mailing, and who has certified that the transaction(s) at issue: (a) were not authorized; (b) were based upon authorization(s) obtained through false or misleading representations; or (c) did not result in the offered product or service being received by the Consumer. Notwithstanding defendants’ agreement to the definition of the term “Qualified Claimant,” the defendants do not admit that any person suffered a compensable harm or is entitled to any relief.

53. The Receiver shall use a separate and distinct bank account to disburse money to Consumers in connection with the Restitution Program.

54. The administrative cost and related expenses of the Restitution Program shall be paid from the Operating Fund and not from the Consumer Fund, unless the Magistrate Judge determines that the balance of the Operating Fund is not sufficient to pay the administrative costs and related expenses.

55. The Court in any criminal action may consider this Restitution Program in connection with determining whether or to what extent further restitution should be required as part of any criminal proceeding.

**V.  
DISPOSITION OF PPC ASSETS**

56. After the Receiver notifies the Magistrate Judge and the parties that all Qualified Claims have been paid in full and that funds remain in the Consumer Fund, the Magistrate Judge shall decide, after comments by the parties, the disposition of the remaining funds.

57. No later than 7 months after the mailing of restitution checks to Consumers, the Receiver shall notify the Magistrate Judge of the aggregate amount of Consumer restitution checks not settled. The Magistrate Judge shall decide, after comments by the parties, the disposition of funds held by the Receiver due to unsettled Consumer restitution checks.

58. After the Receiver notifies the Magistrate Judge and the parties that all of the obligations of PPC payable from the Operating Fund have been satisfied, the Magistrate Judge shall decide, after comments by the parties, the disposition of any remaining funds.

59. Any claims against PPC by the Star Receivership (“Star Claims”) may be resolved by:

a. PPC making a negotiated lump sum payment to the Star Receivership in consideration of a general release from the Star Receivership of all claims against PPC and the Receiver; or

b. Adjudication between PPC and the Star Receivership of all claims, including but not limited to claims by PPC for indemnification or breach of contract against the Star Receivership;

c. any other resolution that the Receiver decides at his sole discretion and after reasonable consideration of the parties’ respective positions.

60. To the extent funds remain in the Consumer Fund and/or the Operating Fund after payment of administrative costs, taxes, consumer claims, and non-consumer creditor claims, upon order of the Magistrate Judge, such remaining funds shall be transferred to Commerce Bank Account No. 368942553 (registered to NSF). No such funds shall be distributed by the Receiver to the United States.

## **VI. MAINTENANCE OF CURRENT BUSINESS RECORDS**

61. Defendants shall maintain files and records to demonstrate compliance with Permanent Injunction for a period of five years from the date such documents have been created.

**VII.**  
**DEFENDANTS' REPRESENTATION OF PPC'S ACCOUNTS AND SECURITIES**

62. Defendants represent that the following are all of PPC's accounts and securities:
- a. Bank of America Account No. 3830480884
  - b. Bank of America Account No. 3832095659
  - c. Bank of America Account No. 3830480855
  - d. Bank of America Account No. 3832095662
  - e. Bank of America Account No. 3832095743
  - f. Commerce Bank Account No. 366843308
  - g. Commerce Bank Account No. 366864254
  - h. Commerce Bank Account No. 366864320
  - i. Commerce Bank Account No. 366864338
  - j. Commerce Bank Account No. 367577103
  - k. Sovereign Account No. 1061107175
  - l. Wachovia Bank Account No. 2000018538232
  - m. Wachovia Bank Account No. 2000018853548
  - n. Wachovia Bank Account No. 2000018853797
  - o. Wachovia Bank Account No. 2000013369422
  - p. Wachovia Bank Account No. 2000013369448
  - q. Wachovia Bank Account No. 2000013369529
  - r. Wachovia Bank Account No. 2000018538274
  - s. Wachovia Bank Account No. 2000013369435

- t. Wachovia Bank Account No. 2000018854204
- u. Wachovia Certificate of Deposit No. 247411232293788

**VIII.**  
**FINAL JUDGMENT AND VACATUR OF ASSET RESTRAINTS**

63. This Permanent Injunction shall be entered by the Court as a **FINAL JUDGMENT** against the defendants.

64. It is **ORDERED** that the asset restraints imposed against the defendants in this action are hereby **VACATED**, as follows:

a. Restraints (if any) on the following accounts are vacated and the funds therein are to be released and/or transferred at the direction of Wayne Geisser, CPA, the Court-appointed Receiver for **Payment Processing Center LLC**:

- i. Bank of America Account No. 3830480884
- ii. Bank of America Account No. 3832095659
- iii. Bank of America Account No. 3830480855
- iv. Bank of America Account No. 3832095662
- v. Bank of America Account No. 3832095743
- vi. Commerce Bank Account No. 366843308
- vii. Commerce Bank Account No. 366864254
- viii. Commerce Bank Account No. 366864320
- ix. Commerce Bank Account No. 366864338
- x. Commerce Bank Account No. 367577103
- xi. Sovereign Account No. 1061107175

- xii. Wachovia Bank Account No. 2000018538232
- xiii. Wachovia Bank Account No. 2000018853548
- xiv. Wachovia Bank Account No. 2000018853797
- xv. Wachovia Bank Account No. 2000013369422
- xvi. Wachovia Bank Account No. 2000013369448
- xvii. Wachovia Bank Account No. 2000013369529
- xviii. Wachovia Bank Account No. 2000018538274
- xix. Wachovia Bank Account No. 2000013369435
- xx. Wachovia Bank Account No. 2000018854204
- xxi. Wachovia Certificate of Deposit No. 247411232293788

b. Restraints on the following accounts are vacated and the funds therein are released only to **Donald M. Hellinger**:

- i. Wachovia Bank Account No. 2000013367107
- ii. Firsttrust Bank Account No. 70-1603797

c. Restraints on the following accounts are vacated and the funds therein are released only to **Michael Weisberg**:

- i. PNC Bank Account No. 8400700053
- ii. PNC Bank Account No. 8995987881
- iii. PNC Bank Account No. 8610434697

d. Restraints on the following account are vacated and the funds therein are released only to **Jami M. Pearlman**:

- i. Commerce Bank Account No. 0367576766

e. Restraints on the following account are vacated and the funds therein are released only to **Michele O’Keefe Quigley**:

i. Commerce Bank Account No. 0367773447

f. Restraints on the following accounts are vacated and the funds therein are released only to **Ronald Hellinger**:

i. Commerce Bank Account No. 0365738905

ii. Commerce Bank Account No. 0365164011

iii. Commerce Bank Account No. 0361941958

g. Restraints on the following account are vacated and the funds therein are released only to **Robert Deboyce**:

i. Sovereign Bank Account No. 0721070116

h. Restraints on the following accounts are vacated and the funds therein are released:

i. Wachovia Account No. 2000013369448 (subject to paragraph 3(a) of this Permanent Injunction)

ii. Wachovia Account No. 200001853902

iii. First Service Bank Account No. 215699393

65. The defendants shall deliver to counsel for the United States within three business days of the entry of this order a check drawn on the DECHERT Client Escrow Fund in the amount of \$9,300 payable to Wilma Powers. The Court acknowledges that defendants deny having processed a transaction for Wilma Powers.

66. The injunction imposed by the Temporary Restraining Order entered February 21, 2006, the Amended Temporary Restraining Order entered February 21, 2006, and the Stipulated Preliminary Injunction entered April 7, 2006, prohibiting the defendants from, among other activities, dissipating, transferring, selling, withdrawing, pledging, encumbering, disposing of, or otherwise using, any personal or business assets that were derived or obtained from telemarketing-related activities and/or payment processing-related activities, or that are commingled with money or other assets derived or obtained from telemarketing-related activities and/or payment processing-related activities, and against opening or attempting to open safe-deposit boxes and/or safes into which proceeds of telemarketing-related activities and/or payment processing-related activities have deposited, transferred or placed, and against opening new bank accounts, is **HEREBY DISSOLVED** and **VACATED**.

67. The Court retains jurisdiction of all matters concerning issues arising from this Permanent Injunction.

68. Any party may request a hearing before the Court concerning the terms of this Permanent Injunction.

#### **IX. RELEASE**

69. The United States of America shall provide the defendants with a release in the form of Exhibit B hereto.

#### **X. NOTIFICATION**

70. Following are the addresses for sending information or notification required pursuant to this Permanent Injunction:

For the individual defendants:

Andrew Lustigman, Esq.  
The Lustigman Firm, P.C.  
149 Madison Avenue, Suite 805  
New York, NY 10016-6713  
T: (212) 212-683-9180  
F: (212) 683-9181

For the United States of America:

Chief, Civil Division  
U.S. Attorney's Office  
for the Eastern District of Pennsylvania  
615 Chestnut Street, Suite 1250  
Philadelphia, PA 19106  
T: 215-861-8200

71. The Clerk shall provide notification of all docket entries to all current counsel for the respective parties.

**XI.**  
**DEFENDANTS' ACKNOWLEDGMENTS**

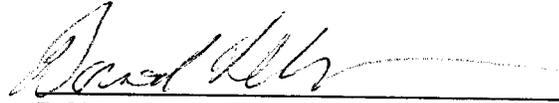
72. Each defendant expressly acknowledges that:
- a. this Permanent Injunction has been negotiated between defendants' counsel and the Civil Division only of the Office of the United States Attorney ("USAO");
  - b. he or she has entered this Permanent Injunction freely and absent coercion or undue influence;
  - c. he or she has reviewed this Permanent Injunction with his or her own counsel; and

d. this Permanent Injunction has no bearing whatsoever on any criminal investigation or proceeding, or any restitution or forfeiture proceeding in connection with any such criminal proceeding, and that no promise, commitment or threat has been made to the defendant with respect to possible criminal charges in connection with any matter to induce the defendant to agree to this Permanent Injunction.

e. this agreement is binding upon each defendant in his or her personal capacity and on behalf of PPC.

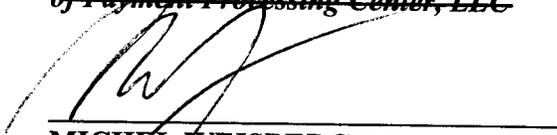
73. The Permanent Injunction contains all of the terms of the parties' agreement.

**IT IS HEREBY AGREED:**



**DONALD M. HELLINGER**

*Individually and as a member  
of Payment Processing Center, LLC*



**MICHEL WEISBERG**

*Individually and as a member  
of Payment Processing Center, LLC*



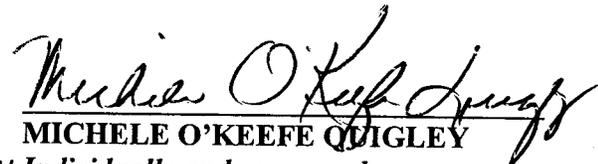
**RANDY D. TROST**

*Individually and as a member  
of Payment Processing Center, LLC*



**JAMI M. PEARLMAN**

*Individually and as a member  
of Payment Processing Center, LLC*



**MICHELE O'KEEFE QUIGLEY**

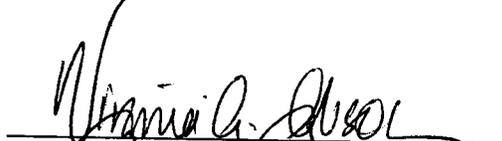
*Individually and as a member  
of Payment Processing Center, LLC*



**RONALD HELLINGER**

*Individually and as a member  
of Payment Processing Center, LLC*

**PATRICK L. MEEHAN**  
United States Attorney



**VIRGINIA A. GIBSON**

Assistant United States Attorney  
Chief, Civil Division



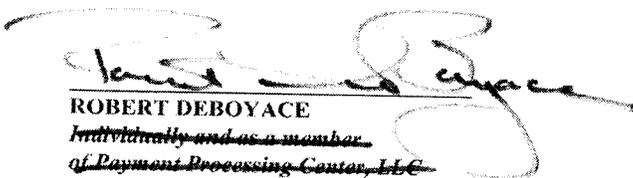
**JOEL M. SWEET**

Assistant United States Attorney



**MARK ANDERSON**

Assistant United States Attorney  
United States Attorney's Office  
615 Chestnut Street, Suite 1250  
Philadelphia, PA 19106  
*Attorneys for plaintiff United States of  
America*



---

ROBERT DEBOYACE  
~~Individually and as a member~~  
~~of Payment Processing Center, LLC~~

---

ANDREW LUSTIGMAN, ESQ.  
The Lustigman Firm, P.C.  
149 Madison Avenue, Suite 805  
New York, NY 10016-6713  
*On behalf of Payment Processing Center, LLC*

---

DAVID M. HOWARD, ESQUIRE  
DECHERT LLP  
Cira Centre  
2929 Arch Street  
Philadelphia, PA 19104  
*On behalf of Payment Processing Center, LLC*

BY THE COURT:

---

HONORABLE JOHN R. PADOVA  
*Judge, United States District Court*

**ROBERT DEBOYACE**

*Individually and as a member  
of Payment Processing Center, LLC*

**ANDREW LUSTIGMAN, ESQ.**

The Lustigman Firm, P.C.

149 Madison Avenue, Suite 805

New York, NY 10016-6713

*On behalf of Payment Processing Center, LLC*

**DAVID M. HOWARD, ESQUIRE**

DECHERT LLP

Cira Centre

2929 Arch Street

Philadelphia, PA 19104

*On behalf of Payment Processing Center, LLC*

**BY THE COURT:**

s/ John R. Padova      February 8, 2007

**HONORABLE JOHN R. PADOVA**

*Judge, United States District Court*

# **EXHIBIT A**

## **RESTITUTION PROGRAM SCHEDULE**

- Day 0            Entry of Permanent Injunction
- Day 1            Receiver begins to identify Consumers (as defined in Paragraph No. 45) along with respective amounts debited by PPC and not refunded
- Day 30           Receiver retains Claims Administrator
- Day 45           United States submits proposed Claims Procedure to Magistrate Judge
- Day 00           Magistrate Judge approves Claims Procedure
- Day 45           Claims Administrator mails notices and claim forms to Consumers via first class mail (address correction requested)
- Day 135          Deadline (by postmark) for Consumers to return claim forms to the Claims Administrator
- Days 135-65    Claims Administrator to process returned claim forms to determine if claimant is a Qualified Claimant and amount of potential restitution payment (subject to adjustment if necessary)
- Day 166          Receiver submits distribution plan for Consumer Fund (*pro rata* if the amount in the Consumer Fund is not sufficient to pay all Qualified Claims in full) for Magistrate Judge's approval;
- Receiver opens checking account for sole purpose of paying consumer claims from the Consumer Fund in accordance with an approved distribution plan and transfers from Consumer Account into new checking account funds available and necessary to pay Qualified Claims
- Day 000          Magistrate Judge approves Consumer Fund distribution plan
- Day 15           Claims Administrator makes restitution payments
- Day 215          Receiver reports to Magistrate Judge number and aggregate amount of checks not settled within six months of issuance

**FINAL**

# **EXHIBIT B**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA,**

**Plaintiff,**

**v.**

**CASE NO. 06-725 (JP)**

**PAYMENT PROCESSING CENTER,  
LLC, DONALD M. HELLINGER,  
MICHAEL WEISBERG, RANDY  
D. TROST, JAMI M. PEARLMAN,  
MICHELLE O'KEEFE QUIGLEY,  
RONALD HELLINGER, AND  
ROBERT DEBOYACE,**

**Defendants.**

**RELEASE**

The United States of America, by its attorneys, Patrick L. Meehan, United States Attorney for the Eastern District of Pennsylvania, and Joel M. Sweet and Mark Anderson, Assistant United States Attorneys for the same district, hereby fully and finally releases Donald M. Hellinger, Michael Weisberg, Randy D. Trost, Jami M. Pearlman, Michele O'Keefe Quigley, Ronald Hellinger, Robert DeBoyace, and Payment Processing Center LLC, from any and all civil claims that the United States has or may have under 18 U.S.C. §1345, the False Claims Act, 31 U.S.C. §3729-3733, common law fraud, common law negligent or intentional misrepresentation, common law or equitable theories including those of unjust enrichment, mistake, disgorgement, restitution, and recoupment, in connection with or related to the facts forming the basis of the

**FINAL**

allegations in the United States's Amended Verified Complaint for Injunctive Relief.

Specifically and expressly excluded from the scope of this release and reserved by the United States are claims for: (1) any criminal or administrative liability arising out of Title 26, U.S. Code (Internal Revenue Code); (2) any criminal liability arising out of any criminal investigation or proceeding, and any restitution or forfeiture proceeding in connection with any such criminal proceeding; (3) any administrative liability; (4) any liability to the United States (or its agencies) for any conduct other than for the conduct alleged in the Amended Verified Complaint for Injunctive Relief; and (5) any liability based upon such obligations as are created by the Permanent Injunction entered on January \_\_, 2007.

**PATRICK L. MEEHAN**  
United States Attorney

---

**VIRGINIA A. GIBSON**  
Assistant United States Attorney  
Chief, Civil Division

---

**JOEL M. SWEET**  
Assistant United States Attorney

---

**MARK ANDERSON**  
Assistant United States Attorney  
United States Attorney's Office  
615 Chestnut Street, Suite 1250  
Philadelphia, PA 19106

*Attorneys for the United States of America*

Date:

FINAL