

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

FEDERAL TRADE COMMISSION, *et al.*,

Plaintiffs,

v.

AMERICAN FUTURE SYSTEMS, INC., *et al.*,

Defendants.

**Case No. 20-cv-2266-JHS**

**STIPULATED ORDER FOR  
PERMANENT INJUNCTION**

Plaintiff, the Federal Trade Commission (the “Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), for a permanent injunction, and other equitable relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), on May 13, 2020. Plaintiffs FTC and the Commonwealth of Pennsylvania, by Acting Attorney General Michelle A. Henry (the “Commonwealth”), filed their First Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) on January 21, 2021, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and Section 201-4 of the Pennsylvania Unfair Trade Practices and Consumer Protection Law. Plaintiffs and defendants International Credit Recovery, Inc., Richard Diorio Jr., and Cynthia Powell (together, “Stipulating Defendants”) stipulate to the entry of this Stipulated Order for Permanent Injunction (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

## FINDINGS

1. This Court has jurisdiction over this matter.
2. The Amended Complaint alleges that Stipulating Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and in unfair or deceptive acts or practices in violation of 73 P.S. § 201-3 in the collection of Debts (as defined below) allegedly owed for subscriptions to newsletters and books.
3. Stipulating Defendants neither admit nor deny any of the allegations in the Amended Complaint, except as specifically stated in this Order. Only for purposes of this action, Stipulating Defendants admit the facts necessary to establish jurisdiction.
4. Stipulating Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorneys' fees.
5. Stipulating Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Order.

## DEFINITIONS

For the purpose of this Order, the following definitions apply:

- A. **“Stipulating Defendants”** means all of the Individual Stipulating Defendants and the Corporate Stipulating Defendants, individually, collectively, or in any combination:
  1. **“Corporate Stipulating Defendant”** means INTERNATIONAL CREDIT RECOVERY, INC., also d/b/a ICR (“ICR”), and its successors and assigns. As of this date, ICR has already ceased doing business.

2.     **“Individual Stipulating Defendants”** means RICHARD DIORIO, JR., and CYNTHIA POWELL. Because ICR is no longer engaged in business, as of this date, neither Diorio nor Powell is actively conducting ICR operations, and neither individual is presently engaged in any debt collection profession.
- B.     **“AFS Defendants”** means AMERICAN FUTURE SYSTEMS, INC., also d/b/a Progressive Business Publications, Progressive Business Publications, Inc., and Center for Education & Employment Law, and PROGRESSIVE BUSINESS PUBLICATIONS OF NEW JERSEY, INC., also d/b/a Progressive Business Publications, Progressive Business Publications, Inc., and Center for Education & Employment Law, and their successors and assigns, and EDWARD M. SATELL, individually, collectively, or in any combination.
- C.     **“Charge,” “Charged,” or “Charging”** means any attempt to collect money or other consideration from a consumer or other obligor or alleged obligor.
- D.     **“Debt”** means any obligation or alleged obligation to pay money arising out of a transaction, whether or not such obligation has been reduced to judgment.
- E.     **“Debt Collection Activities”** means any activities of a Debt Collector to collect or attempt to collect, directly or indirectly, a Debt owed or due, or asserted to be owed or due. The term excludes any Debts owed or due, or asserted to be owed or due, to the Individual Stipulating Defendants in their personal capacity.
- F.     **“Debt Collector”** means any Person who uses any instrumentality of interstate commerce or the mail 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. The term also includes any creditor who, in the process of collecting its own Debts, uses its own name or any name other than its own that would indicate that a third

Person is collecting or attempting to collect such Debts. The term also includes any Person to the extent such Person collects or attempts to collect any Debt that was in default at the time it was obtained by such Person.

G. “**Debtor**” means any Person obligated or allegedly obligated to pay any Debt, as well as that Person’s officer, director, employee, agent, manager, or administrator.

H. “**Person**” means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

## **ORDER**

### **I. BAN ON DEBT COLLECTION ACTIVITIES**

IT IS ORDERED that the Stipulating Defendants are permanently restrained and enjoined from engaging in or participating in Debt Collection Activities, whether directly or through an intermediary.

### **II. CUSTOMER INFORMATION**

IT IS FURTHER ORDERED that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

### **III. COOPERATION**

IT IS FURTHER ORDERED that Stipulating Defendants must fully cooperate with representatives of each Plaintiff in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Such Stipulating Defendants must provide truthful and complete information, evidence, and testimony. Individual Defendants must appear for interviews, discovery, hearings, trials, and any other proceedings

that a Plaintiff representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a Plaintiff representative may designate, without the service of a subpoena.

#### IV. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Stipulating Defendants obtain acknowledgments of receipt of this Order:

A. Each Stipulating Defendant, within seven days of entry of this Order, must submit to each Plaintiff an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five years after entry of this Order, each Individual Stipulating Defendant for any business that such Individual Stipulating Defendant, individually or collectively with any other Stipulating Defendants, is the majority owner or controls directly or indirectly, and Corporate Stipulating Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of this Order and all agents and representatives who participate in conduct related to the subject matter of this Order; and (3) any business entity resulting from any change in structure as set forth in the section below entitled *Compliance Reporting*. Delivery must occur within seven days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Stipulating Defendant delivered a copy of this Order, that Stipulating Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

## V. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Stipulating Defendants make timely submissions to Plaintiffs:

A. One year after entry of this Order, each Stipulating Defendant must submit to each Plaintiff a compliance report, sworn under penalty of perjury:

1. Each Stipulating Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of Plaintiffs may use to communicate with Stipulating Defendant; (b) identify all of that Stipulating Defendant's businesses of which Stipulating Defendants own a majority by all of their names, telephone numbers, and physical, postal, email, and website addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, sales, and collection, and the involvement of any other defendant (which Individual Stipulating Defendants must describe if they know or should know due to their own involvement); (d) describe in detail whether and how that Stipulating Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to Plaintiffs.
2. Additionally, each Individual Stipulating Defendant must: (a) identify all telephone numbers and all physical, postal, email and website addresses, including all residences; (b) identify all business activities, including any business for which such Individual Stipulating Defendant performs services whether as an employee or otherwise and any entity in which such Individual Stipulating Defendant has any ownership interest; and (c) describe in detail such Individual Stipulating Defendant's involvement in

each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years after entry of this Order, each Stipulating Defendant must submit to each Plaintiff a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Stipulating Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Stipulating Defendant or any entity that a Stipulating Defendant has any ownership interest in or controls directly or indirectly 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.

2. Additionally, each Individual Stipulating Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such Individual Stipulating Defendant performs services whether as an employee or otherwise and any entity in which such Individual Stipulating Defendant has any ownership interest, and identify the name, physical address, and any website address of the business or entity.

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

D. Any submission 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: FTC v. American Future Systems, Inc., 1723085.

Unless otherwise directed by a Commonwealth representative in writing, all submissions to the Commonwealth pursuant to this Order must be mailed to: Office of the Attorney General, attention: Deputy Attorney General, Bureau of Consumer Protection, 1600 Arch Street, Third Floor, Philadelphia, Pennsylvania 19103.

F. Stipulating Defendants expressly consent to the sharing of any and all documents submitted as part of their compliance reporting to either Plaintiff with the other Plaintiff.

## **VI. RECORDKEEPING**

IT IS FURTHER ORDERED that Stipulating Defendants must create certain records for 10 years after entry of this Order, and retain each such record for five years. Specifically, each Individual Stipulating Defendant for any business that such Individual Stipulating Defendant, individually or collectively with any other Stipulating Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold;
- B. Personnel records showing, for each Person providing services, whether as an employee or otherwise, that Person’s: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;



- C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response; and
- D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to Plaintiffs.

## **VII. COMPLIANCE MONITORING**

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

- A. Within 14 days of receipt of a written request from a representative of either Plaintiff, each Stipulating 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. Either 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, representatives of each Plaintiff are authorized to communicate directly with each Stipulating Defendant. Stipulating Defendant must permit representatives of each Plaintiff to interview any employee or other Person affiliated with any Stipulating Defendant who has agreed to such an interview. The Person interviewed may have counsel present.
- C. Either Plaintiff may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Stipulating Defendants or any individual or entity affiliated with Stipulating Defendants, without the necessity of identification or prior notice. Nothing in this Order limits either Plaintiff's lawful use of compulsory process.

D. Upon written request from a representative of either Plaintiff, any consumer reporting agency must furnish consumer reports concerning Individual Stipulating Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1).

### VIII. 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.

SO ORDERED this 23rd day of March, 2023.

/s/Joel H. Slomsky, J.  
UNITED STATES DISTRICT JUDGE

### SO STIPULATED AND AGREED:

### FOR PLAINTIFF FEDERAL TRADE COMMISSION:

AMY HOCEVAR  Digitally signed by AMY  
HOCEVAR  
Date: 2023.03.22 16:23:06  
-04'00'

Date: 3/22/23

AMY C. HOCEVAR (Ohio Bar #0075510)  
DEREK E. DIAZ (Ohio. Bar #0062480)  
CHRISTIAN M. CAPECE (W.V. Bar #10717)  
MARIS K.V. SNELL (Florida Bar #125585)  
Federal Trade Commission  
1111 Superior Avenue, Suite 200  
Cleveland, Ohio 44114  
Hocevar Phone: 216.263.3409  
Diaz Phone: 216.263.3421  
Capece Phone: 216.263.3419  
Snell Phone: 216.263.3412  
Fax: 216.263.3426  
ahocevar@ftc.gov  
ddiaz@ftc.gov  
ccapece@ftc.gov  
msnell@ftc.gov

**FOR PLAINTIFF COMMONWEALTH OF PENNSYLVANIA OFFICE OF ATTORNEY  
GENERAL**

Michelle A. Henry  
Acting Attorney General

/s/ Sarah A. E. Frasch

Date: 3/22/2023

SARAH A.E. FRASCH (PA ATTORNEY I.D. No. 203529)

CHIEF DEPUTY ATTORNEY GENERAL

JOHN M. ABEL (PA ATTORNEY I.D. No. 47313)

SENIOR DEPUTY ATTORNEY GENERAL

15th Floor, Strawberry Square

Harrisburg, Pennsylvania 17120

Frasch Phone: 717.497.5123

Abel Phone: 717.497.5931

Fax: 717.705.3795

sfrasch@attorneygeneral.gov

jabel@attorneygeneral.gov

**FOR DEFENDANT INTERNATIONAL CREDIT RECOVERY, INC.:**

By: \_\_\_\_\_  
Bettie C. Diorio, President

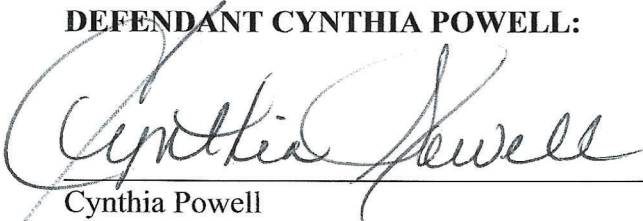
Date: \_\_\_\_\_

**DEFENDANT RICHARD DIORIO JR.:**

\_\_\_\_\_  
Richard Diorio Jr.

Date: \_\_\_\_\_

**DEFENDANT CYNTHIA POWELL:**

  
\_\_\_\_\_  
Cynthia Powell

Date: 1-27-23

**FOR DEFENDANT INTERNATIONAL CREDIT RECOVERY, INC.:**

By: Bettie C. Diorio  
Bettie C. Diorio, President

Date: 1-30-23

**DEFENDANT RICHARD DIORIO JR.:**

  
Richard Diorio Jr.

Date: 1-30-23

**DEFENDANT CYNTHIA POWELL:**

\_\_\_\_\_  
Cynthia Powell

Date: \_\_\_\_\_