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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO**

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

**LOBEL FINANCIAL CORPORATION, A
California Corporation, GARY DEAN LOBEL, an
Individual, HARVEY LOBEL, an Individual,
MURRAY ALAN LOBEL, an Individual, and
DAVID LOBEL, an Individual,**

Defendants.

CASE NO.:

**FINAL JUDGMENT AND
PERMANENT INJUNCTION
AS TO DEFENDANTS LOBEL
FINANCIAL CORPORATION,
GARY DEAN LOBEL,
HARVEY LOBEL, MURRAY
ALAN LOBEL, and DAVID
LOBEL**

THE PEOPLE OF THE STATE OF CALIFORNIA, having filed its complaint and appearing through its attorney Edmund G. Brown Jr., Attorney General, by Jonathan Lynn, Deputy Attorney General, and Defendants LOBEL FINANCIAL CORPORATION, GARY DEAN LOBEL, HARVEY LOBEL, MURRAY ALAN LOBEL, and DAVID LOBEL appearing by and through their attorney Gary Dean Lobel;

Plaintiff and Defendants having stipulated that this Final Judgment and Permanent Injunction may be entered without trial or adjudication of any issue of fact or law, and without an admission of any liability, and good cause appearing:

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1 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

2 1. The Court has jurisdiction of the subject of, and the parties to, this Judgment.

3 2. Pursuant to Business and Professions Code sections 17203, Defendants and their
4 representatives, employees, agents, successors, assignees, and all persons, corporations, or other
5 entities acting by, through, under or on behalf of said Defendants and all persons acting in
6 concert with or participating with said Defendants with actual or constructive knowledge of this
7 Judgment are permanently enjoined and restrained from engaging, directly or indirectly, in any
8 of the following acts or practices:

9 A. Violating the provisions of the Fair Debt Collection Practices Act as set forth in
10 California Civil Code sections 1788 et seq.

11 B. Violating Civil Code section 1788.11(b) by placing calls without disclosure of the
12 caller's identity.

13 C. Violating Civil Code section 1788.11(d) by causing a telephone to ring repeatedly
14 or continuously to annoy the person called.

15 D. Violating Civil Code section 1788.11(e) by communicating, by telephone or in
16 person, with such frequency as to be unreasonable and to constitute harassment.

17 E. Violating Civil Code section 1788.12(a) by communicating with debtors'
18 employers except as explicitly permitted therein.

19 F. Violating Civil Code section 1788.12(b) by communicating with members of
20 debtors' families except as explicitly permitted therein.

21 G. Violating Civil Code section 1788.13(a) by communicating with debtors in a
22 name other than that of the debt collector or the person on whose behalf the debt collector is
23 acting.

24 H. Violating Civil Code section 1788.13(d) by representing government affiliations,
25 connections or ties.

26 I. Violating Civil Code section 1788.13(i) by falsely representing the true nature of
27 the business or services being rendered by the debt collector.

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1 J. Using false or fraudulent pretenses, representations, presentations, or promises to
2 obtain from any consumer any confidential, privileged, or proprietary information,
3 including telecommunications customer billing records.

4 K. Violating Penal Code section 538.5 by using false or fraudulent pretenses,
5 representations, presentations, or promises to obtain from any telecommunications carrier
6 and/or public utility any confidential, privileged, or proprietary information, including
7 telecommunications customer billing records.

8 L. Violating Penal Code section 530.5 by obtaining and unlawfully using personal
9 identifying information, as defined in Penal Code sections 530.5 and 530.55, including
10 social security numbers.

11 M. Violating Penal Code section 502(c)(1) by knowingly accessing and without
12 permission using any data, computer, computer system, or computer network in order to (i)
13 devise or execute any scheme or artifice to defraud, deceive, or extort, or (ii) wrongfully
14 obtain property or data.

15 N. Violating California Penal Code section 502(c)(2) by knowingly accessing and
16 without permission taking, copying, or making use of any data from a computer, computer
17 system, or computer network, or taking or copying any supporting documentation, whether
18 existing or residing internal or external to a computer, computer system, or computer
19 network.

20 O. Violating California Penal Code section 638 by purchasing, offering to purchase
21 or conspiring to purchase any telephone “calling pattern record or list” without the written
22 consent of the subscriber or, through fraud or deceit, attempting to procure or obtain any
23 telephone “calling pattern record or list.”

24 3. Defendants shall require all current and future corporate officers to review a
25 conformed copy of this Final Judgment, and shall require all current and future employees,
26 agents and independent contractors engaged in collection efforts on behalf of Defendants to
27 review a conformed copy of this Final Judgment. Defendants shall obtain from each person
28 identified above a signed and dated acknowledgment of review of a conformed copy of the Final

1 Judgment legibly indicating the name, address, telephone number, and position or title of that
2 individual and the date signed. The acknowledgment for current officers and employees must be
3 fully executed and returned to Defendants within 15 days of the effective date of this Judgment.
4 The acknowledgment for new officers and employees must be fully executed and returned to
5 Defendants within three days of election or hiring and before such new officer or employee has
6 any contact with customers. Defendants shall maintain such acknowledgments for a minimum of
7 three years from the date each is signed and make them available within 10 calendar days of
8 receipt of a written request for inspection and copying by any representative of the California
9 Attorney General.

10 4. Defendants shall keep true and accurate records regarding their loan and collection
11 activities and make such records available for inspection and copying by representatives of the
12 California Attorney General upon reasonable notice.

13 5. Pursuant to the authority of Business and Professions Code sections 17206,
14 Defendants shall pay to the plaintiff a total sum of \$250,000, comprised of a civil penalty of
15 \$150,000 and attorney fees and costs of \$100,000. Payment shall be made by certified check,
16 made payable to the Attorney General of California, at 110 West A Street, Suite 1100, San
17 Diego, California 92101, Attention: Deputy Attorney General Jonathan Lynn. If Defendants do
18 not make this payment on or before April 3, 2009, Defendants shall pay an additional \$25,000,
19 as attorney's fees and costs, and shall also pay statutory interest on the full amount due, pursuant
20 to California Code of Civil Procedure section 685.010.

21 6. This Court shall retain jurisdiction for the purposes of enabling any party to the
22 Judgment to apply to the Court for such further orders and directions as may be necessary and
23 appropriate for the construction and carrying out of the provisions of the Judgment, for the
24 modification of any injunctive provisions thereof, for enforcement of compliance therewith or
25 for the punishment of violations thereof.

26 7. This Judgment shall take effect immediately on its entry.

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8. The clerk is ordered to enter this Judgment forthwith.

IT IS SO ORDERED:

Date: _____

JUDGE OF THE SUPERIOR

COURT