

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO  
Judge Phillip S. Figa

ORIGINAL

Civil Action No. 04-F-1065 (MJW)

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PHILLIP W. RANNEY, Individually,

Defendant.

United States District Court  
Denver, Colorado

FEB 17 2005

GREGORY C. LANGHAM  
CLERK

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**AMENDED PERMANENT INJUNCTION AGAINST  
DEFENDANT PHILLIP W. RANNEY**

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THIS MATTER comes before the Court on Plaintiff Federal Trade Commission's Complaint for Permanent Injunctive and Other Equitable Relief and on Plaintiff's Motion for Partial Summary Judgment against Defendant Phillip Ranney, which motion was GRANTED on January 11, 2005, and on Plaintiff's Motion to Expand the Scope of the Permanent Injunction filed January 24, 2005 which is GRANTED by Order simultaneously entered herewith. The Court incorporates the findings and conclusions from its Order of same date and specifically finds as follows:

1. This Court has jurisdiction over the subject matter of this case and jurisdiction of all the parties to the case, and venue in this district is proper.
2. The activities of Defendant Phillip W. Ranney are in or affect commerce, as defined in 15 U.S.C. § 44.

3. Section 13(b) of the Federal Trade Commission Act, 45 U.S.C. § 53(b) authorizes this Court to enter permanent injunctive relief against any actions that violate any laws enforced by the Commission.

4. There is good cause to believe that Defendant Phillip W. Ranney has engaged in and is likely to continue to engage in acts that violate Section 5(a) of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45(a), and the Truth-In-Lending Act, 15 U.S.C. §§ 1601-1666j, and Regulation Z, 12 C.F.R. Part 226, promulgated thereunder, all as set forth in the Court's separate Order entered this date and on January 11, 2005.

5. There is good cause to believe that immediate and irreparable harm will result from Defendant Ranney's ongoing violations of Section 5(a) of the FTC Act through the marketing and advertising of defendants' home mortgage refinancing services unless Defendant Ranney is restrained and enjoined by order of this Court.

5. It is in the public interest that this permanent injunction be entered.

#### **DEFINITIONS**

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

1. "Advertising" means any written or verbal statement, illustration or depiction that is designed to effect a sale or create interest in the purchasing of goods or services, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, packaging, package insert, label, film, slide, radio, television or cable television, audio program transmitted over

a telephone system, program-length commercial ("infomercial"), internet, or in any other medium;

2. "Home mortgage financing services" means soliciting consumers or negotiating loans or performing services for consumers in connection with the financing or refinancing of loans secured directly or collaterally by liens on the residential real property of such consumers.

3. "Defendant" means Phillip W. Ranney.

4. The terms "and" and "or" in this Order shall be construed conjunctively or disjunctively as necessary, to make the applicable sentence or phrase inclusive rather than exclusive.

#### **I. PROHIBITED BUSINESS ACTIVITIES**

IT IS HEREBY ORDERED that Defendant Ranney, his agents, servants, employees, salespersons, distributors, corporations, subsidiaries, affiliates, successors, assigns, and those persons or entities in active concert or participation with him who receive actual notice of this Order by personal service, facsimile, or otherwise are hereby enjoined from

A. Making, or assisting others in making, expressly or by implication, any false or misleading oral or written statement or representation in connection with the advertising, marketing, promotion, offer for sale, or sale of home mortgage financing services, including, but not limited to:

1. Misrepresenting that he or they can provide home mortgage financing at interest rates competitive with the lowest rates currently available in the marketplace or at any specific interest rate

2. Misrepresenting that the fees and costs associated with processing consumers' loan applications, including but not limited to closing costs, application fees, credit report fees, appraisal fees, document preparation fees, points, origination fees, broker/lender fees, title insurance fees, underwriting fees, recording fees, and pre-payment penalties, will be paid at no cost to consumers;

3. Misrepresenting that consumers will not be required to make any mortgage payments on an interim loan because a second, lower-interest loan will be funded before any payments were due on the interim loan or because any such payments would be covered by the fees paid by the lenders; and

4. Misrepresenting that they are licensed to conduct business as mortgage brokers by an agency of any state; and

B. Violating any provision of the Truth-in-Lending Act, 15 U.S.C. §§ 1601-1666j or Regulation Z, 16 C.F.R. Part 226, including but not limited to § 24(a) of Regulation Z, 16 C.F.R. Part 226.24(a), by advertising credit terms other than those that actually are or will be offered.

## **II. DISTRIBUTION OF ORDER BY DEFENDANT AND REPORTING**

IT IS FURTHER ORDERED that Defendant Ranney shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, distributor, agent, attorney, ad broker, advertising agency, fulfillment house, call center, domain registrar, mail

receipt facility, and representative of the defendant, and, within ten (10) calendar days following service of this Order on defendant, Defendant Ranney shall provide the Commission with an affidavit identifying the names, titles, addresses, and telephone numbers of the persons and entities that defendant has served with a copy of this Order in compliance with this provision.

IT IS FURTHER ORDERED that Defendant Phillip W. Ranney shall notify the Commission at least seven (7) days prior to any affiliation with any new or previously inactive business or employment. Each notice shall include the Defendant Phillip W. Ranney's new business address and a statement of the nature of the new business or employment and of his duties and responsibilities in connection with that business or employment.

### III. ACKNOWLEDGMENT OF RECEIPT BY DEFENDANT

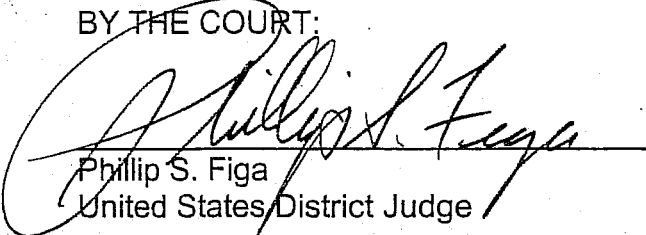
Within ten (10) business days of receipt of this Order by defendant, he must submit to the Commission a sworn written statement acknowledging receipt of this Order.

### IV. RETENTION OF JURISDICTION

This Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

DATED: February 17, 2005

BY THE COURT:

  
Phillip S. Figa  
United States District Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO  
CERTIFICATE OF SERVICE

Case No. 04-F-1065 (MJW)

The undersigned certifies that a copy of the foregoing **Amended Permanent Injunction Against Defendant Phillip W. Ranney** was served on February 17, 2005, by:

delivery to:

Magistrate Judge Michael J. Watanabe

e-mail to:

facsimile to:

depositing the same in the U.S. Mail, postage prepaid, addressed to:

David Newman  
Sarah Schroeder  
Kerry O'Brien  
Federal Trade Commission  
901 Market Street, Suite 570  
San Francisco, CA 94103

Phillip W. Ranney  
5928 Crane Street  
Morton Grove, IL 60053

GREGORY C. LANGHAM, CLERK

By *Valeri*  
Deputy Clerk/Secretary