

DISTRICT COURT, DENVER CITY AND COUNTY, COLORADO 1437 Bannock Street Denver, Colorado 80202	t COURT USE ONLY t
STATE OF COLORADO, <i>ex rel.</i> PHILIP J. WEISER, ATTORNEY GENERAL and MARTHA U. FULFORD, ADMINISTRATOR, COLORADO DEBT MANAGEMENT SERVICES ACT Plaintiffs, v. Cornerstone Doc Prep, LLC Defendant.	
Attorneys for Plaintiffs: NIKOLAI FRANT, *38716 First Assistant Attorney General RANAH HARRIS, *47485 Assistant Attorney General 1300 Broadway, 6 th Floor Denver, CO 80203 (720)508-6237 (720)508-6040 Fax *Counsel of Record	Case No.: Div.:
FINAL CONSENT JUDGMENT	

This matter is before the Court on the Parties' stipulation for entry of a Final Consent Judgment under C.R.C.P. 58(a), subject to the provisions of C.R.C.P. 54(b), by Plaintiff, State of Colorado, *ex rel.* Philip J. Weiser, Attorney General ("Attorney General") and the Administrator of the Uniform Consumer Credit Code, Martha U. Fulford ("Administrator") (Collectively "the State"), and Defendant Cornerstone Doc Prep, LLC ("Cornerstone").

The Court, fully advised in this matter, FINDS, CONCLUDES, AND

ORDERS:

- 1) that it has jurisdiction over Cornerstone and Eric Caldwell and the subject matter of this suit under the grounds alleged in the Complaint by the State;
- 2) that venue in Denver County is proper; and
- 3) that Cornerstone and Caldwell shall be subject to the following provisions:

I. Summary

1. As detailed in their Complaint, the State brought claims against Cornerstone under the Colorado Consumer Protection Act ("CCPA"), the Consumer Financial Protection Act ("CFPA"), and the Colorado Debt-Management Services Act ("DMSA").

2. At all times Eric Caldwell was the sole Director of Cornerstone, was responsible for oversight, and engaged directly in the day-to-day operations of Cornerstone.

3. Cornerstone advertised debt-management services to Colorado consumers, but never registered as a provider of such services.

4. Furthermore, Cornerstone's advertisements strongly implied that the individual consumer's loans had been evaluated and were eligible for extensive loan relief. But Cornerstone had not evaluated the consumers' loans prior to sending the mailers. Cornerstone also failed to disclose to consumers the extensive eligibility requirements for obtaining federal student loan relief. Cornerstone's deceptive conduct

induced Colorado consumers to purchase Cornerstone's services.

II. Permanent injunctions

5: Cornerstone and Eric Caldwell:

- a. shall refrain from any and all activity in violation of the CCPA, DMSA, any other provision of Colorado law, or the CFPA;
- b. are permanently enjoined from providing, offering to provide, or contracting to provide debt management services in Colorado, as defined in § 5-19-202(8)(A) C.R.S., either directly or as an owner or officer of another entity engaged in such services; and
- c. are permanently enjoined from attempting to collect, collecting, or assigning any right to collect payment from any Colorado consumer on any debt or extension of debt related to a contract offering to provide or providing debt management services by Cornerstone Doc Prep, Inc.

III. Monetary provisions

6. Within thirty (30) days of this Order, Cornerstone shall pay to the Office of the Attorney General \$146,046.20, which represents \$7,738 for restitution administration, \$10,000 in penalties, and \$128,308.20 in consumer restitution, to reimburse the Office of the Attorney General for its costs in this matter and in lieu of the pursuit of penalties and other appropriate injunctive relief against Cornerstone. This amount shall be held, along with any interest thereon, in trust by

the Attorney General to be used in the Attorney General's sole discretion, for attorneys' fees and costs, consumer restitution, for consumer or creditor educational purposes, for consumer credit or consumer protection enforcement efforts, or other public welfare purposes.

7. All payments due the Attorney General hereunder shall be deemed paid upon the Attorney General's receipt of the payment. Cornerstone shall endeavor to make these payments in one check. If payment is to be made in two or more checks, all funds shall be paid within 30 days of the first payment.

8. All payments due the Attorney General hereunder shall be made payable to the "Colorado Department of Law" with a reference to "State v. Cornerstone Doc Prep, LLC" and shall be mailed to:

Colorado Attorney General
Administrator, UCCC
Attn: Katherine Wright
Colorado Department of Law
1300 Broadway 7th Floor
Denver, Colorado 80203

9. Any notice or other communication to the Colorado Attorney General or to the Administrator shall be in writing and delivered to the following persons or any person subsequently designated:

Colorado Office of the Attorney General
Attn: Hanah Harris, Assistant Attorney General
1300 Broadway, 6th floor
Denver, CO 80203
(720) 508-6237
Hanah.Harris@coag.gov

IV. **General Provisions**

15. Scope of Final Consent Judgment. The provisions of this Final Consent Judgment are entered pursuant to the Colorado Consumer Protection Act, §§ 6-1-101, et seq. C.R.S., 2021. ("CCPA"); the Consumer Financial Protection Act, 12 U.S.C. §§ 5481 et seq. ("CFPA"); and the Debt-Management Services Act ("DMSA") of the Colorado Uniform Consumer Credit Code, §§ 5-1-101 et seq. ("UCCC").

16. Preservation of Certain Law Enforcement Actions. Nothing herein precludes the Attorney General or the Administrator from enforcing the provisions of this Final Consent Judgment, from pursuing any non-DMSA, non-CCPA, non-CFPA, enforcement action, or from pursuing any law enforcement action under the DMSA, CCPA, or CFPA with respect to acts or practices of Cornerstone not included in the State's Complaint or any acts or practices of Cornerstone after the entry of this Final Consent Judgment.

17. Compliance with and Application of State Law. Nothing herein relieves Cornerstone of his duty to comply with applicable laws of the State of Colorado or constitutes authorization by the State for Cornerstone to engage in acts and practices prohibited by such laws. The Final Consent Judgment shall be governed by the laws of the State of Colorado.

18. Non-Approval of Conduct. Nothing herein constitutes approval by the State of Cornerstone's past or future business practices. Cornerstone shall not make any representation contrary to this paragraph.

19. Third-Party Claims. Nothing herein shall be construed as a waiver of any rights of third parties, including the rights of consumers to seek restitution or other remedies through other actions.

20. Use of Settlement as Defense. Nothing herein shall be interpreted to prevent the State from taking enforcement action to address conduct occurring after the entry of this Final Consent Judgment that the State believes to be in violation of the law. The fact that such conduct was not expressly prohibited by the terms of this Final Consent Judgment shall not be a defense to any such enforcement action.

21. Use of Settlement in Business Activity. Under no circumstances shall this Final Consent Judgment or the name of the Attorney General, the Administrator or any of the State's employees or representatives be used by Cornerstone or any of its employees, representatives, or agents as an endorsement of any conduct, past or present.

22. Retention of Jurisdiction. This Court shall retain jurisdiction over this matter for the purpose of enabling any party to this Final Consent Judgment to apply to the Court at any time for any further orders which may be necessary or appropriate for the construction, modification, or execution of this Final Consent Judgment, and for the enforcement of compliance herewith and the punishment of violations hereof.

23. Violations of Consent Judgment. The Parties understand and agree that a finding of any violation of any term or provision of this Final Consent Judgment may give rise to all contempt remedies available to the Court and all remedies provided

under§ 6-1-112(1)(b) C.R.S.

24. Execution. This Final Consent Judgment may be executed simultaneously or in counterparts, each of which shall be deemed to be an original and may be completed by exchange of counterparts. Signatures received via PDF scanned electronic file shall be deemed to be original signatures.

25. Severability. If any provision(s) of this Final Consent Judgment is held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. Successors in Interest. The terms and provisions of this Final Consent Judgment may be enforced by the current Colorado Attorney General or Administrator and by any of their duly authorized agents or representatives, as well as by any of their successors in interest, and by any successors in interest's agents or representatives.

27. Amendment. This Final Consent Judgment may be amended solely by written agreement signed by the State and Cornerstone.

28. Complete Agreement. This Final Consent Judgment represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements. No other written or oral terms or agreements exist between the parties except for those contained in this Assurance.

29. Signatures. Consent to the terms stated herein and full agreement of the

parties is witnessed by their signatures in Exhibit 1.

30. Attorneys' Fees and Costs. Except as otherwise provided herein, each party shall bear its own attorneys' fees and costs in connection with this matter.

So ordered this _____ day of _____, 2023

Denver District Court Judge