

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
BRIAN KENT,)
)
Defendant.)

Case Number 04-40065-JPG

STIPULATION OF FACT

1. From on or about October, 2001, and continuing thereafter until some time after June 2002, telemarketers operating under the name of First American *inter alia* made unsolicited telephone calls to consumers throughout the United States and falsely offered to provide pre-approved credit cards to consumers for an advance fee ranging from \$149 to \$249. Telemarketers told consumers that First American was offering pre-approved MasterCard or Visa credit cards with low or no interest rates, credit limits of \$2,000, \$2,500, or more, and no annual fees. First American targeted consumers with no credit or bad credit for their credit card offer.

2. First American telemarketers used a sales pitch that implied that they were responding to a request for a MasterCard or Visa that had already been made by the consumer. The consumer was then asked how he or she would like their name to appear on their credit card. Consumers were asked whether they had declared bankruptcy in the last six months, implying that the telemarketer was applying credit underwriting criteria. After consumers provided their bank account information in order to allow First American to process an ACH debit for the fee, the consumer was promised that he or she would receive their card in ten to fourteen business days and that they would need to

call a toll free telephone number to activate the card upon its receipt. Later, the sales pitch was changed to describe what the consumer would receive as a "guaranteed letter of acceptance."

3. From time to time, customers asked whether the credit card being promoted by First American was a "secured" credit card, which requires that a consumer maintain a bank account with the issuer with funds on deposit to cover the card, or a stored value card, which, like a gift card, requires that the card be "loaded" with funds that are debited from the card when the card is used. Sales representatives were told by First American's management that they were to represent the card as a credit card and not as a secured or a stored value card.

4. From time to time, First American telemarketers told consumers who declined the credit card offer that the failure of the consumer to pay the fee and obtain the credit card would hurt their credit rating. The reason for this, according to the telemarketers, was that First American was responding to a credit card application supposedly made by the consumer. If the consumer turned down the offer, that consumer's name would be "flagged," and other credit card companies would know not to "waste their time" reviewing any future credit card application submitted by that consumer.

5. No First American consumer ever received a credit card through First American. Instead, First American consumers received a stored value card, an application for a stored value card, or an application for a credit card.

6. First American was the name under which Steven Winter sold his advanced fee credit card program. The First American program was sold in several telemarketing boiler rooms. Some of the rooms were owned by Winter, and other rooms were contract rooms selling the program and splitting the profits with Winter. Sales for all rooms selling the First American program were

aggregated and the same payment processor was used for collecting fees from consumers for all rooms. Winter, Carrie Reid and Sean McVicar all worked at Winter's headquarters and were thus responsible for sales in both Winter's rooms and the rooms with which Winter had a contract.

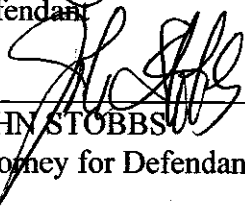
7. The government agrees that defendant's involvement in the First American program was limited to a single room in Barrie, Ontario, which operated approximately twenty eight (28) weeks, between October, 2001 and June, 2002. The government and the defendant agree that the sales attributable to the Barrie operation are not readily determinable. The parties agree that a reasonable estimate of the sales volume attributed to Barrie would be approximately two hundred completed deals per week, at an average price of approximately \$174, resulting in a loss to consumers of approximately \$974,400, more or less.

8. The government and the defendant agree that sales from all rooms were aggregated and the Barrie sales (for which defendant bears responsibility) cannot be readily determined. Accordingly, the victims associated with defendant's conduct cannot be readily identified. The government and the defendant agree, however, that the total losses to readily identifiable Southern District of Illinois consumers as a result of First American is a maximum of \$2,987.00. While the government and the defendant agree that the Southern District of Illinois residents who purchased from the Barrie sales office cannot be readily determined, the government and the defendant stipulate for the purposes of this action only that the loss caused by defendant to identifiable victims as the result of the operation of First American in Barrie, Ontario, is \$2,987.00, as listed on Exhibit A attached.

SO STIPULATED:

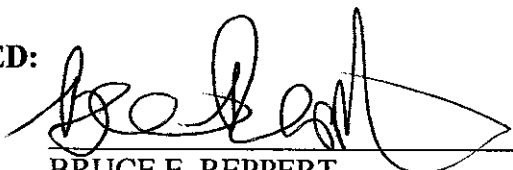


BRIAN KENT
Defendant

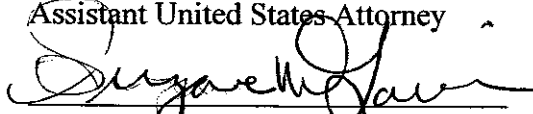


JOHN STOBBS
Attorney for Defendant

Date: 9-1-05



BRUCE E. REPERT
Assistant United States Attorney



SUZANNE M. GARRISON
Assistant United States Attorney

Date: 9/1/05

LAST NAME	FIRST NAME	ADDRESS	CITY, IL	ZIP	PHONE	Amount
RAINEY	FRANCES	121 N 31ST ST.	BELLVILLE	62226	(618) 239-0114	\$149.00
BUFORD	JEFFERY	1664 TERRA DR.	ALTON	62002	(618) 462-0531	\$199.00
SHALES	RHONDA	14 WESTLAND DR.	METROPOLIS	62960	(618) 524-4446	\$199.00
MICHELMANN	VERNON	209 BACHMAN LANE	GODFREY	62040	(618) 466-8684	\$199.00
Jones	Christopher M.	3219 Edsall Street	Alton	62002	618-465-5029	\$249.00
Miller	Curtis J.	211 Optyke Ave.	MT. VERNON	62864	Atty- Scott Quinn 618-244-4377	\$249.00
UNTHANK	CHRISTOPHER L	612 SHEPPARD ST	ALTON	62002	(618) 465-1524	\$249.00
KNOTTS	DOUGLAS R.	RR3 BOX 274	GOLGONDA	62938	(618) 683-6104	\$249.00
EVANS	GARY R	331 W H ST	SWANSEA	62226	(618) 236-2247	\$249.00
BROWN	JESSIE	1346 N 41ST ST	E SAINT LOUIS	62204	(618) 271-4016	\$249.00
MARKUS	JASON G	79 E 3RD ST	AVISTON	62216	(618) 228-7108	\$249.00
WALKER	KRISTINE R.	501 S. 7TH ST. REAR	WOOD RIVER	62095	(618) 254-0121	\$249.00
HESS	ROSALIND	420 N. 56TH ST.	E SAINT LOUIS	62203	(618) 397-1239	\$249.00
						\$2,987.00

LAST NAME	FIRST NAME	ADDRESS	CITY, IL	ZIP	PHONE	Amount
RAINEY	FRANCES	121 N 31ST ST.	BELLVILLE	62226	(618) 239-0114	\$149.00
BUFORD	JEFFERY	1664 TERRA DR.	ALTON	62002	(618) 462-0531	\$199.00
SHALES	RHONDA	14 WESTLAND DR.	METROPOLIS	62960	(618) 524-4446	\$199.00
MICHELMANN	VERNON	209 BACHMAN LANE	GODFREY	62040	(618) 466-8684	\$199.00
Jones	Christopher M.	3219 Edsall Street	Alton	62002	618-465-5029	\$249.00
Miller	Curtis J.	211 Optyke Ave.	MT. VERNON	62864	Atty- Scott Quinn 618-244-4377	\$249.00
UNTHANK	CHRISTOPHER L	612 SHEPPARD ST	ALTON	62002	(618) 465-1524	\$249.00
KNOTTS	DOUGLAS R.	RR3 BOX 274	GOLGONDA	62938	(618) 683-6104	\$249.00
EVANS	GARY R	331 WH ST	SWANSEA	62226	(618) 236-2247	\$249.00
BROWN	JESSIE	1346 N 41ST ST	E SAINT LOUIS	62204	(618) 271-4016	\$249.00
MARKUS	JASON G	79 E 3RD ST	AVISTON	62216	(618) 228-7108	\$249.00
WALKER	KRISTINE R.	501 S. 7TH ST. REAR	WOOD RIVER	62095	(618) 254-0121	\$249.00
HESS	ROSALIND	420 N. 56TH ST.	E SAINT LOUIS	62203	(618) 397-1239	\$249.00
						\$2,987.00