DISTRICT COURT, DENVER COUNTY, COLORADO Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	DATE FILED: November 16, 2015 3:13 PM CASE NUMBER: 2014CV34380
Plaintiff(s) ST OF CO EX REL JOHN W SUTHERS et al. v. **Defendant(s)** WAYNE E VADEN et al.	⚠ **COURT USE ONLY** ⚠ Case Number: 2014CV34380 Division: 409 Courtroom:

Order Granting CONSENT JUDGMENT

The motion/proposed order attached hereto: GRANTED WITH AMENDMENTS.

The Court finds that venue is proper and ORDERS judgment enter in favor of Plaintiff State of Colorado and against Defendant The Vaden Law Firm in the amount of $1,000,000.00 pursuant to the attached Consent Judgment filed with the Court on November 6, 2015.

Issue Date: 11/16/2015

MICHAEL JAMES VALLEJOS
District Court Judge

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202	
STATE OF COLORADO *ex rel*. CYNTHIA H. COFFMAN, ATTORNEY GENERAL FOR THE STATE OF COLORADO; and JULIE ANN MEADE, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE, Plaintiffs, v. VADEN LAW FIRM, LLC; CITY PARK TITLE, LLC; and WAYNE E. VADEN, Defendants.	▲ **COURT USE ONLY** ▲
	Case No.: 2014cv34380 Courtroom: 409
CONSENT JUDGMENT	

Attachment to Order - 2014CV34380

This matter is before the Court on the Stipulation for Entry of a Consent Judgment by the Plaintiffs the State of Colorado, *ex rel*. Cynthia H. Coffman, Attorney General for the State of Colorado and Julie Ann Meade, Administrator, Uniform Consumer Credit Code, and by the Defendants The Vaden Law Firm, LLC, City Park Title, LLC, and Wayne E. Vaden (hereafter the "Parties"). The Court has reviewed the Stipulation, the Complaint, and is otherwise advised in the grounds therefore. As all Parties have approved and agreed to entry of this Consent Judgment by their authorized signatures, the Parties present to the Court this Consent Judgment for approval.

The Court, after being fully advised in this matter, FINDS, CONCLUDES, AND ORDERS:

That it has jurisdiction over the Parties and subject matter of this suit under the grounds alleged in the Complaint;

That venue in the City and County of Denver is proper; and

That the Parties shall be subject to the following provisions:

I. GENERAL PROVISIONS

1.1 Scope of Consent Judgment. The provisions of this Consent Judgment are entered pursuant to the Colorado Consumer Protection Act, §§ 6-1-101–115, C.R.S. (2015) ("CCPA") and the Colorado Fair Debt Collection Practices Act, §§ 12-14-101–137, C.R.S. (2015) ("CFDCPA"). This Consent Judgment shall apply to Defendants Vaden Law Firm, LLC, Wayne E. Vaden, and City Park Title, LLC (collectively the "Defendants").

1.2 Release of Claims. The State of Colorado, *ex rel.* Cynthia H. Coffman, Attorney General ("Attorney General"), and Julie Ann Meade, Administrator, Uniform Consumer Credit Code ("Administrator"), (collectively the "State"), agree and acknowledge that entry of this Consent Judgment and payment pursuant to Section 4.2 constitutes a complete settlement and release of all claims under the CCPA and the CFDCPA on behalf of the State against the Defendants and any of their agents, principals, officers, directors, managers, employees, heirs, administrators, executors, successors, subsidiaries, and assigns, which were asserted or could have been asserted by the State under the CCPA or the CFDCPA in the Complaint, and relate to or are based upon the acts or practices which are the subject of the Complaint. The State agrees that it shall not proceed with or institute any civil actions against Defendants and any of their agents, principals, officers, directors, managers, employees, heirs, administrators, executors, successors, subsidiaries, and assigns in addition to this action, arising from or related to any of the allegations in or the subject matter of the Complaint, including, but not limited to, an action based upon the CCPA or the CFDCPA. Defendants and any of their agents, principals, officers, directors, managers, employees, heirs, administrators, executors, successors, subsidiaries, and assigns hereby release the State, including its agents and employees, from any claims that could be asserted, including for attorney fees, costs, and expenses, related to the investigation and prosecution of the conduct that is the subject of the Complaint. Notwithstanding the foregoing, the State may initiate an action or proceeding to enforce the terms of this Consent Judgment or take action based on future conduct as contemplated in Section 1.4 below.

1.3 Subpoena Enforcement Action. The Parties agree that the State is entitled to an award of $25,000 for attorney fees for enforcing an investigative

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subpoena issued in *State of Colorado ex rel. Cynthia H. Coffman, Attorney General for the State of Colorado v. Vaden Law Firm, LLC et al.*, 2013cv31914 (Denver District Court), which shall be suspended pending compliance with the terms of the Consent Judgment.

1.4 Preservation of Law Enforcement Action. Nothing herein precludes the State: (A) from enforcing the provisions of this Consent Judgment; or (B) from pursuing actions based on any acts or practices in which Defendants engaged in after the date of this Consent Judgment.

1.5 Compliance with and Application of State Law. Nothing herein relieves Defendants of their duty to comply with applicable laws of the state of Colorado nor constitutes authorization by the State for the Defendants to engage in acts and practices prohibited by such laws. The laws of the state of Colorado shall govern this Consent Judgment.

1.6 Non-Approval of Conduct. Nothing herein constitutes approval by the State of the Defendants' past, present, or future business practices. The Defendants shall not make any representation to the contrary.

1.7 No Third-Party Beneficiaries Intended. This Consent Judgment is not intended to confer upon any person any rights or remedies, including rights as a third-party beneficiary. This Consent Judgment is not intended to create a private right of action on the part of any person or entity, whether to enforce this Consent Judgment or otherwise, other than the Parties hereto.

1.8 Use of Settlement as Defense. Defendants acknowledge that it is the State's customary position that an agreement restraining certain conduct on the part of a defendant does not prevent the State from addressing later conduct that could have been prohibited, but was not, in the earlier agreement, unless the earlier agreement expressly limited the State's enforcement options in that manner. Therefore, nothing herein shall be interpreted to prevent the State from taking enforcement action to address conduct occurring after the Consent Judgment Date 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 Consent Judgment shall not be a defense to any such enforcement action.

1.9 Retention of Jurisdiction. This Court shall retain jurisdiction over this matter for the purposes of (a) enabling the State to apply, at any time, for enforcement of any provision of this Consent Judgment and for sanctions or other remedies for any violation of this Consent Judgment, including contempt and enforcement of the judgment; (b) enabling any party to this Consent Judgment to apply, upon giving 30 days written notice to all other Parties, for such further

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orders and directions as might be necessary or appropriate either for the construction or enforcement of this Consent Judgment or for the modification or termination of one or more injunctive provisions; and (c) enabling the State to collect or enforce any judgment rendered pursuant to the Consent Judgment.

1.10 Contempt. The parties understand and agree that a finding of any violation of any term or provision of this Consent Judgment shall give rise to all contempt remedies available to the Court, should the Court chose to apply any such remedies given the nature of the violation, in addition to the other specific remedies provided in this Consent Judgment.

1.11 Counterparts. This Consent Judgment may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Consent Judgment. Electronic copies of this Consent Judgment and the signatures hereto may be used with the same force and effect as an original.

1.12 Integration. This Consent Judgment constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understanding relating to the subject matter hereof.

1.13 Severability. If any provision(s) of this 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.

1.14 Waiver. The failure of any Party to exercise any rights under this Consent Judgment shall not be deemed a waiver of any right or any future rights.

1.15 Successors in Interest. The terms and provisions of this Consent Judgment may be enforced by the current Attorney General or the current Administrator, and by any of his or her duly authorized agents or representatives, as well as by any of his or her successors in interest, and by any of his or her successors in interest's agents or representatives. Similarly, the terms and provisions of the Consent Judgment apply to, bind, and may be enforced against any successor to the current Attorney General or the current Administrator.

1.16 Amendment. This Consent Judgment may be amended solely by written agreement signed by the State and by the Defendants, and with approval of the Court.

Attachment to Order 2014CV24380

II. ADMISSIONS AND STIPULATIONS

2.1 The Vaden Law Firm admits that, in providing foreclosure legal services in the state of Colorado, The Vaden Law Firm violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(1)(l), and violated the Colorado Fair Debt Collection Practices Act, C.R.S. § 12-14-107(1)(b)(I) and C.R.S. § 12-14-108(1)(a), by claiming the following foreclosure costs to homeowners, third-party purchasers at auction, and investors:

- $125 or $150 costs for each of the two foreclosure postings for a total of $250 to $300 per foreclosure from August 2009 to December 2012, and $50 to $75 per posting from January 2013 to July 2014, when The Vaden Law Firm used an employee/family member to post notices as part of his salary or paid a third-party vendor $40 or $50 for each posting;

- $300 for Rule 120 district court filing costs, from August 2009 until December 2012, when the actual cost was $200.54 or $242.54;

- $500 for title commitment cancellation costs, from August 2009 until July 2014, when the actual cost of the search comprising the vast majority of the work was around $100;

- $60 for technology costs, from August 2009 until December 2012, when the actual cost was $40 and this cost was part of the firm overhead;

- $25 mailing cost, from August 2009 until December 2012, when the actual cost was much less; and

- $30 for "Obtaining Recorded Deed" cost, from August 2009 until December 2012, though there was no cost associated with the charge.

2.2 The Vaden Law Firm stipulates and confesses to a monetary judgment against The Vaden Law Firm in favor of the State of Colorado for $1,000,000.

2.3 The Vaden Law Firm and Wayne E. Vaden stipulate to a permanent injunction prohibiting The Vaden Law Firm, including any successor or related entity, and Wayne E. Vaden, in any capacity, from performing, participating in, monitoring, or overseeing any foreclosure action, which includes filing a notice of election and demand or participating in a public trustee foreclosure action including any related hearing under Rule 120 of the Colorado rules of civil procedure, or any legal services related to a foreclosure action in the state of Colorado, including any foreclosure actions involving any real property in the state of Colorado, on behalf of any client, investor, insurer, mortgage servicer, or entity.

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2.4 This stipulation does not prohibit Wayne E. Vaden from representing himself in a foreclosure action involving his own property, nor does it prohibit him from being employed by a law firm that performs foreclosures that are not more than 50 percent of the business of the law firm if he does not participate in any part of the legal services for foreclosures.

2.5 The State agrees to suspend this judgment and accept a lower amount based solely upon verified proof provided by Defendants and sworn statements by Defendants that their financial condition precludes payments beyond $150,000.

2.6 Mr. Vaden stipulates that if he or any of the Defendants made any material omission or misrepresentation to the State as part of the information provided to the State during its financial audit of Defendants' financial condition, the State may enforce the $1,000,000 judgment against The Vaden Law Firm, an additional $25,000 from the subpoena enforcement action against The Vaden Law Firm, and an additional $500,000 judgment against Wayne E. Vaden personally.

2.7 In the event of a bankruptcy filing by any Defendant or its individual officers, members, or owners, the contents of this Consent Judgment shall be deemed to be admitted as true for the purpose of establishing the amount of the State's claim and the nondischargeability of such claim.

III. INJUNCTIVE PROVISIONS

3.1 The Vaden Law Firm, including any successor or related entity, and Wayne E. Vaden, in any capacity, are permanently enjoined from performing, participating in, monitoring, or overseeing any foreclosure action, which includes filing a notice of election and demand or participating in a public trustee foreclosure action including any related hearing under Rule 120 of the Colorado rules of civil procedure, or any legal services related to a foreclosure action in the state of Colorado, including any foreclosure actions involving any real property in the state of Colorado, on behalf of any client, investor, insurer, mortgage servicer, or entity.

3.2 This injunction does not prohibit Wayne E. Vaden from representing himself in a foreclosure action involving his own property, nor does it prohibit him from being employed by a law firm that performs foreclosures that are not more than 50 percent of the business of the law firm if he does not participate in any part of the legal services for foreclosures.

IV. MONETARY PROVISIONS

4.1 The Vaden Law Firm confesses to entry of a final judgment against it in favor of the State of Colorado for $1,000,000 for violation of consumer protection

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laws. The Vaden Law Firm stipulates and agrees that such final judgment shall constitute a debt for a fine, penalty or forfeiture payable to and for the benefit of a governmental unit, is not compensation for actual pecuniary loss, and is specifically non-dischargeable under 11 U.S.C. § 523(a)(7).

4.2 Given the verified proof, sworn statements, and documentation that the Defendants are financially unable to pay the entirety of this judgment or any meaningful portion thereof, the State accepts from Defendants an immediate cash payment of $150,000 to the State, 91 days after the receipt of which, provided that no Defendant has taken action during such period that could result in any requirement to return such payment, and expressly subject to the provisions set forth in Section 4.4 below, shall result in the suspension of the State's enforcement of the final judgment provided in Section 4.1. If any Defendant takes action that could result in any requirement to return such payment within 90 days after full and timely payment in accordance with this section, Defendants shall remain liable for the full unpaid balance of the final judgment. That amount may be asserted by the State in any subsequent proceeding to enforce this Consent Judgment, whether through execution, garnishment, or other legal proceedings, or through a proof of claim in any bankruptcy proceeding filed by any Defendant.

4.3 The payments provided for in Section 4.2 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 attorney fees and costs, restitution, if any, and for future consumer education and consumer enforcement.

4.4 If, as determined by the Court pursuant to Part VI below, Wayne E. Vaden or any of the Defendants made any material omission or misrepresentation to the State as part of the information provided to the State during its financial audit of Defendants' financial condition or if Wayne E. Vaden or The Vaden Law Firm violates any of the Injunctive Provisions in Part III, the State may enforce the $1,000,000 final judgment against The Vaden Law Firm, an additional $25,000 judgment shall enter against The Vaden Law Firm, arising from the subpoena enforcement action award that was suspended, and Wayne E. Vaden stipulates to the entry of a $500,000 judgment against him individually, which the State may also enforce upon entry by the Court.

4.5 Wayne E. Vaden stipulates and agrees that in the event of entry of the $500,000 judgment against him, such $500,000 judgment shall constitute a debt for a fine, penalty or forfeiture payable to and for the benefit of a governmental unit, is not compensation for actual pecuniary loss, and is specifically non-dischargeable under 11 U.S.C. § 523(a)(7).

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4.6 All notices to the State and all payments shall be made payable to the "Colorado Department of Law" with a reference to "State v. Vaden Law Firm Settlement," and shall be delivered to:

Alissa Hecht Gardenswartz
Deputy Attorney General
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, Colorado 80203

4.7 All notices to the Defendants shall be sent to:

Stacy A. Carpenter
Counsel for Defendants
Polsinelli
1515 Wynkoop, Suite 600
Denver, Colorado 80202

V. REPRESENTATIONS AND WARRANTIES

5.1 Except as expressly provided in this Consent Judgment, nothing in this Consent Judgment shall be construed as relieving the Defendants of their respective obligations to comply with all state and federal laws, regulations or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation or rule.

5.2 The Defendants acknowledge that they have thoroughly reviewed this Consent Judgment with their counsel, that they understand and agree to its terms, and that they agree that it shall be entered as an Order of this Court.

5.3 Each of the non-Court signatories to this Consent Judgment warrants and represents that he or she has authority to agree to this Consent Judgment on behalf of the specified parties.

VI. VIOLATIONS OF CONSENT JUDGMENT

6.1 In the event the State discovers information or has a cause to believe that any Defendant violated the Injunctive Provisions in Part III or that any Defendant made a material omission or misrepresentation to the State as part of the information provided to the State during its financial audit of Defendants' financial condition, the State shall provide the Defendant(s) written notice, as provided in Section 4.7 of the Consent Judgment, of said violation within twenty-one (21) days, and provide the Defendant(s) fourteen (14) days to cure the violation.

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If the Defendant fails to cure the violation, the State may petition the Court alleging a violation and seek the remedies provided in Section 4.4. Defendants agree to waive any personal service of any pleading or paper filed with the Court.

6.2 Following notice and hearing on the State's petition alleging a violation of the Consent Judgment and a finding by the Court that any Defendant violated the Consent Judgment, the Court may impose the remedies set forth in Section 4.4.

6.3 If the Court enters a judgment as provided in Section 4.4, the State may enforce the judgment without any further proceedings, hearings, or argument. Defendants consent and stipulate to this procedure and waive any process, objection, opportunity to be heard, or appeal.

6.4 Upon a finding by this Court that any of the Defendants violated any of the terms of this Consent Judgment, in addition to being entitled to the remedies set forth in Section 4.4, the State shall be entitled to seek an injunction or other appropriate order or relief from the Court to enforce the provisions of this Consent Judgment against such Defendant.

6.5 In any action brought by the State under this Consent Judgment, Defendants consent to personal and subject matter jurisdiction in the District Court for the City and County of Denver.

6.6 The obligations set forth in this Consent Judgment are continuing.

6.7 In the event proceedings are brought to enforce this Consent Judgment, the prevailing party shall be entitled to recover reasonable attorney fees and costs.

SO ORDERED and SIGNED this ____ day of _____, 2015.

BY THE COURT:

_____
District Court Judge

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Dated this 28th day of October, 2015.

/s/ Wayne E. Vaden
Vaden Law Firm, LLC,
by its authorized representative, Wayne E. Vaden

Dated this 28th day of October, 2015.

/s/ Wayne E. Vaden
City Park Title, LLC,
by its authorized representative, Wayne E. Vaden

Dated this 28th day of October, 2015.

/s/ Wayne E. Vaden
Wayne E. Vaden

Dated this 29th day of October, 2015.

For the State of Colorado:
Cynthia H. Coffman, Attorney General, and Julie Ann Meade, Administrator,
Uniform Consumer Credit Code

/s/ Mark L. Boehmer
Erik R. Neusch
Senior Assistant Attorney General
Mark L. Boehmer
Assistant Attorney General

APPROVED AS TO FORM:

Dated this 28th day of October, 2015

For Vaden Law Firm, LLC, City Park Title, LLC and Wayne E. Vaden:

/s/ Stacy Carpenter
Stacy Carpenter
Polsinelli PC
1515 Wynkoop, Suite 600
Denver, Colorado 80202

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