

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)
)
Deane J. Dorman,)
) Case No. 03-12619-PJW
Debtor)
-----)
)
Kelly Beaudin Stapleton,) Chapter 7
United States Trustee,)
)
Plaintiff.)
) Adversary No. 03-58721-PJW
v.)
)
Bob Vearling,)
d/b/a We the People of Clifton Heights,)
)
)
WE THE PEOPLE FORMS AND SERVICE) **RE: Docket No. 23**
CENTERS USA, INC., a California corporation,)
)
Defendants.)

STIPULATED FINAL JUDGMENT PURSUANT TO 11 U.S.C. § 110

The parties in this adversary proceeding have advised the Court they have reached agreement and have asked the Court to enter this Stipulated Final Judgment in disposition of this adversary proceeding. The Court is of the opinion the Stipulated Final Judgment should be entered.

IT, THEREFORE, IS ORDERED, ADJUDGED AND DECREED as follows:

1. This Judgment shall apply to and bind the above-named defendants, including their officers, employees, successors, and assigns (collectively "Defendants"), and their attorneys.

2. Defendants shall post a copy of this Judgment in a conspicuous location in each place of business located within the District of Delaware and also shall furnish a copy of this Judgment to every person in their employ within the District of Delaware who may have any involvement in providing Defendants' services to the public, and each such person shall be trained and instructed to comply with the terms of this Judgment. Defendants shall post a copy of this Judgment on any website owned or operated by them or on their behalf, and Defendant We the People Forms and Service Centers USA, Inc. (WTP-USA) shall ensure, that all franchisees within the District of Delaware shall post a copy of this Judgment on any website owned or operated by them or on their behalf; and the link to the posted Judgment shall be titled "Stipulated Final Judgment with the United States Trustee".

3. The Court finds that Defendants are "bankruptcy petition preparers" within the meaning, and subject to all the requirements, of 11 U.S.C. §110.

4. Pursuant to their duty to comply with 11 U.S.C. §110, Defendants hereby are enjoined permanently from engaging or participating in the following acts:

- a. Defendants shall not advertise or represent to the public that they are authorized to provide legal services of any kind in connection with any bankruptcy case or proceeding (unless otherwise permitted by applicable state and federal law, including 11 U.S.C. §110).
- b. Defendants shall not provide customers with access to a "Supervising Attorney" or any other legal counsel compensated by Defendants. Should a customer seek legal advice from Defendants, Defendants shall indicate that they are not authorized to provide legal advice of any kind in connection with any bankruptcy case or proceeding (unless otherwise

permitted or required by applicable state and federal law, including 11 U.S.C. §110, and the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ("BAPCPA").

- c. Defendants shall not select, recommend or, other than typing, assist in completing any bankruptcy papers or forms, including bankruptcy petitions and schedules, on behalf of their customers. Defendants may furnish a "typing service"-consisting solely of transcribing customer-supplied data onto a form or paper which exactly corresponds to the official bankruptcy form or paper-but may not make or recommend any change or suggestion regarding the customer's data, other than making inquiry to ensure accurate transcription of the customer-supplied data (unless otherwise permitted or required by applicable State and Federal Law, including 11 U.S.C. §110, and BAPCPA).
- d. Defendants shall not distribute to their customers, for a fee or otherwise, their current documents denominated "Overview" and "Step by Step" manual or any similar material prepared by or on behalf of Defendants purporting to afford legal guidance to debtors or creditors. However, Defendants may make available for reference or sale generally, materials on the subject of bankruptcy that are publicly available from the office of the clerk of the United States Bankruptcy Court, from any department, agency or instrumentality of the United States, and/or from commercial publishers.
- c. Defendants shall not require customers, as a condition of doing business,

to enter into a "Hold Harmless Agreement" or any other document purporting to waive any legal rights of the customer. However, Defendants may require their customers to execute an acknowledgment that is consistent with the terms of this Judgment and with 11 U.S.C. §110.

- f. Defendants shall not collect, receive, deliver or cause to be delivered any payments from debtors, or on behalf of debtors, for court fees associated with the filing of any bankruptcy documents, including petitions and schedules. However, Defendants may make available at their retail location a "lockbox" or similar depository that is associated with a completely unrelated and independent courier service into which customers may deposit their bankruptcy documents for filing and court fees and such documents and court fees are retrieved only by representatives of such independent courier service.

5. Defendants will periodically conduct compliance training and audit employee activities to ensure compliance with the terms of this Judgment.

6. Paragraph five shall become effective sixty days from the date the Judgment is entered on the Court's docket. The remaining paragraphs and provisions of this Judgment shall be effective ten (10) days after the Court executes its approval and enters this Judgment on the Court docket.

7. Should any non-compliance with the terms of this Judgment be found by Defendants, Defendants promptly will report such finding in writing to Plaintiff's counsel and cooperate in all respects with Plaintiff's counsel to cease and desist such noncompliance. Should any non-compliance with the terms of this Judgment be found by Plaintiff, Plaintiff will notify


WTP-USA in writing as to any allegation of non-compliance with this Judgment that comes to Plaintiff's attention and Plaintiff will allow the non-complying Defendant ten (10) days to cure any such non-compliance before initiating any action against Defendants based on such non-compliance. With respect to any second or subsequent occurrence of alleged non-compliance by a Defendant, Plaintiff in its sole discretion may initiate an action to enforce this Judgment. More specific requirements regarding notice procedures are set forth in the parties' corresponding Stipulation.

8. Neither Defendants nor their attorneys shall make any representations or characterizations regarding the outcome of this litigation other than to state that they are subject to this Judgment, and each party shall bear its own costs, attorney fees, and expenses.

9. Should there be any violation of this Judgment or any breach of the parties' corresponding Stipulation, the parties reserve the right to pursue any and all remedies available to them.

10. The Court retains jurisdiction to enforce the terms of this Judgment.

Nov. 10, 2005


Peter J. Walsh, U.S.B.J.