

IN THE UNITED STATES DISTRICT COURT  
FOR UTAH

FEDERAL TRADE COMMISSION,  
  
Plaintiff,  
  
v.  
  
LIFT INTERNATIONAL, LLC, *et al.*,  
  
Defendants.

Case No. 2:17-cv-00506-RJS

**STIPULATED ORDER FOR  
PERMANENT INJUNCTION AND  
MONETARY JUDGMENT AS TO  
DEFENDANTS LIFT  
INTERNATIONAL, LLC AND ARI  
MONKARSH**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Telemarketing and Consumer Fraud Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. The Commission and Defendants Lift International, LLC and Ari Monkarsh (“Settling Defendants”) stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

### **FINDINGS**

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Settling Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC’s trade regulation rule entitled Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in the operation of a telemarketing scheme offering consumers purported business coaching services and products.
3. Settling Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Settling Defendants admit the facts necessary to establish jurisdiction.
4. Settling Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.
5. Settling Defendants and the Commission waive all rights to appeal or otherwise challenge

or contest the validity of this Order.

### DEFINITIONS

For the purpose of this Order, the following definitions apply:

A. “**Business Coaching Services**” means any product or service, including any program or plan, that is represented, expressly or by implication, to train or teach a consumer how to establish, operate, or improve a business.

B. “**Corporate Defendant**” means Lift International, LLC, also doing business as Lift International Enterprises, Guidance Interactive, and GoGo DropShip, and its successors and assigns.

C. “**Customer Information of a Financial Institution**” shall have the same meaning as set out in Section 6827(2) of the Gramm Leach Bliley Act, 15 U.S.C. § 6827.

D. “**Individual Defendant**” means Ari Monkarsh.

E. “**Person**” means any natural person or any entity, corporation, partnership, or association of persons.

F. “**Settling Defendants**” means the Individual Defendant and the Corporate Defendant, individually or collectively.

G. “**Telemarketing**” means any plan, program, or campaign which is conducted to induce the purchase of goods or services by use of one or more telephones, and which involves a telephone call, whether or not covered by the Telemarketing Sales Rule.

H. “**Work-at-Home Opportunity**” means any product or service, including any program or plan, that is represented, expressly or by implication, to assist a consumer in any

manner to earn money while working from home.

**ORDER**

**I.**

**BAN ON MARKETING OR SALE OF BUSINESS COACHING SERVICES AND WORK-AT-HOME OPPORTUNITIES**

IT IS ORDERED that Settling Defendants are permanently restrained and enjoined from:

A. Advertising, marketing, promoting, or offering for sale, or assisting in the advertising, marketing, promoting, or offering for sale of any (1) Business Coaching Service, (2) Work-at-Home Opportunity, or (3) service to assist in the creation, advertising, marketing, or promotion of a Work-At-Home Opportunity, including, but not limited to, business entity formation, corporate document filing, bookkeeping services, business plans, market research, business credit development, product sourcing and drop shipping packages, website tools and services (such as website design, building, hosting programs or services), ebay research tools and services, tax planning services, and website marketing packages and services; and

B. Holding an ownership interest, share, or stock in any business, other than a publicly traded company, that engages in or assists in advertising, marketing, promoting, or offering for sale of any (1) Business Coaching Service, (2) Work-at-Home Opportunity, or (3) service to assist in the creation, advertising, marketing, or promotion of a Work-At-Home Opportunity, including, but not limited to, business entity formation, corporate document filing, bookkeeping services, business plans, market research, business credit development, product sourcing and drop shipping packages, website tools and services (such as website design, building, hosting programs or services), ebay research tools and services, tax planning services, and website marketing packages and services.

Provided, however, that Subsections A(3) and B(3) above do not prohibit the Individual Defendant from providing services to an existing business that (i) has been operating for at least 6 months and generated revenue over \$150,000, or has 2 or more employees working in a commercial brick-and-mortar location, and (ii) is not involved in the provision of any services related to a Business Coaching Service and/or a Work-At-Home Opportunity. Subsections A(3) and B(3) also do not prohibit the Individual Defendant from providing consulting services, compliance review, or similar services as an employee or agent of a law firm or insurance agency.

## **II.**

### **PROHIBITED BUSINESS ACTIVITIES**

IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from making, or assisting others in making, directly or by implication, any false or misleading statement about Settling Defendants' identity, purpose, or right to receive Customer Information of a Financial Institution.

## **III.**

### **PROHIBITIONS RELATING TO TELEMARKETING PRACTICES**

IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with Telemarketing of any good or service, are permanently restrained and enjoined from:

A. Failing to disclose truthfully, promptly, and in a clear and conspicuous manner: (1) the identity of the seller; (2) that the purpose of the call is to sell goods or services; and (3) the nature of those goods or services; and

B. Violating any provision of the TSR. (A copy of the TSR is attached as Attachment A.)

#### **IV.**

#### **PROHIBITIONS AGAINST MISREPRESENTATIONS**

IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any good or service other than those banned by Section I of this Order, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

- A. The cost of any product or service;
- B. Any material restriction, limitation, or condition on the product or service;
- C. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy for the product or service; and
- D. Any material aspect of the performance, efficacy, nature, or central characteristics of the product or service.

#### **V.**

#### **MONETARY JUDGMENT AND PARTIAL SUSPENSION**

IT IS FURTHER ORDERED that:

A. Judgment in the amount of TWENTY NINE MILLION DOLLARS (\$29,000,000) is entered in favor of the Commission against the Settling Defendants, jointly and severally, as equitable monetary relief.

B. Settling Defendants are ordered to pay to the Commission Two Hundred Thousand Dollars (\$200,000). Such payment must be made by electronic funds transfer in accordance with the instructions provided by a representative of the Commission, as follows: payment of \$100,000, which, as Settling Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the Commission, within 7 business days of entry of this Order; and payment in the amount of \$100,000 within 60 days of entry of this Order. Upon such payments, the remainder of the judgment is suspended, subject to Subsections C through E below.

C. The Commission's agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Settling Defendants' sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

1. the Financial Statement of Individual Defendant Monkarsh signed on January 12, 2017, and as amended on January 23, 2017, including the attachments: "Income Supplemental" and "Statement of 2016 Income" attachments to Item 6; "Debt Calcs" attachment to Item 19; Consulting Contract dated June 1, 2016; and Order dated January 27, 2016 entered in In re Matter of the Estate of Monkarsh;

2. the Financial Statement of Corporate Defendant Lift International, LLC signed by Ari Monkarsh on January 12, 2017, including the attachments: Secured Promissory

Note & Agreement dated August 1, 2013; Amendment to Secured Promissory Note & Agreement dated August 1, 2013; Termination and Settlement Agreement dated April 10, 2014; Amended and Restated Secured Promissory Note & Agreement dated June 20, 2014; Amended and Restated Security Agreement dated June 20, 2014; Asset Purchase Agreement dated May 23, 2016; Transition Services Agreement dated May 23, 2016; Disclosure Schedule to Asset Purchase Agreement dated May 23, 2016; and Corporate Guarantee Agreement dated May 23, 2016; and

3. the additional documentation submitted by emails from Settling Defendants' counsel Karra Porter to Commission counsel dated January 12, 2017, January 19, 2017, and January 23, 2017, attaching the following: Individual Defendant Monkarsch's tax returns for 2013, 2014, and 2015; Lift International LLC's tax returns for 2013, 2014, and 2015; and 2016 bank statements and credit card statements.

D. The suspension of the judgment will be lifted as to any Settling Defendant if, upon motion by the Commission, the Court finds that the Settling Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

E. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Settling Defendant in the amount specified in Subsection A above (which the parties stipulate only for purposes of this Section represents the consumer injury alleged in the Complaint), less any payments previously made pursuant to this Section, plus interest computed from the date of entry of this Order.



**VI.**

**ADDITIONAL MONETARY PROVISIONS**

IT IS FURTHER ORDERED that:

A. Settling Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

D. Settling Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Settling Defendants previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

E. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any

remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Settling Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Settling Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

## **VII.**

### **CUSTOMER INFORMATION**

IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Settling Defendants must provide it, in the form prescribed by the Commission, within 14 days; and

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Settling Defendant obtained prior to entry of this Order; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the Commission.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

### **VIII.**

#### **COOPERATION**

IT IS FURTHER ORDERED that Settling Defendants must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Settling Defendants must provide truthful and complete information, evidence, and testimony. Individual Defendant must appear and Corporate Defendant must cause its officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 20 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena. If the presence of a person described in this paragraph is required outside the State of Utah as well as beyond 100 miles of the person's residence, the FTC agrees to arrange and pay for the person's reasonable travel expenses.

### **IX.**

#### **ORDER ACKNOWLEDGMENTS**

IT IS FURTHER ORDERED that Settling Defendants obtain acknowledgments of receipt of this Order:

A. Each Settling Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 10 years after entry of this Order, the Individual Defendant for any business that he, individually or collectively with any other Defendants, is the majority owner or controls directly or indirectly, and the Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Settling Defendant delivered a copy of this Order, that Settling Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

**X.**

**COMPLIANCE REPORTING**

IT IS FURTHER ORDERED that Settling Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each Settling Defendant must submit a compliance report, sworn under penalty of perjury:

1. Each Settling Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with that Settling Defendant; (b) identify all of that Settling Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods

and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which the Individual Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Settling Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, the Individual Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest; and (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years after entry of this Order, each Settling Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Settling Defendant must report any change in: (a) any designated point of contact; or (b) the structure of the Corporate Defendant or any entity that such Settling Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, the Individual Defendant must report any change in: (a)

name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Each Settling Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Settling Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Lift International, LLC, et al.

## **XI.**

### **RECORDKEEPING**

IT IS FURTHER ORDERED that Settling Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, the Corporate Defendant and the Individual Defendant for any business that such Defendant,

individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and
- E. a copy of each unique contract with any payment processor or lead broker.

## **XII.**

### **COMPLIANCE MONITORING**

IT IS FURTHER ORDERED that, for the purpose of monitoring the Settling Defendants' compliance with this Order, including the financial representations upon which part of the judgment was suspended and any failure to transfer any assets as required by this Order:

- A. Within 14 days of receipt of a written request from a representative of the Commission, each Settling Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45,

and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with each Settling Defendant. Settling Defendants must permit representatives of the Commission to interview any employee or other person affiliated with any Settling Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. The Commission may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to the Settling Defendants or any individual or entity affiliated with the Settling Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

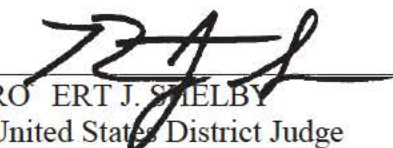
### **XIII.**

#### **RETENTION OF JURISDICTION**

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this 7th day of June, 2017.

BY THE COURT:

  
ROBERT J. SMELBY  
United States District Judge