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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

Case No. CV 15-4527-GW(PLAx)

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**BUNZAI MEDIA GROUP, INC.,
*et al.***

Defendants.

**DEFAULT JUDGMENT AND
ORDER FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

Plaintiff, Federal Trade Commission (“FTC” or “Commission”), filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) on June 16, 2015. (Dkt. 3). Plaintiff filed its First Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) on October 9, 2015, seeking a permanent injunction and other equitable relief against 32 Defendants and one Relief Defendant. (Dkt. 235). Plaintiff’s Amended Complaint asserts the same claims, and seeks the same relief, as their initial Complaint but

1 adds several defendants and a relief defendant count. Plaintiff’s Complaint and
2 Amended Complaint allege that Defendants, acting as a common enterprise,
3 violated Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.
4 § 45; Section 4 of the Restore Online Shoppers’ Confidence Act (“ROSCA”), 15
5 U.S.C. § 8404; and Section 917(c) of the Electronic Funds Transfer Act
6 (“EFTA”), 15 U.S.C. § 1693o(c).

7 The FTC having filed its Second Motion for Entry of Default Judgment and
8 Order for Permanent Injunction and Other Equitable Relief (Motion), and the
9 Court having considered the FTC’s Motion, supporting exhibits, and the
10 Supplement to these filings (Dkt. 486), the FTC’s Motion is hereby granted.

11 THEREFORE, IT IS ORDERED as follows:

12 **FINDINGS**

13 1. “The general rule of law is that upon default the factual allegations of the
14 complaint, except those relating to the amount of damages, will be taken as true.”
15 *See TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

16 2. This Court is satisfied that Defaulting Defendants were properly served
17 with the First Amended Complaint:

- 18 a. Defendants AMD Financial Network, Inc.; Focus Media Solutions, Inc.;
- 19 Secured Commerce LLC; USM Products, Inc.; Merchant Leverage
- 20 Group, Inc.; DMA Media Holdings, Inc.; Shalita Holdings, Inc.; and All

1 Star Beauty Products, Inc. were served as described in the Proofs of
2 Service filed with the Clerk of the Court. (Dkts. 406, 373, 376, 379,
3 374, 372, 378, 371); and

4 b. Defendants BunZai Media Group, Inc.; Pinnacle Logistics, Inc.; DSA
5 Holdings, Inc.; Lifestyle Media Brands, Inc.; Agoa Holdings, Inc.;
6 Safehaven Ventures, Inc.; Heritage Alliance Group, Inc.; AMD
7 Financial Network, Inc.; SBM Management, Inc.; Kai Media, Inc.; and
8 Insight Media, Inc. were served through their officer, managing or
9 general agent, or other agent authorized by appointment or by law, as
10 acknowledged at Dkt. 486.

11 3. None of the Defaulting Defendants has answered or otherwise appeared in
12 this action.

13 a. The Clerk of the Court has entered a Default against Secured
14 Commerce, LLC, on May 5, 2016 (Dkt. 418).

15 b. The Clerk of the Court has entered Defaults against BunZai Media
16 Group, Inc.; Pinnacle Logistics, Inc.; DSA Holdings, Inc.; Lifestyle
17 Media Brands, Inc.; Agoa Holdings, Inc.; Safehaven Ventures, Inc.;
18 Heritage Alliance Group, Inc.; SBM Management, Inc.; Kai Media, Inc.;
19 Media Urge, Inc.; and Insight Media, Inc. on July 18, 2016. (Dkts. 504,
20 505, and 506).

1 c. The Clerk of the Court entered Defaults against All Star Beauty
2 Products, Inc.; AMD Financial Network, Inc.; DMA Media Holdings,
3 Inc.; Focus Media Solutions, Inc.; Merchant Leverage Group, Inc.;
4 Shalita Holdings, Inc.; and USM Products, Inc. on August 9 and 10,
5 2016 (Dkts. 525, 526, and 527).

6 4. Therefore, the factual allegations of the Amended Complaint, except
7 those

8 relating to the amount of damages, will be taken as true.

9 5. This is an action by the Commission under Sections 13(b) and 19 of the
10 FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 5 of ROSCA, 15 U.S.C. § 8404,
11 and Section 917(c) of EFTA, 15 U.S.C. § 1693o(c).

12 6. The Commission's Complaint and Amended Complaint seek permanent
13 injunctive relief against Defendants in connection with online sale of skincare
14 products through a negative option continuity plan in violation of Section 5(a) of
15 the FTC Act, 15 U.S.C. § 45(a), Section 4 of ROSCA, 15 U.S.C. § 8403, and
16 Section 907(a) of EFTA, 15 U.S.C. § 1693e(a), and equitable monetary relief in
17 the form of consumer redress and/or disgorgement. (Dkt. 235 at p.45-46).

18 **JURISDICTION AND VENUE**

19 7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,
20 1337(a), and 1345 and 15 U.S.C. §§ 45(a), 53(b), and 57b.

1 8. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(1) and (b)(2),
2 and 15 U.S.C. § 53(b).

3 **PLAINTIFF**

4 9. The FTC is an independent agency of the United States Government created
5 by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15
6 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting
7 commerce. Additionally, the FTC enforces ROSCA, 15 U.S.C. §§ 8401-05, which
8 prohibits certain methods of negative option marketing on the Internet, and EFTA,
9 15 U.S.C. § 1693 *et seq.*, which regulates the rights, liabilities, and responsibilities
10 of participants in electronic fund transfer systems.

11 **10.** The FTC is authorized to initiate federal district court proceedings, by its
12 own attorneys, to enjoin violations of the FTC Act, ROSCA, and EFTA, and to
13 secure such equitable relief as may be appropriate in each case, including
14 rescission or reformation of contracts, restitution, the refund of monies paid, and
15 the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A),
16 56(a)(2)(B), 57b, 8404, and 1693o(c).

17 **DEFAULTED DEFENDANTS**

18 **11. BunZai Media Group, Inc.**, also doing business as AuraVie, Miracle Face
19 Kit, and Attitude Cosmetics, was a California corporation. (Dkt. 235 at p.7 ¶9).

20 This Defendant was properly served with Plaintiff's Summons and Amended

**[PROPOSED] DEFAULT JUDGMENT AND ORDER FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

1 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
2 entered a Default against this Defendant on July 18, 2016. (Dkt. 504).

3 12. **Pinnacle Logistics, Inc.** was a California corporation with its principal
4 place of business at the same location as BunZai Media Group, Inc. (Dkt. 235 at
5 p.8 ¶10). This Defendant was properly served with Plaintiff's Summons and
6 Amended Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of
7 the Court entered a Default against this Defendant on July 18, 2016. (Dkt. 506).

8 13. **DSA Holdings, Inc.** was a California corporation with its principal place of
9 business at the same location as Pinnacle Logistics, Inc. (Dkt. 235 at p.8 ¶11).
10 This Defendant was properly served with Plaintiff's Summons and Amended
11 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
12 entered a Default against this Defendant on July 18, 2016. (Dkt. 504).

13 14. **Lifestyle Media Brands, Inc.** was a California corporation with its
14 principal place of business at the same location as BunZai Media Group, Inc.
15 (Dkt. 235 at p.9 ¶12). This Defendant was properly served with Plaintiff's
16 Summons and Amended Complaint (Dkt. 486 at 2) but failed to appear or defend.
17 The Clerk of the Court entered a Default against this Defendant on July 18, 2016.
18 (Dkt. 505).

19 15. **Agoa Holdings, Inc.** was a California corporation with its principal place
20 of business at the same location as BunZai Media Group, Inc. (Dkt. 235 at p.9

1 ¶13). This Defendant was properly served with Plaintiff's Summons and
2 Amended Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of
3 the Court entered a Default against this Defendant on July 18, 2016. (Dkt. 504).

4 16. **Safehaven Ventures, Inc.** was a California corporation with its principal
5 place of business at the same location as BunZai Media Group, Inc. (Dkt. 235 at
6 p.10 ¶15). This Defendant was properly served with Plaintiff's Summons and
7 Amended Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of
8 the Court entered a Default against this Defendant on July 18, 2016. (Dkt. 505).

9 17. **Heritage Alliance Group, Inc.** also doing business as AuraVie
10 Distribution, was a California corporation with its principal place of business at
11 the same location as BunZai Media Group, Inc. (Dkt. 235 at p.10 ¶16). This
12 Defendant was properly served with Plaintiff's Summons and Amended
13 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
14 entered a Default against this Defendant on July 18, 2016. (Dkt. 504).

15 18. **AMD Financial Network, Inc.** was a California corporation with its
16 principal place of business at the same location as BunZai Media Group, Inc.
17 (Dkt. 235 at p.11 ¶17). This Defendant was properly served with Plaintiff's
18 Summons and Complaint (Dkt. 406) but failed to appear or defend. The Clerk of
19 the Court entered a Default against this Defendant on August 9, 2016. (Dkt. 525).

1 19. **SBM Management, Inc.** was a California corporation. (Dkt. 235 at p.11
2 ¶18). This Defendant was properly served with Plaintiff’s Summons and
3 Amended Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of
4 the Court entered a Default against this Defendant on July 18, 2016. (Dkt. 505).

5 20. **Media Urge, Inc.** was a California corporation. (Dkt. 235 at p.11 ¶19). This
6 Defendant was properly served with Plaintiff’s Summons and Amended
7 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
8 entered a Default against this Defendant on July 18, 2016. (Dkt. 505).

9 21. **Kai Media, Inc.** was a California corporation with its principal place of
10 business at the same location as BunZai Media Group, Inc. (Dkt. 235 at p.12 ¶22).
11 This Defendant was properly served with Plaintiff’s Summons and Amended
12 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
13 entered a Default against this Defendant on July 18, 2016. (Dkt. 505).

14 22. **Insight Media, Inc.** was a California corporation with its principal place of
15 business at the same location as BunZai Media Group, Inc. (Dkt. 235 at p.13 ¶23).
16 This Defendant was properly served with Plaintiff’s Summons and Amended
17 Complaint (Dkt. 486 at 2) but failed to appear or defend. The Clerk of the Court
18 entered a Default against this Defendant on July 18, 2016. (Dkt. 504).

19 23. **Focus Media Solutions, Inc.** was a California corporation. (Dkt. 235 at
20 p.13 ¶24). This Defendant was properly served with Plaintiff’s Summons and

1 Amended Complaint (Dkt. 373) but failed to appear or defend. The Clerk of the
2 Court entered a Default against this Defendant on August 10, 2016. (Dkt. 527).

3 24. **Secured Commerce, LLC** was a California limited liability company.
4 (Dkt. 235 at p.14 ¶25). This Defendant was properly served with Plaintiff's
5 Summons and Amended Complaint (Dkt. 376) but failed to appear or defend. The
6 Clerk of the Court entered a Default against this Defendant on May 5, 2016. (Dkt.
7 418).

8 25. **USM Products, Inc.** was a California corporation. (Dkt. 235 at p.15 ¶27).
9 This Defendant was properly served with Plaintiff's Summons and Amended
10 Complaint (Dkt. 379) but failed to appear or defend. The Clerk of the Court
11 entered a Default against this Defendant on August 10, 2016. (Dkt. 527).

12 26. **Merchant Leverage Group, Inc.** was a California corporation. (Dkt. 235 at
13 p.15 ¶28). This Defendant was properly served with Plaintiff's Summons and
14 Amended Complaint (Dkt. 486 at 3) but failed to appear or defend. The Clerk of
15 the Court entered a Default against this Defendant on August 10, 2016. (Dkt.
16 527).

17 27. **DMA Media Holdings, Inc.** was a California corporation with its principal
18 place of business at the same location as BunZai Media Group, Inc. (Dkt. 235 at
19 p.16 ¶29). This Defendant was properly served with Plaintiff's Summons and
20 Amended Complaint (Dkt. 486 at 3) but failed to appear or defend. The Clerk of

1 the Court entered a Default against this Defendant on August 9, 2016. (Dkt. 526).

2 28. **Shalita Holdings, Inc.** was a California corporation with its principal place
3 of business at the same location as BunZai Media Group, Inc. (Dkt. 235 at p.16
4 ¶30). This Defendant was properly served with Plaintiff’s Summons and
5 Amended Complaint (Dkt. 486 at 3) but failed to appear or defend. The Clerk of
6 the Court entered a Default against this Defendant on August 10, 2016. (Dkt.
7 527).

8 29. **All Star Beauty Products, Inc.** was a California corporation with its
9 principal place of business at the same location as BunZai Media Group, Inc.
10 (Dkt. 235 at p.16 ¶31). This Defendant was properly served with Plaintiff’s
11 Summons and Amended Complaint (Dkt. 486 at 3) but failed to appear or defend.
12 The Clerk of the Court entered a Default against this Defendant on August 10,
13 2016. (Dkt. 527).

14 **COMMERCE**

15 30. At all times material to this Complaint, Defendants maintained a substantial
16 course of trade in or affecting commerce, as “commerce” is defined in Section 4
17 of the FTC Act, 15 U.S.C. § 44. (Dkt. 235 at p.23 ¶44). Defendants’ Internet
18 skincare product business was marketed, and sold products, to consumers
19 nationwide. (Dkt. 235 at p.5 ¶2).

COMMON ENTERPRISE

1
2 31. The Court finds that Defaulting Defendants participated as members of a
3 common enterprise and:

- 4 a. conducted the business practices at issue through an interrelated network
5 of companies with common ownership, officers, managers, business
6 functions, employees and office locations (Dkt. 235 at p.22 ¶42); and
- 7 b. the companies commingled funds, used the same deceptive sales
8 techniques, and had centralized record keeping. (Dkt. 235 at p.22 ¶50).

9 32. These allegations, taken as true, establish that, as members of a common
10 enterprise, Defaulting Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.
11 § 45(a), Section 4 of ROSCA, 15 U.S.C. § 8403, and Section 907(a) of EFTA, 15
12 U.S.C. § 1693e(a). (Dkt. 235 at p.6 ¶3 and p.22 ¶42).

13 **DEFAULTING DEFENDANTS' LAW VIOLATIONS**

14 33. The Court finds that, in connection with the online sale of skincare products
15 through a negative option continuity plan and as members of a common
16 enterprise, Defaulting Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.
17 § 45(a), by failing to disclose, or disclose adequately, material terms and
18 conditions of their offer, including:

- 19 a. that Defendants would use consumer's credit and debit card information
20 to charge consumers the full cost of the trial products upon expiration of

1 a limited trial period (Dkt. 235 at p.36 ¶71(a));

2 b. the dates on which the trial period began and ended (Dkt. 235 at p.36

3 ¶71(b));

4 c. that Defendants would automatically enroll consumers in a negative

5 option continuity plan with additional charges (Dkt. 235 at p.36 ¶71(c));

6 d. the cost of the continuity plan, and the frequency and duration of the

7 recurring charges (Dkt. 235 at p.36 ¶71(d));

8 e. the means consumers must use to cancel the negative option program to

9 avoid additional charges (Dkt. 235 at p.36 ¶71(e)); and

10 f. requirements of their refund policies. (Dkt. 235 at p.36 ¶71(f)).

11 34. Accordingly, the Court finds Defaulting Defendants liable under Count 1 of
12 the Amended Complaint. (Dkt. 235 at p.36).

13 35. The Court finds that, in connection with the online sale of skincare products
14 through a negative option continuity plan and as members of a common
15 enterprise, Defaulting Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.
16 § 45(a), by falsely representing, expressly or by implication, that consumers could
17 try their products “risk free.” (Dkt. 235 at p.37 ¶73-75).

18 36. Accordingly, the Court finds Defaulting Defendants liable under Count 2 of
19 the Amended Complaint. (Dkt. 235 at p.37).

1 37. The Court finds that, in connection with the online sale of skincare products
2 through a negative option continuity plan and as members of a common
3 enterprise, Defaulting Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.
4 § 45(a), by falsely representing, expressly or by implication, that Defendants are
5 accredited by and have a rating of “A-” with the Better Business Bureau. (Dkt.
6 235 at p.37-38 ¶76-78).

7 38. Accordingly, the Court finds Defaulting Defendants liable under Count 3 of
8 the Amended Complaint. (Dkt. 235 at 37).

9 39. The Court finds that, in connection with the online sale of skincare products
10 through a negative option continuity plan and as members of a common
11 enterprise, Defaulting Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.
12 §§ 45(a) and (n) by having caused charges to submitted for payment to the credit
13 and debit cards of consumers without their express informed consent. (Dkt. 235 at
14 p.38 ¶79-81).

15 40. Accordingly, the Court finds Defaulting Defendants liable under Count 4 of
16 the Amended Complaint. (Dkt. 235 at 38).

17 41. The Court finds that, in connection with the online sale of skincare products
18 through a negative option continuity plan and as members of a common
19 enterprise, Defaulting Defendants violated Section 4 of ROSCA, 15 U.S.C.
20 § 8403, by failing to:

- 1 a. clearly and conspicuously disclose all material terms of the negative
- 2 option feature of the skincare products transaction before obtaining the
- 3 consumer's billing information (Dkt. 235 at p.40 ¶87(a));
- 4 b. obtain the consumer's express informed consent to the negative option
- 5 feature before charging the consumer's credit card, debit card, bank
- 6 account, or other financial account for the transaction (Dkt. 235 at p.40
- 7 ¶87(b)); and/or
- 8 c. provide simple mechanisms for a consumer to stop recurring charges for
- 9 skincare products to the consumer's credit card, debit card, bank
- 10 account, or other financial account. (Dkt. 235 at p.41 ¶87(c)).

11 42. Accordingly, the Court finds Defaulting Defendants liable under Count 5 of
12 the Amended Complaint. (Dkt. 235 at 41).

13 43. The Court finds that, in connection with the online sale of skincare products
14 through a negative option continuity plan and as members of a common
15 enterprise, Defaulting Defendants violated Section 907(a) of EFTA, 15 U.S.C.
16 § 1693e(a), and Section 205.10(b) of Regulation E, 12 C.F.R. § 205.10(b), by:

- 17 a. debiting consumers' bank accounts on a recurring basis without
- 18 obtaining a written authorization signed or similarly authenticated from
- 19 consumers for preauthorized electronic fund transfers from their
- 20 accounts (Dkt. 235 at p.42 ¶93); and

1 b. debiting consumers' bank accounts on a recurring basis without
2 providing a copy of a written authorization signed or similarly
3 authenticated by the consumer for preauthorized electronic fund
4 transfers from the consumer's account. (Dkt. 235 at p.42 ¶94).

5 44. Accordingly, the Court finds Defaulting Defendants liable under Count 6 of
6 the Amended Complaint. (Dkt. 235 at 42).

7 **PERMANENT INJUNCTIVE RELIEF**

8 45. Section 13(b) of the FTC Act authorizes courts to issue a permanent
9 injunction whenever a defendant violates the laws enforced by the Commission
10 and is likely to continue to violate them. *FTC v. H.N. Singer, Inc.*, 668 F.2d 1107,
11 1111 (9th Cir. 1982); *FTC v. Gem Merch. Corp.*, 87 F.3d 466, 468 (11th Cir.
12 1996); *FTC v. Medlab, Inc.*, 615 F. Supp. 2d 1068, 1082 (N.D. Cal. 2009). To
13 determine whether a defendant is likely to engage in similar violations in the
14 future, courts look to two general factors: (a) the deliberateness and seriousness
15 of the present violation, and (b) the defendant's past record with respect to
16 deceptive and unfair marketing practices. *Sears, Roebuck & Co. v. FTC*, 676 F.2d
17 385, 392 (9th Cir. 1982); *Ivy Capital*, 2013 WL 1224613, at *16. The court may
18 also weigh the "adaptability or transferability of the unfair practice to other
19 products." *Id.* This Court finds that a permanent injunction against all defaulting
20 defendants is proper and serves the public interest.

1 46. Further, “[a] court may frame an injunction based on violation of the FTC
2 Act broadly enough to prevent the defendant from engaging in similar illegal
3 conduct in the future.” *FTC v. Neovi, Inc.*, No. 06-1952 JLS, 2010 WL 3789713,
4 at *2 (S.D. Cal. Sept. 27, 2010) (citing *FTC v. Colgate-Palmolive*, 380 U.S. 374,
5 395 (1965)). Numerous courts have imposed bans enjoining future participation in
6 a particular line of business. *See, e.g., FTC v. Gill*, 265 F.3d 944, 957-58 (9th Cir.
7 2001) (ban on engaging in the credit repair business); *Ivy Capital*, 2013 WL
8 1224613, at *16 (ban on business coaching); *FTC v. John Beck Amazing Profits,*
9 *LLC*, 888 F. Supp. 2d 1006, 1013 (C.D. Cal. 2012) (ban on telemarketing and
10 producing or disseminating infomercials); *Grant Connect*, 827 F. Supp. 2d at 1233
11 (ban on marketing and selling grant products and business opportunities); *FTC v.*
12 *Dinamica Financiera*, No. 2:09-03554, 2010 WL 9488821, at *12 (C.D. Cal. Aug.
13 19, 2010) (ban on loan modification and foreclosure relief services); *FTC v.*
14 *Neiswonger*, 494 F. Supp. 2d 1067, 1084 (E.D. Mo. 2007) (ban on marketing
15 business opportunities); *FTC v. Bay Area Bus. Council, Inc.*, No. 02-5762 (N.D.
16 Ill. Apr. 16, 2004) (ban on telemarketing and on sale of credit-related products),
17 *aff’d*, 423 F.3d 627 (7th Cir. 2005); *FTC v. Credit Enhancement Servs.*, No. 02-
18 2134 (E.D.N.Y. Mar. 31, 2004) (ban on marketing or selling credit-related goods
19 or services); *FTC v. Consumer Alliance*, No. 02-2429 (N.D. Ill. Sept.29, 2003)
20 (ban on telemarketing and sales of credit card protection and credit-related

1 products). Based on the allegations in the Amended Complaint (Doc. No. 235 at
2 p.23-35), such a ban, prohibiting defaulting Defendants from engaging in future
3 negative options sales, is appropriate here.

4 EQUITABLE MONETARY RELIEF

5 47. Where consumers suffer economic injury resulting from defendants'
6 violations of the FTC Act, equity requires monetary relief in the full amount of
7 consumers' losses (or ill-gotten gains). *FTC v. Stefanich*, 559 F.3d 924, 931 (9th
8 Cir. 2009) (affirming summary judgment holding defendants liable for the full
9 amount of loss incurred by consumers); *Inc21.com*, 745 F. Supp. 2d at 1011.

10 48. To determine the proper monetary relief, the FTC need only reasonably
11 approximate the amount of consumer injury, at which point the burden shifts to
12 Defendants to show that the figures are inaccurate. *See Commerce Planet*, 878 F.
13 Supp. 2d at 1089 (citing *FTC v. Direct Mktg. Concepts, Inc.*, 624 F.3d 1, 15 (1st
14 Cir. 2010); *FTC v. Febre*, 128 F.3d 530, 535 (7th Cir. 1997)). "Fuzzy figures due
15 to a defendant's uncertain bookkeeping cannot carry a defendants' burden to show
16 inaccuracy." *Id.*

17 49. Where defendants act as a common enterprise, each may be held jointly and
18 severally liable for the unlawful acts and practices of the other. *Grant Connect*,
19 827 F. Supp. 2d at 1216; *J.K. Publ'ns*, 99 F. Supp. 2d at 1202.

1 50. The common enterprise’s net sales (total sales minus refunds, returns, and
2 chargebacks) amounted to at least \$72,692,812 from the conduct alleged in the
3 Commission’s Amended Complaint. (Doc. No. 482-1 at 2 ¶7). Defaulting
4 Defendants received notice of the amount sought by the Commission in this
5 action, by service upon their owners, officers, or agents. (Dkt. 486, *see also* Dkt.
6 482).

7 51. The Commission is entitled to equitable monetary relief against Defaulting
8 Defendants in the amount of \$72,692,812, for which Defaulting Defendants are
9 jointly and severally liable. (Doc. No. 482-1 at 2 ¶7).

10 52. This Order is in addition to, and not in lieu of, any other civil or criminal
11 remedies that may be provided by law.

12 53. Entry of this Order is in the public interest.

13 **DEFINITIONS**

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

15 A. “**Acquirer**” means a business organization, financial institution, or an agent
16 of a business organization or financial institution that has authority from an
17 organization that operates or licenses a credit card system (*e.g.* Visa, MasterCard,
18 American Express, and Discover) to authorize merchants to accept, transmit, or
19 process payment by credit card through the credit card system for money, goods or
20 services, or anything else of value.

1 B. **“Charge” or “Charging”** means causing billing information to be
2 submitted for payment, including against a consumer’s credit card, debit card,
3 bank account, phone bill, or other account, or otherwise attempting to collect
4 money or other consideration.

5 C. **“Clear and conspicuous”** means that a required disclosure is difficult to
6 miss (*i.e.*, easily noticeable) and easily understandable by ordinary consumers,
7 including in all of the following ways:

8 1. In any communication that is solely visual or solely audible, the
9 disclosure must be made through the same means through which the
10 communication is presented. In any communication made through both visual and
11 audible means, such as a television advertisement, the disclosure must be
12 presented simultaneously in both the visual and audible portions of the
13 communication even if the representation requiring the disclosure is made in only
14 one means.

15 2. A visual disclosure, by its size, contrast, location, the length of time it
16 appears, and other characteristics, must stand out from any accompanying text or
17 other visual elements so that it is easily noticed, read, and understood.

18 3. An audible disclosure, including by telephone or streaming video,
19 must be delivered in a volume, speed, and cadence sufficient for ordinary
20 consumers to easily hear and understand it.

1 4. In any communication using an interactive electronic medium, such
2 as the Internet or software, the disclosure must be unavoidable.

3 5. On a product label, the disclosure must be presented on the principal
4 display panel.

5 6. The disclosure must use diction and syntax understandable to
6 ordinary consumers and must appear in each language in which the representation
7 that requires the disclosure appears.

8 7. The disclosure must comply with these requirements in each medium
9 through which it is received, including all electronic devices and face-to-face
10 communications.

11 8. The disclosure must not be contradicted or mitigated by, or
12 inconsistent with, anything else in the communication.

13 9. When the representation or sales practice targets a specific audience,
14 such as children, the elderly, or the terminally ill, “ordinary consumers” includes
15 reasonable members of that group.

16 **D. “Credit Card Laundering” means:**

17 1. Presenting or depositing into, or causing or allowing another to
18 present or deposit into, the credit card system for payment, a Credit Card Sales
19 Draft generated by a transaction that is not the result of a credit card transaction
20 between the cardholder and any Defendant;

1 2. Employing, soliciting, or otherwise causing or allowing a Merchant,
2 or an employee, representative, or agent of a Merchant, to present to or deposit
3 into the credit card system for payment, a Credit Card Sales Draft generated by a
4 transaction that is not the result of a credit card transaction between the cardholder
5 and the Merchant; or

6 3. Obtaining access to the credit card system through the use of a
7 business relationship or an affiliation with a Merchant, when such access is not
8 authorized by the Merchant Account agreement or the applicable credit card
9 system.

10 E. “**Credit Card Sales Draft**” means any record or evidence of a credit card
11 transaction.

12 F. “**Continuity Plan**” means any plan, arrangement, or system in
13 which a consumer is periodically charged for products or services *without* prior
14 notification by the seller before each charge.

15 G. “**Defendants**” means Defaulting Defendants and Alon Nottea, Motti
16 Nottea, Doron Nottea, Igor Latsanovski, Oz Mizrahi, Roi Reuveni, Paul Medina,
17 Alan Argaman, and CalEnergy, Inc.

18 H. “**Defaulting Defendants**” means all of the Defaulting Corporate
19 Defendants, individually, collectively, or in any combination.

20 1. “**Defaulting Corporate Defendants**” means BunZai Media Group,

1 Inc.; Pinnacle Logistics, Inc.; DSA Holdings, Inc.; Lifestyle Media Brands, Inc.;
2 Agoa Holdings, Inc.; Safehaven Ventures, Inc.; Heritage Alliance Group, Inc.;
3 SBM Management, Inc.; Media Urge, Inc.; Kai Media, Inc.; Insight Media, Inc.;
4 Secured Commerce, LLC; Shalita Holdings, Inc.; USM Products, Inc.; All Star
5 Beauty Products, Inc.; AMD Financial Network, Inc.; DMA Media Holdings,
6 Inc.; Focus Media Solutions, Inc.; and Merchant Leverage Group, Inc.; and their
7 successors and assigns.

8 I. **“Electronic Fund Transfer”** means any transfer of funds, other than a
9 transaction originated by check, draft, or similar paper instrument, which is
10 initiated through an electronic terminal, telephonic instrument, or computer or
11 magnetic tape so as to order, instruct, or authorize a financial institution to debit or
12 credit an account. Such term includes point-of-sale transfers, automated teller
13 machine transactions, direct deposits or withdrawals of funds, and transfers
14 initiated by telephone. Such term does not include:

15 1. Any check guarantee or authorization service that does not directly
16 result in a debit or credit to a consumer’s account;

17 2. Any transfer of funds, other than those processed by automated
18 clearinghouse, made by a financial institution on behalf of a consumer by means
19 of a service that transfers funds held at either Federal Reserve banks or other
20 depository institutions and that is not designed primarily to transfer funds on

1 behalf of a consumer;

2 3. Any transaction the primary purpose of which is the purchase or sale
3 of securities or commodities through a broker-dealer registered with or regulated
4 by the Securities and Exchange Commission;

5 4. Any automatic transfer from a savings account to a demand deposit
6 account pursuant to an agreement between a consumer and a financial institution
7 for the purpose of covering an overdraft or maintaining an agreed upon minimum
8 balance in the consumer's demand deposit account; or

9 5. Any transfer of funds which is initiated by a telephone conversation
10 between a consumer and an officer or employee of a financial institution which is
11 not pursuant to a prearranged plan and under which periodic or recurring
12 transfers are not contemplated.

13 J. **“Material”** means likely to affect a person's choice of, or conduct
14 regarding, goods or services.

15 K. **“Merchant”** means a person who is authorized under a written contract with
16 an Acquirer to honor or accept credit cards, or to transmit or process for payment
17 credit card payments, for the purchase of goods or services.

18 L. **“Merchant Account”** means an account with an Acquirer that authorizes
19 and allows a Merchant to honor or accept credit cards, or to transmit or process for
20 payment credit card payments, for the purchase of goods or services or a

1 charitable contribution.

2 M. “**Negative Option Feature**” means, in an offer or agreement to sell or
3 provide any good or service, a provision under which the consumer’s silence or
4 failure to take an affirmative action to reject a good or service or to cancel the
5 agreement is interpreted by the seller or provider as acceptance or continuing
6 acceptance of the offer or agreement.

7 N. “**Preauthorized Electronic Fund Transfer**” as defined by the Electronic
8 Fund Transfer Act, 15 U.S.C. § 1693a(10), means an electronic fund transfer
9 authorized in advance to recur at substantially regular intervals.

10 O. “**Receiver**” means Charlene Koonce, the person appointed by the Court in
11 this matter pursuant to the Temporary Restraining Order and the Preliminary
12 Injunction.

13 **ORDER**

14 **I. BAN ON NEGATIVE OPTION SALES**

15 **IT IS ORDERED** that Defaulting Defendants are permanently restrained
16 and enjoined from advertising, marketing, promoting, or offering for sale any
17 good or service with a Negative Option Feature, whether directly or through an
18 intermediary, including by consulting, planning, participating, facilitating, or
19 advising.

1 B. Before a customer consents to pay for such good or service, failing to
2 disclose, or assisting others in failing to disclose, in a clear and conspicuous
3 manner all material terms and conditions of any refund or cancellation policies,
4 including:

- 5 1. The specific steps and means by which such requests must be
6 submitted;
- 7 2. The customer service telephone number that a customer must call to
8 cancel or return goods or services;
- 9 3. The email address, web address, or street address to which such
10 requests must be directed;
- 11 4. Any mechanism that customers must use to return any goods or
12 services, including any requirement for specific tracking methods or
13 delivery confirmation for a package;
- 14 5. If there is any policy of not making refunds or cancellations,
15 including any requirement that a product will not be accepted for
16 return or refund unless it is unopened and in re-sellable condition, a
17 statement regarding this policy; and
- 18 6. The date by which a customer is required to request a refund;

19 C. Misrepresenting, or assisting others in misrepresenting, expressly or by
20 implication, any fact material, including:

- 1 1. That a good or service is free, a bonus, a gift, a trial, without cost;
- 2 2. That a good or service is available for a minimal processing, service,
- 3 or administrative fee or without further obligation;
- 4 3. That a purchase is “risk free” or offered with a satisfaction guarantee
- 5 or money-back guarantee;
- 6 4. That the seller is accredited or rated favorably by the Better Business
- 7 Bureau;
- 8 5. A seller’s affiliation with, or endorsement or sponsorship by, any
- 9 person or entity;
- 10 6. The amount that a consumer’s credit or debit card will be charged
- 11 and the timing of the charge(s);
- 12 7. That a transaction has been authorized by a consumer;
- 13 8. The dates that any limited time sales offer begins and ends;
- 14 9. The requirements or terms of the seller’s refund or cancellation
- 15 policies;
- 16 10. The identity of the seller, including the seller’s name, physical
- 17 address, and customer service telephone number;
- 18 11. The total costs to purchase, receive, or use, and the quantity of, any
- 19 goods or services that are the subject of the sales offer;
- 20 12. Any material restriction, limitation, or condition to purchase, receive,

1 or use goods or services that are the subject of a sales offer; and

2 13. Any material aspect of the performance, efficacy, nature, or central
3 characteristics of a good or service.

4 D. Providing false information to any bank or other billing entity, directly or
5 indirectly, to contest a consumer's request for a refund, cancellation, chargeback,
6 or reversal of payment;

7 E. Failing to obtain a consumer's express informed consent by causing billing
8 information to be submitted for payment, or collecting or attempting to collect
9 payment for goods or services without the consumer's express verifiable
10 authorization, which shall include: (a) the customer's signature, including an
11 electronic or digital form of signature that is recognized as a valid signature under
12 federal law; or (b) express oral authorization that is audio-recorded and made
13 available to the customer and the customer's bank or other billing entity and that
14 evidences clearly both the customer's authorization of payment and the
15 customer's receipt of the following information: (i) The number of debits,
16 charges, or payments (if more than one); (ii) the date(s) the debit(s), charge(s), or
17 payment(s) will be submitted for payment; (iii) the amounts of the debit(s),
18 charge(s), or payment(s); (iv) the customer's name; (v) the customer's billing
19 information identified with sufficient specificity such that the customer
20 understands what account will be used to collect payment; (vi) identification of

1 the seller's name, physical address, and telephone number; (vii) the date of the
2 customer's oral authorization.;

3 F. Failing to obtain written authorization signed or similarly authenticated
4 from consumers for Preauthorized Electronic Fund Transfers from the consumer's
5 account; or

6 G. Failing to provide a copy of a written authorization signed or similarly
7 authenticated by a consumer for Preauthorized Electronic Fund Transfers from the
8 consumer's account.

9 **III. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS**

10 **IT IS FURTHER ORDERED** that Defaulting Defendants, Defaulting
11 Defendants' officers, agents, employees, and attorneys, and all other persons in
12 active concert or participation with any of them, who receive actual notice of this
13 Order, whether acting directly or indirectly, in connection with promoting or
14 offering for sale any good or service, are permanently restrained and enjoined
15 from Credit Card Laundering.

16 **IV. MONETARY JUDGMENT**

17 **IT IS FURTHER ORDERED** that:

18 A. Judgment in the amount of **SEVENTY-TWO MILLION SIX HUNDRED**
19 **AND NINETY-TWO THOUSAND EIGHT HUNDRED AND TWELVE**
20 **Dollars (\$72,692,812)** is entered in favor of the Commission against Defaulting
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1 Corporate Defendants, jointly and severally, as equitable monetary relief.

2 B. Defaulting Corporate Defendants are ordered to pay to the Commission the
3 amount of **SEVENTY-TWO MILLION SIX HUNDRED AND NINETY-**
4 **TWO THOUSAND EIGHT HUNDRED AND TWELVE Dollars**
5 **(\$72,692,812)**, within 7 days of entry of this Order.

6 **V. ADDITIONAL MONETARY PROVISIONS**

7 **IT IS FURTHER ORDERED** that:

8 A. Within 7 days of entry of this Order, Defaulting Defendants must submit
9 their Taxpayer Identification Numbers (Social Security Numbers or Employer
10 Identification Numbers) to the Commission, for use in collecting and reporting on
11 any delinquent amount arising out of this Order, in accordance with 31 U.S.C.
12 §7701.

13 B. All money paid to the Commission pursuant to this Order may be deposited
14 into a fund administered by the Commission or its designee to be used for
15 equitable relief, including consumer redress and any attendant expenses for the
16 administration of any redress fund. If a representative of the Commission decides
17 that direct redress to consumers is wholly or partially impracticable or money
18 remains after redress is completed, the Commission may apply any remaining
19 money for such other equitable relief (including consumer information remedies)
20 as it determines to be reasonably related to Defaulting Defendants' practices

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1 alleged in the Amended Complaint. Any money not used for such equitable relief
2 is to be deposited to the U.S. Treasury as disgorgement. Defaulting Defendants
3 have no right to challenge any actions the Commission or its representatives may
4 take pursuant to this Subsection.

5 C. Any asset freeze is modified to permit the payments/transfers identified in
6 the Monetary Judgment Section.

7 **VI. CUSTOMER INFORMATION**

8 **IT IS FURTHER ORDERED** that Defaulting Defendants, their officers,
9 agents, employees, and attorneys, and all other persons in active concert or
10 participation with any of them, who receive actual notice of this Order, whether
11 acting directly or indirectly, are permanently restrained and enjoined from directly
12 or indirectly:

13 A. Failing to provide sufficient consumer information to enable the
14 Commission to efficiently administer consumer redress. If a representative of the
15 Commission requests in writing any information related to redress, Defaulting
16 Defendants must provide it, in the form prescribed by the Commission, within 14
17 days.

18 B. Disclosing, using, or benefitting from consumer information, including the
19 name, address, telephone number, email address, Social Security number, other
20 identifying information, or any data that enables access to a consumer's account

1 (including a credit card, bank account, or other financial account), that any
2 Defaulting Defendant obtained prior to entry of this Order in connection with the
3 sale of any product through a negative option continuity plan; and

4 C. Failing to destroy such consumer information in all forms in their
5 possession, custody, or control within 10 days after entry of this Order.

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

9 **VII. TURNOVER OF ASSETS HELD BY THIRD PARTIES**

10 **IT IS FURTHER ORDERED** that any financial institution, business
11 entity, or person that holds, controls, or maintains custody of any account or asset
12 of Defaulting Defendants, or any account or asset held on behalf of, or for the
13 benefit of, such Defaulting Defendant, shall turn over such account or asset to the
14 Commission, by wire transfer pursuant to directions provided by counsel for the
15 Commission, or as otherwise directed in writing by counsel for the Commission,
16 within seven days of receiving a request by the Commission by any means,
17 including, but not limited to, via facsimile.

1 **VIII. ORDER ACKNOWLEDGMENTS**

2 **IT IS FURTHER ORDERED** that Defaulting Defendants obtain
3 acknowledgments of receipt of this Order:

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

7 B. For 20 years after entry of this Order, each Defaulting Defendant, for any
8 business that he, individually or collectively with any other Defendant, is the
9 majority owner or controls directly or indirectly, must deliver a copy of this Order
10 to: (1) all principals, officers, directors, and LLC managers and members; (2) all
11 employees, agents, and representatives who participate in conduct related to the
12 subject matter of the Order; and (3) any business entity resulting from any change
13 in structure as set forth in the Section titled Compliance Reporting. Delivery must
14 occur within 7 days of entry of this Order for current personnel. For all others,
15 delivery must occur before they assume their responsibilities.

16 C. From each individual or entity to which each Defaulting Defendant
17 delivered a copy of this Order, such Defaulting Defendant must obtain, within 30
18 days, a signed and dated acknowledgment of receipt of this Order.

1 **IX. COMPLIANCE REPORTING**

2 **IT IS FURTHER ORDERED** that Defaulting Defendants make timely
3 submissions to the Commission:

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

6 1. Each Defaulting Defendant must: (a) identify the primary physical,
7 postal, and email address and telephone number, as designated points of contact,
8 which representatives of the Commission may use to communicate with such
9 Defaulting Defendant; (b) identify all of such Defaulting Defendant's businesses
10 by all of their names, telephone numbers, and physical, postal, email, and Internet
11 addresses;

12 (c) describe the activities of each business, including the goods and services
13 offered, the means of advertising, marketing, and sales, and the involvement of
14 any other Defendant which Defaulting Defendants must describe if he knows or
15 should know due to his own involvement; (d) describe in detail whether and how
16 each Defaulting Defendant is in compliance with each Section of this Order; and
17 (e) provide a copy of each Order Acknowledgment obtained pursuant to this
18 Order, unless previously submitted to the Commission.

19 2. Additionally, each Defaulting Defendant must: (a) identify all
20 telephone numbers and all physical, postal, email and Internet addresses,

1 including all residences; (b) identify all business activities, including any business
2 for which such Defaulting Defendant performs services whether as an employee
3 or otherwise and any entity in which such Defaulting Defendant has any
4 ownership interest; and (c) describe in detail such Defaulting Defendant's
5 involvement in each such business, including title, role, responsibilities,
6 participation, authority, control, and any ownership.

7 B. For 20 years after entry of this Order, each Defaulting Defendant must
8 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
9 change in the following:

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

16 2. Additionally, each Defaulting Defendant must report any change in:
17 (a) name, including aliases or fictitious name, or residence address; or (b) title or
18 role in any business activity, including any business for which such Defaulting
19 Defendant performs services whether as an employee or otherwise and any entity
20 in which such Defaulting Defendant has any ownership interest, and identify the

1 name, physical address, and any Internet address of the business or entity.

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

5 D. Any submission to the Commission required by this Order to be sworn
6 under penalty of perjury must be true and accurate and comply with 28 U.S.C. §
7 1746, such as by concluding: “I declare under penalty of perjury under the laws
8 of the United States of America that the foregoing is true and correct. Executed
9 on: _____” and supplying the date, signatory’s full name, title (if applicable), and
10 signature.

11 E. Unless otherwise directed by a Commission representative in writing, all
12 submissions to the Commission pursuant to this Order must be emailed to
13 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
14 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
15 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
16 subject line must begin: *FTC v. BunZai Media Group, Inc.*, et al. FTC File No.
17 X150047.

18 X. RECORDKEEPING

19 **IT IS FURTHER ORDERED** that each Defaulting Defendant must create
20 certain records for 20 years after entry of the Order, and retain each such record

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1 for 5 years. Specifically, each Defaulting Defendant for any business that such
2 Defaulting Defendant, individually or collectively with any other Defendants, is a
3 majority owner or controls directly or indirectly, must create and retain the
4 following records:

5 A. Accounting records showing the revenues from all goods or services sold;

6 B. Personnel records showing, for each person providing services, whether as
7 an employee or otherwise, that person's: name; addresses; telephone numbers;
8 job title or position; dates of service; and (if applicable) the reason for
9 termination;

10 C. Records of all consumer complaints and refund requests, whether received
11 directly or indirectly, such as through a third party, and any response;

12 D. All records necessary to demonstrate full compliance with each provision of
13 this Order, including all submissions to the Commission; and

14 E. A copy of each unique advertisement or other marketing material, including
15 Internet and social media advertising or webpages.

16 **XI. COMPLIANCE MONITORING**

17 **IT IS FURTHER ORDERED** that, for the purpose of monitoring each
18 Defaulting Defendant's compliance with this Order, including any failure to
19 transfer any assets as required by this Order:

20 A. Within 14 days of receipt of a written request from a representative of the
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1 Commission, each Defaulting Defendant must: submit additional compliance
2 reports or other requested information, which must be sworn under penalty of
3 perjury; appear for depositions; and produce documents for inspection and
4 copying. The Commission is also authorized to obtain discovery, without further
5 leave of court, using any of the procedures prescribed by Federal Rules of Civil
6 Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

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

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

18 XII. CONSUMER REPORTING AGENCIES

19 Upon written request from a representative of the Commission, any
20 consumer reporting agency must furnish consumer reports concerning any

1 Defaulting Defendant, pursuant to Section 604(1) of the Fair Credit Reporting
2 Act, 15 U.S.C. §1681b(a)(1).

3 **XIII. RECEIVERSHIP TERMINATION**

4 **IT IS FURTHER ORDERED** that **Charlene Koonce of Scheef & Stone,**
5 **LLP** shall continue to serve as the Court's Receiver and is hereby directed and
6 authorized to accomplish the following:

7 A. Complete the transfer, liquidation, or other disposition of the
8 assets of the Defaulting Corporate Defendants and any other assets ordered to be
9 transferred to the Receiver under the provisions of this Order;

10 B. Prepare, file, and pay any payroll tax obligations due on or before
11 the date of the Receiver's report described in Subsection C below, for the
12 Defaulting Corporate Defendants;

13 C. Prepare and file with the Court a report describing the Receiver's
14 activities under this Order and the Preliminary Injunction and an application for
15 compensation, expenses, and all other relief necessary to terminate the
16 receivership estate and discharge the Receiver as to Stipulating Defendants;

17 D. Prepare and file a tax return for the receivership estate, and
18 provide all other reports and filings necessary to comply with applicable state or
19 federal law;

1 E. Any money that the Court finds should be awarded to the
2 Receiver shall be paid only from the monies or other assets in the possession of,
3 or under the control of, the Receiver. No party shall have an obligation to pay any
4 money to the Receiver for compensation or expenses;

5 F. Upon the Court's approval of the Receiver's final application for
6 compensation and expenses, distribute to the Commission all remaining funds in
7 partial satisfaction of the judgment. Such payment must be made by electronic
8 fund transfer in accordance with instructions to be provided by a representative of
9 the Commission.

10 The Receiver must complete all duties within 120 days after the entry of
11 this Order, but any party or the Receiver may request that the Court extend the
12 Receiver's term for good cause. Upon completion of the above tasks, the duties of
13 the Receivership shall terminate, and the Receiver shall be discharged.

14 **XIV. RETENTION OF JURISDICTION**

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

17 **SO ORDERED** this 22nd day of August, 2016.

18 

19 _____
20 **GEORGE H. WU, U.S. DISTRICT JUDGE**