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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA**

Federal Trade Commission,

Plaintiff,

v.

Electronic Payment Solutions of America  
Incorporated, et al.,

Defendants.

No. CV-17-02535-PHX-SMM

**JUDGMENT AND PERMANENT  
INJUNCTION**

Before the Court is Plaintiff Federal Trade Commission’s Motion for Entry of Stipulated Order for Permanent Injunction and Judgment Against Defendant Michael Peterson. (Doc. 157.)

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its First Amended Complaint (“Complaint”) for a permanent injunction and other equitable relief in this matter, 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 and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101–6108. The FTC and Defendant Michael Peterson (“Settling Defendant”) stipulate to the entry of this Order (“Order”) to resolve all matters in dispute related to this action between them.

After review and consideration, and pursuant to the parties’ stipulation,

**IT IS HEREBY ORDERED granting** Plaintiff Federal Trade Commission’s Motion for Entry of Stipulated Order for Permanent Injunction and Judgment Against Defendant Michael Peterson (Doc. 157), **regarding Defendant Michael Peterson only.**



1 and Discover) to authorize Merchants to accept, transmit, or process payment by credit  
2 card through the credit card system for money, goods or services, or anything else of value.

3 4. **“Chargeback”** means a procedure whereby an issuing bank or other  
4 financial institution charges all or part of an amount of a Person’s credit or debit card  
5 transaction back to the Acquirer or merchant bank.

6 5. **“Credit Card Laundering”** means:

- 7 a) Presenting or depositing into, or causing or allowing another to  
8 present or deposit into, the credit card system for payment, a Credit  
9 Card Sales Draft generated by a transaction that is not the result of a  
10 credit card transaction between the cardholder and the Merchant;  
11 b) Employing, soliciting, or otherwise causing or allowing a Merchant,  
12 or an employee, representative, or agent of a Merchant, to present to  
13 or deposit into the credit card system for payment, a Credit Card Sales  
14 Draft generated by a transaction that is not the result of a credit card  
15 transaction between the cardholder and the Merchant; or  
16 c) Obtaining access to the credit card system through the use of a  
17 business relationship or an affiliation with a Merchant, when such  
18 access is not authorized by the Merchant Account agreement or the  
19 applicable credit card system.

20 6. **“Credit Card Sales Draft”** means any record or evidence of a credit card  
21 transaction.

22 7. **“Independent Sales Organization”** or **“ISO”** means any Person or entity  
23 that (a) enters into an agreement or contract with a Payment Processor, Acquirer or  
24 financial institution to sell or market Payment Processing services to a Merchant; (b)  
25 matches, arranges, or refers Merchants to a Payment Processor or Acquirer for Payment  
26 Processing services, or that matches, arranges, or refers a Payment Processor or Acquirer  
27 to Merchants for Payment Processing services; or (c) is registered as an ISO or merchant  
28 service provider (“MSP”) with VISA, MasterCard, or any credit card association.

1           8.        “**Merchant**” means any Person or entity engaged in the sale or marketing of  
2 any goods or services or a charitable contribution, including any Person who applies for  
3 ISO or Payment Processing services.

4           9.        “**Merchant Account**” means an account with an Acquirer that authorizes and  
5 allows a Merchant to honor or accept credit cards, or to transmit or process for payment  
6 credit card payments, for the purchase of goods or services or a charitable contribution.

7           10.       “**Money Now Funding**” or “**Money Now Funding Enterprise**” means the  
8 entities and individuals named as defendants in *FTC v. Money Now Funding, LLC, et al.*,  
9 CV 13-01583-PHX-ROS (D. Az. 2013), including Money Now Funding, LLC, Rose  
10 Marketing, LLC, Green Merchant Funding, Nationwide Lending, DePaola Marketing,  
11 LLC, Affiliate Marketing Group, LLC, Legal Doxs, LLC, US Doc Assist, LLC, Affinity  
12 Technologies, LLC, Marketing Expert Solutions, LLC, Global Network Marketing, LLC,  
13 Precise Payroll Services, LLC, Strategic Media Advertising, LLC, Lukeroy K. Rose,  
14 Cordell Bess, Cynthia Miller, Solana DePaola, Jennifer Beckman, William D. Claspell,  
15 Richard Frost, Dino Mitchell, Clinton Rackley, Lance Himes, Leary Darling, Donna F.  
16 Duckett (dba D&D Marketing Solutions), Della Frost (dba ZoomDocs), Christopher  
17 Grimes (dba Elite Marketing Strategies), Alannah M. Harre (dba National Marketing  
18 Group), Ronald W. Hobbs (dba Ron Hobbs & Associates), Janine Lilly (dba Doc Assistant),  
19 Michael McIntyre (dba McIntyre Marketing), Benny Montgomery (dba Montgomery  
20 Marketing), Virginia Rios (dba V&R Marketing Solutions), and Kendrick Thomas (dba KT  
21 Advertising), and any other entity owned or controlled by Lukeroy Rose or Solana  
22 DePaola.

23           11.       “**Payment Processing**” means providing a Person, directly or indirectly, with  
24 the means used to charge or debit accounts through the use of any payment method or  
25 mechanism, including, but not limited to, credit cards, debit cards, prepaid cards, stored  
26 value cards, ACH Debits, and Remotely Created Payment Orders. Whether accomplished  
27 through the use of software or otherwise, Payment Processing includes, among other  
28 things: (a) reviewing and approving Merchant applications for payment processing

1 services; (b) providing the means to transmit sales transaction data from Merchants to  
2 acquiring banks, Payment Processors, ISOs, or other financial institutions; (c) clearing,  
3 settling, or distributing proceeds of sales transactions from acquiring banks or financial  
4 institutions to Merchants; or (d) processing Chargebacks or returned Remotely Created  
5 Payment Orders, checks or ACH Transactions.

6 12. **“Payment Processor”** means any Person providing Payment Processing  
7 services in connection with another Person’s sale of goods or services, or in connection  
8 with any charitable donation.

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

11 14. **“Remotely Created Payment Order”** or **“RCPO”** means a payment  
12 instruction or order, whether created in electronic or paper format, drawn on a payor’s  
13 account that is initiated or created by or on behalf of the payee, and which is deposited into  
14 or cleared through the check clearing system. For purposes of this definition, an account  
15 includes any financial account or credit or other arrangement that allows checks, payment  
16 instructions, or orders to be drawn against it that are payable by, through, or at a bank.

17 15. **“Sales Agent”** means a Person that matches, arranges, or refers Merchants to  
18 a Payment Processor, ISO, Sales Agent, or Acquirer for ISO or Payment Processing  
19 services. As such, a Sales Agent may be involved in recommending a particular ISO,  
20 Payment Processor, or Acquirer to a Merchant, or in recommending a particular Merchant  
21 to an ISO, Payment Processor, or Acquirer. For purposes of this definition, a Sales Agent  
22 does not necessarily use the title “sales agent,” and includes Persons, independent  
23 contractors, sales representatives, sub-agents, and sub-ISOs (however titled) working for  
24 or under a Sales Agent’s office who refer Merchants to a Sales Agent or ISO for Payment  
25 Processing services.

26 16. **“Settling Defendant”** means Michael Peterson.  
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1 **I.**

2 **Ban Against Payment Processing or Acting as an ISO or Sales Agent**

3 **IT IS ORDERED** that Settling Defendant, whether acting directly or indirectly,  
4 is permanently restrained and enjoined from Payment Processing or acting as an ISO or  
5 Sales Agent.

6 **II.**

7 **Prohibition Against Credit Card Laundering**

8 **IT IS FURTHER ORDERED** that Settling Defendant, whether acting directly  
9 or indirectly, is permanently restrained and enjoined from Credit Card Laundering.

10 **III.**

11 **Monetary Judgment and Suspension**

12 **IT IS FURTHER ORDERED** that:

13 A. Judgment in the amount of five million seven hundred sixty-six thousand  
14 eight hundred sixty-eight dollars (\$5,766,868) is entered in favor of the Commission  
15 against Settling Defendant, jointly and severally, as equitable monetary relief. The  
16 judgment is suspended subject to the Subsections below.

17 B. The Commission's agreement to the suspension of the judgment is expressly  
18 premised upon the truthfulness, accuracy, and completeness of the Settling Defendant's  
19 sworn financial statements and related documents (collectively, "financial  
20 representations") submitted to the Commission, namely: the Financial Statement of  
21 Settling Defendant signed on February 19, 2019.

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

26 D. If the suspension of the judgment is lifted, the judgment becomes  
27 immediately due as to Settling Defendant in the amount specified in Subsection A above  
28 (which the parties stipulate only for purposes of this Section represents the consumer injury

1 alleged in the Complaint), less any payment previously made pursuant to this Section, plus  
2 interest computed from the date of entry of this Order.

3 E. Settling Defendant relinquishes dominion and all legal and equitable right,  
4 title, and interest in all assets transferred pursuant to this Order and may not seek the return  
5 of any assets.

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

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

13 H. Settling Defendant acknowledges that his Taxpayer Identification Number  
14 (Social Security Number), which Settling Defendant must submit to the Commission, may  
15 be used for collecting and reporting on any delinquent amount arising out of this Order, in  
16 accordance with 31 U.S.C. § 7701.

17 I. All money paid to the Commission pursuant to this Order may be deposited  
18 into a fund administered by the Commission or its designee to be used for equitable relief,  
19 including consumer redress and any attendant expenses for the administration of any  
20 redress fund. If a representative of the Commission decides that direct redress to  
21 consumers is wholly or partially impracticable or money remains after redress is  
22 completed, the Commission may apply any remaining money for such other equitable relief  
23 (including consumer information remedies) as it determines to be reasonably related to  
24 Settling Defendant's practices alleged in the Complaint. Any money not used for such  
25 equitable relief is to be deposited to the U.S. Treasury as disgorgement. Settling Defendant  
26 has no right to challenge any actions the Commission or its representatives may take  
27 pursuant to this Subsection.

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1 **IV.**

2 **Customer Information**

3 **IT IS FURTHER ORDERED** that Settling Defendant, whether acting directly  
4 or indirectly, are permanently restrained and enjoined from:

5 A. Disclosing, using, or benefitting from customer information, including the  
6 name, address, telephone number, email address, social security number, other identifying  
7 information, or any data that enables access to a customer's account (including a credit  
8 card, bank account, or other financial account), that Settling Defendants obtained prior to  
9 entry of this Order in connection with the Money Now Funding Enterprise; and

10 B. Failing to destroy such customer information in all forms in their possession,  
11 custody, or control within thirty (30) days after entry of this Order.  
12 *Provided, however,* that customer information need not be disposed of, and may be  
13 disclosed, to the extent requested by a government agency or required by law, regulation,  
14 or court order.

15 **V.**

16 **Cooperation**

17 **IT IS FURTHER ORDERED** that Settling Defendant must fully cooperate with  
18 representatives of the Commission in this case and in any investigation related to or  
19 associated with the transactions or the occurrences that are the subject of the Complaint.  
20 Settling Defendant must provide truthful and complete information, evidence, and  
21 testimony. Settling Defendant must appear for interviews, discovery, hearings, trials, and  
22 any other proceedings that a Commission representative may reasonably request upon 5  
23 days written notice, or other reasonable notice, at such places and times as a Commission  
24 representative may designate, without the service of a subpoena.

25 **VI.**

26 **Order Acknowledgments**

27 **IT IS FURTHER ORDERED** that Settling Defendant obtain acknowledgments  
28 of receipt of this Order:





- 1                   2) Identify all business activities, including any business for which  
2                   Settling Defendant performs services whether as an employee or  
3                   otherwise and any entity in which he has any ownership interest;
- 4                   3) Describe in detail Settling Defendant's involvement in each such  
5                   business, including title, role, responsibilities, participation, authority,  
6                   control, and any ownership.
- 7                   4) Identify all of Settling Defendant's businesses by all of their names,  
8                   telephone numbers, and physical, postal, email and Internet addresses;
- 9                   5) Describe the activities of each business, including the goods and  
10                  services offered, the means of advertising, marketing, and sales, and  
11                  the involvement of any other defendant (which Settling Defendant  
12                  must describe if he knows or should know due to his own  
13                  involvement);
- 14                  6) Describe in detail whether and how Settling Defendant is in  
15                  compliance with each Section of this Order; and
- 16                  7) Provide a copy of each Order Acknowledgement obtained pursuant to  
17                  this Order, unless previously submitted to the Commission.

18                  B. For 20 years after entry of this Order, Settling Defendant must submit a  
19                  compliance notice, sworn under penalty of perjury, within 14 days of any change in the  
20                  following:

- 21                   1) Name, including aliases or fictitious name, or residence address;
- 22                   2) Any designated point of contact;
- 23                   3) Title or role in any business activity, including any business for which  
24                   he performs services whether as an employee or otherwise and any  
25                   entity in which he has any ownership interest, and identify the name,  
26                   physical address, and any Internet address of the business or entity;  
27                   and

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1 Defendant or any individual or entity affiliated with Settling Defendant, without the  
2 necessity of identification or prior notice. Nothing in this Order limits the Commission's  
3 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C.  
4 §§ 49, 57b-1.


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

8 **X.**

9 **Retention of Jurisdiction**

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

12 Dated this 28th day of August, 2019.

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16 Honorable Stephen M. McNamee  
17 Senior United States District Judge  
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