

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PREFERRED PLATINUM SERVICES
NETWORK, LLC, et al.,

Defendants.

CIVIL ACTION NO. 10-538 (MLC)

ORDER AND FINAL JUDGMENT

For the reasons stated in the Court's Opinion, dated
December 22, 2010, IT IS on this 22nd day of December, 2010,

ORDERED that the plaintiff's motion for judgment by entry of
default (dkt. entry no. 39) is GRANTED and

IT IS FURTHER ORDERED that for purposes of this Order, the
following definitions shall apply:

1. "Asset" means any legal or equitable interest in, right to, or claim to, any real and personal property, i reserve funds, and cash, wherever located.

2. "Assisting others" includes, but is not limited to: (1) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; (2) formulating or providing, or arranging for the formulation or provision of, any marketing material; (3) providing names of, or assisting in the generation of lists of, potential customers; (4) performing marketing or billing services of any kind; (5) processing credit and debit card payments; or (6) acting or serving as an owner, officer, director, manager, or principal of any entity.

I. BAN ON MARKETING OR SELLING WORK-AT-HOME OPPORTUNITIES

IT IS FURTHER ORDERED that Individual Defendants, whether acting directly or through any other person, corporation, partnership, subsidiary, division, agent, or other device, are permanently restrained and enjoined from:

- A. Advertising, marketing, promoting, offering for sale, or selling any Work-at-Home Opportunity; and
- B. Assisting others engaged in advertising, marketing, promoting, offering for sale or selling any Work-at-Home Opportunity.

II. PROHIBITED REPRESENTATIONS RELATING TO ANY GOODS OR SERVICES

IT IS FURTHER ORDERED

- C. The total costs to purchase, receive, or use, and the quantity of, the good, service, plan, or program;
- D. Any material restriction, limitation, or condition to purchase, receive, or use the good, service, plan, or program;
- E. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including, but not limited to, the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be granted to the consumer; and
- F. Any material aspect of the performance, efficacy, nature or other characteristic of the good, service, plan, or program.

III. MONETARY RELIEF

IT IS FURTHER ADJUDGED that JUDGMENT IS HEREBY ENTERED in favor of the Commission and against Defendants, jointly and severally, in the amount of One Million, Three Hundred Eighty-Six Thousand, Six Hundred Twenty-Five Dollars (\$1,386,625), as equitable monetary relief for consumer injury; and

IT IS FURTHER ORDERED that this monetary judgment shall become immediately due and payable upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance; and

IT IS FURTHER ORDERED that all funds paid pursuant to this Order shall be deposited into a fund administered by the Commission or its agents to be used for equitable relief, including, but not limited to, redress to consumers, and any

attendant expenses for the administration of such equitable relief; in the event that direct redress to consumers is wholly or partially impracticable or funds remain after the redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint; and

IT IS FURTHER ORDERED that any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement; and

IT IS FURTHER ORDERED that Defendants shall have no right to challenge the Commission's choice of remedies in this Order, and Defendants shall have no right to contest the manner of distribution chosen by the Commission; and

IT IS FURTHER ORDERED that no portion of any payment under the Judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment; and

IT IS FURTHER ORDERED that Defendants relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law; Defendants shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise; and

IT IS FURTHER ORDERED that the facts as alleged in the Complaint shall be taken as true, without further proof, in any

destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed; 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 a law, regulation, or court order.

V. LIFTING OF ASSET FREEZE

IT IS FURTHER ORDERED that the freeze of Defendants' assets set forth in the Preliminary Injunction, entered by this Court on February 16, 2010, shall be lifted to the extent necessary to turn over Defendants' assets as required by Section III of this Order, and upon completion of the turn-over, shall be lifted permanently.

VI. CLOSING OF BUSINESS DEFENDANTS' MAIL BOXES

IT IS FURTHER ORDERED that, to the extent the FTC has not done so already, it may terminate any contract or agreement for a post office box or a commercial mail receiving agency box where any Defendant received mail on behalf of the Business Defendant, and direct that the mail be returned to sender unopened. Where the FTC has recovered mail sent to those mail boxes during the pendency of this lawsuit pursuant to the terms of the Preliminary Injunction entered on February 16, 2010, the FTC shall return to the sender all funds sent to the Defendants' mail boxes by consumers seeking to participate in Defendants' Work-at-Home Opportunity after the filing of this lawsuit on February 1, 2010, if the FTC has not done so already.

be exempted from this provision; and PROVIDED FURTHER that any direct deposit of child support payments ordered by any court of competent jurisdiction that was deposited after the effectuation of the asset freeze contained in the TRO into an account owned or controlled by, or maintained for the benefit of Defendant Florie shall also be exempted from this provision.

VIII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Order:

A.

2. Defendants shall notify the Commission of any changes in structure of any Business Defendant or any business entity that any Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, THAT, with respect to any such change in the business entity about which a Defendant learns less than thirty (30) days prior to the date such action is to take place, such Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

PROVIDED

- B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of five (5) years, Defendants each shall provide a written report to the FTC, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

1. For each Individual Defendant:
 - a) such Defendant's then-current residence address, mailing addresses, and telephone numbers;

responsibilities in connection with the business or employment; and

- c) Any other changes required to be reported under Subsection A of this Section.

2. For all Defendants:

- a) A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order;"
- b) Any other changes required to be reported under Subsection A of this Section.

C. Each Defendant shall notify the Commission of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.

D. For the purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier (not the U.S. Postal Service) all reports and notifications to the Commission that are required by this Order to:

Associate Director for Enforcement Bureau of
Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
RE: FTC v. Preferred Platinum Services Network,
LLC et al.
No. 10-cv-538-MLC-LHG (D.N.J. Feb. 1, 2010)

PROVIDED THAT, in lieu of overnight courier, Defendants may send such reports or notifications by first-class mail, but only if Defendants contemporaneously send an electronic version of such report or notification to the Commission at Debrief@ftc.gov.

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Defendant .

X. RECORDKEEPING

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Business Defendant and Individual Defendants for any business for which they, individually or collectively, are the majority owner or directly or indirectly control, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or

XI. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

- A. Business Defendant : Each Business Defendant must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.

- B. Individual Defendant as control person : For any business that an Individual Defendant controls, directly or indirectly, or in which such Defendant has a majority ownership interest, such Defendant must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.

- C. Individual Defendant as employee or non-control person :
For any business where an Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, such Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.
- D. Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XII. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that each Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

XIII. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that the Clerk of the Court designate the action as ~~CLOSED~~but this Court shall retain jurisdiction ~~CLOSED~~