

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

Case No: 8:07-cv-1279-T-30TGW

FTN PROMOTIONS, INC., GUARDIAN
MARKETING SERVICES, CORP.,
STRATEGIA MARKETING, LLC, CO-
COMPLIANCE, LLC, JPW
CONSULTANTS, INC., TRAVEL
AGENTS DIRECT, LLC, BAY PINES
TRAVEL, INC., SUNTASIA
PROPERTIES, INC., BRYON W. WOLF,
ROY A. ELIASSON, ALFRED H.
WOLF, DONALD L. BOOTH, JEFFREY
P. WOLF and JOHN LOUIS SMITH, II ,

Defendants.

-Dkt.

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Marketing Services, Corp., Strategia Marketing, LLC, Co-Compliance, LLC, Bay Pines Travel, Inc., Suntasia Properties, Inc., Bryon W. Wolf, and Roy A. Eliasson (Dkt. #284).

That Order permanently restrained and enjoined the Defendants from:

A.

11. The Material terms and conditions of any policies and practices regarding cancellations and refunds, including, but not limited to, that: (i) Consumers will be able to easily cancel prior to the assessment of any charges; (ii) Consumers' requests to cancel will be honored; (iii) Consumers are entitled to keep and to use any free gifts

lines of small print were visible at a time. An applicant was required to scroll down many times to see all of the terms and conditions. And the screen failed to disclose that the program did not, in fact, provide any pay day loans.

The experience of the FTC's undercover investigator, Ronald Lewis, provides a good example of how Defendants' business operated. He went on-line and clicked on a site offering to match him with a pay day loan. This was not the Defendants' website, but that of a third party. When he clicked on his request for a pay day loan, he got the Defendants' pop-up screen stating, "Congratulations! You're preapproved!" The investigator declined this offer by selecting "no" from a menu of options. In spite of clicking on "no," the investigator was still debited \$49.95 from the bank account that he had identified on the original pay day loan application.

Defendants argued that all of the necessary terms and conditions of their program were contained in the smaller print at the bottom of the screen. Investigator Lewis said that he clicked on the Terms and Conditions portions in the smaller print at the bottom of the screen and had to scroll through eleven (11) different screens to get to the end of the Terms and Conditions. To find the Membership Agreement, one had to click on a

c. . . . In any communication disseminated by means of an interactive electronic medium such as software, Internet, or on-line services, a disclosure must be unavoidable and presented prior to the consumer incurring any financial obligation. . . . Any visual message shall be of size and shade,

consumers making the 25% down payment with the apparent intention of shopping with Defendants' business.

From June 2009 to June 2013, MSLLC attempted to debit 606,321 consumers' bank accounts. Approximately 175,000 attempts were successful. The failed attempts were for a variety of reasons, including that many customers had insufficient funds in their accounts to pay the debit. The common result was an NSF charge to the consumer's account.

Defendants received over \$18,000,000 from consumers after attempting to debit at least \$62,000,000 from their accounts. The net revenue was approximately \$14,750,000. Additionally, FTC's expert economist, Dr. Sandler, calculated that the banks assessed the consumers approximately \$8,100,000 in NSF fees.

In sum, Wolf and Eliasson violated the Permanent Injunction in many respects. "Members" were enrolled in the program without ever seeing the membership agreement. Consumers had to find and click on s9.6(m)9.5(a)--rdocaeucamm41ron

CONCLUSION

It is therefore ORDERED AND ADJUDGED that:

1. Defendants BRYON W. WOLF, ROY A. ELIASSON, and MEMBERSHIP SERVICES, LLC are hereby held in CIVIL CONTEMPT of this Court for violating the Permanent Injunction entered herein on December 30, 2008.
2. Plaintiff FEDERAL TRADE COMMISSION is awarded a Judgment against the Defendants, jointly and severally, in the amount of \$14,750,000.
3. The Clerk is directed to enter Judgment in favor of the FEDERAL TRADE COMMISSION and against the named Defendants in that amount.
4. The Clerk is directed to close this file.

DONE and **ORDERED** in Tampa, Florida, this 13th day of January, 2014.



JAMES S. MOODY, JR.
UNITED STATES DISTRICT JUDGE

Copies furnished to:
Counsel/Parties of Record

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