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2. The Commission’s Complaint states a claim upon which relief may be granted under Section 5 of the FTC Act, 15 U.S.C. § 45, the FTC’s trade regulation rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule” or “Rule”), 16

1 gold colored chair; gold leaf large mirror; gold colored table with marble top; large gold
2 and white mirror; red cloth and gold colored sofa; red cloth and gold colored couch; gold
3 colored loveseat; gold colored coffee table with marble top; Geneva watch with brown
4 band; hard, white, and silver-colored clasp bracelet; Accutime Watch Corp. black watch;
5 1 pair of silver-colored hoop earrings; 2 silver-colored necklaces with clear stones; 2
6 silver-colored bracelets; 2008 black Cadillac Escalade (VIN 1GYFK66877R219882);
7 Samsung television (Serial Number Z35F3CLD201259); Samsung television (Serial
8 Number Z5QQ3CSCC35339); and nine rugs.

9 7. “Designated Person” means any Person, other than the Business
10 Opportunity Seller, whose goods or s1he3he B0D-.14Tf7.9erNwhe B0D7 vn45GCOpportuni sug

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11. “Outbound Telephone Call” means a telephone call initiated by a Telemarketer to induce the purchase of goods or services or to solicit a charitable contribution.

12. “Person

1 November 2013. Specifically, Defendant Rose's personal property includes the following
2 items listed in the Receiver's Petition No. 11 dated February 5, 2014 (Doc. 210): wood
3 mirror; Joe Rodeo watch; head pendant; ice trend red and yellow watch; 2 silver-colored
4 bracelets with clear stones; black cross with clear stones; black necklace with clear
5 stones; yellow and silver-colored necklace; black necklace with red stones; black
6 necklace with yellow stones; Techno King black and gold watch (Number 5564G); silver
7 bracelet with pink stones; Montres Carlo black and gold watch (Number 33354); silver
8 bracelet with pink and clear stones; thick yellow-colored necklace; gold bracelet with
9 clear colored stones; silver necklace with clear stones; silver necklace with clear stones;
10 yellow and silver-colored necklace; silver-colored link necklace; Pronto-Uomo blue and
11 white striped cuff links; Pronto-Uomo yellow-colored cuff links with clear stones; black
12 Diamond King watch; Pronto-Uomo black and yellow cuff links; Nixon watch; Kenneth
13 Cole watch; 2 silver-colored necklaces with cross/clear stones; Bart Simpson pendant
14 with stones; 2008 Chevrolet Corvette (VIN 1G1YY2GW685129256); 2007 Ford F150
15 (VIN 1FTRW12547FA23423); Yamaha Raptor ATV; Sharp TV (Serial Number
16 111819172); Dynatek TV (Serial Number MB01041232); Panasonic TV (Serial Number
17 MJ11940856); Panasonic TV (Serial Number LB02500562); Panasonic TV (Serial
18 Number MA13180151); TV (Serial Number 13180152); Panasonic TV (Serial Number
19 C22208T15289A2); Toshiba CT-90325 black TV remote control; Philips black TV

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20. “Telemarketer” means any Person who, in connection with Telemarketing, initiates or receives telephone calls to or from a customer or donor.

21. “Telemarketing Sales Rule” means the FTC Rule entitled “Telemarketing Sales Rule,” 16 C.F.R. Part 310.

22. “

1 Opportunity, including, but not limited to, website development, advertising, marketing,
2 sale of leads or lead generation, social media promotion, search engine optimization,
3 training, and business establishment services; and

4 B. Holding any ownership interest, share, or stock in any business, other than
5 a publicly traded company that engages in or assists in advertising, marketing, promoting,
6 or offering for sale of any (1) Business Opportunity, (2) Work-at-home Opportunity, or
7 (3) service to assist in the creation, advertising, marketing, promotion, or operation of a
8 Business Opportunity or Work-at-home Opportunity, including, but not limited to,
9 website development, advertising, marketing, sale of leads or lead generation, social
10 media promotion, search engine optimization, training, and business establishment
11 services.

12 III.

13 Prohibition Against Misrepresentations

14 IT IS FURTHER ORDERED Defendant Rose and his Representatives, whether
15 acting directly or indirectly in connection with the advertising, marketing, promotion,
16 offering for sale, or sale of any products or services other than those banned by Sections I
17 or II of this Order, are permanently restrained and enjoined from misrepresenting or
18 assisting others in misrepresenting, expressly or by implication:

19 A. That Defendant Rose or any other Person offers, sells, or provides loans or
20 cash advances;

21 B. The amount of income, earnings, or profits that a Person may or is likely to
22 earn, or that other Persons have earned;

23 C. That Defendant Rose or any other person will provide, locate, or obtain
24 leads containing the names or contact information of Persons potentially interested in
25 products or services Defendant Rose or any other Person purports to offer;

26 D. That Defendant Rose or any other Person will contact, sell, or provide
27 services to businesses consumers refer;

28 E. The total cost to purchase, receive, or use any products or services; or

1 F. Any material aspect of the performance, efficacy, nature, or central
2 characteristics of any product or service.

3 IV.

4 Monetary Judgment

5 IT IS FURTHER ORDERED that:

6 A. Judgment in the amount of seven million, three hundred seventy-five
7 thousand, two hundred fifty-eight dollars and eighty-four cents (\$7,375,258.84) is
8 entered in favor of the Commission against Defendant Rose as equitable monetary relief.
9 Defendant Rose's liability for the judgment shall be joint and several with any and all
10 other Defendants against whom the Court may enter judgment, jointly and severally, for
11 equitable monetary relief.

12 B. All payments under this Order must be
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proceeds of the liquidation to the Commission, less any amount deducted pursuant to Subsection C(4), below. Defendant Rose shall take all steps necessary to assist the Commission and the Receiver in the liquidation of such property, including signing any documents necessary to transfer ownership. In the event that it is necessary for Defendant Rose to execute documents to facilitate the liquidation of such property, he shall execute and return such documents within three (3) days of a request from the Commission or the Receiver.

3) The Receiver is ordered to transfer to the Commission any funds previously held in the name of Lukeroy K. Rose or L&M

1 five (5) days written notice, or other reasonable notice, at such places and times as a
2 Commission representative may designate, without the service of a subpoena.

3 VIII.

4 Order Acknowledgments

5 IT IS FURTHER ORDERED Defendant Rose shall obtain acknowledgments of
6 receipt of this Order as follows.

7 A. Defendant Rose, within seven (7) days of entry of this Order, must submit
8 to the Commission an acknowledgment of receipt of this Order sworn under penalty of
9 perjury.

10 B. For five (5) years after entry of this Order, Defendant Rose, for any
11 business that Defendant Rose is the majority owner or controls directly or indirectly,
12 must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
13 managers and members; (2) all employees, agents, and representatives who participate in
14 conduct related to the subject matter of the Order; and (3) any business entity resulting
15 from any change in structure as set forth in the Section titled Compliance Reporting.
16 Delivery must occur within seven (7) days of entry of this Order for current personnel.
17 For all others, delivery must occur before they assume their responsibilities.

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- 3) Title or role in any business activity, including any business for which Defendant Rose performs services whether as an employee or otherwise and any entity in which Defendant Rose has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity; and
- 4) The structure of any entity that Defendant Rose 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.

C. Defendant Rose must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against Defendant Rose, within fourteen (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 ng by or against

1 X.

2 Recordkeeping

3 IT IS FURTHER ORDERED Defendant Rose must create certain records for
4 twenty (20) years after entry of the Order, and retain each such record for five (5) years.
5 Specifically, Defendant Rose, for any business that Defendant Rose is a majority owner
6 or controls directly or indirectly, must create and retain the following records.

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

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

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

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

15 E. A copy of each unique advertisement or other marketing material.

16 XI.

17 Compliance Monitoring

18 IT IS FURTHER ORDERED that, for the purpose of monitoring Defendant
19 Rose's compliance with this Order, including the financial representations upon which
20 part of the judgment was suspended and any failure to transfer any assets as required by
21 this Order:

22 A. Within 14 days of receipt of a written request from a representative of the
23 Commission, Defendant Rose must submit additional compliance reports or other
24 requested information, which must be sworn under penalty of perjury; appear for
25 depositions; and produce documents for inspection and copying. The Commission is also
26 authorized to obtain discovery, without further leave of court, using any of the procedures
27 prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions),
28 31, 33, 34, 36, 45, and 69.

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

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


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

14 XII.

15 Retention of Jurisdiction

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

18 Dated this 2nd day of June, 2015.

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23 Honorable Roslyn O. Silver
24 Senior United States District Judge
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