

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

Civil Action No. 1:17-cv-01092-PAB-MEH

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

UNIVERSAL NETWORK SOLUTIONS, LLC, a Colorado limited liability company, and
RAJINDER SINGH, individually, and as a member and manager of Universal Network
Solutions, LLC,

Defendants.

**[PROPOSED] ORDER FOR PERMANENT INJUNCTION AND MONETARY JUDGMENT
AGAINST DEFENDANTS UNIVERSAL NETWORK SOLUTIONS, LLC AND RAJINDER
SINGH**

Plaintiff Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). Defendants Universal Network Solutions, LLC and Rajinder Singh (“Defendants”) have been served with the summons and the Complaint. The Commission and Defendants have stipulated to entry of this Final Judgment (“Order”) to resolve all matters in dispute in this action between them with the following terms:

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.

2. The Complaint charges that Defendants participated in deceptive acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in the advertising, marketing, promotion, offering for sale, or sale of Tech Support Products or Services.

3. Defendants neither admit nor deny any of

registry cleaners, anti-virus programs, anti-malware programs, firewall programs, and computer or software diagnostic services.

ORDER

SECTION I: BAN ON TECH SUPPORT PRODUCTS AND SERVICES

IT IS ORDERED that Defendants are permanently restrained and enjoined from:

A. Advertising, marketing, promoting, offering for sale, selling, or providing any Tech Support Product or Service;

B. Assisting or providing consulting services for others engaged in, or receiving any proceeds from, advertising, marketing, promoting, offering for sale, selling, or providing any Tech Support Product or Service; and

C. Owning, controlling, or serving as an officer, director, or manager of any business entity advertising, marketing, promoting, offering for sale, selling, providing, or assisting or providing consulting services for others engaged in, advertising, marketing, promoting, offering for sale, selling, or providing, any Tech Support Product or Service.

SECTION II: PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, sale, or selling of any good or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

A. That Defendants are part of, affiliated with, or certified or authorized by, any entity;

B. That Defendants have detected security or performance issues on a consumer's computer, including system errors, viruses, spyware, malware, or the presence of hackers; and

C. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

SECTION III: MONETARY JUDGMENT AND PARTIAL SUSPENSION

IT IS FURTHER ORDERED that:

A. Judgment in the amount of **Five Hundred Forty-Seven Thousand Eighty Seven Dollars (\$547,087)** is hereby entered in favor of the Commission and against Defendants, jointly and severally, as equitable monetary relief.

B. Upon completion of all payments and asset transfers specified in Subsection III.C, the remainder of the judgment is suspended, subject to the Subsections below.

C. Defendants are ordered to pay to the Commission **Sixty-One Thousand Three Hundred Sixty Dollars (\$61,360)**, which, as Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission.

D. The Commission's agreement to the suspension of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

1. the Financial Statement of Individual Defendant Rajinder Singh signed on June 13, 2017, including the attachments;

2. the Financial Statement of Business Entity Defendant Universal Network Solutions, LLC, signed by Rajinder Singh, Owner, on July 5, 2017, including the attachments; and

3. the following email correspondence between counsel for Defendants and FTC counsel, including attachments:

- a. June 2, 2017;
- b. June 13, 2017;
- c. July 3, 2017;
- d. July 11, 2017; and
- e. July 14, 2017.

E. The suspension of the judgment will be lifted as to any Defendant if, upon motion by the Commission, the Court finds that Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified in Section III.D.1-3.

F. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Defendant in the amount specified in Subsection III.A above (which the parties stipulate only for purposes of this Section represents the consumer injury alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

SECTION IV: ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. Defendants relinquish dominion and all legal and equitable right, title, and interest

assets.

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

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

D. Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Defendants previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

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

F. The Limited Asset Freeze imposed by Section II of the Preliminary Injunction

(Doc. 20) is modified to permit the payments and transfers identified in the Monetary Judgment and Partial Suspension Section, Section III, above. Upon completion of those payments and transfers, the asset freeze is dissolved.

SECTION V: CUSTOMER INFORMATION

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

A. Failing to provide sufficient customer information to enable the Commission to administer efficiently consumer redress. If a representative of the Commission requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the Commission, within fourteen (14) days.

B. Disclosing, using, or benefiting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order, in connection with the advertising, marketing, promoting, offering for sale, selling, or providing any Tech Support Product or Service; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within thirty (30) days after receipt of written direction to do so from a representative of the Commission.

Provided, however, that customer information need not be destroyed, and may be disclosed, to the extent requested by a governme

the Section titled Compliance Reporting.

Delivery must occur within seven (7) days of entry of this Order for current personnel.

For all others, delivery must occur before they assume their responsibilities.

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

SECTION VIII: COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

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

1. Each Defendant must:

- a. Identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with such Defendant;
- b. Identify all of that Defendant's businesses by all of their names; telephone numbers; and physical, postal, email, and Internet addresses;
- c. Describe the activities of each business, including the goods and services offered; the means of advertising, marketing, and sales; and the involvement of any other Defendant (which Individual Defendant must describe if Individual Defendant knows or should know due to Individual Defendant's own involvement);
- d. Describe in detail whether and how that Defendant is in

Order.

2. Additionally, Individual Defendant must report any change in:

a. Name, including aliases or fictitious name, or residence address; or

b. Title or role in any business activity, including any business for which Individual Defendant performs services whether as an employee or otherwise and any entity in which Individual Defendant has any ownership interest and of which Individual Defendant has direct or indirect control, and identify the name, physical address, and any Internet address of the business or entity.

C. Each Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant 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 supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *FTC v. Universal Network Solutions, LLC, et al.* (X170033).

SECTION IX: RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for ten (10) years after entry of the Order, and retain each such record for five (5) years. Specifically, Business Entity Defendant and Individual Defendant for any business that such Defendant, individually or collectively with any other Defendant, is a majority owner or controls directly or indirectly, must create and maintain the following records:

- A. Accounting records showing the revenues from all goods or services sold.
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name, addresses, and telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination.
- C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response.
- D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.
- E. A copy of each unique advertisement or other marketing material.

SECTION X: COMPLIANCE MONITORING

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

- A. Within fourteen (14) days of receipt of a written request from a representative of the Commission, each Defendant must submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery,

without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with Rachel Hirsch, Esq., Ifrah PLLC (1717 Pennsylvania Ave., Suite 650, Washington, D.C. 20006; 202-524-4140), counsel for Defendants. Defendants must permit representatives of the Commission to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representa