

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v M I S

**PERMANENT INJUNCTION AND
MONETARY JUDGMENT
AGAINST MORGAN JOHNSON**

S T I

JS-6: Morgan Johnson Only

es before the court upon the stipulation of Plaintiff, the
sion (“FTC” or “Commission”), and Settling Defendant
son”) for the entry of a Permanent Injunction against

018, the FTC filed its Complaint for a Permanent
relief pursuant to Section 13(b) of the Federal Trade
C Act”), 15 U.S.C. § 53(b) (Dkt. 1). Pursuant to Fed. R. Civ.

iled an ex parte application for a temporary restraining

r equitable relief, and an order to show cause why a

should not issue against Digital Altitude LLC, Digital

e Processing LLC, Aspire Processing Limited, Aspire

erprises Inc., RISE Systems & Enterprise LLC (Utah), RISE

1 Systems & Enterprise LLC (Nevada), Soar International Limited Liability
2 Company, The Upside, LLC, Thermography for Life, LLC, d/b/a Living
3 Exceptionally, Inc., Michael Force, Mary Dee, Morgan Johnson, Alan Moore, and
4 Sean Brown (collectively, “Defendants”). Dkt. 5.

5 The Court granted the application, issuing a temporary restraining order
6 (“TRO”) on February 1, 2018, including an asset freeze, appointment of a receiver,
7 immediate access to Defendants’ business premises, and other temporary relief.
8 Dkt. 34. The TRO also ordered Defendants to appear on February 15, 2018 and
9 show cause why a preliminary injunction should not issue against them. The
10 parties stipulated to a continuance of the show cause hearing and the court granted
11 that request, extending the TRO and continuing the hearing to March 5, 2018. Dkt.
12 61. Prior to the hearing, the FTC and Defendant Johnson agreed to the entry of a
13 preliminary injunction for the duration of this litigation. This Court entered a
14 Preliminary Injunction on March 1, 2018. Dkt. 91. The Commission and Defendant
15 Johnson now stipulate to the entry of this Stipulated Order for Permanent
16 Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in
17 this action between them.

18 THEREFORE, IT IS ORDERED as follows:

19 **FINDINGS**

20 A. This Court has jurisdiction over this matter.

21 B. The Complaint charges that Defendant Johnson participated in
22 deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

23 C. Defendant Johnson neither admits nor denies any of the allegations in
24 the Complaint, except as specifically stated in this Order. Only for purposes of this
25 action, Defendant admits the facts necessary to establish jurisdiction.

26 D. Defendant Johnson waives any claim that she may have under the
27 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this
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1 action through the date of this Order, and agrees to bear her own costs and attorney
2 fees.

3 E. Defendant Johnson and the Commission waive all rights to appeal or
4 otherwise challenge or contest the validity of this Order.

5 **DEFINITIONS**

6 For the purpose of this Order, the following definitions apply:

7 A. **“Acquirer”** or **“Acquiring Bank”** means a business organization,
8 Financial Institution, or an agent of a business organization or Financial Institution
9 that has authority from an organization that operates or licenses a credit card
10 system (e.g., Visa, MasterCard, American Express or Discover) to authorize
11 Merchants to accept, transmit, or process payment by credit card through the credit
12 card system for money, products, or anything else of value.

13 B. **“Business Coaching Program”** means any program, plan, or product,
14 including those related to work-at-home-opportunities, that is represented,
15 expressly or by implication, to train or teach a participant or purchaser how to
16 establish a business or earn money or other consideration through a business or
17 other activity.

18 C. **“Corporate Defendants”** means Digital Altitude LLC; Digital
19 Altitude Limited; Aspire Processing LLC; Aspire Processing Limited; Aspire
20 Ventures Ltd; Disc Enterprises Inc.; RISE Systems & Enterprise LLC (Utah);
21 RISE Systems & Enterprise LLC (Nevada); Soar International Limited Liability
22 Company; The Upside, LLC; Thermography for Life, LLC, d/b/a Living
23 Exceptionally, Inc., and each of their subsidiaries, affiliates, successors, and
24 assigns.

25 D. **“Credit Card Laundering”** means: (a) presenting or depositing into,
26 or causing or allowing another to present or deposit into, the credit card system for
27 payment, a Credit Card Sales Draft generated by a transaction that is not the result
28 of a credit card transaction between the cardholder and the Merchant; (b)

1 organization, or other entity that enables an individual, a business, or other
2 organization to accept payments of any kind.

3 L. **“Payment Processing”** means providing a Person, directly or
4 indirectly, with the means used to charge or debit accounts through the use of any
5 payment method or mechanism, including, but not limited to, remotely created
6 payment orders, remotely created checks, ACH debits, or debit, credit, prepaid, or
7 stored value cards. Whether accomplished through the use of software or
8 otherwise, Payment Processing includes, among other things: (a) reviewing and
9 approving Merchant applications for payment processing services; (b) providing
10 the means to transmit sales transactions data from Merchants to Acquiring Banks
11 or other Financial Institutions; (c) clearing, settling, or distributing proceeds of
12 sales transactions from Acquiring Banks or Financial Institutions to Merchants; or
13 (d) processing chargebacks or returned remotely created payment orders, remotely
14 created checks, or ACH checks.

15 M. **“Person”** means a natural person, organization, or other legal entity,
16 including a corporation, limited liability company, partnership, proprietorship,
17 association, cooperative, government or governmental subdivision or agency, or
18 any other group or combination acting as an entity.

19 N. **“Settling Defendant”** means Morgan Johnson.

20 **ORDER**

21 **I. PROHIBITIONS RELATED TO THE SALE OF BUSINESS**

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1 1. the Financial Statement of Settling Defendant signed by Morgan
2 Johnson on February 18, 2018, including the attachments;

3 2. the additional documentation submitted by email from Settling
4 Defendant Johnson to Commission counsel Andrew Hudson, Laura Basford, and
5 Jody Goodman on February 28, 2018, attaching bank statements and other
6 financial documents;

7 3. the additional documentation submitted by email from Settling
8 Defendant Johnson to Commission counsel Andrew Hudson, Laura Basford, and
9 Jody Goodman on March 19, 2018, attaching tax documents;

10 4. the additional documentation submitted by secure file transfer from
11 Settling Defendant Johnson to Commission counsel Andrew Hudson, Laura
12 Basford, and Jody Goodman on April 11, 2018, attaching bank statements; and

13 5. Settling Defendant Johnson's sworn declaration dated April 17, 2018
14 regarding certain financial matters.

15 D. The suspension of the judgment will be lifted as to Settling Defendant
16 if, upon motion by the Commission, the Court finds that Settling Defendant failed
17 to disclose any material asset, materially misstated the value of any asset, or made
18 any other material misstatement or omission in the financial representations
19 identified above.

20 E. If the suspension of the judgment is lifted, the judgment becomes
21 immediately due as to Settling Defendant in the amount specified in Subsection A
22 above (which the parties stipulate only for purposes of this Section represents the
23 consumer injury alleged in the Complaint), less any payment previously made
24 pursuant to this Section, and any payment(s) made by or on behalf of any other
25 Defendant to the Commission pursuant to a Final Order in this action as to such
26 Defendant, plus interest computed from the date of entry of this Order.

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F. Settling Defendant relinquishes dominion and all legal and equitable

1 **V. CUSTOMER INFORMATION**

2 **IT IS FURTHER ORDERED** that Settling Defendant, and all other
3 Persons in active concert or participation with her, who receive actual notice of this
4 Order, whether acting directly or indirectly, are permanently restrained and
5 enjoined from:

6 A. Failing to provide sufficient customer information to enable the
7 Commission to efficiently administer consumer redress. If a representative of the
8 Commission requests in writing any information related to redress, Settling
9 Defendant must provide it, in the form prescribed by the Commission, within 14
10 days; and

11 B. Disclosing, using, or benefitting from customer information, including
12 the name, address, birth date, telephone number, email address, credit card number,
13 bank account number, Social Security number, other identifying information, or
14 any data that enables access to a customer's account (including a credit card, bank
15 account, or other financial account), that any Defendant obtained prior to entry of
16 this Order in connection with any activity that pertains to the sale of money-
17 making opportunities and/or purported educational or coaching products or
18 services provided online; and

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1 | Complaint. Settling Defendant must provide truthful and complete information,
2 | evidence, and testimony. Settling Defendant must appear for interviews, discovery,
3 | hearings, trials, and any other proceedings that a Commission representative may
4 | reasonably request upon 5 days written notice, or other reasonable notice, at such
5 | places and times as a Commission representative may designate, without the
6 | service of a subpoena.

7 | **VII. ORDER ACKNOWLEDGMENTS**

8 | **IT IS FURTHER ORDERED** that Settling Defendant obtain
9 | acknowledgments of receipt of this Order:

10 | A. Settling Defendant, within 7 days of entry of this Order, must submit
11 | to the Commission an acknowledgment of receipt of this Order sworn under
12 | penalty of perjury.

13 | B. For 20 years after entry of this Order, Settling Defendant, for any
14 | business that she, individually or collectively with any other Defendant, is the
15 | majority owner of or controls directly or indirectly, must deliver a copy of this
16 | Order to: (1) all principals, officers, directors, and LLC managers and members;
17 | (2) all employees having managerial responsibilities for conduct related to the
18 | subject matter of the Order and agents and representatives who participate in
19 | conduct related to the subject matter of the Order; and (3) any business entity
20 | resulting from any change in structure as set forth in the Section titled Compliance
21 | Reporting. Delivery must occur within seven (7) calendar days of entry of this
22 | Order for current personnel. For all others, delivery must occur before they
23 | assume their responsibilities.

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

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1 subject line must begin: FTC v. Digital Altitude, et al. (Morgan Johnson), No.
2 X180021.

3 **IX. RECORDKEEPING**

4 **IT IS FURTHER ORDERED** that Settling Defendant must create certain
5 records for 20 years after entry of the Order, and retain each such record for 5
6 years. Specifically, for any business that Settling Defendant, individually or
7 collectively with any other Defendants, is a majority owner or controls directly or
8 indirectly, must create and retain the following records:

9 A. accounting records showing the revenues from all goods or services
10 sold;

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

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

17 D. all records necessary to demonstrate full compliance with each
18 provision of this Order, including all submissions to o , M

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1 Commission is also authorized to obtain discovery, without further leave of court,
2 using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30
3 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

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

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

15 D. Upon written request from a representative of the Commission, any
16 consumer reporting agency must furnish consumer reports concerning Defendant
17 Johnson, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
18 §1681b(a)(1).

19 **XI. RETENTION OF JURISDICTION**

20 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
21 matter for purposes of construction, modification, and enforcement of this Order.

22 **XII. LIMITED EFFECT OF THIS ORDER**

23 **IT IS FURTHER ORDERED** that this Order is entered pursuant to the
24 stipulation of the Settling Defendant and the FTC. The approval of the terms of this
25 Order will not affect a later determination as to whether the same or similar terms
26 proposed by the FTC are appropriate with respect to a defendant who has defaulted
27 in this matter, or whose liability is determined through proceedings in this matter.
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1 Any such later determinations will be made based on a de novo review of the
2 relevant facts and circumstances.

3 **IT IS SO ORDERED.**

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5 Dated: July 5, 2018

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JOHN A. KRONSTADT
9 UNITED STATES DISTRICT JUDGE
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