

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

1 ORDER

2 I. BAN ON SALE OF FRANCHISES

3 IT IS THEREFORE ORDERED that Individual Defendant is permanently
4 restrained and enjoined from advertising, marketing, promoting, offering for sale,
5 or selling, or assisting others in the advertising, marketing, promoting, offering for
6 sale, or selling, of any franchise, as defined by 16 C.F.R. § 436.1(h), in the United
7 States.

8 II. PROHIBITION ON MISPRESENTATIONS

9 IT IS FURTHER ORDERED that Individual Defendant, his agents, em-
10 ployees, and attorneys, and other persons in active contact or participation with
11 any of them, who receive actual notice of this Order, whether acting directly or in-
12 directly, in connection with promoting offering for sale any product or service
13 are permanently restrained and enjoined from misrepresenting or assisting others
14 in misrepresenting, expressly or by implication:

15 A. Any material aspect of the nature or terms of any refund, cancella-
16 tion, exchange, or repurchase policy;

17 B. With respect to the sale of a franchise, business venture, business
18 opportunity, or other offer to earn income:

19 1. Any income, profits, or sales volume achieved by existing or past
20
21
22
23
24
25
26
27
28

1 C. If the suspension of the judgment is lifted, the judgment becomes im-
2 mediately due in the amount specified in Subsections III.A and III.B above (which
3 the parties stipulate only for purposes of this Section represents the amount of the
4 civil penalty and consumer redress for the violations alleged in the Complaint),
5 less any payment previously made pursuant to this Section, plus interest computed
6 from the date of entry of this Order.

7 V. ADDITIONAL MONETARY PROVISIONS

8 IT IS FURTHER ORDERED that:

9 A. Individual Defendant relinquishes dominion and a legal and equita-
10 ble right, title, and interest in all assets transferred pursuant to this Order and may
11 not seek the return of any assets.

12 B. The facts alleged in the Complaint will be taken as true, without fur-
13 ther proof, in any subsequent civil litigation by or on behalf of the Commission,
14 including in a proceeding to enforce its rights to any payment or monetary judg-
15 ment pursuant to this Order, such as:

16 which

1 representative of the Commission decides that direct redress to consumers is
2 wholly or partially impracticable or if money remains after redress is completed,
3 the Commission may apply any remaining money for such relief (including con-
4 sumer information remedies) as it determines to be reasonably related to Defend-
5 ants' practices alleged in the Complaint. Any money not used for such relief is to
6 be deposited to the U.S. Treasury as judgement. Individual Defendant has no
7 right to challenge any actions the Commission or its representatives may take pur-
8 suant to this Subsection.

9 VI. ORDER ACKNOWLEDGMENTS

10 IT IS FURTHER ORDERED that Individual Defendant obtain acknowl-
11 edgments of receipt of this Order:

12 A. Individual Defendant, within 7 days of entry of this Order, must sub-
13 mit to the Commission an acknowledgment of receipt of this Order sworn under
14 penalty of perjury.

15 B. For 20 years after entry of this Order, for any business that Individ-
16 ual Defendant directly or indirectly owns or controls, Individual Defendant must
17 deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
18 managers and members; (2) all employees exercising managerial responsibilities for
19 conduct related to the subject matter of the Order and all agents and representa-
20 tives who participate in conduct related to the subject matter of the Order; and (3)
21 any business entity resulting from any change in structure as set forth in the Sec-
22 tion titled Compliance Reporting. Delivery must occur within 7 days of entry of
23 this Order for current personnel. For others, delivery must occur before they
24 assume their responsibilities.

25 C. From each individual or entity to which Individual Defendant deliv-
26 ered a copy of this Order, that Defendant must obtain, within 30 days, a signed
27 and dated acknowledgment of receipt of this Order.

28

VII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Individual Defendant shall make timely submissions to the Commission:

A. One year after entry of this Order, Individual Defendant must submit a compliance report, sworn under penalty of perjury, that meets the following requirements:

1. Individual Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, that representatives of the Commission and Plaintiff may use to communicate with Defendant; (b) identify all of Individual 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, means of advertising, marketing, and sales, and the involvement of other Defendant (which Individual Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, Individual Defendant must: (a) identify all telephone numbers and all physical, postal, and Internet addresses, including all residences; (b) identify all business activities, including any business for which Individual Defendant performs services, whether as an employee or otherwise, and any entity which Individual Defendant has any ownership interest in; and (c) describe in detail Individual Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 20 years after entry of this Order, Individual Defendant must

1 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
2 change in the following:

3 1. Individual Defendant must report any change in: (a) any des-
4 igned point of contact; or (b) the structure of any entity that Individual
5 Defendant has any ownership interest in or controls directly or indirectly
6 that may affect compliance obligations arising under this Order, including:
7 creation, merger, sale, or dissolution of the entity or any subsidiary, parent,
8 or affiliate that engages in any acts or practices subject to this Order.

9 2. Additionally, the Individual Defendant must report any change
10 in: (a) name, including aliases or fictitious name, or residence address; or
11 (b) title or role in any business activity, including any business for which he
12 performs services whether as an employee or otherwise and any entity in
13 which he has any ownership interest, and identify the name, physical ad-
14 dress, and any Internet address of the business or entity.

15 C. Individual Defendant must submit to the Commission notice of the
16 filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by
17 or against Individual Defendant within 14 days of its filing.

18 D. Any submission to the Commission required by this Order to be
19 sworn under penalty of perjury must be true and accurate and comply with 28
20 U.S.C. § 1746, such as by concluding "I declare under penalty of perjury under
21 the laws of the United States of America that the foregoing is true and correct. Ex-
22 ecuted on: _____" and supplying the declaratory's full name, title (if applica-
23 ble), and signature.

24 E. Unless otherwise directed by a Commission representative in writ-
25 ing, all submissions to the Commission pursuant to this Order must be emailed to
26 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
27 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
28 Trade Commission, 600 Pennsylvania Ave NW, Washington, DC 20580. The

1 subject line must begin: FTC v. ~~Bur~~ Group USA, Inc. et al., Matter No.
2 2023057.

3 VIII. RECORDKEEPING

4 IT IS FURTHER ORDERED that Individual Defendant must create certain
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 and copying. The Commission and Plaintiff are also authorized to obtain discov-

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28