

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 06-80180 - CIV-RYSKAMP/VITUNAC

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**NATIONWIDE CONNECTIONS, INC.,
ACCESS ONE COMMUNICATIONS, INC.,
NETWORK ONE SERVICES, INC.,
WILLOUGHBY FARR,
MARY LOU FARR,
YARET GARCIA,
ERIKA RIABOUKHA,
QAADIR KAID,**

Defendants,

**BILLING CONCEPTS, INC.,
ACI BILLING SERVICES, INC.,
d/b/a OAN,
BSG CLEARING SOLUTIONS NORTH
AMERICA, LLC,
THE BILLING RESOURCE, d/b/a INTEGRETTEL,
Defendants and Third Party Plaintiffs,**

v.

**WILLOUGHBY FARR,
YARET GARCIA,
ERIKA RIABOUKHA,
QAADIR KAID,
JESUS SANDOVAL,
JESSY MENDOZA,
GERMAN MIRANDA, and
RONNY MORILLO,**

Cross Defendants/Third Party Defendants

**STIPULATED FINAL
JUDGMENT AND ORDER FOR
PERMANENT INJUNCTION
AND CONSUMER REDRESS
AS TO DEFENDANT
MARY LOU FARR**

This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission

("FTC" or "Commission") and Defendant Mary Lou Farr ("Defendant").

On February 27, 2006, the Commission filed a Complaint for Injunctive and Other Equitable Relief, including rescission, restitution, redress, and disgorgement, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and moved for an *ex parte* Temporary Restraining Order ("TRO") pursuant to Rule 65 of the Federal Rules of Civil Procedure. That same day, this Court, having considered the Complaint, memorandum of law, declarations, and other exhibits filed in support of the Commission's motion, issued a TRO including an asset freeze and appointment of a temporary receiver.

On March 8, 2006, following a contested hearing, the Court entered a Preliminary Injunction Order that provided for a continuation of all of the relief in the TRO. On September 21, 2006, the Clerk filed the Commission's First Amended Complaint, and on September 25, 2006, the Court entered an Amended Preliminary Injunction, which continued all of the relief in the Preliminary Injunction Order and expanded the receivership to cover, among other things, Defendant's Assets. Now, the Commission and Defendant offer the following Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief as to Defendant Mary Lou Farr (the "Final Order").

Upon the joint motion of the FTC and Defendant it is hereby **ORDERED, ADJUDGED,** and **DECREED** as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and the parties hereto.
2. Venue is proper in the Southern District of Florida under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).

3. The activities of Defendant are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

4. The First Amended Complaint alleges claims upon which, if true, relief may be granted against Defendant under Sections 5(a)(1) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).

5. The Commission and Defendant stipulate and agree to this Final Order to settle and resolve all matters in dispute arising from the First Amended Complaint in the above-captioned matter to the date of entry of this Final Order.

6. Defendant has waived all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

7. Defendant has entered into this Final Order freely and without coercion. Defendant acknowledges that she has read the provisions of this Final Order and has agreed to abide by them.

8. Defendant waives all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

9. Defendant waives and releases any claim she may have against the FTC and its employees, representatives, or agents.

10. This Final Order is remedial in nature and shall not be construed as payment of a fine, penalty, punitive assessment, or forfeiture.

11. Entry of this Final Order is in the public interest.

DEFINITIONS

For the purpose of this Final Order, the following definitions shall apply:

1. **“Amended Preliminary Injunction”** means the amended preliminary injunction order issued by this Court on September 25, 2006 in combination with any subsequent order modifying the same.
2. **“Assets”** means any legal or equitable interest in, right to, or claim to any real or personal property of Defendant, or held for the benefit of Defendant, wherever located, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” “notes” (as these terms are defined in the Uniform Commercial Code), chattels, leaseholds, contracts, mails, other deliveries, shares of stock, lists of participants, intellectual property, accounts, credits, receivables, cash, and trusts, including, but not limited to, any other trust held for the benefit of Defendant, Defendant’s minor children, or Defendant’s spouse.
3. **“Defendant”** means Mary Lou Farr.
4. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes, but is not limited to, writings, drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic correspondence, including e-mail and instant messages, photographs, audio and video recordings, computer records, whether active or inactive, and any other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.
5. **“Individual Defendants”** means: Willoughby Farr, Mary Lou Farr, Yaret

Garcia, Erika Riaboukha, and Qadir Kaid.

6. **“Line Subscriber”** means a person that has arranged with a local exchange carrier or other entity to obtain local telephone service provided through an assigned telephone number, and to be billed for such service on a monthly (or periodic) basis.

7. **“Nationwide Defendants”** means: Nationwide Connections, Inc.; Access One Communications, Inc.; Network One Services, Inc.; Willoughby Farr; Mary Lou Farr; Yaret Garcia; Erika Riaboukha; and Qadir Kaid.

8. **“Plaintiff”** means the Federal Trade Commission.

9. **“Receiver”** shall mean the receiver appointed in the Amended Preliminary Injunction. The term “Receiver” also includes any deputy receiver(s) as may be named by the Receiver.

10. **“Receivership Defendants”** means: (1) Nationwide Connections, Inc., Access One Communications, Inc., and Network One Services, Inc.; (2) the following affiliated entities acting in active concert or participation with them or the Individual Defendants, namely 411TXT, Inc., CELL-INFO-USA, Inc., Enhanced Billing Services, Inc., Toll Free Connect, Inc., Cripple Creek Holdings, LLC, Built to Last, LLC, Not Fade Away, LLC, He’s Gone, LLC, The Other One, LLC, Turn on Your Love Light, LLC, China Cat Sunflower, LLC, and Lazy River Road Holdings, LLC; (3) any affiliates, fictitious names, subsidiaries, successors, assigns or d/b/a’s of the aforementioned entities; and (4) Willoughby Farr.

11. **“Representatives”** means Defendant’s partners, agents, employees, attorneys, and those persons in active concert or participation with her who receive actual notice of this Final Order by personal service or otherwise.

12. "TRO" means the *Ex Parte* Temporary Restraining Order with Asset Freeze and Other Equitable Relief issued by the Court in this matter on February 27, 2006.

PROHIBITED BUSINESS ACTIVITIES

I.

IT IS THEREFORE ORDERED that Defendant is hereby permanently restrained and enjoined from:

- A. Billing or submitting any charge for billing on a Line Subscriber's telephone bill;
- B. Receiving any remuneration or other consideration of any kind whatsoever from any business entity engaged in or assisting in billing, or submitting any charge for billing, on a Line Subscriber's telephone bill;
- C. Holding any ownership interest, share, or stock in any business entity engaged in or assisting in billing, or submitting any charge for billing, on a Line Subscriber's telephone bill;
- or
- D. Serving as an employee, officer, director, trustee, general manager of, or consultant or advisor to any business entity engaged in or assisting in billing, or submitting any charge for billing, on a Line Subscriber's telephone bill.

II.

IT IS FURTHER ORDERED that Defendant and her Representatives are hereby permanently restrained and enjoined from directly or indirectly misrepresenting, expressly or by implication, that a consumer is obligated to pay any charge that has not been expressly authorized.

III.

IT IS FURTHER ORDERED that Defendant is hereby permanently restrained and enjoined from serving as an officer or director of any business entity, unless Defendant actually controls, participates in, or has knowledge of the daily operations of that entity.

RESTRICTION ON USE OF CONSUMER INFORMATION

IV.

IT IS FURTHER ORDERED that Defendant and her Representatives are hereby permanently restrained and enjoined from selling or renting the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information Defendant received from the Nationwide Defendants for any Line Subscriber or other person whom Defendant or her Representatives billed, or caused to be billed, at any time prior to entry of this Final Order. *Provided, however,* that Defendant and her Representatives may disclose such identifying information as required by any law, regulation, or court order.

EQUITABLE MONETARY RELIEF

V.

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in favor of the Commission and against Defendant in the amount of \$2,964,600 (two million nine hundred sixty-four thousand six hundred dollars), which amount shall be suspended, but for a sum equal to the value of all of Defendant's Assets (the "non-suspended judgment"), upon the transfers to the Federal Trade Commission described in Subparagraph B. The suspended portion of the judgment shall be subject to the conditions set forth in Subparagraph C of this Paragraph V.

B. The non-suspended judgment shall be satisfied by:

1. Defendant's release of all dominion, title, and control of Defendant's Assets;
2. The Receiver's transfer to the Commission of the sum of Defendant's liquid Assets held by the Receiver pursuant to the Amended Preliminary Injunction Order (approximately \$800,323) less \$20,000, within five (5) days after entry of this Final Order, by certified check or other guaranteed method of payment to the Commission; *provided that*, within five (5) days after entry of this Final Order, the Receiver transfers the remaining \$20,000 to an account designated by Defendant;
3. The Receiver's transfer to the Commission of the value of Defendant's interest in any Asset liquidated by the Receiver pursuant to the provisions of Paragraph VII;
4. Defendant's removal of all personal effects located at 101 Beattie Lane in Manchester Center, Vermont, no later than thirty (30) days after entry of this Final Order.

C. By agreeing to this Final Order, Defendant reaffirms and attests to the truthfulness, accuracy, and completeness of her deposition testimony on April 11, 2007 and the following documents submitted to the Commission: Defendant's declaration dated March 24, 2006; sworn financial statements dated April 21, 2006; and all supporting documents attached thereto or submitted in connection therewith. The Commission's agreement to this Final Order is expressly premised upon the truthfulness, accuracy and completeness of her deposition testimony, her

declaration, financial statements, and supporting documents, all of which include material information upon which the Commission relied in negotiating and agreeing to this Final Order. If, upon motion by the Commission, this Court finds that Defendant has failed to disclose any material Asset or materially misstated the value of any Asset in her deposition testimony, declaration, financial statements, or related documents described above, or has made any other material misstatement or omission in her deposition testimony, declaration, financial statements, or related documents described above, then the Court shall lift the suspension of judgment and direct the Clerk to enter judgment against Defendant and in favor of the Commission for the amount of the judgment set forth in Subparagraph A of this Paragraph, less the sum of any amounts paid to the Commission pursuant to Subparagraph B of this Paragraph. *Provided, however,* that in all other respects this Final Order shall remain in full force and effect, unless otherwise ordered by the Court.

D. Defendant agrees that the facts as alleged in the First Amended Complaint filed in this action shall be taken as true for the purpose of a nondischargeability complaint in any bankruptcy proceeding.

E. Proceedings instituted under this Paragraph are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Final Order.

COMMISSION'S USE OF MONETARY JUDGMENT

VI.

IT IS FURTHER ORDERED that all funds paid pursuant to Paragraph V of this Final Order shall be deposited into a fund administered by the Commission or its agent to be used for

equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendant's practices alleged in the First Amended Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendant shall have no right to challenge the Commission's choice of remedies under this Paragraph.

RECEIVER'S LIQUIDATION OF DEFENDANT'S ASSETS

VII.

IT IS FURTHER ORDERED that the Receiver shall liquidate all of Defendant's remaining Assets in his possession and control, including, but not limited to: (1) the real property located at 101 Beattie Lane, Manchester Center, Vermont; and (2) the real property located at North Danby Hill Road, Danby, Vermont. Within five (5) days of receipt of the proceeds of any such liquidation of Defendant's Assets, the Receiver shall transfer the value of such proceeds to the Commission in accordance with Paragraph V. Defendant hereby waives all rights to challenge the Receiver's liquidation of Defendant's Assets.

COOPERATION WITH THE RECEIVER

VIII.

IT IS FURTHER ORDERED that Defendant shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to: providing information to the Receiver that the Receiver deems necessary in order to exercise the authority

and discharge the responsibilities of the Receiver under this Order and the Amended Preliminary Injunction; providing any password required to access any computer, electronic file, or telephonic data in any medium; and advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Receiver. Defendant is hereby permanently restrained and enjoined from directly or indirectly:

A. Transacting any of the business of the Receivership Defendants;

B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants, including, but not limited to, books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations, electronically-stored records, or any other papers of any kind or nature;

C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Defendants, or the Receiver;

D. Excusing debts owed to the Receivership Defendants;

E. Failing to notify the Receiver of any Asset, including accounts, of a Receivership Defendant held in any name other than the name of the Receivership Defendant, or by any person or entity other than the Receivership Defendant, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of such Assets; and

F. Doing any act or refraining from any act whatsoever to interfere with the Receiver

