

1 Andrew Hudson (DC Bar No. 996294)  
2 (202) 326-2213 / ahudson@ftc.gov  
3 Karen Hobbs (DC Bar No. 469817)  
4 (202) 326-3587 / khobbs@ftc.gov  
5 600 Pennsylvania Ave., NW, CC-8528  
6 Washington, DC 20580

7 Local Counsel  
8 Delilah Vinzon (CA Bar No. 222681)  
9 (310) 824-4328 / dvinzon@ftc.gov  
10 10990 Wilshire Boulevard, Suite 400  
11 Los Angeles, California 90024

12 Attorneys for Plaintiff  
13 Federal Trade Commission

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

16 **Federal Trade Commission,**

17 Plaintiff,

18 vs.

19 **AlliedWallet, Inc., et al.,**

20 Defendants.

No. 2:19-CV-4355

[PROPOSED] STIPULATED FINAL  
ORDER FOR PERMANENT  
INJUNCTION AND MONETARY  
JUDGMENT AGAINST AMY  
ROUNTREE

21 Plaintiff the Federal Trade Commission (“FTC” or “Commission”), filed its  
22 Complaint for permanent injunction and other equitable relief in this matter  
23 pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15  
24 U.S.C. § 53(b) against AlliedWallet, Inc., Allied Wallet, Ltd., GTBill, LLC, and  
25 GTBill Ltd., Ahmad Khawaja (also known as Andy Khawaja), Mohammad Diab  
26 (also known as Moe Diab), and Amy Rountree (collectively, “Defendants”).  
27 Defendant Amy Rountree (“Defendant Rountree”) has waived service of the  
28 summons and the Complaint. The FTC and Defendant Rountree stipulate to the

1 entry of this Stipulated Final Order for Permanent Injunction and Monetary  
2 Judgment (“Order”) to resolve all matters in dispute in this action between them.

3 THEREFORE, IT IS ORDERED as follows:

4 **FINDINGS**

5 1. This Court has jurisdiction over this matter.

6 2. The Complaint charges that Defendant Rountree participated in unfair  
7 acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45 (a), by  
8 processing or arranging for processing of charges to consumers’ credit and debit  
9 cards on behalf of Defendants’ Clients, which had obtained the payments through  
10 fraud or were otherwise violating the law.

11 3. Defendant Rountree neither admits nor denies any of the allegations in  
12 the Complaint, except as specifically stated in this Order. Only for purposes of this  
13 action, Defendant Rountree admits the facts necessary to establish jurisdiction.

14 4. Defendant Rountree waives any claim that she may have under the  
15 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this  
16 action through the date of this Order, and agrees to bear her own costs and attorney  
17 fees.

18 5. Defendant Rountree and the Commission waive all rights to appeal or  
19 otherwise challenge or contest the validity of this Order.

20 **DEFINITIONS**

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

22 A. “**ACH Debit**” means any completed or attempted debit to a Person’s  
23 account at a Financial Institution that is processed electronically through the  
24 Automated Clearing House Network.

25 B. “**Acquirer**” means a business organization, Financial Institution, or an  
26 agent of a business organization or Financial Institution that has authority from an  
27 organization that operates or licenses a credit card system (e.g., VISA, Inc.,  
28 Mastercard Inc., American Express Company, and Discover Financial Services,

1 Inc.) to authorize Merchants to accept, transmit, or process payment by credit card  
2 through the credit card system for money, goods or services, or anything else of  
3 value.

4 C. **“Card-Not-Present Transaction”** means a debit or credit card  
5 transaction whereby the Person’s debit or credit card is not physically swiped,  
6 scanned, or imprinted.

7 D. **“Chargeback”** means a procedure whereby an issuing bank or other  
8 Financial Institution charges all or part of an amount of a Person’s credit or debit  
9 card transaction back to the Acquirer or other Financial Institution.

10 E. **“Chargeback Rate”** means the proportion (expressed as a  
11 percentage) of Chargebacks out of the total number of attempted credit or debit  
12 card sales transactions.

13 F. **“Client”** means any Person (a) who obtains, directly or indirectly,  
14 from any Defendant a Merchant Account, or (b) to whom any Defendant provides  
15 any Payment Processing services.

16 G. **“Corporate Defendants”** means AlliedWallet, Inc., Allied Wallet,  
17 Ltd., GTBill, LLC, GTBill Ltd., and any of their successors and assigns.

18 H. **“Covered Client”** means any Client who offers to sell, sells,  
19 promotes, or markets, the following goods or services: cryptocurrency; discount  
20 buying clubs; foreclosure protection or guarantees; lottery sales or sweepstakes;  
21 medical discount benefits packages including discount medical cards; multi-level  
22 marketing distribution; nutraceuticals; payment aggregators; third party Payment  
23 Processors; penny auctions; real estate seminars and training programs; computer  
24 technical support services; and goods or services with Negative Option Features.

25 I. **“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 employing, soliciting, or otherwise causing or allowing a Merchant, or an  
2 employee, representative, or agent of a Merchant, to present to or deposit into the  
3 credit card system for payment, a Credit Card Sales Draft generated by a  
4 transaction that is not the result of a credit card transaction between the cardholder  
5 and the Merchant; (c) obtaining access to the credit card system through the use of  
6 a business relationship or an affiliation with a Merchant, when such access is not  
7 authorized by the Merchant Account agreement or the applicable credit card  
8 system; or (d) presenting or depositing into, or causing or allowing another to  
9 present or deposit into, the credit card system for payment, a Credit Card Sales  
10 Draft generated by a transaction that is the result of a credit card transaction  
11 between the cardholder and the Merchant, through a Merchant Account that is held  
12 in the name of a Sponsored Merchant that is not the Merchant.

13 J. **“Credit Card Sales Draft”** means any record or evidence of a credit  
14 card transaction.

15 K. **“Defendants”** means all of the Individual Defendants and the  
16 Corporate Defendants, individually, collectively, or in any combination.

17 L. **“Financial Institution”** means any institution the business of which is  
18 engaging in financial activities as described in section 4(k) of the Bank Holding  
19 Company Act of 1956 (12 U.S.C. § 1843(k)). An institution that is significantly  
20 engaged in financial activities is a Financial Institution.

21 M. **“High Risk Client”** means any Client that (a) on an annual basis,  
22 whether measured by a single Merchant Account or by the aggregate of all  
23 Merchant Accounts held by the Client, processes more than fifteen percent (15%)  
24 Card-Not-Present Transactions and more than two hundred thousand dollars  
25 (\$200,000) in total Card-Not-Present Transactions; or (b) is a Covered Client.

26 N. **“Independent Sales Organization” or “ISO”** means any Person that  
27 (a) enters into an agreement or contract with a Payment Processor, Acquirer or  
28 Financial Institution to sell or market Payment Processing services to a Merchant;

1 (b) matches, arranges for, or refers Merchants to a Payment Processor or Acquirer  
2 for Payment Processing services, or that matches, arranges for, or refers a Payment  
3 Processor or Acquirer to Merchants for Payment Processing services; or (c) is  
4 registered as an ISO or merchant service provider (“MSP”) with VISA,  
5 Mastercard, or any credit card association.

6 O. **“Individual Defendants”** means Ahmad Khawaja (also known as  
7 Andy Khawaja), Mohammad Diab (also known as Moe Diab), and Amy Rountree.

8 P. **“Merchant”** means any Person engaged in the sale or marketing of  
9 any goods or services or a charitable contribution, including any Person who  
10 applies for ISO or Payment Processing services. The term “Merchant” does not  
11 include a Payment Facilitator, but does include a Sponsored Merchant.

12 Q. **“Merchant Account”** means any account with an Acquirer or other  
13 Financial Institution, service provider, Payment Processor, ISO, Payment  
14 Facilitator, or other entity that enables an individual, a business, or other  
15 organization to accept payments of any kind.

16 R. **“Money Making Opportunity”** means anything, tangible or  
17 intangible, that is offered, offered for sale, sold, or traded based wholly or in part  
18 on representations, either express or implied, about past, present, or future income,  
19 profit, or appreciation.

20 S. **“Negative Option Feature”** means, in an offer or agreement to sell or  
21 provide any product or service, a provision under which the consumer’s silence or  
22 failure to take an affirmative action to reject products or services or to cancel the  
23 agreement is interpreted by the Client, seller or Merchant as acceptance of the  
24 offer. Offers or agreements with Negative Option Features include, but are not  
25 limited to: (a) free or introductory price trial offers in which the consumer receives  
26 a product or service for free or at a nominal or introductory price for an initial  
27 period and will incur an obligation to pay or pay a greater amount for the product  
28 or service if he or she does not take affirmative action to cancel, reject, or return

1 the product or service before the end of that period; (b) continuity plans in which,  
2 subsequent to the consumer's agreement to the plan, the seller or provider  
3 automatically ships products to a consumer unless the consumer notifies the seller  
4 or provider within a certain time not to ship the products; and (c) automatic  
5 renewal plans in which the seller or provider automatically renews the agreement  
6 and charges the consumer unless the consumer cancels before the renewal.

7 T. **"Payment Facilitator"** means an entity that is registered with a credit  
8 card system by an Acquirer to facilitate transactions on behalf of Sponsored  
9 Merchants, and receives settlement of transaction proceeds from the Acquirer on  
10 behalf of the Sponsored Merchants.

11 U. **"Payment Processing"** means transmitting sales transaction data on  
12 behalf of a Merchant or providing a Person, directly or indirectly, with the means  
13 used to charge or debit accounts through the use of any payment method or  
14 mechanism, including, but not limited to, credit cards, debit cards, prepaid cards,  
15 stored value cards, ACH Debits, and Remotely Created Payment Orders. Whether  
16 accomplished through the use of software or otherwise, Payment Processing  
17 includes, among other things: (a) reviewing and approving Merchant applications  
18 for payment processing services; (b) transmitting sales transaction data or  
19 providing the means to transmit sales transaction data from Merchants to  
20 Acquirers, Payment Processors, ISOs, or other Financial Institutions; (c) clearing,  
21 settling, or distributing proceeds of sales transactions from Acquirers or Financial  
22 Institutions to Merchants; (d) processing Chargebacks or returned Remotely  
23 Created Payment Orders or ACH Debits; or (e) sign a merchant acceptance  
24 agreement on behalf of an Acquirer, or receive settlement of transaction proceeds  
25 from an Acquirer, on behalf of a sponsored Merchant.

26 V. **"Payment Processor"** means any Person providing Payment  
27 Processing services in connection with another Person's sale of goods or services,  
28 or in connection with any charitable donation.

1           W.    “**Person**” means any natural person, organization, or legal entity,  
2 including a corporation, limited liability company, partnership, proprietorship,  
3 association, cooperative, government or governmental subdivision or agency, or  
4 any other group or combination acting as an entity.

5           X.    “**Outbound Telemarketing**” means any plan, program, or campaign  
6 that is conducted to induce the purchase of goods or services by use of one or more  
7 telephones, and which involves a telephone call initiated by a Person other than the  
8 consumer, whether or not covered by the Telemarketing Sales Rule (“TSR”), 16  
9 C.F.R. Part 310.

10          Y.    “**Remotely Created Payment Order**” or “**RCPO**” means a payment  
11 instruction or order, whether created in electronic or paper format, drawn on a  
12 payor’s financial account that is initiated or created by the payee, and which is  
13 deposited into or cleared through the check clearing system. For purposes of this  
14 definition, an account includes any financial account or credit or other arrangement  
15 that allows checks, payment instructions, or orders to be drawn against it that are  
16 payable by, through, or at a bank.

17          Z.    “**Sales Agent**” means a Person that matches, arranges, or refers  
18 prospective Clients or Clients to a Payment Processor or ISO for Payment  
19 Processing, but does not hold any contractual liability in the event of losses related  
20 to the Payment Processing activities conducted by or on behalf of Clients. As  
21 such, a Sales Agent may be involved in recommending a particular Payment  
22 Processor or ISO to a prospective Client, forwarding to the Payment Processor or  
23 ISO a prospective Client’s or Client’s merchant application, or negotiating rates  
24 and fees charged by a Payment Processor or ISO, but a Sales Agent may not be  
25 involved in any Payment Processing and may not act as an ISO.

26          AA. “**Sponsored Merchant**” means any Person or entity to whom a  
27 Payment Facilitator agrees to provide Payment Processing services.  
28



1 BB. “**Total Return Rate**” means the proportion (expressed as a  
2 percentage) of all attempted ACH Debit or RCPO transactions that are returned  
3 through the banking system for any reason, whether before or after payment, out of  
4 the total number of such attempted transactions, calculated separately for each  
5 transaction type.

6 **ORDER**

7 **I. BAN ON PROCESSING FOR CERTAIN MERCHANT CATEGORIES**

8 IT IS ORDERED that Defendant Rountree, whether acting directly or  
9 through an intermediary, is permanently restrained and enjoined from Payment  
10 Processing, and from assisting others engaged in Payment Processing, whether  
11 directly or through an intermediary, for any Person:

12 A. Offering to sell, selling, promoting or marketing the following goods  
13 or services:

- 14 1) Money Making Opportunities;
- 15 2) credit repair;
- 16 3) credit card protection;
- 17 4) identity theft protection;
- 18 5) debt collection, debt counseling, debt settlement, or debt  
19 consolidation;
- 20 6) mortgage or loan modification;
- 21 7) government grants; or
- 22 8) timeshare resale;

23 B. Engaged in Outbound Telemarketing;

24 C. Listed on the Mastercard Member Alert to Control High-Risk  
25 Merchants (MATCH) list for any of the following reasons: excessive Chargebacks  
26 or fraud, fraud conviction, laundering, identification as a Questionable Merchant  
27 per the Mastercard Questionable Merchant Audit Program, merchant collusion,  
28 illegal transactions, or identity theft;



1 D. Registered as, or qualifies for registration as, a high risk-merchant  
2 type according to Mastercard or Visa's rules and regulations; or

3 E. That is a Covered Client subject to an Order from any lawsuit brought  
4 by the Commission or any other state or federal law enforcement agency relating to  
5 consumer protection or telemarketing laws or regulations.

6 **II. BAN ON CREDIT CARD LAUNDERING**

7 IT IS FURTHER ORDERED that Defendant Rountree, whether acting  
8 directly or through an intermediary, is permanently restrained and enjoined from  
9 Credit Card Laundering, and from assisting others engaged in Credit Card  
10 Laundering, whether directly or through an intermediary.

11 **III. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS**

12 IT IS FURTHER ORDERED that Defendant Rountree, Defendant  
13 Rountree's officers, agents, employees, and attorneys, and all other Persons in  
14 active concert or participation with any of them, who receive actual notice of this  
15 Order, whether acting directly or indirectly, are each permanently restrained and  
16 enjoined from:

17 A. Making, or assisting others in making, directly or by implication, any  
18 false or misleading statement in order to obtain Payment Processing services,  
19 including but not limited to false or misleading statements about the geographic  
20 location, name, identity, or corporate form of the Merchant;

21 B. Failing to disclose to an Acquirer or other Financial Institution,  
22 service provider, Payment Processor, ISO, or other entity that enables a Person to  
23 accept payments of any kind any material information related to a Merchant  
24 Account including, but not limited to, (a) the identity of any owner, manager,  
25 director, or officer of the applicant for or holder of a Merchant Account, and (b)  
26 any connection between an owner, manager, director, or officer of the applicant for  
27 or holder of a Merchant Account and any Person who, for a reason related to  
28 excessive Chargebacks or fraud, identification as a Questionable Merchant per the

1 Mastercard Questionable Merchant Audit Program, merchant collusion, illegal  
2 transaction, or identity theft, had a Merchant Account terminated by a Payment  
3 Processor or a Financial Institution, or has been fined or otherwise disciplined in  
4 connection with a Merchant Account by a Payment Processor or a Financial  
5 Institution; and

6 C. Engaging in any tactics to avoid fraud and risk monitoring programs  
7 established by any Financial Institution, Acquirer, or the operators of any payment  
8 system, including, but not limited to, balancing or distributing sales transaction  
9 volume or sales transaction activity among multiple Merchant Accounts or  
10 merchant billing descriptors; splitting a single sales transaction into multiple  
11 smaller transactions; or using a shell company to apply for a Merchant Account.

12 **IV. PROHIBITION AGAINST ASSISTING AND FACILITATING**

13 IT IS FURTHER ORDERED that Defendant Rountree, Defendant  
14 Rountree's officers, agents, employees, and attorneys, and all other Persons in  
15 active concert or participation with any of them, who receive actual notice of this  
16 Order, whether acting directly or indirectly, are permanently restrained and  
17 enjoined from providing substantial assistance or support to any Person that they  
18 know, or should know, is engaged in:

19 A. Misrepresenting, directly or by implication, any material aspect of the  
20 performance, efficacy, nature, or central characteristics of any goods or services;

21 B. Misrepresenting, directly or by implication, any material aspect of the  
22 nature or terms of any refund, cancellation, exchange, or repurchase policies;

23 C. The unauthorized debiting or charging of consumer bank or credit  
24 card accounts; or

25 D. Any deceptive, unfair, or abusive act or practice prohibited by Section  
26 5 of the FTC Act or by the TSR.

27

28

1 **V. SCREENING OF PROSPECTIVE HIGH RISK CLIENTS**

2 IT IS FURTHER ORDERED that Defendant Rountree, Defendant  
3 Rountree's officers, agents, employees, and attorneys, and all other Persons in  
4 active concert or participation with any of them, who receive actual notice of this  
5 Order, whether acting directly or indirectly, are permanently restrained and  
6 enjoined from Payment Processing or acting as an ISO or Sales Agent for any  
7 prospective High Risk Client without first engaging in a reasonable screening of  
8 the prospective High Risk Client to determine whether the prospective High Risk  
9 Client's business practices are, or are likely to be, deceptive or unfair within the  
10 meaning of Section 5 of the FTC Act, or violation of the Telemarketing Sales Rule.

11 Such reasonable screening shall include, but not be limited to:

12 A. Obtaining from each prospective High Risk Client, including the  
13 principal(s) and controlling Person(s) of the entity, any Person(s) with a majority  
14 ownership interest in the entity, and any corporate name, trade name, fictitious  
15 name or aliases under which such Person(s) conduct or have conducted business:

16 1. A description of the nature of the prospective High Risk Client's  
17 business, including describing the nature of the goods and services sold and  
18 methods of sale, for which the prospective High Risk Client seeks Payment  
19 Processing services;

20 2. The name of the principal(s) and controlling Person(s) of the entity,  
21 and Person(s) with a majority ownership interest in the entity;

22 3. A list of all business and trade names, fictitious names, DBAs, and  
23 Internet websites under or through which the prospective High Risk Client has  
24 marketed or intends to market the goods and services for which the prospective  
25 High Risk Client seeks Payment Processing services;

26 4. Each physical address at which the prospective High Risk Client has  
27 conducted business or will conduct the business(es) identified pursuant to  
28 subsection (1) of this Section V.A;

1           5.     The name and address of every Acquirer, originating depository  
2 Financial Institution (if Defendant proposes to provide Payment Processing  
3 services for ACH Debit or RCPO transactions to such prospective High Risk  
4 Client), and Payment Processor used by the prospective High Risk Client during  
5 the preceding two years, and all merchant identification numbers used by any such  
6 banks or Payment Processors in connection with the prospective High Risk Client;

7           6.     The prospective High Risk Client's past Chargeback Rate and Total  
8 Return Rate (if Defendant proposes to provide Payment Processing services for  
9 ACH Debit or RCPO transactions) for the preceding three (3) months, or for the  
10 preceding six months if the prospective High Risk Client is a Covered Client, and  
11 estimates of future Chargeback Rates and Total Return Rates (if Defendant  
12 proposes to provide Payment Processing services for ACH Debit or RCPO  
13 transactions);

14           7.     The names of trade and bank references; and

15           8.     Whether the prospective High Risk Client, including the principal(s)  
16 and controlling Person(s) of the entity, any Person(s) with a majority ownership  
17 interest in the entity, and any corporate name, trade name, fictitious name or aliases  
18 under which such Person(s) conduct or have conducted business, has ever been:

19                 a)     placed in a payment card association's Chargeback monitoring  
20 program during the preceding two years; or

21                 b)     the subject of a complaint filed by the Commission or any other  
22 state or federal law enforcement agency;

23           B.     Taking reasonable steps to assess the accuracy of the information  
24 provided pursuant to Sections V.A of this Order, including but not limited to:  
25 reviewing the Internet websites used by the prospective High Risk Client to market  
26 its goods or services; obtaining and reviewing copies of monthly Payment  
27 Processing statements issued by any bank, ISO, Sales Agent, Acquirer, or Payment  
28 Processor used by the High Risk Client during the preceding six (6) months;

1 obtaining and reviewing all current marketing materials for each good or service  
2 related to the offer for which Defendant Rountree would provide the prospective  
3 High Risk Client with Payment Processing, ISO, or Sales Agent services. The  
4 purpose of such steps is to determine whether the prospective High Risk Client is  
5 engaged in any of the following acts or practices, in which case Defendant  
6 Rountree shall not provide Payment Processing or act as an ISO or Sales Agent for  
7 the prospective High Risk Client:

8 1. Failing to clearly and conspicuously disclose all products and services  
9 that are sold in conjunction with the offered product or service, and the total cost to  
10 purchase, receive, or use, any products or services that are the subject of the sales  
11 offer;

12 2. Misrepresenting any material aspect of the performance, efficacy,  
13 nature, or central characteristics of goods or services that are the subject of the  
14 sales offer;

15 3. Failing to clearly and conspicuously disclose all material terms and  
16 conditions of an offer;

17 4. Misrepresenting, expressly or by implication, any material aspect of  
18 the prospective High Risk Client's refund, cancellation, exchange, or repurchase  
19 policies; and

20 5. Causing billing information to be submitted for payment without the  
21 customer's express authorization.

22 **VI. MONITORING OF HIGH RISK CLIENTS**

23 IT IS FURTHER ORDERED that Defendant Rountree, Defendant  
24 Rountree's officers, agents, employees, and attorneys, and all other Persons in  
25 active concert or participation with any of them, who receive actual notice of this  
26 Order, whether acting directly or indirectly, in connection with Payment Processing  
27 or acting as an ISO or Sales Agent, are permanently restrained and enjoined from:  
28

1           A.     Failing to monitor the sales activity of all current Clients to identify  
2 Clients that should be designated as High Risk Clients requiring additional  
3 screening pursuant to Section V of this Order, and for newly-designated High Risk  
4 Clients, failing to complete the reasonable screening process described in Section  
5 V of the Order within a one month period;

6           B.     Failing to monitor each High Risk Client's transactions to determine  
7 whether the High Risk Client is engaged in practices that are deceptive or unfair in  
8 violation of Section 5 of the FTC Act. Such monitoring shall include, but not be  
9 limited to, regularly reviewing High Risk Clients' Internet websites from an IP  
10 address that is not associated with Defendant Rountree, regularly reviewing each  
11 High Risk Client's Chargeback Rates, Total Return Rates (if Defendant proposes to  
12 provide Payment Processing services for ACH Debit or RCPO transactions), and  
13 reasons provided for these rates, as well as examining any unusual or suspect  
14 transaction patterns, values, and volume;

15           C.     Failing to calculate and update at least on a monthly basis for each  
16 High Risk Client the Chargeback Rate and Total Return Rate (if Defendant  
17 proposes to provide Payment Processing services for ACH Debit or RCPO  
18 transactions). For any Client with multiple processing accounts, the calculation of  
19 the Chargeback Rate and Total Return Rate shall be made for each of the High  
20 Risk Client's individual processing accounts, and in the aggregate for each High  
21 Risk Client;

22           D.     Failing to immediately stop processing sales transactions and, as soon  
23 as practical but in no more than 5 days, close all processing accounts for:

24           1.     Any Covered Client whose Total Return Rate exceeds two and one-  
25 half percent (2.5%) and whose total number of ACH Debit or RCPO returned  
26 transactions in any month exceeds forty (40) transactions;

27

28

1           2.     Any Covered Client whose monthly Chargeback Rate exceeds one  
2 percent (1%) and whose total number of Chargebacks exceeds forty (40) in two of  
3 the past six months; and

4           3.     Any Covered Client that Defendant Rountree knows or should know  
5 is engaged in tactics to avoid fraud and risk monitoring programs established by  
6 any Financial Institution, Acquirer, or the operators of any payment system,  
7 including, but not limited to, balancing or distributing sales transaction volume or  
8 sales transaction activity among multiple Merchant Accounts or merchant billing  
9 descriptors; splitting a single sales transaction into multiple smaller transactions, or  
10 using shell companies to apply for additional Merchant Accounts.

11           E.     Failing to immediately conduct a reasonable investigation of the cause  
12 of Total Return Rate (if Defendant Rountree proposes to provide Payment  
13 Processing services for ACH Debit or RCPO transactions) or Chargeback Rates (a  
14 reasonable investigation includes, but is not limited to: verifying and updating the  
15 truth and accuracy of information gathered in compliance with Section V of this  
16 Order and any other advertising of the High Risk Client; confirming that the High  
17 Risk Client has obtained required consumer authorizations for the transactions;  
18 contacting Financial Institutions and Better Business Bureaus to gather detailed  
19 information, including complaints and other relevant information, regarding the  
20 High Risk Client; reviewing from an IP address that is not associated with  
21 Defendant Rountree the Internet websites used by the High Risk Client to market  
22 its goods and services; searching publicly available sources for legal actions taken  
23 by the Commission or other state or federal law enforcement agencies against the  
24 High Risk Client; and conducting “test” shopping to determine the High Risk  
25 Client’s sales practices, where possible) for:

26           1.     Any High Risk Client, excluding Covered Clients, whose Total Return  
27 Rate exceeds two and one-half percent (2.5%) and whose total number of ACH  
28 Debit or RCPO returned transactions in any month exceeds forty (40); and



1           2.     Any High Risk Client, excluding Covered Clients, whose monthly  
2 Chargeback Rate exceeds one percent (1%) and whose total number of  
3 Chargebacks exceeds forty (40) in two of the past six months.

4           F.     Failing to stop processing sales transactions and close all processing  
5 accounts for any High Risk Client investigated pursuant to Subsection E, above,  
6 within 60 days of commencing the investigation, unless Defendant Rountree drafts  
7 a written report establishing facts that demonstrate, by clear and convincing  
8 evidence, that the High Risk Client's business practices related to the offer(s) for  
9 which Defendant Rountree provides Payment Processing are not deceptive or  
10 unfair in violation of Section 5 of the FTC Act and are not in violation of the  
11 Telemarketing Sales Rule.

12           G.     Failing to immediately stop processing sales transactions and close all  
13 processing accounts for any High Risk Client that Defendant Rountree knows or  
14 should know is engaged in tactics to avoid fraud and risk monitoring programs  
15 established by any Financial Institution, Acquirer, or the operators of any payment  
16 system, including, but not limited to, balancing or distributing sales transaction  
17 volume or sales transaction activity among multiple Merchant Accounts or  
18 merchant billing descriptors; splitting a single sales transaction into multiple  
19 smaller transactions, or using shell companies to apply for additional Merchant  
20 Accounts.

21 **VII. MONETARY JUDGMENT AND SUSPENSION**

22           IT IS FURTHER ORDERED that:

23           A.     Judgment in the amount of Three Hundred and Twenty Thousand,  
24 Four Hundred and Nine Dollars and Eighty-Two Cents (\$320,429.82) is entered in  
25 favor of the Commission against Defendant Rountree as equitable monetary relief.

26           B.     The judgment is suspended, subject to the Subsections below.

27           C.     The Commission's agreement to the suspension of the judgment is  
28 expressly premised upon the truthfulness, accuracy, and completeness of

1 Defendant Rountree's sworn financial statements and related documents  
2 (collectively, "financial representations") submitted to the Commission, namely:

3 1. the Financial Statement of Amy Rountree digitally signed by  
4 Defendant Rountree on January 2, 2019, including the attachments, submitted by  
5 email by Defendant Rountree's counsel's assistant, Taly Goody, to Commission  
6 counsel Andrew Hudson on January 4, 2019; and

7 2. information submitted via email from Defendant Rountree's counsel  
8 David Steiner to Commission counsel Andrew Hudson on February 15, 2019,  
9 regarding personal property.

10 D. The suspension of the judgment will be lifted as to Defendant  
11 Rountree if, upon motion by the Commission, the Court finds that Defendant  
12 Rountree failed to disclose any material asset, materially misstated the value of any  
13 asset, or made any other material misstatement or omission in the financial  
14 representations identified above.

15 E. If the suspension of the judgment is lifted, the judgment becomes  
16 immediately due as to Defendant Rountree in the amount specified in Subsection A  
17 above (which the parties stipulate only for purposes of this Section represents the  
18 amount by which Defendant Rountree was unjustly enriched by the conduct  
19 alleged in the Complaint), plus interest computed from the date of entry of this  
20 Order.

## 21 **VIII. ADDITIONAL MONETARY PROVISIONS**

22 IT IS FURTHER ORDERED that:

23 A. Defendant Rountree relinquishes dominion and all legal and equitable  
24 right, title, and interest in all assets transferred pursuant to this Order and may not  
25 seek the return of any assets.

26 B. The facts alleged in the Complaint will be taken as true, without  
27 further proof, in any subsequent civil litigation by or on behalf of the Commission,  
28 including in a proceeding to enforce its rights to any payment or monetary

1 judgment pursuant to this Order, such as a nondischargeability complaint in any  
2 bankruptcy case.

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

7 D. Defendant Rountree acknowledges that her Taxpayer Identification  
8 Number (Social Security Number), which Defendant Rountree has submitted to the  
9 Commission, may be used for collecting and reporting on any delinquent amount  
10 arising out of this Order, in accordance with 31 U.S.C. § 7701.

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

### 23 **IX. COOPERATION**

24 IT IS FURTHER ORDERED that Defendant Rountree must fully cooperate  
25 with representatives of the Commission in this case and in any investigation related  
26 to or associated with the transactions or the occurrences that are the subject of the  
27 Complaint. Defendant Rountree must provide truthful and complete information,  
28 evidence, and testimony. Defendant Rountree must appear for interviews,

1 discovery, hearings, trials, and any other proceedings that a Commission  
2 representative may reasonably request upon 5 days written notice, or other  
3 reasonable notice, at such places and times as a Commission representative may  
4 designate, without the service of a subpoena. Nothing in this Section IX precludes  
5 Defendant Rountree from invoking her constitutional Fifth Amendment privilege  
6 against self-incrimination.

7 **X. ORDER ACKNOWLEDGMENTS**

8 IT IS FURTHER ORDERED that Defendant Rountree obtain  
9 acknowledgments of receipt of this Order:

10 A. Defendant Rountree, 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 10 years after entry of this Order, Defendant Rountree for any  
14 business that she, individually or collectively with any other Defendants, is the  
15 majority owner or controls directly or indirectly, must deliver a copy of this Order  
16 to: (1) all principals, officers, directors, and LLC managers and members; (2) all  
17 employees having managerial responsibilities for Payment Processing services and  
18 all agents and representatives who participate in providing Payment Processing  
19 services; (3) any business entity resulting from any change in structure as set forth  
20 in the Section titled Compliance Reporting; and (4) any Acquirer, Payment  
21 Processor, Payment Facilitator, or ISO that provides Defendant Rountree with a  
22 Merchant Account now or in the future.

23 C. Delivery of this Order must occur within 7 days of entry of this Order  
24 for current personnel. For all other personnel, delivery must occur before they  
25 assume their responsibilities.

26 D. From each individual or entity to which Defendant Rountree delivered  
27 or delivers a copy of this Order, that Defendant Rountree must obtain, within 30  
28 days, a signed and dated acknowledgment of receipt of this Order.

1 **XI. COMPLIANCE REPORTING**

2 IT IS FURTHER ORDERED that Defendant Rountree make timely  
3 submissions to the Commission:

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

6 1. Defendant Rountree must: (a) identify the primary physical, postal,  
7 and email address and telephone number, as designated points of contact, which  
8 representatives of the Commission may use to communicate with Defendant  
9 Rountree; (b) identify all of Defendant Rountree's businesses by all of their names,  
10 telephone numbers, and physical, postal, email, and Internet addresses; (c) describe  
11 the activities of each business, including the goods and services offered, the means  
12 of advertising, marketing, and sales, and the involvement of any other Defendant  
13 (which Defendant Rountree must describe if she knows or should know due to her  
14 own involvement); (d) describe in detail whether and how Defendant Rountree is  
15 in compliance with each Section of this Order; and (e) provide a copy of each  
16 Order Acknowledgment obtained pursuant to this Order, unless previously  
17 submitted to the Commission.

18 2. Additionally, Defendant Rountree must: (a) identify all telephone  
19 numbers and all physical, postal, email and Internet addresses, including all  
20 residences; (b) identify all business activities, including any business for which she  
21 performs services whether as an employee or otherwise and any entity in which she  
22 has any ownership interest; and (c) describe in detail her involvement in each such  
23 business, including title, role, responsibilities, participation, authority, control, and  
24 any ownership.

25 B. For 10 years after entry of this Order, Defendant Rountree must  
26 submit a compliance notice, sworn under penalty of perjury, within 14 days of any  
27 change in the following:  
28

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

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

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

16           D. Any submission to the Commission required by this Order to be  
17 sworn under penalty of perjury must be true and accurate and comply with 28  
18 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under  
19 the laws of the United States of America that the foregoing is true and correct.  
20 Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name, title (if  
21 applicable), and signature.

22           E. Unless otherwise directed by a Commission representative in writing,  
23 all submissions to the Commission pursuant to this Order must be emailed to  
24 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
25 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
26 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
27 subject line must begin: *FTC v. Amy Rountree*, Matter No. 1723155.  
28

1 **XII. RECORDKEEPING**

2 IT IS FURTHER ORDERED that Defendant Rountree must create certain  
3 records for 10 years after entry of the Order, and retain each such record for 5  
4 years. Specifically, Defendant Rountree for any business that she, individually or  
5 collectively with any other Defendants, is a majority owner or controls directly or  
6 indirectly, must create and retain the following records:

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

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

13 C. records of all consumer complaints and refund requests pertaining to  
14 Payment Processing Services, whether received directly or indirectly, such as  
15 through a third party, and any response;

16 D. records necessary to demonstrate that Defendant Rountree has  
17 requested, received, and reviewed the scripts, advertising and marketing materials  
18 of any Person for whom she provides any services;

19 E. all records necessary to demonstrate full compliance with each  
20 provision of this Order, including all submissions to the Commission;

21 F. documents sufficient to show monthly and yearly Chargeback and  
22 refund amounts both by dollar amounts and number of transactions; and

23 G. all communications and contracts with credit card companies, banks,  
24 Financial Institutions and Payment Processors.

25

26

27

28



1 **XIII. COMPLIANCE MONITORING**

2 IT IS FURTHER ORDERED that, for the purpose of monitoring Defendant  
3 Rountree's compliance with this Order and any failure to transfer any assets as  
4 required by this Order:

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

12 B. For matters concerning this Order, the Commission is authorized to  
13 communicate directly with each Defendant Rountree. Defendant Rountree must  
14 permit representatives of the Commission to interview any employee or other  
15 Person affiliated with any Defendant Rountree who has agreed to such an  
16 interview. The Person interviewed may have counsel present.

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

23 D. Upon written request from a representative of the Commission, any  
24 consumer reporting agency must furnish consumer reports concerning Defendant  
25 Rountree pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
26 §1681b(a)(1).

27

28

1 **XIV. RETENTION OF JURISDICTION**

2 IT IS FURTHER ORDERED that this Court retains jurisdiction of this  
3 matter for purposes of construction, modification, and enforcement of this Order.

4

5 **SO ORDERED** this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

6

7

8

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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

**SO STIPULATED AND AGREED:**

**FOR PLAINTIFF FEDERAL TRADE COMMISSION:**

ALDEN F. ABBOT  
General Counsel

  
\_\_\_\_\_

Date: 5/20/2019

Andrew Hudson  
Karen S. Hobbs  
Federal Trade Commission  
600 Pennsylvania Ave., NW  
Mailstop CC-8528  
Washington, DC 20580  
(202) 326-2213 / ahudson@ftc.gov  
(202) 326-3587 / khobbs@ftc.gov

Local Counsel  
Delilah Vinzon (CA Bar No. 222681)  
(310) 824-4328 / dvinzon@ftc.gov  
10990 Wilshire Boulevard, Suite 400  
Los Angeles, California 90024

**FOR DEFENDANT AMY ROUNTREE:**

\_\_\_\_\_

Date: \_\_\_\_\_

David P. Steiner  
David Steiner & Associates  
1801 Century Park East, Suite 1600  
Los Angeles, CA 90067  
(310) 557-8422 / dpsartnetlaw@gmail.com

**AMY ROUNTREE**

\_\_\_\_\_

Date: \_\_\_\_\_

Amy Rountree

1 **SO STIPULATED AND AGREED:**

2 **FOR PLAINTIFF FEDERAL TRADE COMMISSION:**

3  
4 ALDEN F. ABBOT  
5 General Counsel

6  
7 \_\_\_\_\_ Date: \_\_\_\_\_

8 Andrew Hudson  
9 Karen S. Hobbs  
10 Federal Trade Commission  
11 600 Pennsylvania Ave., NW  
12 Mailstop CC-8528  
13 Washington, DC 20580  
14 (202) 326-2213 / ahudson@ftc.gov  
15 (202) 326-3587 / khobbs@ftc.gov

16 Local Counsel  
17 Delilah Vinzon (CA Bar No. 222681)  
18 (310) 824-4328 / dvinzon@ftc.gov  
19 10990 Wilshire Boulevard, Suite 400  
20 Los Angeles, California 90024

21 **FOR DEFENDANT AMY ROUNTREE:**

22  Date: 5/6/19

23 David P. Steiner  
24 David Steiner & Associates  
25 1801 Century Park East, Suite 1600  
26 Los Angeles, CA 90067  
27 (310) 557-8422 / dpsartnetlaw@gmail.com

28 **AMY ROUNTREE**

29 Amy Rountree Date: \_\_\_\_\_  
30 Amy Rountree

Digitally signed by c86393bb-e41e-4b3a-a00d-cc63d0d7c360  
: cn=c86393bb-e41e-4b3a-a00d-cc63d0d7c360  
Date: 2019.05.06 10:25:11 -0600