

ENTERED

December 11, 2019

David J. Bradley, Clerk

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

<p>FEDERAL TRADE COMMISSION and</p> <p>OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS</p> <p>Plaintiffs,</p> <p>v.</p> <p>STARWOOD CONSULTING, LLC, a limited liability company, also d/b/a CORPORATE COMPLIANCE SERVICES;</p> <p>CORPORATE POSTER SUPPLY, LLC, a limited liability company, also d/b/a CORPORATE COMPLIANCE SERVICE CENTER and WORKPLACE COMPLIANCE SERVICES;</p> <p>STARWOOD CAPITAL, LLC, a limited liability company, also d/b/a STARWOOD MANAGEMENT SERVICES; and</p> <p>THOMAS HENRY FRED, JR., individually and as an officer of STARWOOD CONSULTING, LLC,</p> <p>Defendants.</p>

Case No. 4:18-cv-2368

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT**

Plaintiffs, the Federal Trade Commission (“Commission”) and the Office of the Attorney General, State of Florida, Department of Legal Affairs (“Florida Attorney General”), filed their Complaint for Permanent Injunction and other Statutory and Equitable Relief, subsequently amended as Amended Complaint for Permanent Injunction and Other Statutory and Equitable Relief (“Complaint”), for permanent injunction, civil penalties, and other equitable relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”), Chapter 501,

Part II, Florida Statutes (2019). Plaintiffs and Defendants stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in this action between them.

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 in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and Section 501.204(1) of FDUTPA in connection with the sale of government regulation or labor law posters.
3. Defendants admit the allegations in the Complaint.
4. Defendants admit willfully making in excess of 70,000 separate mailings in violation of FDUTPA, Sections 501.204(1), 501.2075, and 501.2077, Florida Statutes.
5. The Florida Attorney General is entitled to an award of its reasonable attorney’s fees.
6. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney’s fees.
7. Defendants and Plaintiffs waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

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

A. **“Clear(ly) and Conspicuous(ly)”** means that a required disclosure is difficult to miss (*i.e.*, easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:

1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure is made in only one means.
2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.

6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.

7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.

8. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable members of that group.

B. **“Defendants”** means the Individual Defendant and all of the Corporate Defendants, individually, collectively, or in any combination.

1. **“Corporate Defendants”** means Starwood Consulting LLC, also doing business as Corporate Compliance Services; Corporate Poster Supply LLC, also doing business as Corporate Compliance Service Center and Workplace Compliance Services; and Starwood Capital LLC, also doing business as Starwood Management Services and their successors and assigns.

2. **“Individual Defendant”** means Thomas Henry Fred, Jr.

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

ORDER

I. BAN ON UNSOLICITED DIRECT MAIL

IT IS ORDERED that Defendants are permanently restrained and enjoined from sending unsolicited direct mail, including via the U.S. Postal Services, private courier service, facsimile transmission, electronic mail, and other similar methods of delivery in connection with the advertisement, marketing, promotion, or offering for sale of any good or service, whether directly or through an intermediary.

II. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Defendants, Defendants' 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 promoting or offering for sale any good or service, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

- A. that any Person is a representative of, related to, associated with, vetted by, or in any way affiliated with a local, state, or federal government agency or authority;
- B. that any Person's goods or services are being offered by or on behalf of a local, state, or federal government agency or authority, including through the use of business names and aliases, official government depictions or images;
- C. that consumers are required by law or regulation to purchase a good or service;
- D. that consumers owe money for a good or service;
- E. that consumers have a preexisting business relationship with any Defendant or other Person;

F. 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.

III. REQUIRED DISCLOSURES

IT IS FURTHER ORDERED that Defendants, Defendants' 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 promoting or offering for sale any good or service that is represented, expressly or by implication, to satisfy a Person's compliance or registration obligations, are permanently restrained and enjoined from failing to disclose in a Clear and Conspicuous manner:

A. that Defendants are private third-party service providers offering their goods or services in exchange for a fee; and

B. in any solicitation or advertisement, the following statement: "This is a commercial solicitation and advertisement. [Insert name] is NOT affiliated with any government agency or authority."

IV. COMMUNICATION CONCERNING GOVERNMENT REGULATION

IT IS FURTHER ORDERED that Defendants, Defendants' 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 promoting or offering for sale any good or service, are hereby permanently restrained and enjoined from utilizing threats of government action, expressly or by implication, in

communications with any Person, including threats that the failure of a Person to act will result in civil or criminal penalties or fines.

V. MONETARY JUDGMENT AND PARTIAL SUSPENSION

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Six Million and Seventeen Thousand Eight Hundred and Sixty-Seven Dollars (\$6,017,867) is entered in favor of the Commission and the Florida Attorney General against Defendants, jointly and severally, as equitable monetary relief.

B. Defendants are ordered to pay to Plaintiffs the judgment set forth above in Subsection V(A) as follows:

1. Defendants are ordered to pay to Plaintiffs Six Hundred Thousand Dollars (\$600,000). Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission;

2. Defendants are ordered to pay to Plaintiffs an additional Six Hundred Thousand Dollars (\$600,000) within 180 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission; and

3. Upon such payments specified by Subsections V(B)(1) and (2), the remainder of the judgment is suspended, subject to SubSections D, E, F, and G of this Section.

C. To secure the payment obligations under Subsection V(B) of this Order, Defendant Thomas H. Fred, Jr., as sole owner of Starwood Realty, LLC, hereby grants to Plaintiffs, pursuant to a Mortgage and Security Agreement (in the form as drafted in Attachment A), a lien on and security interest in the real property located at 200 NE 16 Avenue, Fort

Lauderdale, Florida, Broward County, with Property Identification Number 504202-15-0670 (“Collateral”). Defendant Thomas H. Fred, Jr., shall submit to the clerk’s office for recording all security documents used to perfect Plaintiffs’ lien on the property within fourteen (14) days after entry of this Order, and shall deliver to Plaintiffs copies of such officially recorded documents within seven (7) days after receipt of such documents. Upon Defendants’ timely completion of the payments required by Section V(B) of this Order, Plaintiffs agree to release the lien on the 200 NE 16 Avenue property granted herein. Plaintiffs shall also release the lien to the extent necessary to permit the sale or encumbrance of part or all of the 200 NE 16 Avenue property if the proceeds of such sale or financing are remitted directly to the Commission immediately upon the closing of such sale or financing in complete satisfaction of this Order. Defendants shall be responsible for preparing and filing at their expense the release of lien; and

D. In the event that Defendants fail to make a required payment when due under Subsection V(B)(1) or (2) of this Order, or Plaintiffs are not allowed to retain any such payment, or if Defendant Thomas H. Fred, Jr., fails to comply with the terms of the Mortgage and Security Agreement and such failure is not timely cured;

1. the entire judgment amount, less any amount previously paid, shall immediately become due and payable by Defendants. Interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance. Time is of the essence for the payments specified in this Subsection; and

2. Defendants consent to the appointment of a receiver by the Court for the purpose of taking possession and control of and liquidating the Collateral, with the rights and powers, and privileges of an equity receiver. The costs and expense of the receivership,

including reasonable compensation for the receiver and the personnel retained by the receiver, shall be paid solely from the proceeds of the Collateral.

E. Plaintiffs' agreement to the suspension of part of the judgement is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' sworn financial statements and related documents (collectively, "financial representations") submitted to Plaintiffs, namely:

1. the Financial Statements of Individual Defendant Thomas H. Fred, Jr., signed on August 21, 2018, June 19, 2019, and September 26, 2019, including the attachments;
2. the Financial Statements of Corporate Defendant Starwood Consulting, LLC, signed by Thomas H. Fred, Jr., Managing Member on August 21, 2018 and July 1, 2019, including attachments;
3. the Financial Statements of Corporate Defendant Corporate Poster Supply, LLC, signed by Thomas H. Fred, Jr., Managing Member on August 21, 2018 and August 30, 2019, including attachments;
4. the Financial Statements of Corporate Defendant Starwood Capital, LLC, doing business as Starwood Management Services, signed by Thomas H. Fred, Jr., Managing Member on August 21, 2018 and June 25, 2019, including attachments;
5. the Financial Statements of Starwood Capital, LLC, doing business as Broward Tag and Title, signed by Thomas H. Fred, Jr., Managing Member on August 21, 2018 and July 1, 2019, including attachments;
6. the Financial Statements of Starwood Realty Company, LLC, signed by Thomas H. Fred, Jr., Managing Member on August 21, 2018, June 25, 2019, and September 26, 2019, including attachments; and

7. the Financial Statements of 640 NE 7th Ave., LLC, signed by Thomas H. Fred, Jr., Managing Member on August 30, 2019 and September 26, 2019, including attachments.

F. The suspension of the judgment will be lifted as to any Defendant if, upon motion by the Commission or Florida Attorney General, 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 above.

G. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Defendant in the amount specified in Subsection 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 the Section, plus interest computed from the date of entry of this Order.

H. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

I. 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 or Florida Attorney General, 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.

J. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission or Florida Attorney General 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.

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

L. All money paid to the Plaintiffs pursuant to this Section of the Order (“Joint Funds”) may be deposited into a fund administered by the Commission or its designee on behalf of both the Commission and the Florida Attorney General. The Joint Funds shall be used as equitable relief including, but not limited, to consumer redress, and any attendant expense for the administration of any such equitable relief. If representatives of the Plaintiffs decide that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, Plaintiffs may, in their discretion, apply any remaining Joint Funds for such other equitable relief (including consumer information remedies) as they determine to be reasonably related to Defendants’ practices alleged in the Complaint. Any Joint Funds not used for such equitable relief shall be distributed among the Commission and the Florida Attorney General in the following manner:

1. The Florida Attorney General shall be reimbursed for attorney’s fees and costs it incurred in this matter including, but not limited to, its costs of investigation and litigation in the amount of One Hundred Thousand Dollars (\$100,000), to be deposited in an account for the Department of Legal Affairs; and
2. All remaining Joint Funds shall be divided equally between the Commission and the Florida Attorney General, with half deposited to the U.S. Treasury as disgorgement, and half deposited with the Department of Legal Affairs for compliance and future

monitoring. Defendants have no right to challenge any actions the Commission or Florida Attorney General or their representatives may take pursuant to this Subsection.

M. The asset freeze imposed by the Preliminary Injunction is modified to permit the payments and transfers identified in this Section entitled Monetary Judgment and Partial Suspension. Upon completion of the payments and transfers identified in Subsection V(B)(1) and (2) of this Section, the asset freeze is dissolved. Following entry of this Order, a financial institution may rely on a letter from the Commission or Florida Attorney General stating that an asset freeze on a Defendant has been dissolved.

VI. MONETARY JUDGMENT – CIVIL PENALTIES FOR STATE OF FLORIDA

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Two Million Dollars (\$2,000,000) is entered in favor of the Florida Attorney General against Defendants, jointly and severally, as civil penalties (hereinafter the “Civil Penalties Amount”).

B. Payment of the judgment for the Civil Penalties Amount shall be suspended upon Defendants’ completion of the payments enumerated in Sections V(B)(1) and (2), and Defendants’ full compliance with the requirements, injunctions, and conditions of this Order. The Florida Attorney General’s agreement to the suspension of the Civil Penalties Amount is based upon Defendants’ inability to pay the Civil Penalties Amount as demonstrated by Defendants’ sworn financial representations as set forth in Section V(E), and Defendants’ promise to comply with the requirements, injunctions, and conditions of this Order.

C. The suspension of the judgment for the Civil Penalties Amount will be lifted as to any Defendant if, upon motion by the Florida Attorney General, the Court finds that Defendant failed

to disclose any material asset, materially misstated the value of any asset, made any other material misstatement or omission in the financial representations in Section V(E), or failed to comply with the requirements, injunctions, and conditions of this Order.

D. If the suspension of the judgment for the Civil Penalties Amount is lifted, such amount becomes immediately due as to that Defendant in the amount specified in Section VI(A), less any payment previously made pursuant to Section VI(A), plus interest as prescribed under Section 55.03, Florida Statutes, computed from the date of entry of this Order.

E. Defendants agree that the Civil Penalties Amount is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7). Defendants further agree not to object to or otherwise dispute any claim for non-dischargeability of the Civil Penalties Amount in any voluntary or involuntary bankruptcy proceedings. In any bankruptcy proceeding relating to the non-dischargeability of the Civil Penalties Amount, Defendants stipulate that the allegations of the Complaint and the findings of this Court may be taken as true and correct without further proof.

F. Further, Defendants agree that the facts alleged in the Complaint establish all elements necessary to find the Civil Penalties Amount is not subject to discharge pursuant to Section 523(a)(7) of the Bankruptcy Code, and this judgment will have collateral estoppel effect for such purposes.

VII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, Defendants' 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

promoting or offering for sale any good or service, are permanently restrained and enjoined from directly or indirectly:

- A. failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. Defendants represent that they have provided this redress information to Plaintiffs. If a representative of the Commission or the Florida Attorney General requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the Commission or Florida Attorney General, within 14 days.
- B. disclosing, using, or benefitting 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 sale of government regulation or labor law posters; and
- C. failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from representatives of both the Commission and Florida Attorney General.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

VIII. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Order:

A. Each Defendant, within 7 days of entry of this Order, must submit to the Commission and the Florida Attorney General an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 17 years after entry of this Order, Individual Defendant for any business that such Defendant, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, and each Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of the Order and all agents and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 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.

IX. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission and the Florida Attorney General:

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 or Florida Attorney General may use to communicate with 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 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 and Florida Attorney General.

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

B. For 17 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the

entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this 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 such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Each Defendant must submit to the Commission and Florida Attorney General notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission or Florida Attorney General 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. Starwood Consulting, LLC, et al.*, X180036.

F. Unless otherwise directed by the Florida Attorney General's representatives, all submissions to the State of Florida Office of the Attorney General must be sent to: Office of the Attorney General, State of Florida, Consumer Protection Division, Attn. Enforcement Division, 1300 Riverplace Blvd., Suite 405, Jacksonville, Florida 32207. This address shall also serve as the physical address of Plaintiff Florida Attorney General, including for the purposes of Section 55.10, Florida Statutes.

X. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 17 years after entry of the Order, and retain each such record for 5 years. Specifically, Corporate Defendants 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 retain 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; 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 or Florida Attorney General; and
- E. a copy of each unique advertisement or other marketing material.

XI. 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 14 days of receipt of a written request from a representative of the Commission or Florida Attorney General, 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 or Florida Attorney General are 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 or Florida Attorney General are authorized to communicate directly with each Defendant. Defendant must permit representatives of either the Commission or Florida Attorney General 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. The Commission or Florida Attorney General may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. 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 representative of the Commission or Florida Attorney General, any consumer reporting agency must furnish consumer reports concerning Individual Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

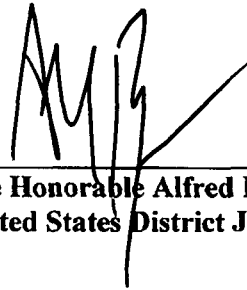
XII. RETENTION OF JURISDICTION

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

IT IS SO ORDERED.

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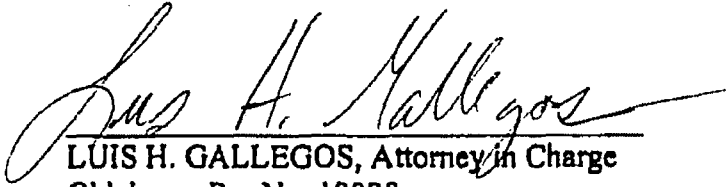
Date



**The Honorable Alfred H. Bennett
United States District Judge**

SO STIPULATED AND AGREED:

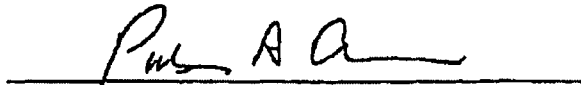
FOR PLAINTIFF FEDERAL TRADE COMMISSION:



Date: 12-5-19

LUIS H. GALLEGOS, Attorney in Charge
Oklahoma Bar No. 19098
REID A. TEPFER
Texas Bar No. 24079444
Federal Trade Commission
1999 Bryan St., Suite 2150
Dallas, Texas 75201
(214) 979-9383; lgallegos@ftc.gov
(214) 979-9395; rtepfer@ftc.gov
(214) 953-3079 (fax)

FOR PLAINTIFF STATE OF FLORIDA:



Date: 11/19/19

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Deputy Attorney General
Department of Legal Affairs
Office of the Attorney General
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Tallahassee, Florida 32399
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Trish.Conners@myfloridalegal.com



Date: 11/20/19

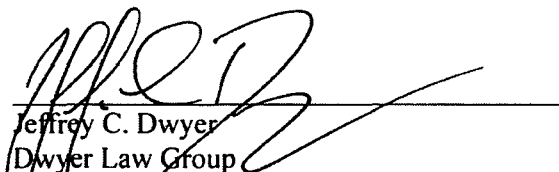
VICTORIA BUTLER
Director, Consumer Protection Division
Office of the Attorney General
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Date: 11/21/19

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FOR DEFENDANTS:

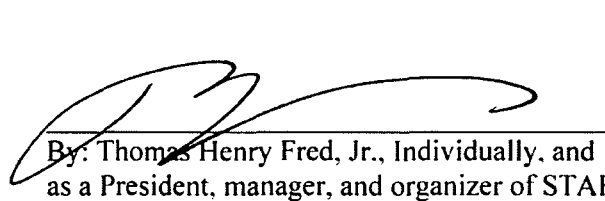


Date: 11/18/19

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COUNSEL STARWOOD CONSULTING, LLC,
CORPORATE POSTER SUPPLY, LLC,
STARWOOD CAPITAL, LLC,
AND THOMAS HENRY FRED, JR.

DEFENDANTS:

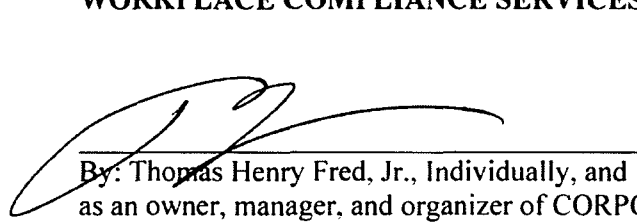
**STARWOOD CONSULTING, LLC,
DBA CORPORATE COMPLIANCE SERVICES**



Date: 11/18/19

By: Thomas Henry Fred, Jr., Individually, and
as a President, manager, and organizer of STARWOOD CONSULTING, LLC

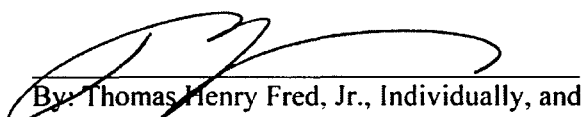
**CORPORATE POSTER SUPPLY, LLC,
DBA CORPORATE COMPLIANCE SERVICE CENTER AND
WORKPLACE COMPLIANCE SERVICES**



Date: 11/18/19

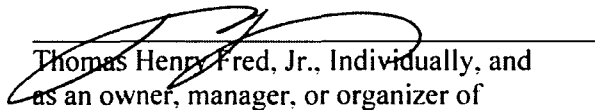
By: Thomas Henry Fred, Jr., Individually, and
as an owner, manager, and organizer of CORPORATE POSTER SUPPLY, LLC

**STARWOOD CAPITAL, LLC,
DBA STARWOOD MANAGEMENT SERVICES**


By: Thomas Henry Fred, Jr., Individually, and
as an owner and manager of STARWOOD CAPITAL, LLC

Date: 11/18/19

THOMAS HENRY FRED, JR.


Thomas Henry Fred, Jr., Individually, and
as an owner, manager, or organizer of
STARWOOD CONSULTING, LLC;
CORPORATE POSTER SUPPLY, LLC; AND
STARWOOD CAPITAL, LLC.

Date: 11/18/19

ATTACHMENT A

This Instrument Prepared By and
To Be Returned To:

Jeffrey Dwyer, Esq.
DWYER LAW GROUP
300 SE 2nd Street, Suite 600
Fort Lauderdale, Florida 33301
Telephone: (954) 745-5840

_____[Space above this line for recording data]_____

MORTGAGE AND SECURITY AGREEMENT

This Indenture, made this ____ day of _____, by and between **Starwood Realty Company, LLC**, hereafter called the "Mortgagor," and the **Federal Trade Commission**, whose address is **600 Pennsylvania Ave., NW, Washington, DC 20580** and the **Florida Office of the Attorney General**, whose address is **1300 Riverplace Blvd., Suite 405, Jacksonville, Florida 32207**, hereinafter collectively called the "Mortgagee:"

The terms "Mortgagor" and "Mortgagee," shall include heirs, personal representatives, successors, legal representatives and assigns, and shall denote the singular and/or the plural, and the masculine and/or the feminine and natural and/or artificial persons, whenever and wherever the context so admits or requires.

Witnesseth, that the Mortgagor, for and in consideration of the Mortgagee's consent to settlement of the lawsuit *Federal Trade Commission v. Starwood Consulting, LLC, et al.*, Case No. 4:18-cv-2368 (S.D. Tex.), under the terms set forth in the Stipulated Order for Permanent Injunction and Monetary Judgment (the "Stipulated Final Judgment"), entered as to Defendants Starwood Consulting, LLC, Corporate Poster Supply, LLC, Starwood Capital, LLC, and Thomas Henry Fred, Jr. (these parties shall collectively be referred to hereafter as "Defendant-Debtors"), pursuant to which Mortgagor is made jointly and severally liable, along with all other Defendant-Debtors, for Six Hundred Thousand Dollars (\$600,000), and as further security therefor, the Mortgagor, under the terms set forth herein, does hereby grant, bargain, sell, remise, convey, assign, pledge, deliver, set over, warrant and confirm unto the Mortgagee and grant a security interest to said Mortgagee, its successors and assigns, in fee simple, the following described real property situated, lying and being in Broward County, Florida, to-wit:

Lot 3, Block 5, Victoria Park – Corrected Amended Plat, according to the Plat thereof, recorded in Plat Book 10, Page 66, of the Public Records of Broward County, Florida.

together with all buildings and improvements now or hereafter situated upon said property, and all fixtures and equipment now or hereafter located in the premises and improvements thereon, together with all additions thereto and replacements thereof (all of which is hereinafter referred to as the

“Property”). And the said Mortgagor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

The Mortgagor hereby covenants and agrees:

1. To keep the buildings now or hereafter on the land insured for fire and extended coverage in a sum at least equal to the value of the Property, and to furnish the Mortgagee with a copy of all current policies upon request. If Mortgagor does not provide the Mortgagee with copies of the policies after fifteen (15) days written demand by the Mortgagee, then the Mortgagee may purchase such insurance and shall add any payments made for such policy to the balance owed on the Stipulated Final Judgment, and such payments shall accrue interest at the maximum rate of interest allowed by law. In the event of a loss to the Property, Mortgagor shall give immediate notice to the Mortgagee. In the event any sum of money becomes payable under such policy for a covered loss to the Property, the Mortgagor shall use such funds, or any part thereof, for repair or replacement of the Property to its pre-loss condition.
2. To permit, commit or suffer no waste, impairment or deterioration of the Property, or any part thereof.
3. To permit no other lien(s) or mortgage(s) to be placed ahead of this mortgage.
4. The Mortgagor shall provide proof of payment of annual real estate taxes by April 15th, for the preceding year’s taxes. In the event that the Mortgagor does not pay the taxes by such date, the Mortgagee may pay the taxes and the full amount of such payment by the Mortgagee shall be added to the principal balance owed by the Defendant-Debtors pursuant to the Stipulated Final Judgment, and shall accrue interest at the maximum rate allowed by law.
5. Mortgagor waives his homestead exemption to the fullest extent provided by law.
6. To timely pay all taxes, fees, association dues, and all other attendant expenses related to the maintenance and ownership of the Property.

This mortgage, and Defendant-Debtors’ monetary obligations under the Stipulated Final Judgment being secured herein, shall be construed and enforced according to the laws of the State of Florida.

Executed at _____, _____ on the date written above.

WITNESS the due execution hereof as of the date first above written.

Signed, sealed and delivered in the presence of:

Starwood Realty Company, LLC
By: Thomas Henry Fred, Jr., Managing Member

Print Name: _____

By: _____
Print Name: _____

Print Name: _____

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by _____, the _____ of _____ a _____, who is personally known to me or who has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this ____ day of _____, 2019.

Notary Public

Typed, printed or stamped name of Notary Public

My Commission Expires: