

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MOBE LTD., MOBEPROCESSING.COM,
INC., TRANSACTION MANAGEMENT USA,
INC., MOBETRAINING.COM, INC., 9336-
0311 QUEBEC INC., MOBE PRO LIMITED,
MOBE INC., MOBE ONLINE LTD., MATT
LLOYD PUBLISHING.COM PTY LTD.,
MATTHEW LLOYD MCPHEE, SUSAN
ZANGHI and INGRID WHITNEY,

Defendants.

Case No. 6:18-CV-862-ORL-37DCI

STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AGAINST
MATTHEW LLOYD MCPHEE

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), filed its Complaint for Permanent Injunction and Other Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §53(b) (“Complaint”). The FTC and Individual Defendant Matthew Lloyd McPhee (“McPhee”) 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

- A. This Court has jurisdiction over this matter.
- B. The Complaint charges that McPhee participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

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

D. McPhee waives any claim that he 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 agrees to bear his own costs and attorney fees.

E. McPhee and the FTC 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. **“Business Coaching Program”** means any program, plan, or product, including those related to work-at-home opportunities, that is represented, expressly or by implication, to train or teach a participant or purchaser how to establish a business or earn money or other consideration through a business or other activity.

B. **“Corporate Defendant(s)”** or **“MOBE Corporate Defendant(s)”** means MOBE Ltd., MOBEProcessing.com, Inc., Transaction Management USA, Inc., MOBETraining.com, Inc., 9336-0311 Quebec Inc., MOBE Pro Limited, MOBE Inc., MOBE Online Ltd., Matt Lloyd Publishing.com Pty Ltd., and each of their subsidiaries, affiliates, successors, and assigns.

C. **“Costa Rica Resort Property”** means the resort property located at Esterillos Este Beach at the West End Punta, Esterillos Este, 60901, Costa Rica, including: the concession land (Lot Registration Number P-1109-Z-000); the hotels or accommodations

(also known as Sunset del Mar Resort) situated on the lot; all buildings, fixtures, plant and equipment, furniture and fittings, office equipment, and chattels located on the property; and all income, revenues, profits, dividends or distributions generated from the operation or ownership of the property.

D. “**Defendant(s)**” means MOBE Corporate Defendants and Individual Defendants, individually, collectively, or in any combination.

E. “**Fiji Resort Property**” means the resort property located in the waters of Nadi Bay, Fiji, including: the parcel of land of approximately 48 acres (Native Lease No. 25143, also known as Kadavu or Kadavulailai Island or Bounty Island); any hotels or accommodation situated on the land; all buildings, fixtures, plant and equipment, furniture and fittings, office equipment, and chattels located on the property; and all income, revenues, profits, dividends or distributions generated from the operation or ownership of the property.

F. “**Individual Defendant(s)**” means McPhee, Susan Zanghi, and Ingrid Whitney (as personal representative of the Estate of Deceased Defendant Russell W. Whitney), individually, collectively, or in any combination.

G. “**Investment Opportunity**” means anything, tangible or intangible, that is offered, offered for sale, sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation.

H. “**Kuala Lumpur Properties**” means the two residential apartment units in the Menara Soho housing development located at A1-7-1, SS@KLCC, No. 20, Jalan Perak, 50450 Kuala Lumpur, Malaysia (Parcel No. A1-7-1, Floor No. 7, Building No. A1) and B2-

15-3A, No, 20, Jalan Perak, 50450 Kuala Lumpur, Malaysia (Parcel No. B2-15-3A, Floor No. 15, Building No. B2).

I. “**McPhee**” means Individual Defendant Matthew Lloyd McPhee, a/k/a Matt Lloyd.

J. “**Receiver**” means the receiver appointed in this action, Mark J. Bernet, Esq., and any deputy receivers that he names.

K. “**Receivership Entities**” means MOBE Corporate Defendants as well as any other entity that has conducted any business related to Defendants’ marketing and sale of Business Coaching Programs or Investment Opportunities to consumers, including receipt of Assets derived from any activity that is the subject of the Complaint in this matter, and that the Receiver determines is controlled or owned by any Defendant.

L. “**Related Entities**” means corporate entities that are owned or controlled by McPhee, whether in whole or in part, other than the MOBE Corporate Defendants, including without limitation MOBE Holdings Limited (Malta), ML Index Investments Pty Ltd. (Australia), CAIF Property Holdings, Ltd. (Hong Kong), CAIF Property Holdings CR, S.A. (Costa Rica), CAIF Property Holdings – Fiji Ltd. (Hong Kong), Kadavulailai Development Pte Limited (Fiji), Sunset del Mar Investments, S.R.L. (Costa Rica), Mar y Tierra del Oeste M.T.O., S.A. (Costa Rica), Transaction Facilitator USA, Inc., Transaction Management USA, Inc., Transaction Processing USA, Inc., Web Payment Facilitators USA, Inc., Web Payment Management Services USA, Inc., Web Payment Processing USA, Inc., Business Education Training Ltd., Discovery Tours & Transportation SRL (Costa Rica), Esterillos Assets Management CR, S.A. (Costa Rica), and Sala Levu Resort Ltd. (Fiji).

M. “**Settling Defendant**” means Matthew Lloyd McPhee.

N. “**Special Receiver**” means Burton W. Wiand, Esq. and any deputy special receivers that he names.

ORDER

I. BAN ON SALE OR MARKETING OF BUSINESS COACHING PROGRAMS AND INVESTMENT OPPORTUNITIES

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

A. Creating, advertising, marketing, promoting, offering for sale, or selling, or assisting others in creating, advertising, marketing, promoting, offering for sale, or selling any Business Coaching Program or any Investment Opportunity;

B. Holding, directly or through a third-person, any ownership or other financial interest in any business entity that is creating, advertising, marketing, promoting, offering for sale, or selling, or that assists others in creating, advertising, marketing, promoting, offering for sale, or selling any Business Coaching Program, any Investment Opportunity, or any product to assist in the creation or development of a Business Coaching Program or an Investment Opportunity.

Provided, however, that this section shall not prevent Settling Defendant from selling interests in real estate properties that he owns and manages.

II. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Settling Defendant, his 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

the advertising, marketing, promoting, or offering for sale of any goods or services, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

A. That consumers who purchase Defendants' goods or services will earn or are likely to earn substantial income;

B. That purchases of Defendants' goods or services are refundable without conditions; and

C. Any other fact material to consumers concerning any good or service, such as: the total costs; any refund policy; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

III. MONETARY JUDGMENT AND PARTIAL SUSPENSION

A. Judgment in the amount of Three Hundred Eighteen Million, Five Hundred Twelve Thousand, Three Hundred Thirty Six Dollars (\$318,512,336) is entered in favor of the Commission against the Settling Defendant as equitable monetary relief.

B. Effective upon entry of this Order, Settling Defendant shall surrender to the Receiver all control, title, dominion and interest in the assets or properties listed below:

1. Costa Rica Resort Property;
2. Fiji Resort Property; and
3. Kuala Lumpur Properties.

C. Settling Defendant represents, individually and on behalf of Related Entities, that he and the Related Entities shall maintain and take no action to diminish the value of any asset or property referenced in Subsection B, including adding or removing any structures,

fixtures, or appurtenances thereto.

D. Settling Defendant shall cooperate fully with the Receiver and take such steps as the Receiver may require, including executing any documents and providing any information, documents and signatures the Receiver may deem necessary, to effectuate the assignment, transfer, sale and liquidation of the assets or properties referenced in Subsection B above.

E. Settling Defendant further agrees, individually and on behalf of the Related Entities, that as of the date on which he signs this Order, he shall refrain from transferring, converting, encumbering, selling, assigning, or otherwise disposing of the assets or properties referenced in Subsection B, except with the express prior written permission of the Receiver.

F. The Receiver shall, as soon as practicable, commence the sale of the unliquidated assets identified in Subsection B above and surrendered pursuant to this Order using a commercially reasonable procedure, subject to the limitations set forth in the prior orders of the Court. The Receiver shall hold the proceeds from the sale of these assets (net of costs and fees) for future transfer to the Commission in accordance with further instructions from the Court.

G. In addition to the transfers specified in Subsection B above, immediately upon entry of this Order, Settling Defendant, for himself and on behalf of the MOBE Corporate Defendants and any of the Related Entities, is ordered to surrender to the Commission all control, title, dominion, and interest he has to the following assets:

1. All funds held by the Receiver, including:
 - a) Deposits totaling approximately \$839,421 from Defendants' accounts at Bank of America, N.A., that were frozen and

transferred to the Receiver;

- b) Deposits totaling approximately \$55,951 from Defendants' accounts at Wells Fargo Bank, N.A., that were frozen and transferred to the Receiver;
- c) Deposits totaling approximately \$10,000 from Defendants' accounts at Regions Bank, that were frozen and transferred to the Receiver;
- d) Deposits totaling approximately \$19,213 from Defendants' accounts at Branch Banking & Trust Company, that were frozen and transferred to the Receiver;
- e) Deposits totaling approximately \$4,995 from Defendants' accounts at Aquesta Bank, that were frozen and transferred to the Receiver;
- f) Deposits totaling approximately \$1,081 from Defendants' accounts at Fifth Third Bank, that were frozen and transferred to the Receiver;
- g) Deposits totaling approximately \$665 from Defendants' accounts at First Citizens Bank, that were frozen and transferred to the Receiver;
- h) Deposits totaling approximately \$76,050 from Defendants' accounts at Malayan Bank (Maybank) in Malaysia, that were repatriated and transferred to the Receiver;
- i) Deposits totaling approximately \$237,763 from Defendants' accounts at United Overseas Bank (UOB) in Malaysia, that were repatriated and transferred to the Receiver;
- j) Deposits totaling approximately \$107,161 from Defendants' accounts at Royal Bank of Canada (RBC) in Canada, that were repatriated and transferred to the Receiver;
- k) Deposits totaling approximately \$18,974 from Defendants' accounts at Westpac Banking Corporation in Australia, that were repatriated and transferred to the Receiver;
- l) Deposits totaling approximately \$199,133 from Settling Defendant's and Related Entities' accounts at Development

Bank of Singapore (DBS), that were repatriated and transferred to the Receiver;

- m) Deposits totaling approximately \$31,852 from Defendants' accounts at National Australia Bank in Australia, that were repatriated and transferred to the Receiver;
- n) Deposits totaling approximately \$335,475 from Defendants' accounts at Credicorp Bank in Panama, that were repatriated and transferred to the Receiver;
- o) Funds totaling approximately \$1,169,692 from Settling Defendant's or Related Entities' accounts at Vanguard Investments in Australia, that were repatriated and transferred to the Receiver;
- p) Funds totaling approximately \$17,233 from Defendants' accounts at PayPal Holdings, Inc. that were frozen and transferred to the Receiver;
- q) Funds totaling approximately \$1,903 from Defendants' accounts at Square, Inc. that were frozen and transferred to the Receiver;
- r) Funds totaling approximately \$2,955 from Defendants' accounts at Stripe that were frozen and transferred to the Receiver;
- s) Funds totaling approximately \$144,233 from Defendants' accounts at International Payout Systems a/k/a Guardian Escrow Corp. that were transferred to the Receiver;
- t) Funds totaling approximately \$193,505 from Cash Network that were transferred to the Receiver;
- u) Funds totaling approximately \$148,490 from Offer Blueprint that were transferred to the Receiver;
- v) Funds totaling approximately \$49,652 recovered in the action titled *MOBE Ltd. v. Loudoun et al.* (Supreme Court of British Columbia, File No. S1510710) and transferred by David F. Sutherland & Associates to the Receiver;
- w) Credit card reserve funds totaling approximately \$6,314,342 from Synovus Bank and Qualpay, Inc. that were frozen and transferred to the Receiver;

- x) Credit card reserve funds totaling approximately \$2,096,967 from Allied Wallet Inc. and Allied Wallet Ltd. that were frozen and transferred to the Receiver;
- y) Credit card reserve funds totaling approximately \$3,051,048 from Electronic Merchant Services (EMS) that were frozen and transferred to the Receiver;
- z) Credit card reserve funds totaling approximately \$607,000 from Peoples Trust Company in Canada transferred to the Receiver; and
- aa) Credit card reserve funds totaling approximately \$211,357 from Priority Payment Systems and Card Payment Systems that were frozen and transferred to the Receiver.

2. All other assets or funds held in any accounts in the name of the MOBE Corporate Defendants or Receivership Entities;

3. All cash held by the Receiver;

4. All interest payments on deposits or funds held by the Receiver;

5. All other funds held by any other party or entity on behalf of or for the benefit of Settling Defendant, any MOBE Corporate Defendant or Receivership Entity;

6. All funds associated with credits, debits, or charges made by or on behalf of Settling Defendant or any Receivership Entity, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities. Such funds include, without limitation: (i) funds held or controlled by Credicorp Bank, S.A. (“Credicorp”); and (iii) funds held or controlled by Transact Europe JSC or Transact Europe EAD (collectively, “Transact Europe”), including funds associated with the merchant account number ending in 41394.

H. To the extent they are not already in the possession of the Receiver, Settling Defendant shall deliver the assets identified in Subsection G above to the Receiver within 7 days of the entry of this Order.

I. Settling Defendant grants to the Commission all rights and claims he has to any other assets in the possession of the Receiver.

J. Upon completion of all payments, surrenders, assignments, and transfers set forth in Subsections B and G, the remainder of the judgment is suspended as to Settling Defendant, subject to the Subsections K through M directly below.

K. The Commission's agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Settling Defendant's sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

1. the Financial Statement of Settling Defendant signed on June 17, 2018, including the attachments;
2. the Financial Statement of MOBE Ltd. signed by Settling Defendant, as MOBE Ltd.'s CEO, on June 17, 2018, including the attachments;
3. the Financial Statement of MobeProcessing.com, Inc. signed by Settling Defendant, as MobeProcessing.com, Inc.'s CEO, on June 17, 2018, including the attachments;
4. the Financial Statement of Transaction Management USA, Inc. signed by Settling Defendant, as Transaction Management USA, Inc.'s CEO, on June 17, 2018, including the attachments;

5. the Financial Statement of MobeTraining.com, Inc. signed by Settling Defendant, as MobeTraining.com, Inc.'s CEO, on June 17, 2018, including the attachments;

6. the Financial Statement of 9336-0311 Quebec Inc. d/b/a Business Education Training signed by Settling Defendant, as 9336-0311 Quebec Inc.'s CEO, on June 17, 2018, including the attachments;

7. the Financial Statement of MOBE Pro Ltd. signed by Settling Defendant, as MOBE Pro Ltd.'s CEO, on June 17, 2018, including the attachments;

8. the Financial Statement of MOBE Online Ltd. signed by Settling Defendant, as MOBE Online Ltd.'s CEO, on June 17, 2018, including the attachments;

9. the Financial Statement of MattLloydPublishing.com Pty Ltd. signed by Settling Defendant, as MattLloydPublishing.com Pty Ltd.'s CEO, on June 17, 2018, including the attachments;

10. the Financial Statement of Corporate Defendant MOBE Inc. signed by Settling Defendant, as MOBE Inc.'s CEO, on June 17, 2018, including the attachments;

11. the documentation submitted via email from Settling Defendant's counsel DJ Poyfair to Commission counsel Sung W. Kim, Benjamin R. Davidson, and Bikram Bandy on July 9, 2018 at approximately 10:57 AM EDT, attaching a letter identifying funds to be repatriated as of July 9, 2018;

12. the documentation submitted via email from Settling Defendant's counsel DJ Poyfair to Commission counsel Sung W. Kim, Benjamin R. Davidson, and Bikram Bandy on July 16, 2018 at approximately 11:31 AM EDT, including information regarding funds and deposits available in Malaysian bank accounts and Vanguard investment

account as of July 16, 2018;

13. the documentation submitted via email from Settling Defendant's counsel Andrew Cove to Commission counsel Sung W. Kim, Benjamin R. Davidson, and Bikram Bandy on August 31, 2018 at approximately 11:44 AM EDT, attaching eight files relating to the Fiji Resort Property titled A2 KDPL.pdf, agreement1photo.jpeg, agreementphoto.jpeg, Company Information Form A2.pdf, Investment Certificate and Letter.pdf, NL 25143 – Bounty Island.pdf, Sale Purchase Agreement Sala Levu Resort Fiji Ltd.pdf, and Stamped Transfer of Shares.pdf;

14. the documentation submitted via email from Settling Defendant's counsel Andrew Cove to the Receiver Mark Bernet on September 4, 2018 at approximately 12:49 PM EDT, attaching four files relating to MOBE Entities Financials from 2015 to 2018 titled MOBE Entities Financials (USD) – FYE 2016.xlsx, MOBE Entities Financials (USD) – FYE 2015.xlsx, MOBE Entities Financials (USD) – FYE 2017.xlsx, and MOBE Entities FS (USD) – YTD Apr & May 2018.xlsx;

15. the documentation submitted via email from Settling Defendant's counsel Andrew Cove to Commission counsel Sung W. Kim, Benjamin R. Davidson, and Bikram Bandy on October 17, 2018 at approximately 1:12 PM EDT, attaching four files relating to the Fiji Resort Property, Costa Rica Resort Property, and the Kuala Lumpur Properties titled Fiji Attorney Summary.pdf, Costa Rica Attorney Summary.pdf, Contract dated 10-12-16.pdf, and Contract dated 11-24-17.pdf;

16. the documentation submitted via email from Settling Defendant's counsel Andrew Cove to Commission counsel Sung W. Kim, Benjamin R. Davidson, and

Bikram Bandy on October 25, 2018 at approximately 6:03 PM EDT, attaching one file disclosing information relating to the Fiji Resort Property, Costa Rica Resort Property, and the Kuala Lumpur Properties;

17. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim, Benjamin R. Davidson, and Bikram Bandy on February 2, 2019 at approximately 11:31 AM EDT, including information relating to MOBE Ltd.'s tax obligations in Malaysia, the Related Entities, and Costa Rica Resort Property;

18. the documentation submitted via email from Settling Defendant to Commission counsel Sung W. Kim and Benjamin R. Davidson on February 27, 2019 at approximately 10:25 AM EDT, including information relating to MOBE Ltd.'s tax obligations in Malaysia;

19. the documentation submitted via email from Settling Defendant to Commission counsel Sung W. Kim and Benjamin R. Davidson on May 2, 2019 at approximately 10:46 AM EDT, including information relating to MOBE Ltd.'s tax refund;

20. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 3, 2019 at approximately 4:22 PM EDT, attaching six files relating to the Costa Rica Resort Property titled MTO 1905031225.pdf, D101 CAIF 2018 (3).xls., MAR Y TIERRA DEK OESTE MTO S.A. – ESTADO DE CUENTA.pdf, CAIF PROPERTY HOLDING DE COSTA RICA S.A – ESTADO DE CUENTA.pdf, Detalle_101_1_1012633622856 (1).pdf, and Acuse_101_1_1012633622856 (1).pdf;

21. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 3, 2019 at approximately 4:25 PM EDT, attaching five files relating to the Fiji Resort Property titled AP AGEING MARCH 19.xlsx, Bank Statement Summary.xlsx, Balance Sheet as at 31.03.19.xlsx, INCOME STATEMENT MARCH 2019.xlsx, and P&L Report.xlsx;

22. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 9, 2019 at approximately 8:11 PM EDT, attaching three files relating to the Fiji Resort Property titled BSP_81682534_Stmt.pdf, SLRFL – 81933894.pdf, and BSP_81653738_Stmt-1.pdf;

23. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 11, 2019 at approximately 4:55 PM EDT, attaching eight files relating to the Costa Rica Resort Property titled allbacstatementscolusdandcreditcardssoct2018.apr.zip, 200-02-137-003373-2.csv, 100-01-079-002165-0.csv, 100-02-079-600227-0.png, 100-02-079-600226-1.png, 200-02-137-003373-2.png, All Accounts.png, and 100-01-079-002165-0.png;

24. the documentation submitted via email from Settling Defendant's counsel Andrew Cove to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 14, 2019 at approximately 11:52 AM EDT, including information relating to the Fiji Report Property, Costa Rica Resort Property, the Kuala Lumpur Properties and MOBE Ltd.'s tax obligation;

25. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 16,

2019 at approximately 11:10 AM EDT, including information relating MOBE Ltd.'s tax refund;

26. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 20, 2019 at approximately 4:01 PM EDT, attaching one file relating to the Costa Rica Resort Property titled Financial Info thru April.xlsx;

27. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 22, 2019 at approximately 5:11 PM EDT, attaching one file relating to the Costa Rica Resort Property titled MTO 1905031225.pdf;

28. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 29, 2019 at approximately 6:12 PM EDT, attaching seven files relating to the Costa Rica Resort Property titled BN balance 28th May.png, Judicial.Files – (CAIF).xlsx, ice-recent may payment.jpg, BAC balance 28th May.png, Previous 2 weeks reservations.png, next2weeks-reservations.JPG, and MTO 1905031225.pdf;

29. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on May 31, 2019 at approximately 3:27 PM EDT, including information relating to the Costa Rica Resort Property and Kuala Lumpur Properties;

30. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on June 3, 2019

at approximately 3:55 PM EDT, including information relating to the Costa Rica Resort Property, Fiji Resort Property and Kuala Lumpur Properties;

31. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on June 4, 2019 at approximately 4:51 PM EDT, including information relating to the Costa Rica Resort Property, Fiji Resort Property and Kuala Lumpur Properties;

32. the documentation submitted via email from Settling Defendant to Commission counsel Sung W. Kim and Benjamin R. Davidson on June 11, 2019 at approximately 4:16 PM EDT, including information relating to the Costa Rica Resort Property, Fiji Resort Property and Kuala Lumpur Properties;

33. the documentation submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on June 12, 2019 at approximately 2:01 PM EDT, including information relating to the Costa Rica Resort Property and Fiji Resort Property;

34. the documentation and information submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on June 19, 2019 at approximately 1:05 PM EDT, including information relating to the Kuala Lumpur Properties, the Fiji Resort Property and tax refund;

35. the documentation and information submitted via email from Settling Defendant to the Receiver and Commission counsel Sung W. Kim and Benjamin R. Davidson on June 24, 2019 at approximately 1:04 PM EDT, including information relating to the Fiji Resort Property;

36. the documentation and information submitted via email from Settling Defendant's counsel Andrew Cove to the Receiver on June 27, 2019 at approximately 1:45 PM EDT, including information relating to the Fiji Resort Property and Kuala Lumpur Properties;

37. the amended or supplemental financial information submitted via email (see Section 5 of email) from Settling Defendant to Commission counsel Sung W. Kim and Benjamin R. Davidson and the Receiver on July 3, 2019 at approximately 2:35 PM EDT; and

38. the documentation and information submitted via email from Settling Defendant to the Receiver on July 8, 2019 at approximately 3:26 PM EDT, including information relating to a tax refund in Australia.

L. The suspension of the judgment will be lifted if, upon motion by the Commission, the Court finds that Settling 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, or that Settling Defendant is in default on any obligation under Section III.

M. If the suspension of the judgment is lifted, the judgment becomes immediately due 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 this Section, and any payment(s) made by or on behalf of any other Defendants to the Commission pursuant to a final order in this action as to such Defendant, plus interest computed from the date of entry of this Order.

IV. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. Settling Defendant relinquishes 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.

B. 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, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission 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.

D. Settling Defendant acknowledges that his Taxpayer Identification Number, which Settling Defendant must submit to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

E. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including

consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Settling Defendant has no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

F. The asset freeze is modified to permit the cash payments, assignments, transfers, sale or liquidation identified in Section III above. Upon completion of all such transfers, the asset freeze is dissolved as to the Settling Defendant.

V. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Settling Defendant, his 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 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. If a representative of the Commission requests in writing any information related to redress, Settling Defendant must provide it, in the form prescribed by the Commission, within 14 days; and

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 any activity that pertains to the sale of any Business Coaching Program or Investment Opportunity; and

C. Failing to destroy such customer information in all forms in his possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the Commission.

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.

VI. COOPERATION

IT IS FURTHER ORDERED that Settling Defendant must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Settling Defendant must provide truthful and complete information, evidence, and testimony. Settling Defendant must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena.

VII. ORDER ACKNOWLEDGMENTS

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

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

B. For 20 years after entry of this Order, Settling Defendant, for any business that he, individually or collectively with any other Defendants, is the majority owner or controls

directly or indirectly, 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 the Settling Defendant delivered a copy of this Order, Settling Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

IX. COMPLIANCE REPORTING

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

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

1. Settling Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Settling Defendant; (b) identify all of Settling 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 Settling Defendant must describe if he knows or

should know due to his own involvement); (d) describe in detail whether and how Settling Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, Settling 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 Settling Defendant performs services whether as an employee or otherwise and any entity in which Settling Defendant has any ownership interest; and (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 20 years after entry of this Order, Settling Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Settling Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any entity that Settling 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, Settling 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 Settling Defendant performs services whether as an employee or otherwise and any entity in which Settling Defendant has any ownership

interest, and identify the name, physical address, and any Internet address of the business or entity.

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

D. Any submission to the Commission 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. MOBE, et al. (MOBE), No. X180034.

X. RECORDKEEPING

IT IS FURTHER ORDERED that Settling Defendant must create certain records for 20 years after entry of the Order, and retain each such record for 5 years. Specifically, Settling Defendant, for any business that he, individually or collectively with any other Defendants, 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; 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 Settling Defendant's 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, Settling 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 is 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 is authorized to communicate directly with Settling Defendant. Settling Defendant must permit

representatives of the Commission 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 may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Settling Defendant or any individual or entity affiliated with Settling Defendant, 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, any consumer reporting agency must furnish consumer reports concerning Settling 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 shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED, this ____ day of _____, 2019.

ROY B. DALTON, JR.
UNITED STATES DISTRICT COURT JUDGE

SO STIPULATED AND AGREED:

FOR THE FEDERAL TRADE COMMISSION:

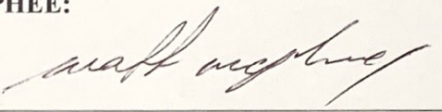
Date: _____

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*Attorneys for Plaintiff
Federal Trade Commission*

FOR DEFENDANT MATTHEW LLOYD MCPHEE:

Date: 30/Aug/2019


Matthew Lloyd McPhee, individually

8.30.2019 version

SO STIPULATED AND AGREED:

FOR THE FEDERAL TRADE COMMISSION:

Date: February 12, 2020



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*Attorneys for Plaintiff
Federal Trade Commission*

FOR DEFENDANT MATTHEW LLOYD MCPHEE:

Date: _____

Matthew Lloyd McPhee, individually

8.30.2019 version