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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,
14 Plaintiff,
15 v.
16 MDK MEDIA INC., et al.,
17 Defendants.

18 Case No. 2:14-cv-05099-JFW-MRWx
19 STIPULATION FOR ORDER FOR
20 PERMANENT INJUNCTION AND
21 OTHER EQUITABLE RELIEF
22 AGAINST DEFENDANTS
23 MICHAEL PAJACZKOWSKI,
24 CONCISE CONSULTING, INC.,
25 AND MMJX CONSULTING, INC.

26 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
27 First Amended Complaint for Permanent Injunction and Other Equitable Relief for
28 a permanent injunction, 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).

The Commission and Defendants Michael Pajaczkowski, Concise
Consulting, Inc., and MMJX Consulting, Inc. (“Settling Defendants”) stipulate to
the entry of the accompanying “Stipulated Order for Permanent Injunction and
Other Equitable Relief Against Defendants Michael Pajaczkowski, Concise
Consulting, Inc., and MMJX Consulting, Inc.” (“Order”) with the terms set forth
below.

1 **FINDINGS**

2 1. This Court has jurisdiction over this matter.

3 2. The First Amended Complaint charges that Defendants participated in
4 deceptive and unfair acts or practices in violation of Section 5 of the FTC Act, 15
5 U.S.C. § 45, in a scheme to place unauthorized charges on consumers’ mobile
6 telephone bills, a practice known as “cramming.”

7 3. Settling Defendants neither admit nor deny any of the allegations in
8 the First Amended Complaint, except as specifically stated in this Order. Only for
9 purposes of this action, Settling Defendants admit the facts necessary to establish
10 jurisdiction.

11 4. Settling Defendants waive and release any claims that they may have
12 against Plaintiff, the Commission, and their agents that relate to this action.
13 Settling Defendants waive any claim that they may have under the Equal Access to
14 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through
15 the date of this Order, and agree to bear their own costs and attorney fees.

16 5. Settling Defendants waive all rights to appeal or otherwise challenge
17 or contest the validity of this Order.

18 **DEFINITIONS**

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

20 A. **“Settling Defendants”** means the Individual Settling Defendant and
21 the Corporate Settling Defendants, individually, collectively, or in any
22 combination.

23 1. **“Corporate Settling Defendants”** means Concise Consulting,
24 Inc., and MMJX Consulting, Inc., and their dba’s, successors, and assigns.

25 2. **“Individual Defendant”** means Michael Pajaczkowski.

26 B. **“Person”** means any individual, group, unincorporated association,
27 limited general partnership, corporation, or other business entity.
28

1 **ORDER**

2 **I. BAN ON PLACING CHARGES ON TELEPHONE BILLS**

3 IT IS HEREBY ORDERED that Settling Defendants are permanently
4 restrained and enjoined from billing, submitting for billing, or assisting or
5 facilitating the billing or submitting for billing, charges to any telephone bill,
6 including but not limited to a bill for any voice, text, or data service.

7 **II. PROHIBITION AGAINST MISREPRESENTATIONS**

8 IT IS FURTHER ORDERED that, in connection with the advertising,
9 marketing, promotion, offering for sale, sale, or distribution of any product or
10 service, Settling Defendants, Settling Defendants’ officers, agents, employees, and
11 attorneys, and all other persons in active concert or participation with any of them,
12 who receive actual notice of this Order, whether acting directly or indirectly, are
13 permanently restrained and enjoined from making, or assisting others in making,
14 expressly or by implication, any false or misleading representation, including
15 representations concerning the cost, performance, efficacy, nature, characteristics,
16 benefits, or safety of any product or service, or concerning any consumer’s
17 obligation to pay for charges for any product or service.

18 **III. PROHIBITION AGAINST UNFAIR BILLING PRACTICES**

19 IT IS FURTHER ORDERED that, in connection with the advertising,
20 marketing, promotion, offering for sale, sale, or distribution of any product or
21 service, Settling Defendants, Settling Defendants’ officers, agents, employees, and
22 attorneys, and all other persons in active concert or participation with any of them,
23 who receive actual notice of this Order, whether acting directly or indirectly, are
24 permanently restrained and enjoined from causing any consumer to be billed for
25 any product or service without having previously obtained the consumer’s express
26 informed consent, and having created and maintained a record of such consent.

27 **IV. CUSTOMER INFORMATION**

28 IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants’

1 officers, agents, employees, and attorneys, and all other persons in active concert
2 or participation with any of them, who receive actual notice of this Order, whether
3 acting directly or indirectly, are permanently restrained and enjoined from directly
4 or indirectly:

5 A. disclosing, using, or benefitting from customer information, including
6 the name, address, telephone number, email address, social security number, other
7 identifying information, or any data that enables access to a customer's account
8 (including a credit card, bank account, telephone billing account, or other financial
9 account), that any Settling Defendant obtained prior to entry of this Order in
10 connection with the placement of charges on consumers' mobile telephone bills;
11 and

12 B. failing to destroy such customer information in all forms in their
13 possession, custody, or control within 30 days after receipt of written direction to
14 do so from a representative of the Commission.

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

18 V. COOPERATION

19 IT IS FURTHER ORDERED that Settling Defendants must fully cooperate
20 with representatives of the Commission in this case and in any investigation or
21 litigation related to or associated with the transactions or the occurrences that are
22 the subject of the First Amended Complaint. Such Settling Defendants must
23 provide truthful and complete information, evidence, and testimony. Such
24 Individual Settling Defendants must appear and such Corporate Settling
25 Defendants must cause Corporate Settling Defendants' officers, employees,
26 representatives, or agents to appear for interviews, discovery, hearings, trials, and
27 any other proceedings that a Commission representative may reasonably request
28 upon 5 days written notice, or other reasonable notice, at such places and times as a

1 Commission representative may designate, without the service of a subpoena.

2 **VI. ORDER ACKNOWLEDGMENTS**

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

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

8 B. For 3 years after entry of this Order, each Individual Settling
9 Defendant for any business involved with placing charges on phone bills that such
10 Defendant, individually or collectively with any other Defendants, is the majority
11 owner or controls directly or indirectly, and each Corporate Settling Defendant,
12 must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
13 managers and members; (2) all employees having managerial responsibilities for
14 the placement of charges on phone bills and all agents and representatives who
15 participate in the placement of charges on phone bills; and (3) any business entity
16 resulting from any change in structure as set forth in the Section titled Compliance
17 Reporting. Delivery must occur within 7 days of entry of this Order for current
18 personnel. For all others, delivery must occur before they assume their
19 responsibilities.

20 C. From each individual or entity to which a Settling Defendant
21 delivered a copy of this Order, that Settling Defendant must obtain, within 30 days,
22 a signed and dated acknowledgment of receipt of this Order.

23 **VII. COMPLIANCE REPORTING**

24 IT IS FURTHER ORDERED that Settling Defendants make timely
25 submissions to the Commission:

26 A. One year after entry of this Order, each Settling Defendant must
27 submit a compliance report, sworn under penalty of perjury:
28

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

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

20 B. For 3 years after entry of this Order, each Settling Defendant must
21 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
22 change in the following:

23 1. Each Settling Defendant must report any change in: (a) any
24 designated point of contact; or (b) the structure of any Corporate Settling
25 Defendant or any entity that any Settling Defendant has any ownership interest in
26 or controls directly or indirectly that may affect compliance obligations arising
27 under this Order, including: creation, merger, sale, or dissolution of the entity or
28

1 any subsidiary, parent, or affiliate that engages in any acts or practices subject to
2 this Order.

3 2. Additionally, each Individual Settling Defendant must report
4 any change in: (a) name, including aliases or fictitious name, or residence address;
5 or (b) title or role in any business activity, including any business for which such
6 Defendant performs services whether as an employee or otherwise and any entity
7 in which such Defendant has any ownership interest, and identify the name,
8 physical address, and any Internet address of the business or entity.

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

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

18 E. Unless otherwise directed by a Commission representative in writing,
19 all submissions to the Commission pursuant to this Order must be emailed to
20 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
21 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
22 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
23 subject line must begin: FTC v. Michael Pajaczkowski, et al., X140034.

24 **VIII. RECORDKEEPING**

25 IT IS FURTHER ORDERED that Settling Defendants must create certain
26 records for 3 years after entry of the Order, and retain each such record for 2 years.
27 Specifically, Corporate Settling Defendants and Individual Settling Defendant for
28 any business that such Defendant, individually or collectively with any other

1 Defendants, is a majority owner or controls directly or indirectly, must create and
2 retain the following records:

3 A. accounting records showing the revenues from all goods or services
4 sold;

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

9 C. records of all consumer complaints and refund requests, whether
10 received directly or indirectly, such as through a third party, and any response;

11 D. all records necessary to demonstrate full compliance with each
12 provision of this Order, including all submissions to the Commission; and

13 E. a copy of each unique advertisement or other marketing material.

14 **IX. COMPLIANCE MONITORING**

15 IT IS FURTHER ORDERED that, for the purpose of monitoring Settling
16 Defendants' compliance with this Order:

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

24 B. For matters concerning this Order, the Commission is authorized to
25 communicate directly with each Settling Defendant. Settling Defendant must
26 permit representatives of the Commission to interview any employee or other
27 person affiliated with any Settling Defendant who has agreed to such an interview.
28 The person interviewed may have counsel present.

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

7 D. Upon written request from a representative of the Commission, any
8 consumer reporting agency must furnish consumer reports concerning Individual
9 Settling Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15
10 U.S.C. §1681b(a)(1)

11 **X. RETENTION OF JURISDICTION**

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

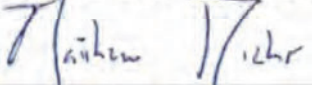
14 **SO STIPULATED:**
15 **FOR PLAINTIFF FEDERAL TRADE COMMISSION**

16 

Date: 11/15/2023

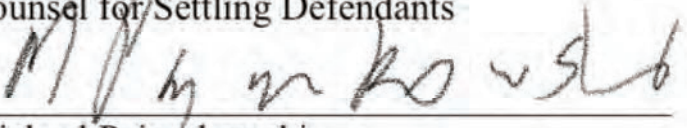
17 Faye Chen Barnouw
18 Maricela Segura
19 Counsel for Plaintiff Federal Trade Commission

20 **FOR SETTLING DEFENDANTS**
21 **MICHAEL PAJACZKOWSKI, CONCISE CONSULTING, INC., AND**
22 **MMJX CONSULTING, INC.**

23 

Date: 10/12/2023

24 Matthew P. Diehr
25 Husch Blackwell LLP
26 Counsel for Settling Defendants

27 

Date: 10/12/23

28 Michael Pajaczkowski
Individually and as Officer of
Concise Consulting, Inc., and MMJX Consulting, Inc.