# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA

Case Number: 10-80191-Civ-Marra/Johnson

# FEDERAL TRADE COMMISSION,

Plaintiff,

v.

RESOURCE PUBLISHING CO.,

a corporation, also d/b/a Entertainment Work, Inc., and Resource Publishing Co. of Delaware,

JASON ARTHUR BARNES, individually and as an officer of Resource Publishing Co., and

RACQUELLE HART BARNES, individually and as an officer of Resource Publishing Co.,

Defendants.

# STIPULATED PRELIMINARY INJUNCTION WITH ASSET FREEZE AND OTHER EQUITABLE RELIEF

THIS MATTER comes before the Court upon the stipulation of Plaintiff Federal Trade

Commission ("FTC" or the "Commission") and Defendants Jason Arthur Barnes, Racquelle Hart

Barnes, and Resource Publishing Co., also d/b/a Entertainment Work, Inc., and Resource

Publishing Co. of Delaware, (collectively "Defendants") for the entry of a preliminary injunction.

WHEREAS, the FTC has filed its Complaint for Permanent Injunction and Other

Equitable Relief, and the Complaint and summons have been served on Defendants;

WHEREAS, on February 1, 2010, the Court issued an order setting an immediate hearing

on Plaintiff's request for a temporary restraining order against all Defendants;

WHEREAS the Commission has alleged that:

- 1. This Court has jurisdiction over the subject matter of this case and over all named parties;
- 2. There is a substantial likelihood that the Commission will ultimately succeed in establishing that Defendants have engaged in and are likely to engage in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and, therefore, that the Commission is likely to prevail on the merits of this action;
- 4. Immediate and irreparable harm will result from Defendants' ongoing violations of the FTC Act unless Defendants are restrained and enjoined by Order of this Court;
- This Court's ability to grant effective final relief for consumers would be immediately and irreparably harmed unless Defendants are enjoined from selling, transferring, or otherwise disposing of their assets;
- 5. Weighing the equities and considering the Commission's likelihood of ultimate success, this Preliminary Injunction ("Order") with an asset freeze and other equitable relief is in the public interest;

WHEREAS the Defendants, by agreeing to this Order, make no admission as to the truth of Plaintiff's allegations recited above or in the Complaint, or as to the relief that should be granted in this action;

WHEREAS the parties, by their undersigned attorneys, agree to the entry of this Order for Preliminary Injunction, which shall remain in effect until this Court's determination of the merits of this action or until otherwise modified; and

WHEREAS Plaintiff FTC is an independent agency of the United States of America and no security is required of any agency of the United States for the issuance of a preliminary injunction, *see* Fed. R. Civ. P. 65(c);

IT IS AGREED TO by the undersigned parties and their attorneys of record as follows:

## **DEFINITIONS**

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

- 1. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to, any real, personal, or intellectual property of any Defendant, or held for the benefit of any Defendant, wherever located, including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares of stock, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), cash, and trusts, including but not limited to any other trust held for the benefit of any Defendant.
- 2. "Charge" means any amount charged or debited to a consumer's credit card, debit card, checking, savings, share or similar financial account, or collected from a consumer by any other method.
  - 3. "Clear and Conspicuous" or "Clearly and Conspicuously" mean that:
    - a. in print communications, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears; and in multi-page print communications, the disclosure shall appear on the cover or first page;

- in communications disseminated orally, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it; and
- c. in Internet communications, the disclosure shall be made next to any advertised price or cost (including free) and where consumers' financial account information is required, without the use of pop-up windows or hyperlinks to other electronic pages to display Material information, and the disclosure shall be made be in a type size sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.
- 4. "Corporate Defendants" means Resource Publishing Co., Entertainment Work, Inc., Resource Publishing Co. of Delaware, and their successors, affiliates, or subsidiaries.
- "Defendants" means all of the Individual Defendants and the Corporate
   Defendants, individually, collectively, or in any combination.
- 6. The term "document" is equal in scope and synonymous in meaning to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and any other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.
- 7. "Employment Product or Service" means any item, product, good, or service represented to assist consumers in obtaining employment, including, but not limited to, the listing,

posting, or other identification of purported employment opportunities.

- 8. "Individual Defendants" means Jason Arthur Barnes and Racquelle Hart Barnes.
- 9. "Material" means likely to affect a person's choice of, or conduct regarding, goods or services.
- 9. "Negative Option Feature" means, in an offer or agreement to sell or provide any goods or services, a provision under which the customer's silence or failure to take an affirmative action to reject goods or services or to cancel the agreement is interpreted by the seller as acceptance of the offer.
- 10. "Person" means a natural person, organization, or other legal entity, including a corporation, partnership, proprietorship, association, cooperative, government or governmental subdivision or agency, or any other group or combination acting as an entity.
  - 11. "Plaintiff" means the Federal Trade Commission.
- 12. "Representatives" means Defendants' successors, assigns, officers, agents, servants, employees, or attorneys, and any person or entity in active concert or participation with them who receives actual notice of this Order by personal service or otherwise.

I.

## PROHIBITED REPRESENTATIONS

IT IS THEREFORE ORDERED that, in connection with the advertising, marketing, promotion, offering for sale, or sale of any Employment Product or Service, Defendants and their Representatives, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from making, expressly or by implication, any false or misleading statement or representation of Material fact about such

Employment Product or Service, including but not limited to

- A. Statements or representations concerning the availability of employment opportunities;
- Statements or representations concerning the nature of or qualifications for employment opportunities; and
- Statements or representations concerning the geographic location of employment opportunities.

II.

## PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that, in connection with the advertising, marketing, promotion, offering for sale, or sale of any product or service involving a Negative Option Feature, Defendants and their Representatives, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, are hereby restrained and enjoined from

- A. Failing to disclose, Clearly and Conspicuously, before consumers provide any billing information or incur a Charge, the specific steps consumers must follow to avoid Charge(s) resulting from the Negative Option Feature;
- B. Failing to disclose, Clearly and Conspicuously, before consumers provide any billing information or incur a Charge, all fees or Charges associated with such product or service;
- Imposing a Charge on any consumer where the disclosures described in
   Section II.A and II.B were not Clearly and Conspicuously made to the consumer;
- D. Failing to honor a consumer's request to avoid a Charge resulting from the

- Negative Option Feature;
- E. Failing to provide consumers with the opportunity to avoid Charge(s) resulting from the Negative Option Feature by using the same means used to purchase the product or service; and
- F. Failing to maintain customer support sufficient to timely receive and process consumers' requests to avoid Charge(s) resulting from the Negative Option Feature.

## III.

#### ASSET FREEZE

IT IS FURTHER ORDERED that Defendants and their Representatives are hereby restrained and enjoined from

- A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, shares of stock, or other Assets, or any interest therein, wherever located, whether within the United States or within a jurisdiction outside the United States, that are
  - 1. owned or controlled by any Defendant, in whole or in part;
  - 2. held for the direct or indirect benefit of any Defendant;
  - 3. in the actual or constructive possession of any Defendant;
  - 4. owned, controlled by, or in the actual or constructive possession of or otherwise held for the benefit of any corporation, partnership,

asset protection trust, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager, including but not limited to any Assets held by, for, or subject to access by, any Defendant at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metals dealer, or other financial institution or depository of any kind; or

- held in any account for which any Defendant is an authorized signer;
- Physically opening or causing to be opened any safe deposit boxes titled in the
   name of, or subject to access by, any Defendant;
- C. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Corporate Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager;
- D. Obtaining a personal or secured loan encumbering the Assets of any Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager; and
- E. Incurring liens or other encumbrances on real property, personal property, or other
   Assets titled in the name, singly or jointly, of any Defendant or any corporation,

partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager.

The Assets affected by this Section III shall include (1) all Assets of any Defendant as of the time of issuance of this Order; and (2) Assets obtained by any Defendant after the time of issuance of this Order if the Assets are derived from the conduct alleged in the Commission's Complaint.

## IV.

## **DUTIES OF ASSET HOLDERS**

IT IS FURTHER ORDERED that any financial or brokerage institution, credit card processing company, payment processor, merchant bank, acquiring bank, business entity, or person served with a copy of this Order that (a) holds, controls, or maintains custody of any account, safe deposit box, or other asset of any Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager, (b) holds, controls, or maintains custody of any asset associated with credit or debit card charges, including but not limited to reserve funds held by payment processors, made on behalf of any Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer, Director, Member, or Manager; or (c) has maintained at any time since September 1, 2007, any such account, safe deposit box, or other asset of any Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, or of which any Defendant is an Officer,

Director, Member, or Manager, shall

- A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion, sale, or other disposal of any such Asset, except by further order of the Court;
- B. Deny any person access to any safe deposit box that is titled in the name of, individually or jointly, or otherwise subject to access by, any Defendant;
- C. Provide the Commission's counsel, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:
  - 1. The identification number of each such account or Asset;
  - 2. The balance of each such account, or a description of the nature and value of such Asset as of the close of business on the day on which this Order is served, and, if the account or other Asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other Asset was remitted; and
  - The identification of any safe deposit box that is titled in the name of, individually or jointly, or otherwise subject to access by, any Defendant;
     and
- D. Upon request by the Commission, promptly provide the Commission with copies of all records or other documentation pertaining to each such account or Asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from

the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs.

V.

# PRESERVATION OF RECORDS

IT IS FURTHER ORDERED that Defendants and their Representatives are hereby restrained and enjoined from

- A. Destroying, erasing, mutilating, concealing, altering, transferring or otherwise disposing of, in any manner, directly or indirectly, any documents that relate to the business, business practices, Assets, or business or personal finances of any Defendant; and
- B. Failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect Defendants' incomes, disbursements, transactions, and use of money.

VI.

## FINANCIAL DISCLOSURES

IT IS FURTHER ORDERED that each Defendant, within five (5) business days of entry of this Order, shall prepare and deliver to counsel for the Commission completed financial statements on the forms attached to this Order as Attachment A (Financial Statement of Individual Defendant) for themselves individually, and Attachment B (Financial Statement of Corporate Defendant) for each business entity under which they conduct business or of which they are an officer, and for each trust for which any Defendant is a trustee. The financial statements shall be accurate as of the date of entry of this Order. Each Defendant shall include in

the financial statements a full accounting of all funds and Assets, whether located inside or outside of the United States, that are (a) titled in the name of such Defendant, jointly, severally, or individually; (b) held by any person or entity for the benefit of such Defendant; or (c) under the direct or indirect control of such Defendant.

## VII.

## **CONSUMER CREDIT REPORTS**

IT IS FURTHER ORDERED that pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), any consumer reporting agency may furnish to the Commission a consumer report concerning any Defendant.

#### VIII.

## FOREIGN ASSET REPATRIATION

IT IS FURTHER ORDERED that, within five (5) business days following the entry of this Order, each Defendant shall

- A. Provide the Commission with a full accounting of all funds, documents, and Assets outside of the United States which are (1) titled in the name, individually or jointly, of any Defendant; (2) held by any person or entity for the benefit of any Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;
- B. Transfer to the territory of the United States all funds, documents, and Assets located in foreign countries which are (1) titled in the name individually or jointly of any Defendant; or (2) held by any person or entity, for the benefit of any Defendant; or (3) under the direct or indirect control of any Defendant, whether

- jointly or singly;
- C. The same business day as any repatriation, (1) notify counsel for the Commission of the name and location of the financial institution or other entity that is the recipient of such funds, documents, or Assets; and (2) serve this Order on any such financial institution or other entity; and
- D. Provide the Commission access to all records of accounts or Assets of any Defendant held by financial institutions located outside the territorial United States by signing the Consent to Release of Financial Records appended to this Order as Attachment C.

#### IX.

## NONINTERFERENCE WITH REPATRIATION

IT IS FURTHER ORDERED that Defendants and their Representatives are hereby restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of foreign Assets, or in the hindrance of the repatriation required by Section VIII of this Order, including but not limited to

- A. Sending any statement, letter, fax, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a "duress" event has occurred under the terms of a foreign trust agreement until such time that all Assets have been fully repatriated pursuant to Section VIII of this Order;
- B. Notifying any trustee, protector or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is

required pursuant to a Court Order, until such time that all Assets have been fully repatriated pursuant to Section VIII of this Order.

X.

#### SERVICE BY FACSIMILE AUTHORIZED

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or Assets of any Defendant, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

XI.

# DEFENDANTS' DUTY TO DISTRIBUTE ORDER AND PROVIDE NOTICE REGARDING PRESERVATION OF RECORDS

Order to each of their affiliates, subsidiaries, divisions, sales entities, successors, assigns, officers, directors, employees, independent contractors, client companies, agents, attorneys, spouses and representatives, and shall, within ten (10) calendar days from the date of entry of this Order, provide the Commission with a sworn statement that: (A) confirms that Defendants have provided copies of the Order as required by this paragraph; (B) confirms that Defendants have informed each entity or person to whom they have provided a copy of the Order that they have a duty to preserve any records in their possession that pertain to the litigation between the FTC and Defendants; and (C) lists the names and addresses of each entity or person to whom Defendants provided a copy of the Order. Furthermore, Defendants shall not take any action that would

encourage officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or participation with them to disregard this Order or believe that they are not bound by its provisions.

# XII.

# RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

IT IS SO ORDERED.

HON. KÉNNETH A. MARRA UNITED STATES DISTRICT JUDGE

DATED: FEBRUARY 4, 2010

SO STIPULATED:

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