

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FEDERAL TRADE COMMISSION, et al. : CIVIL ACTION
v. :
CLICK4SUPPORT, LLC, et al. : NO. 15-5777

FILED

JUDGMENT

AND NOW, this 24th day of January, 2017, in accordance with the

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KATE BARKMAN, Clerk
Dep. Clerk

accompanying Order granting Plaintiffs' motion for default judgment, JUDGMENT IS ENTERED in favor of Plaintiffs Federal Trade Commission, the State of Connecticut, and the Commonwealth of Pennsylvania, and against defendant iSourceUSA LLC in accordance to the terms below:

I. DEFINITIONS

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

A. "**Merchant**" means a Person who is authorized under a written contract with an acquirer to honor or accept credit cards, or to transmit or process for payment credit card payments, for the purchase of goods or services or a charitable contribution.

B. "**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.

C. "**Receiver**" means the receiver appointed in Section XIV of the Court's Order entered on November 24, 2015 (Document 57) and any deputy receivers that shall be named by the Receiver.

D. **“Tech Support Product or Service”** means any plan, program, or software, marketed to repair, maintain, or improve a computer’s performance or security, including, but not limited to, registry cleaners, anti-virus programs, virus and malware removal, and computer or software diagnostic services.

E. **“Telemarketing”** means any plan, program, or campaign that is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones and which involves a telephone call, whether or not covered by the Telemarketing Sales Rule (“TSR”).

II. BAN ON TECH SUPPORT PRODUCTS OR SERVICES

Defendant iSourceUSA LLC is permanently restrained and enjoined from:

A. Advertising, marketing, promoting, offering for sale, selling, providing or assisting, or providing consulting services to assist others to engage in advertising, marketing, promoting, offering for sale, selling or providing any Tech Support Product or Service; and

B. Owning, serving as an officer, director, or manager, or exercising any other form of direct or indirect control of any business entity advertising, marketing, promoting, offering for sale, selling, providing, or assisting or providing consulting services to assist others to engage in advertising, marketing, promoting, offering for sale, selling or providing any Tech Support Product or Service.

III. PROHIBITION AGAINST DECEPTIVE TELEMARKETING

Defendant iSourceUSA LLC, its 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 Telemarketing of any product

or service, are permanently restrained and enjoined from, or assisting others in, directly or indirectly, expressly or by implication:

- A. Making a false or misleading statement to induce any Person to pay for goods or services;
- B. Violating the TSR, 16 C.F.R. Part 310;
- C. Violating Section 42-110b(a) of the Connecticut Unfair Trade Practices Act (“CUTPA”); or
- D. Violating Section 201-2(4)(i) through (xxi) of Pennsylvania Unfair Trade Practices and Consumer Protection Law (“Pa. UTPCPL”).

III. PROHIBITION AGAINST MISREPRESENTATIONS

Defendant iSourceUSA LLC, its officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Judgment and accompanying Order, whether acting directly or indirectly, in connection with the marketing, advertising, promotion, offering for sale, sale, or providing of any goods or services, are hereby permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

- A. That they are part of, affiliated with, contacting, or responding to consumers on behalf of any company other than the company that they are part of, affiliated with, contacting, or responding to consumers on behalf of;
- B. That they have detected security or performance issues on consumers’ computers, including, but not limited to, viruses, spyware, malware, or the presence of hackers; or
- C. Any other material fact.

IV. PROHIBITION AGAINST CREDIT CARD LAUNDERING

Defendant iSourceUSA LLC, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Judgment and accompanying Order, whether acting directly or indirectly, in connection with the marketing, advertising, promotion, offering for sale, sale, or providing of any goods or services, are hereby permanently restrained and enjoined from:

A. Presenting to or depositing into, or causing or allowing another to present to or deposit into the credit card system for payment, a credit card sales draft generated by a transaction that is not the result of a credit card transaction between the cardholder and the Merchant;

B. Employing, soliciting, or otherwise causing or allowing a Merchant, or an employee, representative, or agent of the Merchant, to present to or deposit into the credit card systems for payment, a credit card sales draft generated by a transaction that is not the result of a credit card transaction between the cardholder and the Merchant; or

C. Obtaining, or allowing another to obtain, access to the credit card system through the use of a business relationship or an affiliation with a Merchant, when such access is not authorized by the Merchant agreement or the applicable credit card system.

V. PROHIBITION AGAINST ASSISTING AND FACILITATING

Defendant iSourceUSA LLC, its officers, agents, and employees, and all other Persons in active concert or participation with any of them, who receive actual notice of this Judgment and accompanying Order, whether acting directly or indirectly, in connection with the marketing, advertising, promotion, offering for sale, sale, or providing of any products or services, are

permanently restrained and enjoined from providing substantial assistance or support to any Person that they know, or consciously avoid knowing, is engaged in:

A. Misrepresenting that they are part of, affiliated with, contacting, or responding to consumers on behalf of any company other than the company that they are part of, affiliated with, contacting, or responding to consumers on behalf of;

B. Misrepresenting that they have detected security or performance issues on consumers' computers, including, but not limited to, viruses, spyware, malware, or the presence of hackers;

C. Misrepresenting any material aspect of the performance, efficacy, nature, or central characteristics of any goods and services;

D. Misrepresenting any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policies;

E. Misrepresenting any other material fact;

F. Tactics to avoid fraud and risk monitoring programs established by any financial institution, acquiring bank, or the operators of any payment systems, including, but not limited to, balancing or distributing sales transaction volume or sales transaction activity among multiple Merchant accounts or Merchant billing descriptors; splitting a single sales transaction into multiple smaller transactions; or using shell companies to apply for additional Merchant accounts; or

G. Any deceptive, unfair, or abusive act or practice prohibited by Section 5 of the Federal Trade Commission Act, the TSR, CUTPA, or Pa UTPCPL.

VI. MONETARY JUDGMENT

A. Judgment in the amount of Twenty-Seven Million Three Hundred Thousand

Two Hundred Eighty-Four Dollars and Twenty-Eight Cents (\$27,300,284.28) is entered in favor of Plaintiffs Federal Trade Commission, the State of Connecticut, and the Commonwealth of Pennsylvania against Defendant iSourceUSA LLC as equitable monetary relief.

B. Defendant iSourceUSA LLC is divested of dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Judgment and accompanying Order and in all assets of the receivership estate, the estate established by the Receiver pursuant to the Court's Order entered on November 24, 2015 (docket entry # 57), and may not seek the return of any assets.

C. All money paid to Plaintiffs pursuant to this Order may be deposited into a fund administered by the FTC or its designee on behalf of Plaintiffs 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 Plaintiffs decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, Plaintiffs may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the practices alleged in the Amended Complaint. Any money not used for such equitable relief is to be deposited to an account or accounts pursuant to instructions provided by Plaintiffs State of Connecticut and Commonwealth of Pennsylvania. This money may be used for purposes that may include, but are not limited to, reimbursement of attorneys' fees and costs of investigation and litigation, placement in or application to any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation, local consumer aid or revolving funds, defraying the costs of the inquiry leading to this Order, or for other uses permitted by state law, and all at the sole discretion of Plaintiffs State of Connecticut and Commonwealth of Pennsylvania.

Defendant iSourceUSA LLC has no right to challenge any actions Plaintiffs or their representatives may take pursuant to this Subsection.

VII. CUSTOMER INFORMATION

Defendant iSourceUSA LLC, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Judgment and accompanying Order, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable Plaintiffs to efficiently administer consumer redress. If a representative of Plaintiffs requests in writing any information related to redress, Defendant iSourceUSA LLC must provide it, in the form prescribed by Plaintiffs, 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 Spanning Source LLC or iSourceUSA, LLC obtained prior to entry of this Judgment and accompanying Order in connection with Tech Support Products or Services; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after either entry of a stipulated final order against the last remaining defendant or receipt of written direction to do so from a representative of Plaintiffs. 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. COOPERATION

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

IX. RECEIVERSHIP

A. The receivership established by the Court's Order entered on November 24, 2015 (docket entry # 57) shall be continued. The Receiver is authorized to submit interim requests for payment of reasonable compensation for the performance of receivership duties.

B. After entry of this Order, and as soon as practicable, the Receiver shall take all steps necessary to liquidate and dissolve Defendant iSourceUSA LLC and marshal and liquidate receivership assets. To the extent the Receiver is unable to obtain necessary governmental or regulatory approvals to effectuate dissolution, the Receiver may petition the Court to be discharged from further responsibility concerning and to abandon the entity, detailing the reasons preventing dissolution. The Receiver will cause the preparation of the final tax return for Defendant iSourceUSA LLC, which return shall be signed by George Saab and filed upon written authorization from the Receiver. Defendant iSourceUSA LLC shall cooperate with the Receiver in identifying and liquidating assets, dissolving Defendant iSourceUSA, and filing the tax returns. George Saab shall pay all federal, state and local income taxes associated with

Defendant iSourceUSA LLC. The Receiver shall not be liable or responsible for the payment of federal, state, or local income taxes of Defendant iSourceUSA LLC. Defendant iSourceUSA LLC shall cooperate with the Receiver in any tax audit or tax litigation, and shall defend, indemnify and hold harmless the Receiver in connection with same.

C. All persons and entities, Defendant iSourceUSA LLC, their partners, employees, agents, present and former attorneys, representatives, and their respective predecessors, successors, assigns and affiliates, release and discharge the Receiver and her partners, employees, agents, present and former attorneys, representatives, from any and all claims, demands, actions, causes of actions, or suits that now exist or may hereafter accrue, whether known or unknown that relate to this Judgment and accompanying Order or to the lawsuit that is the subject of this Judgment and accompanying Order.

X. JUDGMENT AND ORDER ACKNOWLEDGMENTS

Defendant iSourceUSA LLC must obtain acknowledgments of receipt of this Judgment:

A. Defendant iSourceUSA LLC, within 7 days of entry of this Judgment and accompanying Order, must submit to Plaintiffs an acknowledgment of receipt of this Judgment and accompanying Order sworn under penalty of perjury.

B. For 10 years after entry of this Judgment and accompanying Order, Defendant iSourceUSA LLC for any business that it, individually or collectively with any other defendants, is the majority owner or controls directly or indirectly, must deliver a copy of this Judgment and accompanying Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Judgment and accompanying 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 Judgment and accompanying Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which Defendant iSourceUSA LLC delivered a copy of this Judgment and accompanying Order, Defendant iSourceUSA LLC must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Judgment and accompanying Order.

XI. COMPLIANCE REPORTING

Defendant iSourceUSA LLC must make timely submissions to Plaintiffs:

A. One year after entry of this Judgment and accompanying Order, Defendant iSourceUSA LLC must submit a compliance report, sworn under penalty of perjury. Defendant iSourceUSA LLC must:

1. Identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of Plaintiffs may use to communicate with it;
2. Identify all of its businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses;
3. 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;
4. Describe in detail whether and how it is in compliance with each Section of this Order; and
5. Provide a copy of each Order Acknowledgment obtained pursuant to this Judgment and accompanying Order, unless previously submitted to Plaintiffs.

B. For 10 years after entry of this Judgment and accompanying Order, Defendant iSourceUSA LLC must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Any designated point of contact; or
2. The structure of any entity that it has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Judgment and accompanying 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 Judgment and accompanying Order.

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

D. Any submission to Plaintiffs required by this Judgment and accompanying 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 representative of Plaintiffs in writing, all submissions to Plaintiffs pursuant to this Judgment and accompanying 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; Sandra G. Arenas, Office of the Attorney General, 110 Sherman Street, Hartford, CT 06105; and Nicole R. DiTomo, Pennsylvania Office of Attorney

General, Bureau of Consumer Protection, 15th Floor, Strawberry Square, Harrisburg, Pennsylvania 17120. The subject line must begin: *FTC v. Click4Support, LLC, et al.*, Matter Number X160004.

XII. RECORDKEEPING

Defendant iSourceUSA LLC must create certain records for 10 years after entry of the Judgment and Order, and retain each such record for 5 years. Specifically, Defendant iSourceUSA LLC for any business that it, 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 Plaintiffs; and
- E. A copy of each unique advertisement or other marketing material.

XIII. COMPLIANCE MONITORING

It is further ORDERED that, for the purpose of monitoring Defendant iSourceUSA LLC's compliance with this Judgment, including any failure to transfer any assets as required by this Judgment:

A. Within 14 days of receipt of a written request from a representative of Plaintiffs, Defendant iSourceUSA LLC 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. Plaintiffs 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, Plaintiffs are authorized to communicate directly with Defendant iSourceUSA LLC. Defendant iSourceUSA LLC must permit representatives of Plaintiffs to interview any employee or other person affiliated with Defendant iSourceUSA LLC who has agreed to such an interview. The person interviewed may have counsel present.

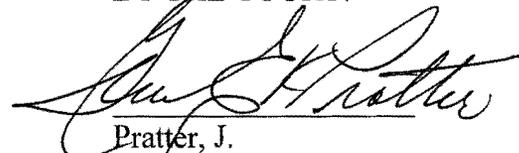
C. Plaintiffs may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Defendant iSourceUSA LLC or any individual or entity affiliated with iSourceUSA LLC, without the necessity of identification or prior notice. Nothing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

XIV. RETENTION OF JURISDICTION

It is further ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment and accompanying Order.

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BY THE COURT:


Pratter, J.