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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 2:19-cv-7849

_____)
FEDERAL TRADE COMMISSION,)

and)

STATE OF MINNESOTA, by its)
Attorney General, Keith Ellison,)

Plaintiffs,)

v.)

MANHATTAN BEACH)
VENTURE, LLC, a limited liability)
company, also d/b/a The Student)
Loan Relief Department;)

CHRISTOPHER E. LYELL, an)
individual;)

BRADLEY K. HANSEN, an)
individual; and)

EQUITABLE ACCEPTANCE)
CORPORATION, a corporation,)

Defendants.)
_____)

[Amended]
STIPULATED ORDER
FOR PERMANENT INJUNCTION,
MONETARY RELIEF
AND FINAL JUDGMENT AS TO
DEFENDANTS MANHATTAN
BEACH VENTURE, LLC,
CHRISTOPHER E. LYELL, AND
BRADLEY K. HANSEN

1 Plaintiff, the Federal Trade Commission (“Commission or “FTC”), and
2 Plaintiff, the Minnesota Attorney General (“MN AG”) (collectively, “Plaintiffs”),
3 filed their Complaint for Permanent Injunction and Other Equitable Relief
4 (“Complaint”), pursuant to Sections 13(b) and 19 of the Federal Trade
5 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and
6 Consumer Fraud and Abuse Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108,
7 the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601-1666j, the Minnesota
8 Uniform Deceptive Trade Practices Act (“MN DTPA”), Minn. Stat. §§ 325D.43–
9 .48, the Minnesota Prevention of Consumer Fraud Act (“MN CFA”), Minn. Stat.
10 §§ 325F.68–.694, the Debt Settlement Services Act (“MN DSSA”), Minn. Stat.
11 §§ 332B.02–.14, and the Minnesota Regulated Loan Act (“MN RLA”), Minn. Stat.
12 §§ 56.0001–.26 against Defendants Manhattan Beach Venture, LLC (“MBV”),
13 Christopher E. Lyell, Bradley K. Hansen (collectively, “MBV Defendants”) and
14 Equitable Acceptance Corporation. Plaintiffs and MBV Defendants stipulate to the
15 entry of this Stipulated Order for Permanent Injunction and Monetary Judgment
16 (“Order”) to resolve all matters in dispute in this action between them.

17 THEREFORE, IT IS ORDERED as follows:

18 **FINDINGS**

- 19 1. This Court has jurisdiction over this matter.
- 20 2. The Complaint charges that MBV Defendants participated in
21 deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §
22 45(a), the Telemarketing Sales Rule, 16 C.F.R. § 310, the MN DTPA, the MN
23 CFA, and the MN DSSA in connection with the marketing and sale of student loan
24 debt relief services.
- 25 3. MBV Defendants neither admit nor deny any of the allegations in the
26 Complaint, except as specifically stated in this Order. Only for purposes of this
27 action, MBV Defendants admit the facts necessary to establish jurisdiction.
- 28

1 C. **“Financial Product or Service”** means any product, service, plan, or
2 program represented, expressly or by implication, to:

3 1. provide any consumer, arrange for any consumer to receive, or assist
4 any consumer in receiving, a loan or other extension of credit;

5 2. provide any consumer, arrange for any consumer to receive, or assist
6 any consumer in receiving, credit, debit, or stored value cards;

7 3. improve, repair, or arrange to improve or repair, any consumer’s
8 credit record, credit history, or credit rating; or

9 4. provide advice or assistance to improve any consumer’s credit record,
10 credit history, or credit rating.

11 D. **“Individual Defendants”** means Christopher E. Lyell and Bradley K.
12 Hansen.

13 E. **“MBV Defendants”** means the Corporate Defendant and both of the
14 Individual Defendants, individually, collectively, or in any combination.

15 F. **“Person”** means a natural person, organization, or other legal entity,
16 including a corporation, partnership, proprietorship, association, cooperative, or
17 any other group or combination acting as an entity.

18 G. **“Secured or Unsecured Debt Relief Product or Service”** means:

19 1. With respect to any mortgage, loan, debt, or obligation between a
20 person and one or more secured or unsecured creditors or debt collectors, any
21 product, service, plan, or program represented, expressly or by implication, to:

22 a. stop, prevent, or postpone any mortgage or deed of foreclosure
23 sale for a person’s dwelling, any other sale of collateral, any repossession of a
24 person’s dwelling or other collateral, or otherwise save a person’s dwelling or
25 other collateral from foreclosure or repossession;

26 b. negotiate, obtain, or arrange a modification, or renegotiate,
27 settle, or in any way alter any terms of the mortgage, loan, debt, or obligation,
28 including a reduction in the amount of interest, principal balance, monthly

1 payments, or fees owed by a person to a secured or unsecured creditor or debt
2 collector;

3 c. obtain any forbearance or modification in the timing of
4 payments from any secured or unsecured holder or servicer of any mortgage, loan,
5 debt, or obligation;

6 d. negotiate, obtain, or arrange any extension of the period of time
7 within which a person may (i) cure his or her default on the mortgage, loan, debt,
8 or obligation, (ii) reinstate his or her mortgage, loan, debt, or obligation, (iii)
9 redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the
10 mortgage, loan, debt, or obligation or redeem a dwelling or other collateral;

11 e. obtain any waiver of an acceleration clause or balloon payment
12 contained in any promissory note or contract secured by any dwelling or other
13 collateral; or

14 f. negotiate, obtain, or arrange (i) a short sale of a dwelling or
15 other collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a
16 mortgage, loan, debt, or obligation other than a sale to a third party that is not the
17 secured or unsecured loan holder.

18 The foregoing shall include any manner of claimed assistance, including auditing
19 or examining a person's application for the mortgage, loan, debt, or obligation.

20 2. With respect to any loan, debt, or obligation between a person and one
21 or more unsecured creditors or debt collectors, any product, service, plan, or
22 program represented, expressly or by implication, to:

23 a. repay one or more unsecured loans, debts, or obligations; or

24 b. combine unsecured loans, debts, or obligations into one or more
25 new loans, debts, or obligations.

26 H. **“Telemarketing”** means any plan, program, or campaign which is
27 conducted to induce the purchase of goods or services or a charitable contribution
28

1 by use of one or more telephones and which involves more than one interstate
2 telephone call.

3 **I.**

4 **BAN ON SECURED AND UNSECURED**
5 **DEBT RELIEF PRODUCTS AND SERVICES**

6 IT IS ORDERED that MBV Defendants are permanently restrained and
7 enjoined from advertising, marketing, promoting, offering for sale, or selling, or
8 Assisting Others in the advertising, marketing, promoting, offering for sale, or
9 selling, of any Secured or Unsecured Debt Relief Product or Service.

10 **II.**

11 **PROHIBITION AGAINST MISREPRESENTATIONS**
12 **RELATING TO FINANCIAL PRODUCTS AND SERVICES**

13 IT IS FURTHER ORDERED that MBV Defendants, MBV Defendants'
14 officers, agents, employees, and attorneys, and all other Persons in active concert
15 or participation with any of them, who receive actual notice of this Order, whether
16 acting directly or indirectly, in connection with the advertising, marketing,
17 promoting, offering for sale, or selling of any Financial Product or Service, are
18 permanently restrained and enjoined from misrepresenting, or Assisting Others in
19 misrepresenting, expressly or by implication:

20 A. the terms or rates that are available for any loan or other extension of
21 credit, including:

- 22 1. closing costs or other fees;
- 23 2. the payment schedule, monthly payment amount(s), any balloon
24 payment, or other payment terms;
- 25 3. the interest rate(s), annual percentage rate(s), or finance charge(s), and
26 whether they are fixed or adjustable;
- 27 4. the loan amount, credit amount, draw amount, or outstanding balance;
28 the loan term, draw period, or maturity; or any other term of credit;

1 full or partial refund, or the circumstances in which a full or partial refund will be
2 granted to the consumer;

3 B. that any Person is affiliated with, endorsed or approved by, or
4 otherwise connected to any other Person; government entity; public, non-profit, or
5 other noncommercial program; or any other program;

6 C. the nature, expertise, position, or job title of any Person who provides
7 any product, service, plan, or program; or

8 D. any other fact material to consumers concerning any good or service,
9 such as: the total costs; any material restrictions, limitations, or conditions; or any
10 material aspect of its performance, efficacy, nature, or central characteristics.

11 **IV.**

12 **PROHIBITION AGAINST UNSUBSTANTIATED CLAIMS**

13 IT IS FURTHER ORDERED that MBV Defendants, MBV Defendants'
14 officers, agents, employees, and attorneys, and all other Persons in active concert
15 or participation with any of them, who receive actual notice of this Order, whether
16 acting directly or indirectly, in connection with the sale of any Financial Product or
17 Service, are permanently restrained and enjoined from making any representation
18 or Assisting Others in making any representation, expressly or by implication,
19 about the benefits, performance, or efficacy of any Financial Product or Service,
20 unless the representation is non-misleading, and, at the time such representation is
21 made, Defendants possess and rely upon competent and reliable evidence that is
22 sufficient in quality and quantity based on standards generally accepted in the
23 relevant fields, when considered in light of the entire body of relevant and reliable
24 evidence, to substantiate that the representation is true.

25 **V.**

26 **PROHIBITION AGAINST UNLAWFUL TELEMARKETING PRACTICES**

27 IT IS FURTHER ORDERED that MBV Defendants, MBV Defendants'
28 officers, agents, employees, and attorneys, and all other Persons in active concert

1 or participation with any of them, who receive actual notice of this Order, whether
2 acting directly or indirectly, in connection with Telemarketing, are permanently
3 restrained and enjoined from engaging in, causing others to engage in, or Assisting
4 Others to engage in, any of the following practices:

5 A. making a false or misleading statement to induce any Person to pay
6 for goods or services; or

7 B. violating the Telemarketing Sales Rule, 16 C.F.R. Part 310, attached
8 as **Appendix A**.

9 **VI.**

10 **PROHIBITION AGAINST COLLECTING ON ACCOUNTS**

11 IT IS FURTHER ORDERED that MBV Defendants, MBV Defendants'
12 officers, agents, employees, and attorneys, and all other Persons in active concert
13 or participation with any of them, who receive actual notice of this Order, whether
14 acting directly or indirectly, are permanently enjoined from attempting to collect,
15 collecting, or assigning any right to collect payment from any consumer for any
16 product, service, plan, or program sold by Corporate Defendant prior to the date of
17 entry of this Order.

18 **VII.**

19 **MONETARY JUDGMENT AND PARTIAL SUSPENSION**

20 IT IS FURTHER ORDERED that:

21 A. Judgment in the amount of Four Million Two Hundred Eighty-One
22 Thousand Three Hundred Thirty-Five Dollars (\$4,281,335) is entered in favor of
23 Plaintiffs against Defendants Manhattan Beach Venture, LLC, Christopher E.
24 Lyell, and Bradley K. Hansen, jointly and severally, as equitable monetary relief.

25 **Suspension As To MBV**

26 B. The judgment as to MBV is hereby suspended, subject to Subsections
27 C-E below.

28

1 C. Plaintiffs' agreement to the suspension of the judgment against MBV
2 is expressly premised upon the truthfulness, accuracy and completeness of MBV
3 sworn financial statements and related documents (collectively, "MBV Financial
4 Representations") submitted to the Commission and the MN AG. These
5 documents include:

6 1. the Financial Statement of Corporate Defendant MBV signed by
7 Bradley K. Hansen, a Member, on February 20, 2019, including the attachments;
8 and

9 2. all documents that are listed in a letter dated May 3, 2019 sent by FTC
10 counsel John Jacobs to MBV counsel Michael Thurman with the subject line
11 "Manhattan Beach Venture, LLC / FTC Matter 1723041."

12 D. The suspension of the judgment will be lifted as to MBV if, upon
13 motion by Plaintiffs, the Court finds that MBV failed to disclose any material
14 asset, materially misstated the value of any asset, or made any other material
15 misstatement or omission in the MBV Financial Representations identified above.

16 E. If the suspension of the judgment against MBV is lifted, the judgment
17 becomes immediately due as to MBV in the amount specified in Subsection A
18 above (which the parties stipulate only for purposes of this Section represents the
19 consumer injury alleged in the Complaint), less any payment previously made
20 pursuant to this Section, plus interest computed from the date of entry of this
21 Order.

22 **Suspension As To Defendant Christopher E. Lyell**

23 F. Individual Defendant Lyell is ordered to pay to the Commission
24 Sixty-Five Thousand Dollars (\$65,000), which, as Defendant stipulates, he has
25 deposited into an escrow account, held by Hollywood Escrow in Hermosa Beach,
26 CA, for no purpose other than payment to the Commission. Such payment must be
27 made within 7 days of entry of this Order by electronic fund transfer in accordance
28 with instructions previously provided by a representative of the Commission.

1 Upon such payment, the remainder of the judgment as to Defendant Lyell is
2 suspended, subject to Subsections G – I below.

3 G. Plaintiffs’ agreement to the suspension of the judgment against
4 Defendant Lyell is expressly premised upon the truthfulness, accuracy and
5 completeness of Defendant Lyell’s sworn financial statements and related
6 documents (collectively, “Lyell Financial Representations”) submitted to the
7 Commission and the MN AG. These documents include:

- 8 1. the Financial Statement of Individual Defendant Christopher Lyell
9 (“FTC Financial Disclosure Doc Completed.pdf”) signed by
10 Christopher Lyell on February 8, 2019, including attachments;
- 11 2. the revised Financial Statement of Individual Defendant Christopher
12 Lyell (“FTC Financial Disclosure Doc Completed Updated
13 2.27.19.pdf”), which Defendant Lyell sent to FTC staff on 2/27/2019,
14 including attachments; and
- 15 3. all documents that are listed in a letter dated May 2, 2019 sent by FTC
16 counsel John Jacobs to Defendant Lyell with the subject line
17 “Manhattan Beach Venture, LLC / FTC Matter 1723041.”

18 H. The suspension of the judgment will be lifted as to Defendant Lyell if,
19 upon motion by Plaintiffs, the Court finds that Defendant Lyell failed to disclose
20 any material asset, materially misstated the value of any asset, or made any other
21 material misstatement or omission in the Lyell Financial Representations identified
22 above.

23 I. If the suspension of the judgment against Defendant Lyell is lifted, the
24 judgment becomes immediately due as to Defendant Lyell in the amount specified
25 in Subsection A above (which the parties stipulate only for purposes of this Section
26 represents the consumer injury alleged in the Complaint), less any payment
27 previously made pursuant to this Section, plus interest computed from the date of
28 entry of this Order.

1 **Suspension As To Defendant Bradley K. Hansen**

2 J. Individual Defendant Hansen is ordered to pay to the Commission
3 Ninety-One Thousand Dollars (\$91,000), which, as Defendant stipulates, he has
4 deposited into an escrow account, held by Hollywood Escrow in Hermosa Beach,
5 CA, for no purpose other than payment to the Commission. Such payment must be
6 made within 7 days of entry of this Order by electronic fund transfer in accordance
7 with instructions previously provided by a representative of the Commission.
8 Upon such payment, the remainder of the judgment as to Defendant Hansen is
9 suspended, subject to Subsections K - M below.

10 K. Plaintiffs' agreement to the suspension of the judgment against
11 Defendant Hansen is expressly premised upon the truthfulness, accuracy and
12 completeness of Defendant Hansen's sworn financial statements and related
13 documents (collectively, "Hansen Financial Representations") submitted to the
14 Commission and the MN AG. These documents include:

- 15 1. the Financial Statement of Individual Defendant Bradley Kyle Hansen
16 ("FTC Fin Stmt HANSEN final.pdf") dated February 19, 2019,
17 including attachments; and
- 18 2. all documents that are listed in a letter dated May 2, 2019 sent by FTC
19 counsel John Jacobs to Defendant Hansen with the subject line
20 "Manhattan Beach Venture, LLC / FTC Matter 1723041."

21 L. The suspension of the judgment will be lifted as to Defendant Hansen
22 if, upon motion by Plaintiffs, the Court finds that Defendant Hansen failed to
23 disclose any material asset, materially misstated the value of any asset, or made
24 any other material misstatement or omission in the Hansen Financial
25 Representations identified above.

26 M. If the suspension of the judgment against Defendant Hansen is lifted,
27 the judgment becomes immediately due as to Defendant Hansen in the amount
28 specified in Subsection A above (which the parties stipulate only for purposes of

1 this Section represents the consumer injury alleged in the Complaint), less any
2 payment previously made pursuant to this Section, plus interest computed from the
3 date of entry of this Order.

4 **VIII.**

5 **ADDITIONAL MONETARY PROVISIONS**

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

9 B. The facts alleged in the Complaint will be taken as true, without
10 further proof, in any subsequent civil litigation by or on behalf of Plaintiffs,
11 including in a proceeding to enforce Plaintiffs' rights to any payment or monetary
12 judgment pursuant to this Order, such as a nondischargeability complaint in any
13 bankruptcy case.

14 C. The facts alleged in the Complaint establish all elements necessary to
15 sustain an action by Plaintiffs pursuant to Section 523(a)(2)(A) of the Bankruptcy
16 Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect
17 for such purposes.

18 D. MBV Defendants acknowledge that their Taxpayer Identification
19 Number or Social Security Numbers, which the MBV Defendant previously
20 submitted to Plaintiffs, may be used for collecting and reporting on any delinquent
21 amount arising out of this Order, in accordance with 31 U.S.C. §7701.

22 E. All money paid to Plaintiffs pursuant to this Order may be deposited
23 into a fund administered by the Plaintiff Federal Trade Commission, Plaintiff
24 Minnesota Attorney General, or either one's designee to be used for equitable
25 relief, including consumer redress and any attendant expenses for the
26 administration of any redress fund. If Plaintiffs decide that direct redress to
27 consumers is wholly or partially impracticable or money remains after redress is
28 completed, all remaining funds are to be divided equally between the Commission

1 and MN AG, with half to be deposited to the U.S. Treasury as disgorgement and
2 half to be provided to the MN AG to be used in accordance with applicable
3 Minnesota law. MBV Defendants have no right to challenge any actions Plaintiffs
4 or their representatives may take pursuant to this Subsection.

5 **IX.**

6 **NOTICES TO CONSUMERS**

7 IT IS FURTHER ORDERED that MBV Defendants shall:

8 A. Within 10 days after the date of this Order is entered, send a notice by
9 email to each consumer who has had an account with MBV that clearly and
10 unambiguously: (1) informs the consumer that the notification is being provided to
11 the consumer by Manhattan Beach Venture, LLC, d/b/a Student Loan Relief
12 Department, pursuant to an agreement between Manhattan Beach Venture, LLC,
13 and the Federal Trade Commission and the State of Minnesota; (2) informs the
14 consumer that, pursuant to the agreement, Manhattan Beach Venture will not
15 collect any payments from the consumer or assist anyone else with collecting any
16 payments from the consumer; and (3) informs the consumer that no payment that
17 the consumer has made in connection with the consumer's agreement with
18 Manhattan Beach Venture has gone towards a Department of Education repayment
19 program or towards the consumer's student loans. The MBV Defendants shall
20 email such notice to the last known email address for each consumer and shall
21 maintain and make available to Plaintiffs all emails required by this Paragraph for
22 180 days; and

23 B. Within 60 days after the date this Order is entered, provide the names
24 and email addresses of consumers to whom MBV emailed the notice pursuant to
25 Subparagraph A above to: Regional Director, Federal Trade Commission, Western
26 Region-Los Angeles, 10990 Wilshire Boulevard, Ste. 400, Los Angeles, CA
27 90024.

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X.

CUSTOMER INFORMATION

IT IS FURTHER ORDERED that MBV Defendants, MBV Defendants’ officers, agents, employees, attorneys, and all other Persons or entities 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 Plaintiffs to efficiently administer consumer redress. If a representative of either Plaintiff requests in writing any information related to redress, MBV Defendants must provide it, in the form prescribed by that Plaintiff, within 14 days;

B. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, FSA ID, other identifying information, or any data that enables access to a customer’s account (including a student loan account, credit card, bank account, or other financial account), that any MBV Defendant obtained prior to entry of this Order in connection with the marketing or sale of Secured or Unsecured Debt Relief Products or Services; and

C. failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from 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.

XI.

ORDER ACKNOWLEDGMENTS

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

1 of advertising, marketing, and sales, and the involvement of any other MBV
2 Defendant; (d) describe in detail whether and how that MBV Defendant is in
3 compliance with each Section of this Order; and (e) provide a copy of each Order
4 Acknowledgment obtained pursuant to this Order, unless previously submitted to
5 Plaintiffs.

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

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

17 1. Each MBV Defendant must report any change in: (a) any designated
18 point of contact; or (b) the structure of any Corporate Defendant or any entity that
19 Defendant has any ownership interest in or controls directly or indirectly that may
20 affect compliance obligations arising under this Order, including: creation, merger,
21 sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages
22 in any acts or practices subject to this Order.

23 2. Additionally, each Individual Defendant must report any change in:
24 (a) name, including aliases or fictitious name, or residence address; or (b) title or
25 role in any business activity, including any business for which he performs services
26 whether as an employee or otherwise and any entity in which he has any ownership
27 interest, and identify the name, physical address, and any Internet address of the
28 business or entity.

1 C. Each MBV Defendant must submit to the Plaintiffs notice of the filing
2 of any bankruptcy petition, insolvency proceeding, or similar proceeding by or
3 against such MBV Defendant within 14 days of its filing.

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

10 E. Unless otherwise directed by a Commission representative in writing,
11 and except for the notice required by Section IX.B of this Order above, all
12 submissions to the Federal Trade Commission pursuant to this Order must be
13 emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal
14 Service) to: Associate Director for Enforcement, Bureau of Consumer Protection,
15 Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC
16 20580. The subject line must begin: FTC v. Manhattan Beach Venture, Inc.
17 Unless otherwise directed by a MN AG representative in writing, all submissions
18 to the MN AG pursuant to this Order must be must be emailed to
19 lindsey.lee@ag.state.mn.us and mailed to Lindsey Lee, Assistant Attorney
20 General, Office of the Minnesota Attorney General, 445 Minnesota Street, Suite
21 1200, St. Paul, Minnesota 55101.

22 **XIII.**

23 **RECORDKEEPING**

24 IT IS FURTHER ORDERED that MBV Defendants must create certain
25 records for 20 years after entry of the Order, and retain each such records for 5
26 years. Specifically, each Corporate Defendant and each Individual Defendant for
27 any business that such MBV Defendant, individually or collectively with any other
28

1 MBV Defendant, is a majority owner or controls directly or indirectly, must create
2 and 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 Plaintiffs; and

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

14 **XIV.**

15 **COMPLIANCE MONITORING**

16 IT IS FURTHER ORDERED that, for the purpose of monitoring MBV
17 Defendants' compliance with this Order, including the Financial Representations
18 upon which part of the judgment was suspended and any failure to transfer any
19 assets as required by this Order:

20 A. Within 14 days of receipt of a written request from a representative of
21 either Plaintiff, each MBV Defendant must: submit additional compliance reports
22 or other requested information, which must be sworn under penalty of perjury;
23 appear for depositions; and produce documents for inspection and copying.

24 Plaintiffs are also authorized to obtain discovery, without further leave of court,
25 using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30
26 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

27 B. For matters concerning this Order, Plaintiffs are authorized to
28 communicate directly with each MBV Defendant. MBV Defendants must permit

1 representatives of Plaintiffs to interview any employee or other person affiliated
2 with any MBV Defendant who has agreed to such an interview. The person
3 interviewed may have counsel present.

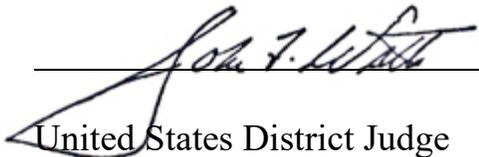
4 C. Plaintiffs may use all other lawful means, including posing, through
5 its representatives as consumers, suppliers, or other individuals or entities, to MBV
6 Defendants or any individual or entity affiliated with MBV Defendants, without
7 the necessity of identification or prior notice. Nothing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

11 **XV.**

12 **RETENTION OF JURISDICTION**

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

15
16 SO ORDERED, this 13th day of September, 2019.

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18 
19 _____
20 United States District Judge

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