

1 Bernheim, and Jared Coates stipulate to the entry of this Stipulated Order for Permanent
2 Injunction and Other Equitable Relief (“Order”) to resolve all matters in dispute in this action
3 between them.

4 **THEREFORE, IT IS ORDERED** as follows:

5 **FINDINGS**

6 1. This Court has jurisdiction over this matter.

7 2. The Complaint charges that Defendants participated in deceptive acts or practices
8 in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and Section 4 of ROSCA, 15 U.S.C.
9 § 8403, in connection with Defendants’ marketing and sale of cooking-related, golf, and other
10 products and services through television advertising and Defendants’ websites, including
11 websites optimized for mobile.
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13 3. Defendants neither admit nor deny any of the allegations in the Complaint, except
14 as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts
15 necessary to establish jurisdiction.
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17 4. Defendants waive any claim they may have under the Equal Access to Justice
18 Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order,
19 and agree to bear their own costs and attorney fees.

20 5. Defendants waive all rights to appeal or otherwise challenge or contest the
21 validity of this Order.
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23 **DEFINITIONS**

24 1. **“Billing Information”** means any data that enables any person to access a
25 customer’s account, such as a credit card, checking, savings, share or similar account,
26 utility bill, mortgage loan account, or debit card.
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1 f. The disclosure must comply with these requirements in each medium
2 through which it is received, including all electronic devices and face-to-face
3 communications;

4 g. The disclosure must not be contradicted or mitigated by, or inconsistent
5 with, anything else in the communication; and

6 h. When the representation or sales practice targets a specific audience, such
7 as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable
8 members of that group.

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10 4. “**Close Proximity**” means immediately adjacent to the triggering representation.
11 In the case of advertisements disseminated verbally or through audible means, the disclosure
12 shall be made as soon as practicable after the triggering representation.

13 5. “**Defendants**” means all of the Individual Defendants and the Corporate
14 Defendants, individually, collectively, or in any combination.

15 a. “**Corporate Defendants**” means AAFE Products Corp, JBE International,
16 LLC, BSDC, Inc., KADC, Inc., Purestrike, Inc., and BNRI Corp., fka Bernheim & Rice,
17 Inc., and their successors and assigns.

18 b. “**Individual Defendants**” means Brian Bernheim, Joshua Bernheim, and
19 Jared Coates.

20 6. “**Negative Option Feature**” means, in an offer or agreement to sell or provide
21 any good or service, a provision under which the consumer’s silence or failure to take affirmative
22 action to reject a good or service or to cancel the agreement is interpreted by the seller or
23 provider as acceptance or continuing acceptance of the offer.
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1 F. The date by which the consumer will incur any obligation or be Charged
2 unless the consumer takes an affirmative action on the Negative Option Feature;

3 G. That a transaction has been authorized by the consumer; and

4 H. Any other fact material to the consumer concerning any good or service,
5 such as any material aspect of the nature or terms of a refund, cancellation, exchange, or
6 repurchase policy for the good or service.

7 Compliance with this Section is separate from, and in addition to, the disclosures required
8 by Sections II and III, *infra*.

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10 **II. REQUIRED DISCLOSURES RELATING TO NEGATIVE OPTION FEATURES**

11 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees,
12 attorneys, and all other persons in active concert or participation with any of them, who receive
13 actual notice of this Order, whether acting directly or indirectly, in connection with promoting or
14 offering for sale any good or service with a Negative Option Feature, are permanently restrained
15 and enjoined from:

16 A. Representing, directly or indirectly, expressly or by implication, that any good or
17 service that includes a Negative Option Feature is being offered on a free, trial, no obligation,
18 reduced, or discounted basis, without disclosing Clearly and Conspicuously, and in Close
19 Proximity to, any such representation:

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21 1. The extent to which the consumer must take affirmative action(s) to avoid
22 any Charges: (a) for the offered good or service, (b) of an increased amount after the trial
23 or promotional period ends, and (c) on a recurring basis;

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25 2. The total cost (or range of costs) the consumer will be Charged and, if
26 applicable, the frequency of such Charges unless the consumer timely takes steps to
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1 prevent or stop such Charges; and

2 3. The deadline(s) (by date or frequency) by which the consumer must
3 affirmatively act in order to stop all recurring Charges.

4 B. Obtaining Billing Information from a consumer for any transaction involving a
5 good or service that includes a Negative Option Feature, without first disclosing Clearly and
6 Conspicuously, and in Close Proximity to where a consumer provides Billing Information:

7 1. The extent to which the consumer must take affirmative action(s) to avoid
8 any Charges: (a) for the offered good or service, (b) of an increased amount after the trial
9 or promotional period ends, and (c) on a recurring basis;

10 2. The total cost (or range of costs) the consumer will be Charged, the date
11 the initial Charge will be submitted for payment, and, if applicable, the frequency of such
12 Charges unless the consumer timely takes affirmative steps to prevent or stop such
13 Charges;
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15 3. The deadline(s) (by date or frequency) by which the consumer must
16 affirmatively act in order to stop all recurring Charges;

17 4. The name of the seller or provider of the good or service and, if the name
18 of the seller or provider will not appear on billing statements, the billing descriptor that
19 will appear on such statements;
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21 5. A description of the good or service;

22 6. Any Charge or cost for which the consumer is responsible in connection
23 with the cancellation of an order or the return of a good; and
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25 7. The simple cancellation mechanism to stop any recurring Charges, as
26 required by Section IV.
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1 C. Failing to send the consumer:

2 1. Immediately after the consumer's submission of an online order, written
3 confirmation of the transaction by email. The email must Clearly and Conspicuously
4 disclose all the information required by Subsection II.B, and contain a subject line
5 reading "Order Confirmation" along with the name of the product or service, and no
6 additional information; or

7 2. Within two (2) days after receipt of a consumer's order by mail or
8 telephone, a written confirmation of the transaction, either by email or first class mail.
9 The email or letter must Clearly and Conspicuously disclose all the information required
10 by Subsection II.B. The subject line of the email must Clearly and Conspicuously state
11 "Order Confirmation" along with the name of the product or service, and nothing else.
12 The outside of the envelope must Clearly and Conspicuously state "Order Confirmation"
13 along with the name of the product or service, and no additional information other than
14 the consumer's address, the Defendants' return address, and postage.

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17 **III. OBTAINING EXPRESS INFORMED CONSENT**

18 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees,
19 attorneys, and all other persons in active concert or participation with any of them, who receive
20 actual notice of this Order, whether acting directly or indirectly, in connection with promoting or
21 offering for sale any good or service with a Negative Option Feature, are permanently restrained
22 and enjoined from using Billing Information to obtain payment from a consumer, unless
23 Defendants first obtain the express informed consent of the consumer to do so. To obtain
24 express informed consent, Defendants must:

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26 A. For all written offers (including over the Internet or other web-based applications
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1 or services), obtain consent through a check box, signature, or other substantially similar method,
2 which the consumer must affirmatively select or sign to accept the Negative Option Feature, and
3 no other portion of the offer. Defendants shall disclose Clearly and Conspicuously and in Close
4 Proximity to such check box, signature, or substantially similar method of affirmative consent,
5 only the following, with no additional information:

6 1. The extent to which the consumer must take affirmative action(s) to avoid
7 any Charges: (a) for the offered good or service, (b) of an increased amount after the trial
8 or promotional period ends, and (c) on a recurring basis;

9 2. The total cost (or range of costs) the consumer will be Charged and, if
10 applicable, the frequency of such Charges unless the consumer timely takes affirmative
11 steps to prevent or stop such Charges; and

12 3. The deadline(s) (by date or frequency) by which the consumer must
13 affirmatively act in order to stop all recurring Charges.

14 B. For all oral offers, prior to obtaining any Billing Information from the consumer:

15 1. Clearly and Conspicuously disclose the information contained in
16 Subsection II.B; and

17 2. Obtain affirmative unambiguous express oral confirmation that the
18 consumer: (a) consents to being Charged for any good or service, including providing, at
19 a minimum, the last four (4) digits of the consumer's account number to be Charged, (b)
20 understands that the transaction includes a Negative Option Feature, and (c) understands
21 the specific affirmative steps the consumer must take to prevent or stop further Charges.
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23 For transactions conducted through Telemarketing, Defendants shall maintain for three
24 (3) years from the date of each transaction an unedited voice recording of the entire transaction,
25 including the prescribed statements set out in Subsection III.B. Each recording must be
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1 retrievable by date and by the consumer’s name, telephone number, or Billing Information, and
2 must be provided upon request to the consumer, the consumer’s bank, or any law enforcement
3 entity.

4 **IV. SIMPLE MECHANISM TO CANCEL NEGATIVE OPTION FEATURE**

5 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents, employees,
6 attorneys, and all other persons in active concert or participation with any of them, who receive
7 actual notice of this Order, whether acting directly or indirectly, in connection with promoting or
8 offering for sale any good or service with a Negative Option Feature, are permanently restrained
9 and enjoined from failing to provide a simple mechanism for a consumer to: (1) avoid being
10 Charged, or Charged an increased amount, for the good or service; and (2) immediately stop any
11 recurring Charges. Such mechanism must not be difficult, costly, confusing, or time consuming,
12 and it must be at least as simple as the mechanism the consumer used to initiate the Charge(s).
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14 In addition:

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16 A. For consumers who entered into the agreement to purchase a good or service
17 including a Negative Option Feature over the Internet or through other web-based applications or
18 services, Defendants must provide a mechanism, accessible over the Internet or through such
19 other web-based application or service that consumers can easily use to cancel the product or
20 service and immediately stop all further Charges.
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22 B. For consumers who entered into the agreement to purchase a good or service
23 including a Negative Option Feature through an oral offer and acceptance, Defendants must
24 maintain a telephone number and a postal address that consumers can easily use to cancel the
25 product or service and immediately stop all further Charges. Defendants must assure that all
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1 calls to this telephone number shall be answered during normal business hours and that mail to
2 the postal address is retrieved regularly.

3 **V. PROHIBITION AGAINST BILLING CONSUMERS CURRENTLY**
4 **ENROLLED IN SUBSCRIPTION PLANS**

5 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents, servants,
6 and employees, attorneys, and all other persons in active concert or participation with any of
7 them, who receive actual notice of this Order, whether acting directly or indirectly, with respect
8 to any current customer of any good or service with a Negative Option Feature whom
9 Defendants seek to continue to charge after the entry of this Order, are hereby permanently
10 restrained and enjoined from charging any existing customer who was first charged prior to
11 March 1, 2016, unless, prior to any future charge, the Defendants:
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13 A. Send the customer written notice, either by email or first class mail, in a form
14 approved by FTC counsel, that includes the Clear and Conspicuous disclosure of all the
15 information required by Section II; and

16 B. Obtain the customer’s express informed written consent in a manner consistent
17 with Section III.
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19 **VI. MONETARY JUDGMENT**

20 **IT IS FURTHER ORDERED** that:

21 A. Judgment in the amount of ONE MILLION EIGHT HUNDRED SIXTY NINE
22 THOUSAND SIX HUNDRED AND NINETY DOLLARS (\$1,869,690) is entered in favor of
23 the Commission against Defendants Brian Bernheim and Joshua Bernheim, jointly and severally,
24 as equitable monetary relief.
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26 B. Defendants Brian Bernheim and Joshua Bernheim are ordered to pay to the
27 Commission the Judgment set forth above in Section VI.A as follows:
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1. Within seven (7) days of entry of this Order, Defendants Brian Bernheim and Joshua Bernheim shall wire by electronic fund transfer the sum of THREE HUNDRED SEVENTY THREE THOUSAND NINE HUNDRED THIRTY EIGHT DOLLARS (\$373,938) which, as Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the FTC. Defendants Brian Bernheim and Joshua Bernheim shall wire these funds to the FTC in accordance with instructions previously provided by a representative of the Commission;

2. Within one hundred and eighty (180) days of entry of this Order, Defendants Brian Bernheim and Joshua Bernheim shall wire by electronic fund transfer the sum of SEVEN HUNDRED FORTY SEVEN THOUSAND EIGHT HUNDRED SEVENTY SIX DOLLARS (\$747,876) to the FTC in accordance with instructions previously provided by a representative of the Commission;

3. Within two hundred and seventy (270) days of entry of this Order, Defendants Brian Bernheim and Joshua Bernheim shall wire by electronic fund transfer the sum of THREE HUNDRED SEVENTY THREE THOUSAND NINE HUNDRED THIRTY EIGHT DOLLARS (\$373,938) to the FTC in accordance with instructions previously provided by a representative of the Commission;

4. Within three hundred and sixty (360) days of entry of this Order, Defendants Brian Bernheim and Joshua Bernheim shall wire by electronic fund transfer the sum of THREE HUNDRED SEVENTY THREE THOUSAND NINE HUNDRED THIRTY EIGHT DOLLARS (\$373,938) to the FTC in accordance with instructions previously provided by a representative of the Commission; and

5. Notwithstanding the foregoing, Defendants Brian Bernheim and Joshua Bernheim shall have the right to prepay at any time, and without penalty, the remaining

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balance, or any part thereof, due the Commission under this Order. Any such prepayment made prior to an installment due date shall be credited as if made on the next installment due date, and Defendants shall be relieved of making any further payments on the installment due date for any prepayments to the extent of such prepayment. Nothing herein shall be construed to relieve Defendants Brian Bernheim and Joshua Bernheim of their obligation to make timely payment for any installments as they become due which have not otherwise fully been paid in advance.

C. To secure the payment obligations under Section VI.B of this order, Defendant Joshua Bernheim grants the Commission a security interest in certain property and proceeds thereof (“Collateral”), as set forth in the Deeds of Trust (“Deeds,” attached hereto as Attachments A, B, and C), and Defendant Brian Bernheim grants the Commission a security interest in Collateral as set forth in the Deed of Trust (attached as Attachment D) and the Assignment of Life Insurance Policy as Collateral (Attachment E). These Interests are incorporated by reference as if fully set forth verbatim and which grants a security interest in the following Collateral:

1. Defendant Joshua Bernheim and [REDACTED] hereby grant to the Commission, pursuant to the attached Deed of Trust, a lien on and security interest in real property located at 4650 Park Drive, Carlsbad, CA 92008. Defendant Joshua Bernheim shall submit to the clerk’s office for recording all security documents used to perfect the Commission’s lien on the property within fourteen (14) days after entry of this Order, and shall deliver to the Commission copies of such officially recorded documents within seven (7) days after receipt of such documents;

2. Defendant Joshua Bernheim and [REDACTED], hereby grant to the Commission, pursuant to the attached Deed of Trust, a lien on and security interest in real property located at 6522 Forum Street, San Diego, CA 92111. Defendant Joshua Bernheim shall submit to the clerk’s office for recording all security documents

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used to perfect the Commission’s lien on the property within fourteen (14) days after entry of this Order, and shall deliver to the Commission copies of such officially recorded documents within seven (7) days after receipt of such documents;

3. Defendant Joshua Bernheim and [REDACTED], hereby grant to the Commission, pursuant to the attached Deed of Trust, a lien on and security interest in real property located at 1650 Basswood Avenue, Carlsbad, CA 92008.

Defendant Joshua Bernheim shall submit to the clerk’s office for recording all security documents used to perfect the Commission’s lien on the property within fourteen (14) days after entry of this Order, and shall deliver to the Commission copies of such officially recorded documents within seven (7) days after receipt of such documents;

4. Defendant Brian Bernheim and [REDACTED], hereby grant to the Commission, pursuant to the attached Deed of Trust, a lien on and security interest in real property located at 3220 McKinley Avenue, Carlsbad, CA 92008. Defendant Brian Bernheim shall submit to the clerk’s office for recording all security documents used to perfect the Commission’s lien on the property within fourteen (14) days after entry of this Order, and shall deliver to the Commission copies of such officially recorded documents within seven (7) days after receipt of such documents; and

5. Defendant Brian Bernheim hereby grants to the Commission an Assignment of Life Insurance as collateral of his life insurance policy No. FLO7837902 held by MML Bay State Life Insurance Co. equal to its surrender value.

D. In the event that Defendants Brian Bernheim and Joshua Bernheim fail to make a required payment when due under Section VI.B of the Order, or the Commission is not allowed to retain any such payment, or if Defendant Brian Bernheim and/or Joshua Bernheim fail to comply with the terms of a Deed of Trust and such failure is not timely cured:

1. The entire judgment amount, less any amount previously paid, shall immediately become due and payable by Defendants Brian Bernheim and Joshua Bernheim. Interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended,

1 shall immediately begin to accrue on the unpaid balance. Time is of the essence for the
2 payments specified in this Section; and

3 2. Defendants Brian Bernheim and Joshua Bernheim consent to the
4 appointment of a receiver by the Court for purpose of taking possession and control of
5 and liquidating the Collateral, with the rights and powers, and privileges of an equity
6 receiver. The costs and expenses of the receivership, including reasonable compensation
7 for the receiver and personnel retained by the receiver, shall be paid solely from the
8 proceeds of the Collateral.

9 E. The Commission’s agreement to this Order is expressly based on the material
10 representations that Defendant Joshua Bernheim and [REDACTED] and
11 Defendant Brian Berheim and [REDACTED], have the right and authority to enter
12 into the Deeds of Trust of their real property, and that such Collateral is not encumbered by any
13 lien, assignment, security interest, or other interest not otherwise disclosed in the Deeds of Trust
14 or Financial Disclosures previously made to the Commission. The Commission’s agreement to
15 this Order is expressly based on the material representations that Defendants Brian Bernheim and
16 Joshua Bernheim have the right and authority to designate the identified properties and assets as
17 collateral, and that such Collateral is not encumbered by any lien, assignment, security interest or
18 other interest not otherwise disclosed to the Commission.

19 1. The Commission’s agreement to this Order is expressly based on the
20 material representations by Defendants Brian Bernheim and Joshua Bernheim that the
21 value of their respective equity in the Collateral is at least \$2,243,628.

22 2. If, upon motion of the Commission, a Court determines that Defendants
23 Brian Bernheim and/or Joshua Bernheim made a material misrepresentation or omitted
24 material information concerning ownership or authority to pledge the Collateral, any
25 encumbrance of the Collateral, or the value of the Collateral, the entire Judgment amount
26 (\$1,869,690), less any amounts previously paid by either Defendant, shall immediately
27 become due and payable by them, joint and severally. Interest computed at the rate
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1 prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the
2 unpaid balance.

3 *Provided* that proceedings instituted under this provision would be in addition to, and not
4 in lieu of, any other civil or criminal remedies, as may be provided by law, including but not
5 limited to, contempt proceedings or any other proceedings that the Commission may initiate to
6 enforce this Order.

7 **VII. ADDITIONAL MONETARY PROVISIONS**

8 **IT IS FURTHER ORDERED** that:

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

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

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

18 D. Defendants Brian Bernheim and Joshua Bernheim acknowledge that their
19 Taxpayer Identification Numbers (Social Security Numbers or Employer Identification
20 Numbers), which Defendants previously submitted to the Commission, may be used for
21 collecting and reporting on any delinquent amount arising out of this Order, in accordance with
22 31 U.S.C. § 7701.
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24 E. All money paid to the Commission pursuant to this Order may be deposited into a
25 fund administered by the Commission or its designee to be used for equitable relief, including
26 consumer redress and any attendant expenses for the administration of any redress fund. If a
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1 representative of the Commission decides that direct redress to consumers is wholly or partially
2 impracticable or money remains after redress is completed, the Commission may apply any
3 remaining money for such other equitable relief (including consumer information remedies) as it
4 determines to be reasonably related to Defendants' practices alleged in the Complaint. Any
5 money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement.
6 Defendants have no right to challenge any actions the Commission or its representatives may
7 take pursuant to this Subsection.
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9 **VIII. CUSTOMER INFORMATION**

10 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, servants,
11 employees, attorneys, and all other persons in active concert or participation with any of them,
12 who receive actual notice of this Order, are permanently restrained and enjoined from directly or
13 indirectly:

14 A. Failing to provide sufficient customer information to enable the Commission to
15 efficiently administer consumer redress. If a representative of the Commission requests in
16 writing any information related to redress, Defendants must provide it, in the form prescribed by
17 the Commission, within thirty (30) days; and

18 B. Disclosing, using, or benefitting from customer information, including the name,
19 address, telephone number, email address, Social Security number, other identifying information,
20 or any data that enables access to a customer's account (including a credit card, bank account, or
21 other financial account), that Defendants obtained prior to entry of this Order in connection with
22 the advertising, marketing, promoting, offering for sale, or selling of any good or service using a
23 Negative Option Feature. *Provided, however,* that Defendants may use customer information for
24 any current customer if Defendants comply with Subsection II.C of this Order.
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IX. COOPERATION

IT IS FURTHER ORDERED that Defendants 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. Defendants must provide truthful and complete information, evidence, and testimony. Individual Defendants must appear and Corporate Defendants must cause their officers, employees, representatives, or agents to 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.

X. ORDER ACKNOWLEDGMENTS

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

A. Each Defendant, within seven (7) days of entry of this Order, must submit to the Commission an acknowledgement of receipt of this Order sworn under penalty of perjury.

B. For five (5) years after entry of this Order, each Individual Defendant for any business that such Defendant, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, and each Corporate Defendant, must deliver a copy of this 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 this 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 seven (7) days of

1 entry of this Order for current personnel. For all others, delivery must occur before they assume
2 their responsibilities.

3 C. From each individual or entity to which a Defendant delivered a copy of this
4 Order, Defendant must obtain, within thirty (30) days, a signed and dated acknowledgement of
5 receipt of this Order.

6 **XI. COMPLIANCE REPORTING**

7 **IT IS FURTHER ORDERED** that Defendants make timely submissions to the
8 Commission:
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10 A. One (1) year after entry of this Order, each Defendant must submit a compliance
11 report, sworn under penalty of perjury:

12 1. Each Defendant must: (a) identify the primary physical, postal, and email
13 address and telephone number, as designated points of contact, which representatives of
14 the Commission may use to communicate with Defendant; (b) identify all of that
15 Defendant's businesses by all of their names, telephone numbers, and physical, postal,
16 email, and Internet addresses; (c) describe the activities of each business, including the
17 goods and services offered, the means of advertising, marketing, and sales, and the
18 involvement of any other Defendant; (d) describe in detail whether and how that
19 Defendant is in compliance with each Section of this Order; (e) provide a copy of each
20 Order Acknowledgment obtained pursuant to this Order, unless previously submitted to
21 the Commission; and (f) if a customer covered by Section V is charged after the entry of
22 this Order, provide a copy of the notice sent to the customer pursuant to Subsection V.A
23 and the customer's written consent to the charge pursuant to Subsection V.B.
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26 2. Additionally, each Individual Defendant must: (a) identify all of his
27 telephone numbers and all physical, postal, email and Internet addresses, including all
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1 residences; (b) identify all of his business activities, including any business for which
2 such Defendant performs services whether as an employee or otherwise and any entity in
3 which such Defendant has any ownership interest; and (c) describe in detail such
4 Defendant's involvement in each such business, including title, role, responsibilities,
5 participation, authority, control, and any ownership.

6 B. For ten (10) years after entry of this Order, each Defendant must submit a
7 compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in
8 the following:
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10 1. Each Defendant must report any change in: (a) any designated point of
11 contact; or (b) the structure of any Corporate Defendant, or any entity that Defendant has
12 any ownership interest in or controls directly or indirectly that may affect compliance
13 obligations arising under this Order, including: creation, merger, sale, or dissolution of
14 the entity or any subsidiary, parent, or affiliate that engages in any acts or practices
15 subject to this Order.
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17 2. Additionally, each Individual Defendant must report any change in:
18 (a) his name, including aliases or fictitious name, or residence address; or (b) his title or
19 role in any business activity, including any business for which he performs services
20 whether as an employee or otherwise and any entity in which he has any ownership
21 interest, and identify the name, physical address, and any Internet address of the business
22 or entity.
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24 C. Each Defendant must submit to the Commission notice of the filing of any
25 bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant
26 within fourteen (14) days of its filing.
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1 D. Any submission to the Commission required by this Order to be sworn under
2 penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by
3 concluding: “I declare under penalty of perjury under the laws of the United States of America
4 that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s
5 full name, title (if applicable), and signature.

6 E. Unless otherwise directed by a Commission representative in writing, all
7 submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or
8 sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement,
9 Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW,
10 Washington, DC 20580. The subject line must begin: *FTC v. AAFE Products Corp.*, FTC Matter
11 No. X170028.

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13 **XII. RECORDKEEPING**

14 **IT IS FURTHER ORDERED** that Defendants must create certain records for ten (10)
15 years after entry of the Order, and retain each such record for five (5) years. Specifically,
16 Corporate Defendants and Individual Defendants, for any business that any Individual
17 Defendant, individually or collectively with any other Defendant, is a majority owner or controls
18 directly or indirectly, must create and retain the following records:
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20 A. Accounting records showing the revenues from all goods or services sold;

21 B. Personnel records showing, for each person providing services, whether as an
22 employee or otherwise, that person’s: name, addresses, telephone numbers, job title or position,
23 dates of service, and (if applicable) the reason for termination;
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25 C. Records of all consumer complaints and refund requests, whether received
26 directly or indirectly, such as through a third party, and any response; and
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1 D. All records necessary to demonstrate full compliance with each provision of this
2 Order, including all submissions to the Commission; and

3 E. A copy of each unique advertisement or other marketing material.

4 **XIII. COMPLIANCE MONITORING**

5 **IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants'
6 compliance with this Order:

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

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

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

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

IT IS SO ORDERED.

Dated: September 11, 2017



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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 Order.

IT IS SO ORDERED, this ____ day of _____, 2017.

Honorable Anthony J. Battaglia
UNITED STATES DISTRICT JUDGE

SO STIPULATED:

Michelle Schaefer
MICHELLE SCHAEFER
ROBERT M. FRISBY
Attorneys for Plaintiff
Federal Trade Commission

Defendants

AAFE Products Corp.
JBE International, LLC
BSDC, Inc.
KADC, Inc.
Purestrike, Inc.
By **JOSHUA BERNHEIM**

Brian Bernheim
BNEI Corp, fka Bernheim & Rice, Inc.,
By **BRIAN BERNHEIM**

Brian Bernheim
BRIAN BERNHEIM
Defendant

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JOSHUA BERNHEIM
Defendant


JARED COATES
Defendant

Attorney for Defendants


ANDRIA CATALANO REDCROW
910 Hale Place, Suite 212
Chula Vista, CA 91914
Telephone: (619) 234-7000
andriaredcrow@me.com

Attorney for Defendants AAFE Products Corp., JBE International, LLC, BSDC, Inc., KADC, Inc., and Purestrike, Inc.

DEANA CAIRO
The Law Office of Deana L. Cairo, Esq.
6525 Gunpark Drive
Suite 370-138
Boulder, CO 80301
Telephone: (303) 652-5640
Fascimile: (303) 652-5651
deana@dcairolegal.com

This instrument Prepared by and to be returned to:

Andria Catalano Redcrow, Esq.
910 Hale Place, Suite 212
Chula Vista, CA 91914

[Space above this line for recording data]

DEED OF TRUST

This Deed of Trust, made the _____ day of June, 2017, by and between Joshua Bernheim and _____ Carlsbad, California, hereinafter collectively called the "Trustors", Redwood Trust Deed Services, Inc., herein called Trustee, and the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington D.C. 20580, hereafter called "Beneficiary."

Witnesseth: That the Trustors IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST WITH POWER OF SALE, that property in San Diego County, California, described as:

That portion of parcel c of parcel map no. 12243 in the city of Carlsbad, County of San Diego, State of California, filed in the office of the county recorder of San Diego, July 16 1982, described as follows: Beginning at point on the northeasterly line of said parcel C being north 15 degrees 03' 20" west 610.55 from the most southerly corner thereof; thence leaving said northeasterly line south 78 degrees 45' 17" west 210.24 feet to the beginning of a tangent 30.00 foot radius curve, concave southeasterly; thence westerly and southwesterly along the arc of said curve through a central angle of 88 degrees 23' 18" a distance of 46.28 feet; thence south 9 degrees 37' 01" east 73.00 feet to a tangent 30.00 foot radius curve, concave northwesterly; thence southwesterly along the arc of said curve through a central angle of 53 degrees 28' 34" a distance of 28.00 feet to a point on the northeasterly sideline of park drive as shown on said parcel map, thence along said sideline south 46 degrees 08' 27" east 201.23 feet to a tangent 339.00 foot radius curve, concave southwesterly; thence southwesterly along the arc of said curve through a central angle of 25 degrees 52' 50" a distance of 153.13 feet; thence leaving said sideline and along the boundary of said parcel c south 46 degrees 08' 27" east 216.44 feet to the most southerly corner of parcel c; thence continuing along said boundary north 15 degrees 03' 20" west 610.55 feet to the point of beginning.

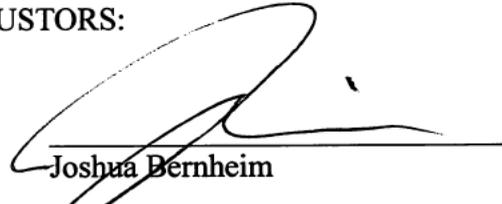
TOGETHER WITH the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions herein to collect and apply such rents, issues and profits.

For the Purpose of Securing Payment of the Monetary Judgment of the Stipulated Order for Permanent Injunction and Other Equitable Relief ("the Stipulated Order"), entered as to Defendants, Brian Bernheim and Joshua Bernheim, (collectively the "Defendant-Debtors") joint and severally, for and in consideration of, the Beneficiary's consent to settlement of the lawsuit styled *Federal Trade Commission v. AAFE Products Corporation, et al.*, Case No. 17-CV-0575-AJB-JMA, filed in the U.S. District Court of the Southern District of California.

To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded October 23, 1961, in the Series 2 Book 1961 at page 183887 for the County of San Diego in the office of the County Recorder of the county where said property is located (which provisions, identical in all counties, are printed on the reverse hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that they will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

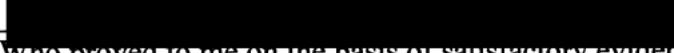
TRUSTORS:


Joshua Bernheim

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.



STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

On June 06, 2017, before me, Maribel Franco, Notary Public, personally appeared Joshua Bernheim and


who proved to me on the basis of satisfactory evidence to be the person(s) whose name ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ she/they executed the same in ~~his~~ her/their authorized capacities, and that by ~~his~~ her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: 

Seal:



REVERSE OF SHORT FORM DEED – THE STANDARDIZED TERMS

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto "Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said

property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date thereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties.

Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

This page is not recorded as it is incorporated by reference.

This instrument Prepared by and to be returned to:

Andria Catalano Redcrow, Esq.
910 Hale Place, Suite 212
Chula Vista, CA 91914

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DEED OF TRUST

This Deed of Trust, made the ___ day of June, 2017, by and between Joshua Bernheim and [REDACTED] Carlsbad, California, hereinafter collectively called the "Trustors", Redwood Trust Deed Services, Inc., herein called Trustee, and the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington D.C. 20580, hereafter called "Beneficiary."

Witnesseth: That the Trustors IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST WITH POWER OF SALE, that property in San Diego County, California, described as:

Lot 121 of South East Clairemont Unit No. 3, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 4566, filed in the Office of the County Recorder of San Diego County, June 17, 1960.

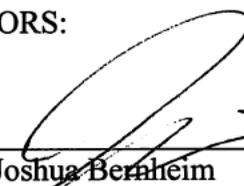
TOGETHER WITH the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions herein to collect and apply such rents, issues and profits.

For the Purpose of Securing Payment of the Monetary Judgment of the Stipulated Order for Permanent Injunction and Other Equitable Relief ("the Stipulated Order"), entered as to Defendants, Brian Bernheim and Joshua Bernheim, (collectively the "Defendant-Debtors") joint and severally, for and in consideration of, the Beneficiary's consent to settlement of the lawsuit styled *Federal Trade Commission v. AAFE Products Corporation, et al.*, Case No. 17-CV-0575-AJB-JMA, filed in the U.S. District Court of the Southern District of California.

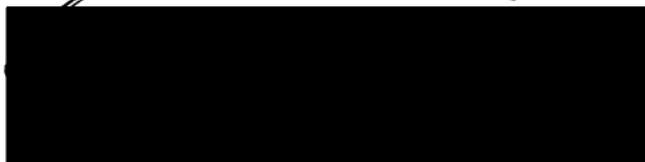
To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded October 23, 1961, in the Series 2 Book 1961 at page 183887 for the County of San Diego in the office of the County Recorder of the county where said property is located (which provisions, identical in all counties, are printed on the reverse hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that they will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

TRUSTORS:



Joshua Bernheim



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

On June 06, 2017, before me, Maribel Franco, Notary Public,
personally appeared
Joshua Bernheim and

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ /they executed the same in ~~his~~ ~~her~~ /their authorized capacities, and that by ~~his~~ ~~her~~ /their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: *Maribel Franco*

Seal:



REVERSE OF SHORT FORM DEED – THE STANDARDIZED TERMS

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto "Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said

property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date thereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties.

Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

This page is not recorded as it is incorporated by reference.

This instrument Prepared by and to be returned to:

Andria Catalano Redcrow, Esq.
910 Hale Place, Suite 212
Chula Vista, CA 91914

[Space above this line for recording data]

DEED OF TRUST

This Deed of Trust, made the _____ day of June, 2017, by and between Joshua Bernheim and _____ Carlsbad, California, hereinafter collectively called the "Trustors", Redwood Trust Deed Services, Inc., herein called Trustee, and the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington D.C. 20580, hereafter called "Beneficiary."

Witnesseth: That the Trustors IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST WITH POWER OF SALE, that property in San Diego County, California, described as:

The northeasterly 72.93 feet of the southwesterly 255.00 feet (measured along the Southeasterly line) of the following described property:
That portion of tract 123 of Carlsbad lands, in the County of San Diego, State of California, according to the map thereof no, 1661, filed in the office of the county recorder of said county, and that portion of Basswood Avenue as per map thereof no. 1681, of Titum lands, on file in the office of the county recorder of San Diego County.

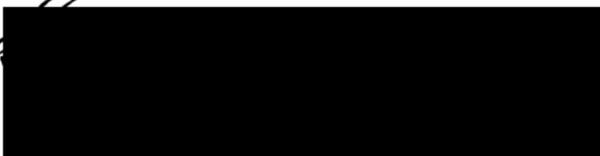
TOGETHER WITH the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions herein to collect and apply such rents, issues and profits.

For the Purpose of Securing Payment of the Monetary Judgment of the Stipulated Order for Permanent Injunction and Other Equitable Relief ("the Stipulated Order"), entered as to Defendants, Brian Bernheim and Joshua Bernheim, (collectively the "Defendant-Debtors") joint and severally, for and in consideration of, the Beneficiary's consent to settlement of the lawsuit styled *Federal Trade Commission v. AAFE Products Corporation, et al.*, Case No. 17-CV-0575-AJB-JMA, filed in the U.S. District Court of the Southern District of California.

To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded October 23, 1961, in the Series 2 Book 1961 at page 183887 for the County of San Diego in the office of the County Recorder of the county where said property is located (which provisions, identical in all counties, are printed on the reverse hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that they will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

TRUSTORS:


Joshua Bernheim


A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Subscribed and Sworn Before me

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

On June 06, 2017, before me, Maribel Franco, Notary Public,
personally appeared
Joshua Bernheim and

[REDACTED]
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/they executed the same in ~~his~~/~~her~~/their authorized capacities, and that by ~~his~~/~~her~~/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: *Maribel Franco*

Seal:



REVERSE OF SHORT FORM DEED – THE STANDARDIZED TERMS

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violations of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto "Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date thereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties.

Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

This page is not recorded as it is incorporated by reference.

RECORDING REQUESTED BY AND
WHEN RECORDED, RETURNED TO:

Andria Catalano Redcrow, Esq.
910 Hale Place, Suite 212
Chula Vista, CA 91914

[Space above this line for recording data]

DEED OF TRUST

This Deed of Trust, made the 7th day of June, 2017, by and between Brian Bernheim and [redacted] of 3220 McKinley Street, Carlsbad, California, hereinafter collectively called the "Trustors", Redwood Trust Deed Services, Inc., herein called Trustee, and the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington D.C. 20580, hereafter called "Beneficiary."

Witnesseth: That the Trustors IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST WITH POWER OF SALE, that property in San Diego County, California, described as:

Parcel 2, in the city of Carlsbad, county of San Diego, state of California as shown on page 2690 of parcel maps, filed in the office of the county recorder of San Diego county, may 29, 1974.

TOGETHER WITH the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions herein to collect and apply such rents, issues and profits.

For the Purpose of Securing Payment of the Monetary Judgment of the Stipulated Order for Permanent Injunction and Other Equitable Relief ("the Stipulated Order"), entered as to Defendants, Brian Bernheim and Joshua Bernheim, (collectively the "Defendant-Debtors") joint and severally, for and in consideration of, the Beneficiary's consent to settlement of the lawsuit styled *Federal Trade Commission v. AAFE Products Corporation, et al.*, Case No. 17-CV-0575-AJB-JMA, filed in the U.S. District Court of the Southern District of California.

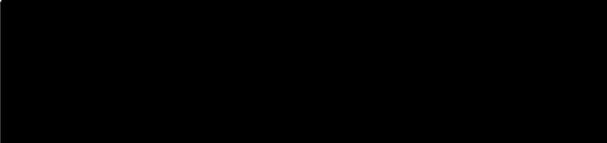
To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded October 23, 1961, in the Series 2 Book 1961 at page 183887 for the County of San Diego in the office of the County Recorder of the county where said property is located (which provisions, identical in all counties, are printed on the reverse hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that they will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

TRUSTORS:



Brian Bernheim



California All Purpose Acknowledgment

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

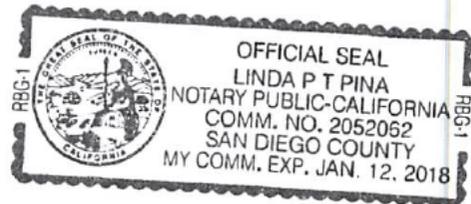
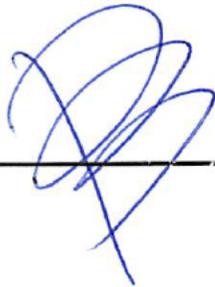
State of California
County of San Diego

On June 7, 2017 before me Linda P.T. Pina, Notary Public,
personally appeared Brian Bernheim and [REDACTED]

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Notary Public



Title of Document:

Deed of Trust

REVERSE OF SHORT FORM DEED – THE STANDARDIZED TERMS

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto" "Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said

property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date thereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties.

Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

This page is not recorded as it is incorporated by reference.



Assignment of Life Insurance Policy as Collateral

Massachusetts Mutual Life Insurance Company
and affiliates, Springfield, MA 01111-0001

www.massmutual.com

A. **For Value Received** the undersigned hereby assign, transfer and set over to :

Complete Name of Assignee: Federal Trade Commission

Complete Mailing Address of Assignee: 600 Pennsylvania Avenue, NW Mail Stop CC-9528
Washington, DC 20580

it's successors and assigns (herein called the "Assignee") Policy No. 7837902 issued by MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY or its MML affiliated Insurance Companies (herein called the "Insurer"; the identity of the Insurance Company is determined by the policy number) and any supplementary contracts issued in connection therewith (said policy and contracts being herein called the "Policy") upon the life of - Brian Bernheim and all claims, options, privileges, rights, title and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. The undersigned by this instrument jointly and severally agree and the Assignee by the acceptance of this assignment agrees to the conditions and provisions herein set forth.

B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this assignment and pass by virtue hereof

1. The sole right to collect from the Insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
2. The sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
3. The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Policy as security for such loans or advances;
4. The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto; provided, that unless and until the Assignee shall notify the Insurer in writing to the contrary, the distributions or shares of surplus, dividend deposits and additions shall continue on the plan in force at the time of this assignment;
5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom; and
6. The sole right to the value of any funds now or hereafter held by the Insurer for the purpose of paying future premiums under the Policy as determined by the premium agreement applicable thereto.

C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded from this assignment and do not pass by virtue hereof:

1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
2. The right to designate and change the beneficiary;
3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer; but the reservation of these rights shall in no way impair the right of the Assignee to surrender the Policy completely with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this assignment and to the rights of the Assignee hereunder.
4. The right to purchase a policy of new insurance under any agreement attached to the Policy providing for the purchase of additional insurance, it being agreed that the assignee shall have no interest in any new policy so purchased.
5. The right of the owner or insured to make a claim under any Long Term Care rider; however, any such claim payment may be made only with the consent of the Assignee.

D. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned, or any of them, to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between any of the undersigned (all of which liabilities secured or to become secured are herein called "Liabilities").

E. The Assignee covenants and agrees with the undersigned as follows:

1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons entitled thereto under the terms of the Policy had this assignment not been executed;
 2. That the assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any premium when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the undersigned at the addresses last supplied in writing to the Assignee specifically referring to this assignment, notice of intention to exercise such right; and
 3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.
- F. The Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E (2) above or otherwise, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned herein, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be, requested by the Assignee.
- G. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee from its own funds, shall become a part of the Liabilities hereby secured, shall be due immediately, and shall draw interest at a rate fixed by the Assignee from time to time not exceeding 6% per annum.
- H. The exercise of any right, option, privilege or power given herein to the Assignee shall be at the option of the Assignee; but (except as restricted by Paragraph E (2) above) the Assignee may exercise any such right, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by the undersigned, or any of them.
- I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order as the Assignee shall determine, the proceeds of the Policy hereby assigned or any amount received on account of the Policy by the exercise of any right permitted under this assignment, without resorting or regard to other security.
- J. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability, with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.
- K. Each of the undersigned declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for the benefit of creditors.

Signed and sealed this 6th day of June, 2017

Brian Bernheim

Printed Name of Owner


Signature of Owner, include title if applicable

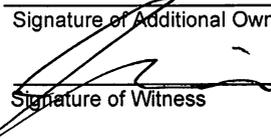
6-6-17

Date

Printed Name of Additional Owner

Signature of Additional Owner, include title if applicable

Date


Signature of Witness

6/6/17

Date

This space for acknowledgement of said assignment by authorized officer of Insurer

Massachusetts Mutual Life Insurance Company ("MassMutual") hereby acknowledges this assignment on the above captioned policy and will use reasonable efforts to provide to the assignee copies of notices of failure to pay. MassMutual assumes no liability for any damages to the assignee resulting from the lapse of the policy.

Release of Assignment

For value received, the Policy and all the claims thereunder conveyed by the within assignment are hereby released.

Signature and Title of Assignee

Date