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**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,
Plaintiff,
vs.
DIGITAL ALTITUDE LLC, ET AL.,
Defendants.

No. 2:18-CV-0729 JAK (MRWx)
**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT
AGAINST SEAN BROWN**

JS-6: Defendant Sean Brown Only

Having considered the Joint Application for Entry of Stipulated Order for Permanent Injunction and Monetary Judgment as to Defendant Sean Brown (“Application” (Dkt. 226)), the Application is **GRANTED**.

This matter comes before the court upon the stipulation of Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), and Settling Defendant Sean Brown (“Settling Defendant”) for the entry of a Permanent Injunction against Settling Defendant.

On January 29, 2018, the FTC filed its Complaint for a Permanent Injunction And Other Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) (Docket No. 1). Pursuant to Fed. R. Civ. P. 65(b), the FTC also filed an ex parte application for a temporary restraining order, asset freeze, other equitable relief, and an order to show cause why a preliminary injunction should not issue against Digital Altitude LLC, Digital

1 Altitude Limited, Aspire Processing LLC, Aspire Processing Limited, Aspire
2 Ventures Ltd, Disc Enterprises Inc., RISE Systems & Enterprise LLC (Utah), RISE
3 Systems & Enterprise LLC (Nevada), Soar International Limited Liability
4 Company, The Upside, LLC, Thermography for Life, LLC, d/b/a Living
5 Exceptionally, Inc., Michael Force, Mary Dee, Morgan Johnson, Alan Moore, and
6 Sean Brown (collectively, “Defendants”). Docket No. 5.

7 The Court granted the application, issuing a temporary restraining order
8 (“TRO”) on February 1, 2018, including an asset freeze, appointment of a receiver,
9 immediate access to Defendants’ business premises, and other temporary relief.
10 Docket No. 34. The TRO also ordered Defendants to appear on February 15, 2018
11 and show cause why a preliminary injunction should not issue against them. The
12 parties stipulated to a continuance of the show cause hearing and the court granted
13 that request, extending the TRO and continuing the hearing to March 5, 2018.
14 Docket No. 61. Prior to the hearing, the FTC and Settling Defendant agreed to the
15 entry of a preliminary injunction for the duration of this litigation. This Court
16 entered a Preliminary Injunction and Amended Preliminary Injunction on March 1,
17 2018. Docket Nos. 89, 90. The Commission and Settling Defendant now stipulate
18 to the entry of this Stipulated Order for Permanent Injunction and Monetary
19 Judgment (“Order”) to resolve all matters in dispute in this action between them.

20 THEREFORE, IT IS ORDERED as follows:

21 **FINDINGS**

- 22 A. This Court has jurisdiction over this matter.
- 23 B. The Complaint charges that Settling Defendant participated in
24 deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.
- 25 C. Settling Defendant neither admits nor denies any of the allegations in
26 the Complaint, except as specifically stated in this Order. Only for purposes of this
27 action, Defendant admits the facts necessary to establish jurisdiction.
- 28

1 D. Settling Defendant waives any claim that he may have under the
2 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this
3 action through the date of this Order, and agrees to bear his own costs and attorney
4 fees.

5 E. Settling Defendant and the Commission waive all rights to appeal or
6 otherwise challenge or contest the validity of this Order.

7 **DEFINITIONS**

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

9 A. **“Acquirer”** or **“Acquiring Bank”** means a business organization,
10 Financial Institution, or an agent of a business organization or Financial Institution
11 that has authority from an organization that operates or licenses a credit card
12 system (e.g., Visa, MasterCard, American Express or Discover) to authorize
13 Merchants to accept, transmit, or process payment by credit card through the credit
14 card system for money, products, or anything else of value.

15 B. **“Business Coaching Program”** means any program, plan, or product,
16 including those related to work-at-home-opportunities, that is represented,
17 expressly or by implication, to train or teach a participant or purchaser how to
18 establish a business or earn money or other consideration through a business or
19 other activity.

20 C. **“Corporate Defendants”** means Digital Altitude LLC; Digital
21 Altitude Limited; Aspire Processing LLC; Aspire Processing Limited; Aspire
22 Ventures Ltd; Disc Enterprises Inc.; RISE Systems & Enterprise LLC (Utah);
23 RISE Systems & Enterprise LLC (Nevada); Soar International Limited Liability
24 Company; The Upside, LLC; Thermography for Life, LLC, d/b/a Living
25 Exceptionally, Inc., and each of their subsidiaries, affiliates, successors, and
26 assigns.

27 D. **“Credit Card Laundering”** means: (a) presenting or depositing into,
28 or causing or allowing another to present or deposit into, the credit card system for

1 payment, a Credit Card Sales Draft generated by a transaction that is not the result
2 of a credit card transaction between the cardholder and the Merchant; (b)
3 employing, soliciting, or otherwise causing or allowing a Merchant, or an
4 employee, representative, or agent of a Merchant, to present to or deposit into the
5 credit card system for payment, a Credit Card Sales Draft generated by a
6 transaction that is not the result of a credit card transaction between the cardholder
7 and the Merchant; or (c) obtaining access to the credit card system through the use
8 of a business relationship or an affiliation with a Merchant, when such access is not
9 authorized by the Merchant Account agreement or the applicable credit card
10 system.

11 E. **“Credit Card Sales Draft”** means any record or evidence of a credit
12 card transaction.

13 F. **“Defendant(s)”** means all of the Individual Defendants and the
14 Corporate Defendants, individually, collectively, or in any combination.

15 G. **“Financial Institution”** means any institution the business of which is
16 engaging in financial activities as described in section 4(k) of the Bank Holding
17 Company Act of 1956 (12 U.S.C. § 1843(k)). An institution that is significantly
18 engaged in financial activities is a Financial Institution.

19 H. **“Individual Defendant(s)”** means Michael Force, Mary Dee,
20 Morgan Johnson, Alan Moore, and Sean Brown.

21 I. **“Investment Opportunity”** means anything, tangible or intangible,
22 that is offered, offered for sale, sold, or traded based wholly or in part on
23 representations, either express or implied, about past, present, or future income,
24 profit, or appreciation. “Investment Opportunity” does not include the offering or
25 offering for sale of solar panels or the installation of solar panels.

26 J. **“Merchant”** means (a) any Person or entity engaged in the sale or
27 marketing of any goods or services, or soliciting a charitable contribution, or (b)
28 any Person or entity who applies for or obtains Payment Processing services.

1 K. **“Merchant Account”** means any account with an Acquiring Bank or
2 other Financial Institution, service provider, payment processor, independent sales
3 organization, or other entity that enables an individual, a business, or other
4 organization to accept payments of any kind.

5 L. **“Payment Processing”** means providing a Person, directly or
6 indirectly, with the means used to charge or debit accounts through the use of any
7 payment method or mechanism, including, but not limited to, remotely created
8 payment orders, remotely created checks, ACH debits, or debit, credit, prepaid, or
9 stored value cards. Whether accomplished through the use of software or
10 otherwise, Payment Processing includes, among other things: (a) reviewing and
11 approving Merchant applications for payment processing services; (b) providing
12 the means to transmit sales transactions data from Merchants to Acquiring Banks
13 or other Financial Institutions; (c) clearing, settling, or distributing proceeds of
14 sales transactions from Acquiring Banks or Financial Institutions to Merchants; or
15 (d) processing chargebacks or returned remotely created payment orders, remotely
16 created checks, or ACH checks.

17 M. **“Person”** means a natural person, organization, or other legal entity,
18 including a corporation, limited liability company, partnership, proprietorship,
19 association, cooperative, government or governmental subdivision or agency, or
20 any other group or combination acting as an entity.

21 N. **“Settling Defendant”** means Sean Brown.

22 **ORDER**

23 **I. PROHIBITIONS RELATED TO THE SALE OF BUSINESS**
24 **COACHING PROGRAMS AND INVESTMENT OPPORTUNITIES**

25 IT IS ORDERED that the Settling Defendant is permanently restrained and
26 enjoined from:

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1 A. Creating, advertising, marketing, promoting, offering for sale, or
2 selling, or assisting others in creating, advertising, marketing, promoting, offering
3 for sale, or selling any Business Coaching Program or any Investment Opportunity;

4 B. Holding, directly or through a third-Person, any ownership or other
5 financial interest in any business entity that is creating, advertising, marketing,
6 promoting, offering for sale, or selling, or that assists others in creating,
7 advertising, marketing, promoting, offering for sale, or selling any Business
8 Coaching Program, any Investment Opportunity, or any product to assist in the
9 creation or development of a Business Coaching Program or an Investment
10 Opportunity.

11 **II. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS**

12 IT IS FURTHER ORDERED that Settling Defendant is permanently
13 restrained and enjoined from:

14 A. Credit Card Laundering;

15 B. Making, or assisting others in making, directly or by implication, any
16 false or misleading statement in order to obtain Payment Processing services; and

17 C. Engaging in any tactics to avoid fraud and risk monitoring programs
18 established by any Financial Institution, Acquiring Bank, or the operators of any
19 payment system, including, but not limited to, tactics such as balancing or
20 distributing sales transactions among multiple Merchant Accounts or merchant
21 billing descriptors; splitting a single sales transaction into multiple smaller
22 transactions; or using a shell company to apply for a Merchant Account.

23 **III. PROHIBITION AGAINST MISREPRESENTATIONS**

24 IT IS FURTHER ORDERED that Settling Defendant, Settling Defendant's
25 officers, agents, employees, and attorneys, and all other Persons in active concert
26 or participation with any of them, who receive actual notice of this Order, whether
27 acting directly or indirectly, in connection with the advertising, marketing,
28 promoting, or offering for sale of any good or service, are permanently restrained

1 and enjoined from misrepresenting or assisting others in misrepresenting, expressly
2 or by implication, any material fact, including, but not limited to:

3 A. Consumers who purchase Settling Defendant's goods or services will
4 earn or are likely to earn substantial income;

5 B. Consumers who purchase Settling Defendant's goods or services will
6 receive business coaching that will provide what the consumers need to build a
7 successful online business; and

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

12 **IV. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

13 A. Judgment in the amount of ten million, eight hundred thousand
14 Dollars (\$10,800,000) is entered in favor of the Commission against Settling
15 Defendant as equitable monetary relief.

16 B. JPMorgan Chase Bank, N.A., is ordered, within seven (7) days of
17 entry of this Order, to transfer all funds (totaling approximately \$8,700) held in the
18 following account to the Commission by electronic fund transfer in accordance
19 with instructions provided by a representative of the Commission: Account No.
20 xxxxxx6083, held in the name of SK Brown & Company, LLC.

21 C. Putnam Investments is ordered, within seven (7) days of entry of this
22 Order, to transfer all funds (totaling approximately \$4,400) held in the following
23 account to the Commission by electronic fund transfer in accordance with
24 instructions provided by a representative of the Commission: Account No.
25 xxxxxx2313, held in the name of Sean K Brown.

26 D. In addition to the transfers specified above, immediately upon entry of
27 this Order, Settling Defendant is ordered to surrender to the Commission all
28 control, title, dominion, and interest each has to the following assets:

1 1. All interest the Settling Defendant has in funds in any accounts in the
2 name of the Corporate Defendants;

3 2. All interest the Settling Defendant has in funds in any accounts in the
4 name of all other Receivership Entities;

5 3. All cash held by the Receiver;

6 4. All assets owned by the Corporate Defendants and the Receivership
7 Entities, including any real, personal, or intellectual property, chattel, goods,
8 instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts,
9 mail, or other deliveries, shares or stock, securities, inventory, checks, notes,
10 accounts, credits, receivables, insurance policies, lines of credit, cash, trusts
11 (including asset protection trusts), lists of consumer names and reserve funds or
12 any other accounts associated with any payments processed by, or on behalf of,
13 any Corporate Defendants.

14 E. To the extent they are not already in the possession of the Receiver,
15 Settling Defendant shall deliver the assets identified in Subsection D above to the
16 Receiver's possession within seven (7) days of the entry of this Order.

17 F. The Receiver shall, as soon as practicable, commence the sale of the
18 unliquidated assets, if any, identified in Subsection D above and surrendered
19 pursuant to this Order using a commercially reasonable procedure. The Receiver
20 shall hold the surrendered assets, and the proceeds from the sale of the
21 unliquidated assets, for future transfer in accordance with further instructions from
22 the Court.

23 G. Settling Defendant is ordered to fully cooperate with JPMorgan
24 Chase Bank, N.A. and Putnam Investments, including promptly signing any
25 document necessary or appropriate to transfer such funds to the Commission.
26 Upon completion of the transfers listed in Subsections B through E, above, the
27 remainder of the judgment is suspended, subject to the Subsections below.

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1 H. The Commission’s agreement to the suspension of part of the
2 judgment is expressly premised upon the truthfulness, accuracy, and completeness
3 of Settling Defendant’s sworn financial statements and related documents
4 (collectively, “financial representations”) submitted to the Commission, namely:

5 1. the Financial Statement of Settling Defendant signed on February 11,
6 2018, including the attachments;

7 2. the declaration signed by Settling Defendant on February 6, 2018;

8 3. the additional information submitted by email from Settling
9 Defendant’s counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
10 Basford, and Jody Goodman dated February 14, 2018, regarding the Settling
11 Defendant’s relationship to Nuera Solar;

12 4. the additional documentation submitted by email from Settling
13 Defendant’s counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
14 Basford, and Jody Goodman dated February 14, 2018, attaching documents
15 responsive to Item 11;

16 5. the additional documentation submitted by secure file transfer from
17 Settling Defendant’s counsel’s assistant Nissa Riley to Commission counsel
18 Andrew Hudson, Laura Basford, and Jody Goodman on February 21, 2018,
19 attaching bank statements, tax returns and other financial documents;

20 6. the additional documentation submitted by secure file transfer from
21 Settling Defendant’s counsel’s assistant Nissa Riley to Commission counsel
22 Andrew Hudson, Laura Basford, and Jody Goodman on April 13, 2018, attaching
23 documentation relating to bank accounts, bills, and other matters;

24 7. the additional documentation submitted by email from Settling
25 Defendant’s counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
26 Basford, and Jody Goodman dated May 2, 2018, attaching documentation
27 concerning a vehicle, furniture, insurance, and a trust;

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1 8. the additional documentation submitted by email from Settling
2 Defendant's counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
3 Basford, and Jody Goodman dated May 2, 2018, attaching an email regarding
4 insurance;

5 9. the additional information submitted by email from Settling
6 Defendant's counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
7 Basford, and Jody Goodman dated May 9, 2018, regarding vehicles;

8 10. the additional documentation submitted by email from Settling
9 Defendant's counsel Stewart Peay to Commission counsel Andrew Hudson, Laura
10 Basford, and Jody Goodman dated May 11, 2018, regarding vehicles; and

11 11. the additional information submitted by email from Settling
12 Defendant's counsel Stewart Peay's assistant Nissa Riley to Commission counsel
13 Andrew Hudson, Laura Basford, and Jody Goodman dated June 19, 2018,
14 including the attachments.

15 I. The suspension of the judgment will be lifted as to Settling Defendant
16 if, upon motion by the Commission, the Court finds that Settling Defendant failed
17 to disclose any material asset, materially misstated the value of any asset, or made
18 any other material misstatement or omission in the financial representations
19 identified above.

20 J. If the suspension of the judgment is lifted, the judgment becomes
21 immediately due as to Settling Defendant in the amount specified in Subsection A
22 above (which the parties stipulate only for purposes of this Section represents the
23 consumer injury alleged in the Complaint), less any payment previously made
24 pursuant to this Section, and any payment(s) made by or on behalf of any other
25 Defendant to the Commission pursuant to a Final Order in this action as to such
26 Defendant, plus interest computed from the date of entry of this Order.

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1 K. Settling Defendant relinquishes dominion and all legal and equitable
2 right, title, and interest in all assets transferred pursuant to this Order and may not
3 seek the return of any assets.

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

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

13 N. Settling Defendant acknowledges that his Taxpayer Identification
14 Number (Social Security Number), which Settling Defendant previously submitted
15 to the Commission, may be used for collecting and reporting on any delinquent
16 amount arising out of this Order, in accordance with 31 U.S.C. §7701.

17 O. All money paid to the Commission pursuant to this Order may be
18 deposited into a fund administered by the Commission or its designee to be used
19 for equitable relief, including consumer redress and any attendant expenses for the
20 administration of any redress fund. If a representative of the Commission decides
21 that direct redress to consumers is wholly or partially impracticable or money
22 remains after redress is completed, the Commission may apply any remaining
23 money for such other equitable relief (including consumer information remedies)
24 as it determines to be reasonably related to Defendants' practices alleged in the
25 Complaint. Any money not used for such equitable relief is to be deposited to the
26 U.S. Treasury as disgorgement. Settling Defendant has no right to challenge any
27 actions the Commission or its representatives may take pursuant to this Subsection.
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1 P. The asset freeze is modified to permit the payment(s) identified in
2 Subsections B through E of this Section. Upon completion of all such payment(s),
3 the asset freeze is dissolved as to Settling Defendant.

4 **V. CUSTOMER INFORMATION**

5 IT IS FURTHER ORDERED that Settling Defendant, and all other Persons
6 in active concert or participation with him, who receive actual notice of this Order,
7 whether acting directly or indirectly, are permanently restrained and enjoined from:

8 A. Failing to provide sufficient customer information to enable the
9 Commission to efficiently administer consumer redress. If a representative of the
10 Commission requests in writing any information related to redress, Settling
11 Defendant must provide it, in the form prescribed by the Commission, within 14
12 days; and

13 B. Disclosing, using, or benefitting from customer information, including
14 the name, address, birth date, telephone number, email address, credit card number,
15 bank account number, Social Security number, other identifying information, or
16 any data that enables access to a customer's account (including a credit card, bank
17 account, or other financial account), that any Defendant obtained prior to entry of
18 this Order in connection with any activity that pertains to the sale of money-
19 making opportunities and/or purported educational or coaching products or
20 services provided online; and

21 C. Failing to destroy such customer information in all forms in Settling
22 Defendant's possession, custody, or control within 30 days after receipt of written
23 direction to do so from a representative of the Commission.

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

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1 **VI. COOPERATION**

2 IT IS FURTHER ORDERED that Settling Defendant must fully cooperate
3 with representatives of the Commission in this case and in any investigation related
4 to or associated with the transactions or the occurrences that are the subject of the
5 Complaint. Settling Defendant must provide truthful and complete information,
6 evidence, and testimony. Settling Defendant must appear for interviews, discovery,
7 hearings, trials, and any other proceedings that a Commission representative may
8 reasonably request upon 5 days written notice, or other reasonable notice, at such
9 places and times as a Commission representative may designate, without the
10 service of a subpoena.

11 **VII. ORDER ACKNOWLEDGMENTS**

12 IT IS FURTHER ORDERED that Settling Defendant obtain
13 acknowledgments of receipt of this Order:

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

17 B. For 20 years after entry of this Order, Settling Defendant, for any
18 business that he, individually or collectively with any other Defendant, is the
19 majority owner of or controls directly or indirectly, must deliver a copy of this
20 Order to: (1) all principals, officers, directors, and LLC managers and members;
21 (2) all employees, agents, and representatives who participate in conduct related to
22 the subject matter of this Order; and (3) any business entity resulting from any
23 change in structure as set forth in the Section titled Compliance Reporting.
24 Delivery must occur within seven (7) calendar days of entry of this Order for
25 current personnel. For all others, delivery must occur before they assume their
26 responsibilities.

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

4 **VIII. COMPLIANCE REPORTING**

5 IT IS FURTHER ORDERED that Settling Defendant make timely
6 submissions to the Commission:

7 A. One year after entry of this Order, Settling Defendant must submit a
8 compliance report, sworn under penalty of perjury. In the report, Settling
9 Defendant must: (a) identify the primary physical, postal, and email address and
10 telephone number, as designated points of contact, which representatives of the
11 Commission may use to communicate with Settling Defendant; (b) identify all of
12 Settling Defendant's businesses by all of their names, telephone numbers, and
13 physical, postal, email, and Internet addresses; (c) describe the activities of each
14 business, including the goods and services offered, the means of advertising,
15 marketing, and sales, and the involvement of any other Defendant (which Settling
16 Defendant must describe if he knows or should know due to his own involvement);
17 (d) describe in detail whether and how Settling Defendant is in compliance with
18 each Section of this Order; (e) provide a copy of each Order Acknowledgment
19 obtained pursuant to this Order, unless previously submitted to the Commission; (f)
20 identify all telephone numbers and all physical, postal, email and internet
21 addresses, including all residences; (g) identify all business activities, including
22 any business for which he performs services whether as an employee or otherwise
23 and any entity in which he has any ownership interest; and (h) describe in detail his
24 involvement in each such business, including his title, role, responsibilities,
25 participation, authority, control, and any ownership.

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

- 1) any designated point of contact;
- 2) the structure of any entity that Settling Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order;
- 3) name, including aliases or fictitious name, or residence address; or
- 4) title or role in any business activity, including any business for which Settling Defendant performs services whether as an employee or otherwise and any entity in which the Settling Defendant has any ownership interest, and identify the name, physical address, and any internet address of the business or entity.

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

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

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal

1 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
2 subject line must begin: FTC v. Digital Altitude, et al. (Sean Brown), No.
3 X180021.

4 **IX. RECORDKEEPING**

5 IT IS FURTHER ORDERED that Settling Defendant must create certain
6 records for 20 years after entry of the Order, and retain each such record for 5
7 years. Specifically, for any business that Settling Defendant, individually or
8 collectively with any other Defendants, is a majority owner or controls directly or
9 indirectly, must create and retain the following records:

10 A. accounting records showing the revenues from all goods or services
11 sold;

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

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

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

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

21 **X. COMPLIANCE MONITORING**

22 IT IS FURTHER ORDERED that, for the purpose of monitoring Settling
23 Defendant's compliance with this Order, including the financial representations
24 upon which part of the judgment was suspended, and any failure to transfer any
25 assets as required by this Order:

26 A. Within 14 days of receipt of a written request from a representative of
27 the Commission, Settling Defendant must: submit additional compliance reports
28 or other requested information, which must be sworn under penalty of perjury;

1 appear for depositions; and produce documents for inspection and copying. The
2 Commission is also authorized to obtain discovery, without further leave of court,
3 using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30
4 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

5 B. For matters concerning this Order, the Commission is authorized to
6 communicate directly with Settling Defendant. Settling Defendant must permit
7 representatives of the Commission to interview any employee or other person
8 affiliated with Settling Defendant who has agreed to such an interview. The person
9 interviewed may have counsel present.

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

16 D. Upon written request from a representative of the Commission, any
17 consumer reporting agency must furnish consumer reports concerning Settling
18 Defendant, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
19 §1681b(a)(1).

20 **XI. RETENTION OF JURISDICTION**

21 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
22 matter for purposes of construction, modification, and enforcement of this Order.

23
24 **SO ORDERED this 5th day of September, 2018.**



25
26 _____
27 JOHN A. KRONSTADT
28 UNITED STATES DISTRICT JUDGE