

1 16 C.F.R. Part 310, in the operation of a telemarketing scheme offering consumers
2 purported money-making opportunities.

3 3. Settling Defendant neither admits nor denies the allegations in the
4 Complaint.

5 4. Settling Defendant waives any claim that it may have under the Equal
6 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action
7 through the date of this Order, and agrees to bear its own costs and attorney fees.

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

10 **DEFINITIONS**

11 1. **“Assists” or “assisting”** includes, but is not limited to: (a) performing
12 customer service functions, including receiving or responding to consumer complaints;
13 (b) formulating or providing, or arranging for the formulation or provision of, (i) any
14 advertising or marketing material, including but not limited to any telephone sales script;
15 or (ii) advertising or marketing services; (c) providing names of, or assisting in the
16 generation of, potential customers; (d) advising on, arranging for, or brokering consumer
17 payment processing services; or (e) establishing corporate entities.

18 2. **“Business Opportunity”** means a commercial arrangement in which: (a) a
19 seller solicits a prospective purchaser to enter into a new business; and (b) the prospective
20 purchaser makes a required payment; and (c) the seller, expressly or by implication,
21 orally or in writing, represents that the seller or one or more designated persons will: (i)
22 provide locations for the use or operation of equipment, displays, vending machines, or
23 similar devices, owned, leased, controlled, or paid for by the purchaser; or (ii) provide
24 outlets, accounts, or customers, including, but not limited to internet outlets, accounts, or
25 customers, for the purchaser’s goods or services; or (iii) buy back any or all of the goods
26 or services that the purchaser makes, produces, fabricates, grows, breeds, modifies, or
27 provides, including but not limited to providing payment for such services as, for
28 example, stuffing envelopes from the purchaser’s home.

1 3. **“Corporate Defendants”** means Blue Saguaro Marketing, LLC;
2 Marketing Ways.com, LLC; Max Results Marketing, LLC; Oro Canyon Marketing II,
3 LLC; Paramount Business Services, LLC, individually, collectively, and in any
4 combination doing business as Amazon Associates, Amazon Associates Program,
5 Amazon Affiliates, Amazon Affiliate Program, Gera Grant, Grant Strategy Solutions,
6 GSS, Grant Assistance Center, Grant Babylon, Hydra Grant, Cenex Worldwide, Grant(s)
7 Community United, Paramount Business Resources, and their successors and assigns.

8 4. **“Defendants”** means Corporate Defendants, Settling Defendant, Carl E.
9 Morris, Jr., Stacey A. Vela, and Stephanie A. Bateluna, individually, collectively, or in
10 any combination.

11 5. **“Designated person”** means any person, other than the seller, whose goods
12 or services the seller suggests, recommends, or requires that the purchaser use in
13 establishing a new business.

14 6. **“Document”** is synonymous in meaning and equal in scope to the usage of
15 the term in Federal Rule of Civil Procedure 34(a), and includes writing, drawings, graphs,
16 charts, photographs, sound and video recordings, images, Internet sites, Web pages, Web
17 sites, electronic correspondence, including e-mail and instant messages, contracts,
18 accounting data, advertisements (including advertisements placed on the World Wide
19 Web), FTP Logs, Server Access Logs, USENET Newsgroup postings, World Wide Web
20 pages, books, written or printed records, handwritten notes, telephone logs, telephone
21 scripts, receipt books, ledgers, personal and business canceled checks and check registers,
22 bank statements, appointment books, computer records, and any other electronically
23 stored information, and other data or data compilations from which information can be
24 obtained directly or, if necessary, after translation into a reasonably usable form. A draft
25 or non-identical copy is a separate document within the meaning of the term.

26 7. **“FTC”** or **“Commission”** means the Federal Trade Commission.

27 8. **“Grant Product or Service”** means any product or service, including a
28 plan or program, that is represented, expressly or by implication, to assist a consumer in

1 any manner in obtaining a grant or similar financial assistance from the government or
2 any other source.

3 9. **“Person”** means a natural person, organization, or other legal entity,
4 including a corporation, limited liability company, partnership, proprietorship,
5 association, cooperative, government or governmental subdivision or agency, or any
6 other group or combination acting as an entity.

7 10. **“Receiver”** means the receiver appointed in Section XIII of the Preliminary
8 Injunction Order with Asset Freeze, Appointment of Receiver, and Other Equitable Relief
9 as to Paramount Business Services, LLC (“Stipulated Preliminary Injunction”) (Dkt. No.
10 61) and any deputy receivers that shall be named by the Receiver.

11 11. **“Receivership Estate”** means all the assets that are in the Receiver’s
12 control or possession pursuant to the Stipulated Preliminary Injunction (Dkt. No. 61).

13 12. **“Related Product or Service”** means any product or service (a) offered
14 using consumer information obtained in connection with the sale of any business
15 opportunity or grant product or service, and (b) offered to: (i) fulfill a consumer’s order
16 for a business opportunity or grant product or service; (ii) increase the profitability of a
17 business opportunity (including but not limited to search engine optimization and
18 customer maximization services); (iii) increase the amount of grant money available to a
19 consumer through the use of a grant product or service; or (iv) improve a consumer’s
20 ability to use a business opportunity or grant product or service.

21 13. **“Seller”** means a person who offers for sale or sells a business opportunity.

22 14. **“Settling Defendant”** means Paramount Business Services, LLC.

23 15. **“Telemarketing”** means any plan, program, or campaign that is conducted
24 to induce the purchase of goods or services by use of one or more telephones, and which
25 involves a telephone call, whether or not covered by the TSR.

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1 **ORDER**

2 **I.**

3 **BAN ON TELEMARKETING**

4 **IT IS THEREFORE ORDERED** that Settling Defendant is **hereby**
5 **permanently restrained and enjoined** from engaging in telemarketing or assisting
6 others to engage in telemarketing, whether directly or through an intermediary.

7 **II.**

8 **BAN ON MARKETING AND SALE OF BUSINESS OPPORTUNITIES, GRANT**
9 **PRODUCTS AND SERVICES, AND RELATED PRODUCTS AND SERVICES**

10 **IT IS FURTHER ORDERED** that Settling Defendant, whether acting directly or
11 through an intermediary, is **hereby permanently restrained and enjoined** from:

12 A. Advertising, marketing, promoting, offering for sale, or selling, or assisting
13 in the advertising, marketing, promoting, offering for sale, or selling, of any Business
14 Opportunities, Grant Products or Services, or any Related Products or Services; and

15 B. Providing, or assisting in providing, any Related Products or Services.

16 **III.**

17 **PROHIBITION ON MISREPRESENTATIONS**

18 **IT IS FURTHER ORDERED** that Settling Defendant, its agents, employees, and
19 attorneys, and all other persons in active concert or participation with any of them, who
20 receive actual notice of this Order, whether acting directly or indirectly, in connection
21 with the advertising, marketing, promoting, offering for sale, or selling of any product,
22 service, plan, or program, are **permanently restrained and enjoined** from
23 misrepresenting, or assisting others in misrepresenting, expressly or by implication:

24 A. That a person is, or represents, Amazon or any other on-line merchant;

25 B. That consumers who purchase websites or advertising packages will earn,
26 or are likely to earn, any specified level of income;

27 C. That a person is, or represents, the government or any other entity;

28 D. That consumers will, or are likely to, earn substantial income; and

1 E. Any fact material to consumers concerning any product, service, plan or
2 program, such as: the total costs; any material restrictions, limitations, or conditions; or
3 any material aspect of its performance, efficacy, nature, or central characteristics.

4 **IV.**

5 **MONETARY JUDGMENT AND SUSPENSION**

6 **IT IS FURTHER ORDERED** that:

7 A. Judgment in the amount of **eleven million eight hundred ninety-eight**
8 **thousand five hundred fifty-five dollars and eighty-nine cents (\$11,898,555.89)** is
9 entered in favor of the Commission against Settling Defendant, jointly and severally, as
10 equitable monetary relief.

11 B. The judgment is suspended subject to Sections IV.C – IV.E, below.

12 C. The Commission’s agreement to the suspension of the judgment is
13 expressly premised upon the truthfulness, accuracy, and completeness of Settling
14 Defendant’s sworn Financial Statement signed on February 7, 2017 (“Financial
15 Statement”).

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

20 E. If the suspension of the judgment is lifted, the judgment becomes
21 immediately due as to Settling Defendant in the amount specified in Section IV.A above
22 (which the parties stipulate only for purposes of this Section represents the consumer
23 injury alleged in the Complaint), less any payments previously made by Settling
24 Defendant to the Commission pursuant to this Section, plus interest computed from the
25 date of entry of this Order.

26 **V.**

27 **ADDITIONAL MONETARY PROVISIONS**

28 **IT IS FURTHER ORDERED** that:

1 Preliminary Injunction (Dkt. 61, Paragraph VI) is lifted as to Settling Defendant.

2 **VII.**

3 **CUSTOMER INFORMATION**

4 **IT IS FURTHER ORDERED** that Settling Defendant, its officers, agents,
5 employees, and attorneys, and all other persons in active concert or participation with any
6 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
7 **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 Defendant
11 must provide it, in the form prescribed by the Commission, within fourteen (14) days;

12 B. Disclosing, using, or benefitting from customer information, including the
13 name, address, telephone number, email address, social security number, other identifying
14 information, or any data that enables access to a customer's account (including a credit
15 card, bank account, or other financial account), that Settling Defendant obtained prior to
16 entry of this Order; and

17 C. Failing to destroy such customer information in all forms in their
18 possession, custody, or control within thirty (30) days after receipt of written direction to
19 do so from a representative of the Commission.

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

23 **VIII.**

24 **COOPERATION**

25 **IT IS FURTHER ORDERED** that Settling Defendant, its officers, agents,
26 employees, and attorneys, must fully cooperate with representatives of the Receiver and
27 the Commission in this case and in any investigation related to or associated with the
28 transactions or the occurrences that are the subject of the Complaint. Settling Defendant

1 must provide truthful and complete information, evidence, and testimony. Settling
2 Defendant must cause its officers, employees, representatives, or agents to appear for
3 interviews, discovery, hearings, trials, and any other proceedings that a representative for
4 the Receiver or for the Commission may reasonably request upon five (5) days written
5 notice, or other reasonable notice, at such places and times as the representative may
6 designate, without the service of a subpoena.

7 **IX.**

8 **ORDER ACKNOWLEDGMENTS**

9 **IT IS FURTHER ORDERED** that Settling Defendant obtain acknowledgments
10 of receipt of this Order as follows:

11 A. Settling Defendant, within seven (7) days of entry of this Order, must
12 submit to the Commission an acknowledgment of receipt of this Order sworn under
13 penalty of perjury.

14 B. For five (5) years after entry of this Order, Settling Defendant, for any
15 business that it, individually or collectively with any other Defendants, is the majority
16 owner or controls directly or indirectly, must deliver a copy of this Order to: (1) all
17 principals, officers, directors, and LLC managers and members; (2) all employees,
18 agents, and representatives who participate in conduct related to the subject matter of the
19 Order; and (3) any business entity resulting from any change in structure as set forth in
20 the Section titled Compliance Reporting. Delivery must occur within seven (7) days of
21 entry of this Order for current personnel. For all others, delivery must occur before they
22 assume their responsibilities.

23 C. From each individual or entity to which Settling Defendant delivered a
24 copy of this Order, Settling Defendant must obtain, within thirty (30) days, a signed and
25 dated acknowledgment of receipt of this Order.

26 **X.**

27 **COMPLIANCE REPORTING**

28 **IT IS FURTHER ORDERED** that Settling Defendant make timely submissions

1 to the Commission:

2 A. One year after entry of this Order, Settling Defendant must submit a
3 compliance report, sworn under penalty of perjury:

4 Settling Defendant must: (1) identify the primary physical, postal, and email
5 address and telephone number, as designated points of contact, which representatives of
6 the Commission may use to communicate with Settling Defendant; (2) identify all of
7 Settling Defendant's businesses by all of their names, telephone numbers, and physical,
8 postal, email, and Internet addresses; (3) describe the activities of each business,
9 including the goods and services offered, the means of advertising, marketing, and sales,
10 and the involvement of any other Defendant; (4) describe in detail whether and how
11 Settling Defendant is in compliance with each Section of this Order; and (5) provide a
12 copy of each Order Acknowledgment obtained pursuant to this Order, unless previously
13 submitted to the Commission.

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

17 Settling Defendant must report any change in: (1) any designated point of contact;
18 or (2) the structure of any Corporate Defendant or any entity that Settling Defendant has
19 any ownership interest in or controls directly or indirectly that may affect compliance
20 obligations arising under this Order, including: creation, merger, sale, or dissolution of
21 the entity or any subsidiary, parent, or affiliate that engages in any acts or practices
22 subject to this Order.

23 C. Settling Defendant must submit to the Commission notice of the filing of
24 any bankruptcy petition, insolvency proceeding, or similar proceeding by or against
25 Settling Defendant within fourteen (14) days of its filing.

26 D. Any submission to the Commission required by this Order to be sworn
27 under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746,
28 such as by concluding: "I declare under penalty of perjury under the laws of the United

1 States of America that the foregoing is true and correct. Executed on: _____” and
2 supplying the date, signatory’s full name, title (if applicable), and signature.

3 E. Unless otherwise directed by a Commission representative in writing, all
4 submissions to the Commission pursuant to this Order must be emailed to
5 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

6 Associate Director for Enforcement
7 Bureau of Consumer Protection
8 Federal Trade Commission
9 600 Pennsylvania Avenue NW
10 Washington, DC 20580

11 The subject line must begin: FTC v. Paramount Business Services, LLC, *et al.*, X170003.

12 **XI.**

13 **RECORDKEEPING**

14 **IT IS FURTHER ORDERED** that Settling Defendant must create certain
15 records for twenty (20) years after entry of the Order, and retain each such record for five
16 (5) years. Specifically, Settling Defendant must create and retain the following records:

17 A. Accounting records showing the revenues from all goods or services sold;

18 B. Personnel records showing, for each person providing services, whether as
19 an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or
20 position; dates of service; and (if applicable) the reason for termination;

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

23 D. All records necessary to demonstrate full compliance with each provision
24 of this Order, including all submissions to the Commission;

25 E. A copy of each unique advertisement or other marketing material; and

26 F. Records of payment transactions, sufficient to show all payments from and
27 credits to consumers.

28 **XII.**

COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Settling

1 Defendant's compliance with this Order, including the financial representations upon
2 which the judgment was suspended:

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

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

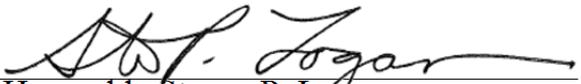
15 C. The Commission may use all other lawful means, including posing, through
16 its representatives, as consumers, suppliers, or other individuals or entities, to Settling
17 Defendant or any individual or entity affiliated with Settling Defendant, without the
18 necessity of identification or prior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

21 **XIII.**

22 **RETENTION OF JURISDICTION**

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

25 Dated this 10th day of August, 2017.

26 
27 Honorable Steven P. Logan
28 United States District Judge