

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission,	}	No. CV-18-02221-PHX-SPL
Plaintiff,	}	ORDER
vs.	}	
Hite Media Group LLC, et al.,	}	
Defendants.	}	

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and Defendants Tiffany Hoffman and 2 Unique, LLC (“Stipulating Defendants”) stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgments as to Tiffany Hoffman and 2 Unique, LLC (“Order”) to resolve all matters in dispute in this action between them (Doc. 57).

IT IS THEREFORE ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in the marketing of Grant Products or Services.
3. Stipulating Defendants neither admit nor deny any of the allegations in the

1 Complaint, except as specifically stated in this Order. Only for purposes of this
2 action, Stipulating Defendants admit the facts necessary to establish jurisdiction.

3 4. Stipulating Defendants waive any claim that they may have under the Equal
4 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this
5 action through the date of this Order, and agree to bear their own costs and
6 attorney fees.

7 5. Stipulating Defendants and the Commission waive all rights to appeal or
8 otherwise challenge or contest the validity of this Order.

9 **DEFINITIONS**

10 For the purpose of this Order, the following definitions shall apply:

11 A. **“ACH Debit”** means any completed or attempted debit to a Person’s account at
12 a financial institution that is processed electronically through the Automated
13 Clearing House Network.

14 B. **“Acquirer”** means a business organization, financial institution, or an agent of
15 a business organization or financial institution that has authority from an
16 organization that operates or licenses a credit card system (e.g. VISA,
17 MasterCard, American Express, and Discover) to authorize Merchants to accept,
18 transmit, or process payment by credit card through the credit card system for
19 money, goods or services, or anything else of value.

20 C. **“Asset”** means any legal or equitable interest in, right to, or claim to, any real,
21 personal, or intellectual property of any Corporate Defendant or Individual
22 Defendant, or held for the benefit of any Corporate Defendant or Individual
23 Defendant, wherever located, including, but not limited to, chattel, goods,
24 instruments, equipment, fixtures, general intangibles, effects, leaseholds,
25 contracts, mail or other deliveries, shares of stock, securities, inventory, checks,
26 notes, accounts, credits, receivables (as those terms are defined in the Uniform
27 Commercial Code), cash, trusts, including, but not limited to, any trust held for
28 the benefit of any of the Defendants, and reserve funds or any other accounts

1 associated with payments processed by, or on behalf of, any of the Defendants,
2 including, but not limited to, reserve funds held by Payment Processors or
3 financial institutions.

4 D. **“Corporate Defendants”** means Hite Media Group, LLC; 2 Unique, LLC;
5 Amazing App, LLC; Premium Business Solutions, LLC; Premium Domain
6 Services, LLC; and each of their subsidiaries, affiliates, successors, and assigns.

7 E. **“Defendants”** means the Corporate Defendants and Individual Defendants,
8 individually, collectively, or in any combination.

9 F. **“Document”** is synonymous in meaning and equal in scope to the usage of
10 “document” and “electronically stored information” in Federal Rule of Civil
11 Procedure 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs,
12 charts, photographs, sound and video recordings, images, Internet sites, web
13 pages, websites, electronic correspondence, including e-mail and instant
14 messages, contracts, accounting data, advertisements, FTP Logs, Server Access
15 Logs, books, written or printed records, handwritten notes, telephone logs,
16 telephone scripts, receipt books, ledgers, personal and business canceled checks
17 and check registers, bank statements, appointment books, computer records,
18 customer or sales databases and any other electronically stored information,
19 including Documents located on remote servers or cloud computing systems,
20 and other data or data compilations from which information can be obtained
21 directly or, if necessary, after translation into a reasonably usable form. A draft
22 or non-identical copy is a separate document within the meaning of the term.

23 G. **“Financial Entities”** means banks, savings and loans, Payment Processors,
24 Independent Sales Organizations, PayPal, and any other Person involved with
25 opening or maintaining merchant accounts, or Payment Processing.

26 H. **“Grant Product or Service”** means any product or service that is represented,
27 directly or by implication, to assist a Person in any manner in obtaining a grant
28 or similar financial assistance from a government agency or any other source.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- I. **“Independent Sales Organization” or “ISO”** means any Person or entity that (a) enters into an ISO agreement or contract with a Payment Processor, Acquirer or financial institution to sell or market Payment Processing services to a Merchant; (b) matches, arranges for, or refers Merchants to a Payment Processor or Acquirer for Payment Processing services, or that matches, arranges for, or refers a Payment Processor or Acquirer to Merchants for Payment Processing services; or (c) is registered as an ISO or merchant service provider with VISA, MasterCard, or any credit card association.
- J. **“Individual Defendants”** means, Michael Ford Hilliard, Michael De Rosa, Tiffany Hoffman, Shawn Stumbo, and Jeremy Silvers, individually, collectively, or in any combination.
- K. **“Merchant”** means any Person or entity engaged in the sale or marketing of any goods or services or a charitable contribution, including any Person who applies for ISO or Payment Processing services.
- L. **“Merchant Account”** means an account used to submit credit card or debit card transactions or process credit card or debit card transactions.
- M. **“Payment Processing”** means transmitting sales transaction data on behalf of a Merchant or providing a Person, directly or indirectly, with the means used to charge or debit accounts through the use of any payment method or mechanism, including, but not limited to, credit cards, debit cards, prepaid cards, stored value cards, ACH Debits, and Remotely Created Payment Orders. Whether accomplished through the use of software or otherwise, Payment Processing includes, among other things: (a) reviewing and approving Merchant applications for payment processing services; (b) transmitting sales transaction data or providing the means to transmit sales transaction data from Merchants to acquiring banks, Payment Processors, ISOs, or other financial institutions; (c) clearing, settling, or distributing proceeds of sales transactions from acquiring banks or financial institutions to Merchants; or (d) processing chargebacks or

1 returned Remotely Created Payment Orders or ACH Transactions.

2 N. **“Payment Processor”** means any Person providing Payment Processing
3 services in connection with another Person’s sale of goods or services, or in
4 connection with any charitable donation.

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

9 P. **“Receiver”** means Stephen Donell, the receiver appointed by the Court’s
10 Stipulated Preliminary Injunction entered on July 31, 2018.

11 Q. **“Remotely Created Payment Order”** means a payment instruction or order,
12 whether created in electronic or paper format, drawn on a payor’s financial
13 account that is initiated or created by the payee, and which is deposited into or
14 cleared through the check clearing system. For purposes of this definition, a
15 financial account includes any account or credit or other arrangement that allows
16 checks, payment instructions, or orders to be drawn against it that are payable
17 by, through, or at a bank.

18 R. **“Stipulating Defendants”** means Tiffany Hoffman and 2 Unique, LLC.

19 S. **“Telemarketing”** means any plan, program, or campaign, which is conducted
20 to induce the purchase of goods or services by use of one or more telephones,
21 whether or not covered by the Telemarketing Sales Rule. This definition
22 includes outbound calls and inbound calls.

23 **ORDER**

24 **I. BAN ON ADVERTISING, MARKETING, PROMOTING, OR**
25 **OFFERING FOR SALE OF GRANT PRODUCTS OR SERVICES**

26 **IT IS ORDERED** that Stipulating Defendants are permanently restrained and
27 enjoined from advertising, marketing, promoting, or offering for sale, or assisting in the
28 advertising, marketing, promoting, or offering for sale of, any Grant Product or Service,

1 whether directly or through an intermediary.

2 **II. BAN ON TELEMARKETING**

3 **IT IS FURTHER ORDERED** that Stipulating Defendants are permanently
4 restrained and enjoined from participating in Telemarketing, whether directly or through
5 an intermediary.

6 **III. PROHIBITION AGAINST FALSE OR MISLEADING STATEMENTS**
7 **TO FINANCIAL ENTITIES**

8 **IT IS FURTHER ORDERED** that Stipulating Defendants and Stipulating
9 Defendants' officers, agents, employees, and all other persons in active concert or
10 participation with any of them, who receive actual notice of this Order, whether acting
11 directly or indirectly, in connection with obtaining Payment Processing services, are
12 permanently restrained and enjoined from making false or misleading statements to
13 Financial Entities, or assisting others in making false or misleading statements, expressly
14 or by implication, including but not limited to the following:

- 15 A. Making false or misleading statements to obtain or maintain a Merchant Account
16 or obtain Payment Processing services;
- 17 B. Engaging in any practice that would have the effect of circumventing any
18 chargeback monitoring program or other risk management program
19 implemented by a credit card association or company;
- 20 C. Making false or misleading statements about (1) the control or affiliation
21 between any Person or entity seeking to procure services and any other Person
22 and entity, or (2) the nature, terms, conditions, and disclosures associated with
23 the advertising, marketing, promoting, offering for sale or sale of any product or
24 service offered;
- 25 D. Failing to disclose to any Financial Entity the following information and
26 documents: (1) the identity of the owner, manager, director, or officer of the
27 applicant for the merchant account; (2) any material connection between the
28 owner, manager, director, or officer of the applicant for or holder of a Merchant

1 Account and any third party who has been placed in a merchant account
2 monitoring program, has a Merchant Account terminated by a Financial Entity,
3 or has been fined or otherwise disciplined in connection with a merchant
4 account; and (3) all advertising, marketing materials and scripts relating to any
5 offered product or service.

6 **IV. PROHIBITION AGAINST MISREPRESENTATIONS AND**
7 **UNSUBSTANTIATED CLAIMS**

8 **IT IS FURTHER ORDERED** that Stipulating Defendants and Stipulating
9 Defendants' officers, agents, employees, and all other Persons in active concert or
10 participation with any of them, who receive actual notice of this Order, whether acting
11 directly or indirectly, in connection with the marketing, advertising, promotion,
12 distribution, offering for sale, or sale of any goods or services, are hereby permanently
13 restrained and enjoined from:

14 A. Misrepresenting or representing without substantiation, directly or indirectly,
15 expressly or by implication, any material fact, including:

- 16 1. The total cost to purchase, receive, or use, and the quantity of, any good or
17 service that is the subject of the sales offer;
- 18 2. The income, earnings, profits, or sales volume likely to be achieved from any
19 good or service that is the subject of the sales offer;
- 20 3. Any material restrictions, limitations, or conditions to purchase, receive, or
21 use any good or service that is the subject of the sales offer; or
- 22 4. Any material aspect of the performance, efficacy, nature, or central
23 characteristics of any good or service that is the subject of the sales offer; and

24 B. Making any representation without competent and reliable evidence to
25 substantiate the representation is true, concerning:

- 26 1. Income, earnings, profits, or sales volume likely to be achieved from any
27 good or service that is the subject of the sales offer; or
- 28 2. Any material aspect of the performance, efficacy, nature, or central

1 characteristics of any good or service that is the subject of the sales offer.

2 **V. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

3 **IT IS FURTHER ORDERED** that:

- 4 A. Judgment in the amount of **Three Million Dollars (\$3,000,000)** is entered in
5 favor of the Commission against Tiffany Hoffman and 2 Unique, LLC, jointly
6 and severally, as equitable monetary relief. Full payment of the foregoing
7 amount shall be suspended upon satisfaction of the obligations set forth in
8 Subsection B of this Section, and subject to the conditions set forth in
9 Subsections C, D, E and F of this Section:
- 10 B. Effective upon the entry of this Order, Stipulating Defendants shall surrender to
11 the Commission all control, title, dominion, and interest in the following Assets:
- 12 1. All funds in the US Bank account in the name of Tiffany Hoffman with the
13 account number X0485;
 - 14 2. All funds in the US Bank account in the name of Tiffany Hoffman with the
15 account number X3450;
 - 16 3. All Assets of 2 Unique, LLC, including the following:
 - 17 a. All funds in the US Bank account in the name of 2 Unique, LLC with
18 the account number X7160;
 - 19 b. All funds in any reserve account held by a financial institution in the
20 name of, or for the benefit of, 2 Unique, LLC; and
 - 21 c. All Assets currently in possession or control of the Receiver.
- 22 C. For each bank, brokerage, or Payment Processor account listed in Subsection B,
23 the financial institution or Payment Processor identified shall, within five (5)
24 days of entry of this Order, remit the entire balance of each account to the
25 Commission by certified check(s) or other guaranteed funds payable to the
26 Federal Trade Commission, Financial Management Office, or by wire transfer
27 in accordance with directions provided by the Commission. Tiffany Hoffman
28 shall cooperate in good faith with the FTC to effectuate these transfers, and shall,

1 if needed, execute such documents as are necessary to remit the entire balance
2 of each account to the Commission. Upon completion of the transfers from US
3 Bank the asset freeze over Hoffman is dissolved.

4 D. The Commission's agreement to the suspension of part of the judgment is
5 expressly premised upon the truthfulness, accuracy, and completeness of Tiffany
6 Hoffman and 2 Unique, LLC's sworn financial statements and related
7 documents (collectively, "financial representations") submitted to the
8 Commission, namely:

- 9 1. the Financial Statement of Tiffany Hoffman signed on July 26, 2018,
10 including the attachments; and
- 11 2. the Financial Statement of 2 Unique, LLC signed by Tiffany Hoffman, 2
12 Unique, LLC's officer and owner on July 27, 2018, including the
13 attachments.

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

19 F. If the suspension of the judgment is lifted, the judgment becomes immediately
20 due as to that Stipulating Defendant in the amount of **Three Million Dollars**
21 **(\$3,000,000)** as specified in Subsection A above (which the parties stipulate only
22 for purposes of this Section represents the consumer injury alleged in the
23 Complaint), less any payment previously made pursuant to this Section, plus
24 interest computed from the date of entry of this Order.

25 **VI. ADDITIONAL MONETARY PROVISIONS**

26 **IT IS FURTHER ORDERED** that:

27 A. Stipulating Defendants relinquish dominion and all legal and equitable right,
28 title, and interest in all Assets transferred pursuant to this Order and may not

1 seek the return of any Assets.

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

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

10 D. Stipulating Defendants acknowledge that their Taxpayer Identification Numbers
11 (Social Security Numbers or Employer Identification Numbers), which
12 Defendants previously submitted to the Commission, may be used for collecting
13 and reporting on any delinquent amount arising out of this Order, in accordance
14 with 31 U.S.C. §7701.

15 E. All money paid to the Commission pursuant to this Order may be deposited into
16 a fund administered by the Commission or its designee to be used for equitable
17 relief, including consumer redress and any attendant expenses for the
18 administration of any redress fund. If a representative of the Commission
19 decides that direct redress to consumers is wholly or partially impracticable or
20 money remains after redress is completed, the Commission may apply any
21 remaining money for such other equitable relief (including consumer
22 information remedies) as it determines to be reasonably related to Defendants'
23 practices alleged in the Complaint. Any money not used for such equitable relief
24 is to be deposited to the U.S. Treasury as disgorgement. Stipulating Defendants
25 have no right to challenge any actions the Commission or its representatives may
26 take pursuant to this Subsection.

27 **VII. CUSTOMER INFORMATION**

28 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers, agents,

1 employees, and all other persons in active concert or participation with any of them, who
2 receive actual notice of this Order are permanently restrained and enjoined from directly
3 or indirectly:

- 4 A. Failing to provide sufficient customer information to enable the Commission to
5 efficiently administer consumer redress. If a representative of the Commission
6 requests in writing any information related to redress, Stipulating Defendants
7 must provide it, in the form prescribed by the Commission, within 14 days;
- 8 B. Disclosing, using, or benefitting from customer information, including the name,
9 address, telephone number, email address, social security number, other
10 identifying information, or any data that enables access to a customer's account
11 (including a credit card, bank account, or other financial account), that any
12 Defendant obtained prior to entry of this Order in connection with the sale of
13 Grant Products or Services; and
- 14 C. Failing to destroy such customer information in all forms in their possession,
15 custody, or control within either entry of a stipulated final order against the last
16 remaining Defendant or receipt of written direction to do so from a
17 representative of the Commission.

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

21 **VIII. APPOINTMENT OF RECEIVER TO WIND DOWN 2 UNIQUE, LLC**
22 **AND STORE DOCUMENTS**

23 **IT IS FURTHER ORDERED** that Stephen Donell is hereby appointed Receiver
24 for the purpose of taking the necessary steps to wind down 2 Unique, LLC. In carrying out
25 these duties, the Receiver shall be the agent of this court, shall be account able directly to
26 this court, and is authorized and directed to:

- 27 A. Perform all acts necessary to protect, conserve, preserve, and prevent waste or
28 dissipation of the 2 Unique, LLC's Assets until their sale;

- 1 B. Sell 2 Unique, LLC's Assets without further order of the court;
- 2 C. Enter into agreements in connection with the reasonable and necessary
3 performance of the Receiver's duty to sell 2 Unique, LLC's Assets, including,
4 but not limited to, the retention of assistants, agents, or other professionals to
5 assist in the sale of these Assets;
- 6 D. Distribute to the FTC, without further order of the court, the funds received from
7 the sale of 2 Unique, LLC's Assets;
- 8 E. Take any and all steps the Receiver concludes are appropriate to wind down 2
9 Unique, LLC; and
- 10 F. Store and secure 2 Unique, LLC's records, including ESI until either entry of a
11 final order against the last remaining Defendant in this proceeding or receipt of
12 written direction to do so from a representative of the FTC.

13 Within 30 days of receipt of written direction to do so from a representative of the
14 FTC, which shall occur no earlier than following the entry of a final order against the last
15 remaining Defendant in this case, the Receiver shall liquidate all hardware related to the 2
16 Unique, LLC's ESI, after insuring all customer information has been deleted.

17 **IX. COOPERATION**

18 **IT IS FURTHER ORDERED** that Stipulating Defendants must fully cooperate
19 with representatives of the Commission in this case and in any investigation related to or
20 associated with the transactions or the occurrences that are the subject of the Complaint.
21 Tiffany Hoffman and 2 Unique, LLC must provide truthful and complete information,
22 evidence, and testimony. Tiffany Hoffman and 2 Unique, LLC must appear for interviews,
23 discovery, hearings, trials, and any other proceedings that a Commission representative
24 may reasonably request upon 5 days written notice, or other reasonable notice, at such
25 places and times as a Commission representative may designate, without the service of a
26 subpoena.

27 **X. ORDER ACKNOWLEDGMENTS**

28 **IT IS FURTHER ORDERED** that Stipulating Defendants obtain

1 acknowledgments of receipt of this Order:

- 2 A. Each Stipulating Defendant, within 7 days of entry of this Order, must submit to
3 the Commission an acknowledgment of receipt of this Order sworn under
4 penalty of perjury.
- 5 B. For five (5) years after entry of this Order, for any business that Hoffman,
6 individually or collectively with any other Defendants, is the majority owner or
7 controls directly or indirectly, and Defendant 2 Unique, LLC, must deliver a
8 copy of this Order to: (1) all principals, officers, directors, and LLC managers
9 and members; (2) all employees having managerial responsibilities for sales and
10 all agents and representatives who participate in sales; and (3) any business
11 entity resulting from any change in structure as set forth in the Section titled
12 Compliance Reporting. Delivery must occur within 7 days of entry of this Order
13 for current personnel. For all others, delivery must occur before they assume
14 their responsibilities.
- 15 C. From each individual or entity to which a Stipulating Defendant delivered a copy
16 of this Order, that Stipulating Defendant must obtain, within 30 days, a signed
17 and dated acknowledgment of receipt of this Order.

18 **XI. COMPLIANCE REPORTING**

19 **IT IS FURTHER ORDERED** that Stipulating Defendants make timely
20 submissions to the Commission:

- 21 A. One year after entry of this Order, each Stipulating Defendant must submit a
22 compliance report, sworn under penalty of perjury:
- 23 1. Each Stipulating Defendant must: (a) identify the primary physical, postal,
24 and email address and telephone number, as designated points of contact,
25 which representatives of the Commission may use to communicate with the
26 Stipulating Defendant; (b) identify all of that Stipulating Defendant's
27 businesses by all of their names, telephone numbers, and physical, postal,
28 email, and Internet addresses; (c) describe the activities of each business,

1 including the goods and services offered, the means of advertising,
2 marketing, and sales, and the involvement of any other Defendant (which
3 Stipulating Defendant must describe if they know or should know due to their
4 own involvement); (d) describe in detail whether and how that Stipulating
5 Defendant is in compliance with each Section of this Order; and (e) provide
6 a copy of each Order Acknowledgment obtained pursuant to this Order,
7 unless previously submitted to the Commission.

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

15 B. For ten (10) years after entry of this Order, each Stipulating Defendant must
16 submit a compliance notice, sworn under penalty of perjury, within 14 days of
17 any change in the following:

- 18 1. Each Stipulating Defendant must report any change in: (a) any designated
19 point of contact; or (b) the structure of any Corporate Defendant or any entity
20 that the Stipulating Defendant has any ownership interest in or controls
21 directly or indirectly that may affect compliance obligations arising under
22 this Order, including: creation, merger, sale, or dissolution of the entity or
23 any subsidiary, parent, or affiliate that engages in any acts or practices subject
24 to this Order.
- 25 2. Additionally, Tiffany Hoffman must report any change in: (a) name,
26 including aliases or fictitious name, or residence address; or (b) title or role
27 in any business activity, including any business for which she performs
28 services whether as an employee or otherwise and any entity in which she

1 has any ownership interest, and identify the name, physical address, and any
2 Internet address of the business or entity.

3 C. Each Stipulating Defendant must submit to the Commission notice of the filing
4 of any bankruptcy petition, insolvency proceeding, or similar proceeding by or
5 against such Defendant within 14 days of its filing.

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

12 E. Unless otherwise directed by a Commission representative in writing, all
13 submissions to the Commission pursuant to this Order must be emailed to
14 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
15 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
16 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.
17 The subject line must begin: FTC v. Hoffman.

18 **XII. RECORDKEEPING**

19 **IT IS FURTHER ORDERED** that Stipulating Defendants must create certain
20 records for 10 years after entry of the Order, and retain each such record for 5 years.
21 Specifically, Tiffany Hoffman, for any business that she, individually or collectively with
22 any other Defendants, is a majority owner or controls directly or indirectly, must create
23 and retain the following records:

- 24 A. Accounting records showing the revenues from all goods or services sold;
25 B. Personnel records showing, for each person providing services, whether as an
26 employee or otherwise, that person’s: name; addresses; telephone numbers; job
27 title or position; dates of service; and (if applicable) the reason for termination;
28 C. Records of all consumer complaints and refund requests, whether received

1 directly or indirectly, such as through a third party, and any response;

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

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

5 **XIII. COMPLIANCE MONITORING**

6 **IT IS FURTHER ORDERED** that, for the purpose of monitoring Stipulating
7 Defendants' compliance with this Order, including the financial representations upon
8 which part of the judgment was suspended:

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

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

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

27 D. Upon written request from a representative of the Commission, any consumer
28 reporting agency must furnish consumer reports concerning Tiffany Hoffman,

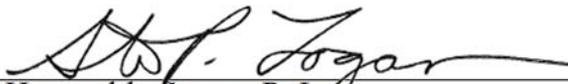
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

XIV. RETENTION OF JURISDICTION

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

Dated this 26th day of February, 2019.


Honorable Steven P. Logan
United States District Judge