

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**STIPULATED ORDER FOR PERMANENT INJUNCTION AND MONETARY
JUDGMENT AGAINST DEFENDANT MICHAEL SANTOS**

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), and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. On January 11, 2018, the Court granted the FTC’s motion to amend, substituting the Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) for the Complaint. Defendant Michael Santos was served with the Amended Complaint and summons. The Commission and Defendant Michael Santos stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (“Order”) to resolve all matters in dispute between them in this action and the related *FTC v. AmeriDebt Inc.*, No. 03-cv-3317 (D. Md.) (“*AmeriDebt*”).

IT IS THEREFORE ORDERED:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Amended Complaint charges that Defendant Michael Santos, along with the other named Defendants, participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, as well as violations of the Telemarketing Sales Rule, 16 C.F.R. Part 310, in connection with the sale of lots in a development in Belize known variously as Sanctuary Bay, Sanctuary Belize, and The Reserve (for ease, “Sanctuary Belize”).

3. Defendant Michael Santos neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendant Michael Santos admits the facts necessary to establish jurisdiction.

4. Defendant Michael Santos waives any claims he may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agrees to bear his own costs and attorney fees.

5. Defendant Michael Santos waives all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

A. **“Asset”** means any legal or equitable interest in, right to, or claim to, any property, wherever located and by whomever held, whether tangible, intangible, digital, or otherwise, including, but not limited to, digital currencies, virtual currencies, digital tokens, and cryptocurrencies.

B. **“Business Coaching Program”** means any program, plan, good, or service that is represented, expressly or by implication to coach, train, or teach a consumer how to establish, operate, or improve the consumer’s business, or to respond to facing a criminal charge, conviction, or imprisonment, including how to present oneself to a court before and during sentencing, actions to take once imprisoned, and how to prepare oneself for life following facing a criminal charge, conviction, or imprisonment, including business and financial choices. *Provided*, however, that nothing in this definition should be construed to include the unauthorized practice of law.

C. **“Corporate Defendant(s)”** means Global Property Alliance, Inc., Sittee River Wildlife Reserve, Buy Belize, LLC, Buy International, Inc., Foundation Development Management, Inc., Eco-Futures Development, Eco-Futures Belize Limited, Power Haus Marketing, Sanctuary Belize Property Owners’ Association, Prodigy Management Group LLC,

Foundation Partners, BG Marketing, LLC, Ecological Fox, LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, Newport Land Group LLC, and Atlantic International Bank Ltd. and each of their subsidiaries, affiliates, successors, and assigns.

D. **“Defendant(s)”** means the Corporate Defendants and Individual Defendants, individually, collectively, or in any combination.

E. **“Earnings Claim”** means any representation that conveys, expressly or by implication, a specific level or range of actual or potential sales, gross or net income or profits, or increases in value or appreciation. Earnings claims include, but are not limited to, any: (1) chart, table, or mathematical calculation that demonstrates possible results based upon a combination of variables; and (2) statements from which a consumer, prospective purchaser, or investor can reasonably infer that he or she will earn a minimum level of income (e.g., “earn enough to buy a Porsche,” “earn a six-figure income,” “earn your investment back within one year,” or “build a portfolio of assets worth millions of dollars”).

F. **“Individual Defendant(s)”** means Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Rod Kazazi, Brandi Greenfield, Frank Costanzo, and Michael Santos, individually, collectively, or in any combination.

G. **“Real Estate Good or Service”** includes any interest in, service related to, or development of any real estate containing or involving three or more lots or units of any kind.

H. **“Receiver”** means the Receiver appointed in Section VII of this Order and any deputy receivers who shall be named by the Receiver.

I. **“Receivership Asset”** means any and all Assets ordered to be turned over to the Receiver pursuant to this Order.

J. **“Receivership Entities”** means the Corporate Defendants (except Atlantic International Bank, Ltd.), 2729 Bristol LLC, and 3905 Marcus LLC, as well as any other entity that: (1) is located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine,

California, and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; (2) assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in this Order, and is owned or controlled by any Defendant; or (3) Assets that are otherwise in the Receivership and that are corporations or other legal entities.

K. **“Relief Defendant(s)”** means Angela Chittenden, Beach Bunny Holdings LLC, the Estate of John Pukke, John Vipulis, and Deborah Connelly.

L. **“Secured or unsecured debt relief product or service”** means:

1. With respect to any mortgage, loan, debt, or obligation between a person and one or more secured or unsecured creditors or debt collectors, any product, service, plan, or program represented, expressly or by implication, to:
 - a. stop, prevent, or postpone any mortgage or deed of foreclosure sale for a person’s dwelling, any other sale of collateral, any repossession of a person’s dwelling or other collateral, or otherwise save a person’s dwelling or other collateral from foreclosure or repossession;
 - b. negotiate, obtain, or arrange a modification, or renegotiate, settle, or in any way alter any terms of the mortgage, loan, debt, or obligation, including a reduction in the amount of interest, principal balance, monthly payments, or fees owed by a person to a secured or unsecured creditor or debt collector;
 - c. obtain any forbearance or modification in the timing of payments from any secured or unsecured holder or servicer of any mortgage, loan, debt, or obligation;

- d. negotiate, obtain, or arrange any extension of the period of time within which a person may (i) cure his or her default on the mortgage, loan, debt, or obligation, (ii) reinstate his or her mortgage, loan, debt, or obligation, (iii) redeem a dwelling or other collateral, or (iv) exercise any right to reinstate the mortgage, loan, debt, or obligation or redeem a dwelling or other collateral;
- e. obtain any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling or other collateral; or
- f. negotiate, obtain, or arrange (i) a short sale of a dwelling or other collateral, (ii) a deed-in-lieu of foreclosure, or (iii) any other disposition of a mortgage, loan, debt, or obligation other than a sale to a third party that is not the secured or unsecured loan holder.

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

- 2. With respect to any loan, debt, or obligation between a person and one or more unsecured creditors or debt collectors, any product, service, plan, or program represented, expressly or by implication, to:
 - a. repay one or more unsecured loans, debts, or obligations; or
 - b. combine unsecured loans, debts, or obligations into one or more new loans, debts, or obligations.

ORDER

I. BAN ON REAL ESTATE GOODS AND SERVICES

IT IS ORDERED that Michael Santos is permanently restrained and enjoined from advertising, marketing, promoting, or offering for sale, or assisting in the advertising, marketing, promoting, or offering for sale of any Real Estate Good or Service.

II. BAN ON SECURED OR UNSECURED DEBT RELIEF PRODUCTS OR SERVICES

IT IS FURTHER ORDERED that Michael Santos is permanently restrained and enjoined from advertising, marketing, promoting, offering for sale, or selling, or assisting others in the advertising, marketing, promoting, offering for sale, or selling, of any secured or unsecured debt relief product or service.

III. PROHIBITIONS AGAINST MISREPRESENTATIONS IN THE SALE OF ANY BUSINESS COACHING PROGRAM

IT IS FURTHER ORDERED that Michael Santos and his officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, or offering for sale any Business Coaching Program, or assisting others in advertising, marketing, promoting, or offering for sale any Business Coaching Program, are permanently restrained and enjoined from:

A. Making any Earnings Claim, unless the Earnings Claim is non-misleading, and, at the time such claim is made, they: (1) have a reasonable basis for their claim; (2) have in their possession written materials that substantiate the claim; (3) provide the written substantiation to the consumer, potential purchaser, or investor prior to purchase; and (4) provide the written substantiation to the FTC upon request;

B. Misrepresenting, expressly or by implication, that the Business Coaching Program includes the provision of legal services; and

C. Misrepresenting, expressly or by implication, any other fact material to consumers concerning any product or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

IV. PROHIBITION AGAINST MISREPRESENTATIONS IN THE SALE OF ANY GOOD OR SERVICE

IT IS FURTHER ORDERED that Michael Santos and his officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, or offering for sale any good or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

A. The use of a “no debt” business model makes an investment less risky than one in which an entity or individual must make payments to creditors;

B. Every dollar, or the vast majority of dollars, collected from selling the good or service is used to further the good or service;

C. The good or service will be completed or available within a specified period of time, such as a particular number of weeks, months, or years;

D. The good or service will have specific features or amenities;

E. The good or service will appreciate in value or appreciate in value rapidly, such as a particular rate within a particular period of time;

F. Consumers can realize the appreciation of their good or service because there is a robust resale market through which consumers could easily resell their good or service should they choose to do so;

G. One or more Defendants have no meaningful involvement with the relevant business; and

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

V. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of eighty-six million ninety-two thousand four hundred thirty-eight dollars and sixty-seven cents (\$86,092,438.67) is entered in favor of the Commission against Michael Santos, jointly and severally, as equitable monetary relief.

B. Michael Santos is ordered to pay to the Commission all of his frozen funds or Assets, including the following:

- a. Three thousand one hundred twenty seven dollars (\$3,127), representing the amount of cash that Defendant Michael Santos had on hand at the time of the asset freeze;
- b. The proceeds of the following accounts, identified by bank (or other account holder) and the last four digits of the account numbers (if applicable):
 - i. Wells Fargo 3924, which previously held approximately \$500.00;
 - ii. Wells Fargo 7924, which previously held approximately \$676.51;
 - iii. Wells Fargo 5135, which previously held approximately \$8,657.42;

- iv. Wells Fargo 3099, which previously held approximately \$249.17;
- v. Wells Fargo 8176, which previously held approximately \$576.38;
- vi. Wells Fargo 2479, which previously held approximately \$147.21;
- vii. Bank of America 9007, which previously held approximately \$8,095.44;
- viii. Bank of America 2624, which previously held approximately \$27.57;
- ix. Merrill Lynch G11, which previously held approximately \$8.34;
- x. Chase 0375, which previously held approximately \$1,325.97; and
- xi. PayPal account for APS LLC, which previously held approximately \$1,137.92.

C. Such payments to the Commission must be made within fourteen (14) days of entry of this Order by electronic funds transfer in accordance with instructions provided by a representative of the Commission.

D. Additionally, Michael Santos shall permanently transfer, assign, or relinquish to the Receiver, for liquidation and ultimate payment to the Commission, within fourteen (14) days of entry of this Order, all rights he may have in the following:

- a. Any interest in, or right to payment from, Pandora Marketing, also d/b/a Timeshare Compliance, or any affiliate thereof;
- b. 1807 Coastal Way, Costa Mesa, CA 92627;
- c. 17085 Birch Hill Road, Riverside, CA 92504;
- d. 460 Lindberg Circle, Petaluma, CA 94952;
- e. 14070 Falling Leaf Road, Apple Valley, CA 92307;
- f. 7862 Chase Avenue, Hesperia, CA 92345.

E. Upon such payments, transfers, assignments, and relinquishments, the remainder of the judgment is suspended, subject to the Subsections below.

F. The Commission's agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Michael Santos' sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

- a. the Financial Statement of Individual Defendant Michael Santos, signed on January 12, 2019 (but which is erroneously dated January 12, 2018), including the attachments;
- b. the Cryptocurrency Financial Statement of Individual Defendant Michael Santos, signed on January 15, 2019;
- c. all of the financial information provided to the Commission by Michael Santos, through his then counsel, Jennifer Short of Kaiser Dillon PLLC, under the cover letter Ms. Short signed on January 18, 2019;
- d. all of the financial information the Commission received from Michael Santos, through his then counsel, Jennifer Short of Kaiser Dillon PLLC, on or about January 22, 2019, including applications for bank loans, federal tax returns, bank account statements, and certain debt documents; and
- e. the June 26, 2019 email the Commission received from Michael Santos' wife, Carole Santos, on behalf of Michael Santos, from the email address michael@michaelsantos.com, and all attachments to that email.

G. The suspension of the judgment will be lifted as to Michael Santos if, upon motion by the Commission, the Court finds that Michael Santos failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

H. If the suspension of the judgment is lifted, the judgment becomes immediately due as to Michael Santos in the amount specified in Subsection A. above, which the parties stipulate only for purposes of this Section represents the consumer injury, less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

VI. ADDITIONAL MONETARY PROVISIONS

A. Michael Santos relinquishes dominion and all legal and equitable right, title, and interest in all Assets paid, transferred, assigned, or relinquished pursuant to this Order and may not seek the return of any Assets.

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

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

D. Michael Santos acknowledges that his Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which he has previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

E. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any

remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

F. The asset freeze imposed on Michael Santos in the previously issued January 11, 2019 Order extending the Interim Preliminary Injunction to Michael Santos, DE107, as well as the Stipulated Preliminary Injunction as to Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo, Deborah Connelly, Ecological Fox LLC, Michael Santos, Angela Chittenden, and Beach Bunny Holdings LLC, DE195, are modified to permit the transfers identified in the Monetary Judgment Section. Upon the payments, transfers, assignments, and relinquishments required under this Order, the asset freeze is dissolved.

VII. RECEIVER

IT IS FURTHER ORDERED that Robb Evans & Associates LLC is appointed as Receiver for all Assets ordered to be turned over to the Receiver pursuant to this Order. He shall have full powers of an equity receiver. The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

VIII. DUTIES AND AUTHORITY OF RECEIVER

IT IS FURTHER ORDERED that the Receiver is directed and authorized to accomplish the following:

- A. Take exclusive control, custody, and possession of all Receivership Assets.
- B. Conserve, hold, manage, and prevent the loss of all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those Assets. The Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to Michael Santos as a result of the Receivership Assets. The Receiver shall have

full power to sue for, collect, and receive, all Receivership Assets. *Provided, however,* that the Receiver shall not attempt to collect any amount from a consumer if the Receiver believes the consumer's debt has resulted from deceptive acts or practices or other violations of law, without prior Court approval;

C. Liquidate, through fair market sales or similar transactions, all Receivership Assets, following a motion and order from the Court approving the sale or liquidation. The Receiver shall take steps to ensure that the full fair market value of any Asset is obtained by the receivership estate in any sale or liquidation.

D. The Receiver shall make periodic disbursements to the Commission of any liquidated Assets and, upon the liquidation of all Receivership Assets, disburse all proceeds to the Commission, less its Court-approved fees and expenses.

E. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

F. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as Receiver. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred, except payments that the Receiver deems necessary or advisable to secure Receivership Assets, such as rental payments;

G. Enter into and cancel contracts and purchase insurance as advisable or necessary;

H. Prevent the inequitable distribution of Assets and determine, adjust, and protect the interests of consumers who have transacted business with Michael Santos and the Receivership Entities;

I. Make an accounting, as soon as practicable, of the Receivership Assets and financial condition of the receivership and file the accounting with the Court and deliver copies thereof to all parties;

J. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or otherwise become party to any legal action in state, federal or foreign courts or arbitration proceedings as the Receiver deems necessary and advisable to preserve or recover the Receivership Assets, or to carry out the Receiver's mandate under this Order, including but not limited to, actions challenging fraudulent or voidable transfers;

K. Demand from any person or entity documents and records pertaining to the Receivership Assets within three (3) days after delivery of the Order by mail, courier, email, or other method by which the recipient receives a copy of this Order, in addition to obtaining discovery pursuant to the Federal Rules of Civil Procedure, including subpoenas seeking documents and/or testimony under Rule 45;

L. Open one or more bank accounts at designated depositories for funds of the receivership estate. The Receiver shall deposit all funds of the receivership estate in such designated accounts and shall make all payments and disbursements from the receivership estate from such accounts. The Receiver shall serve copies of monthly account statements on all parties;

M. Maintain accurate records of all receipts and expenditures incurred as Receiver;

N. Cooperate with reasonable requests for information or assistance from any state or federal civil or criminal law enforcement agency;

O. Suspend business operations of any entity that is a Receivership Asset if in the judgment of the Receiver such operations cannot be continued legally and profitably; and

P. If in the Receiver's judgment the business operations of any Receivership Asset cannot be continued legally and profitably, take all steps necessary to ensure that any of the web

pages or websites relating to the activities of the Receivership Asset cannot be accessed by the public, or are modified for consumer education and/or informational purposes, and take all steps necessary to ensure that any telephone numbers associated with the Receivership Asset cannot be accessed by the public, or are answered solely to provide consumer education or information regarding the status of operations.

IX. STAY OF ACTIONS

IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of the receivership ordered herein, Defendants and Relief Defendants and their officers, agents, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, and their corporations, subsidiaries, divisions, or affiliates, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking any action that would interfere with the exclusive jurisdiction of this Court over the Assets within the receivership, including, but not limited to:

A. Filing or assisting in the filing of a petition for relief under the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of any entity that is a Receivership Asset;

B. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against any of the Receivership Assets or otherwise seeking an interest in any of the Receivership Assets, including the issuance or employment of process, except that such actions may be commenced if necessary to toll any applicable statute of limitations;

C. Filing or enforcing any lien on any Receivership Asset, taking or attempting to take possession, custody, or control of any Receivership Asset; or attempting to foreclose,

forfeit, alter, or terminate any interest in any Receivership Asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise.

Provided, however, that this Order does not stay: (1) the commencement or continuation of a criminal action or proceeding; (2) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (3) the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

X. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the Assets now held by, in the possession or control of, or which may be received by, the receivership estate. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

XI. RECEIVERSHIP TERMINATION

IT IS FURTHER ORDERED that the Receiver must complete all duties within 270 days after entry of this Order, but any party or the Receiver may request that the Court extend that Receiver's term for good cause.

XII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Michael Santos and his officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who

receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Michael Santos must provide it, in the form prescribed by the Commission, within 14 days.

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that Michael Santos obtained prior to entry of this Order in any way associated with the activities of the Receivership Entities; and

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

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

XIII. COOPERATION

IT IS FURTHER ORDERED that Michael Santos 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. Michael Santos must provide truthful and complete information, evidence, and testimony. Michael Santos must 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.

XIV. ORDER ACKNOWLEDGMENT

IT IS FURTHER ORDERED that Michael Santos obtain acknowledgments of receipt of this Order:

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

B. For ten (10) years after entry of this Order, Michael Santos must, for any business that he, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for marketing, sales, or operations, and all agents and representatives who participate in marketing or sales; (3) all payment processors as well as all consultants or contractors who perform services in connection with marketing or sales; and (4) 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 entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which each Michael Santos delivered a copy of this Order, he must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

XV. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Michael Santos make timely submissions to the Commission:

A. One year after entry of this Order, Michael Santos must submit a compliance report, sworn under penalty of perjury:

1. Michael Santos must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with him; (b) identify all of that his businesses, whether owned or controlled, directly or indirectly, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Michael Santos must describe in detail, including title, position, compensation, and duties); (d) describe in detail whether and how he is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.
2. Additionally, Michael Santos must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest, whether directly or indirectly; and (c) describe in detail such his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

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

1. Michael Santos must report any change in: (a) any designated point of contact; or (b) the structure of any entity that he 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.
2. Additionally, Michael Santos must report any change in: (a) name, including aliases or fictitious names, or residence address; or (b) title or role in any business activity, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Michael Santos must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against him within fourteen (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 Trade Commission, 600 Pennsylvania Avenue NW,

Washington, DC 20580. The subject line must begin: FTC v. Ecological Fox LLC, 18-cv-3309 (D. Md.), FTC File No. X040009.

XVI. RECORDKEEPING

IT IS FURTHER ORDERED that Michael Santos must create certain records for ten (10) years after entry of the Order, and retain each such record for five (5) years. Specifically, for any business that Michael Santos, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, he must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and
- E. a copy of each unique advertisement or other marketing material.

XVII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring each Michael Santos' compliance with this Order, including any failure to transfer any assets as required by this Order or otherwise to collect on the judgment entered in this Order:

- A. Within 14 days of receipt of a written request from a representative of the Commission Michael Santos must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission is also authorized to obtain discovery,

without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with Michael Santos. Michael Santos must permit representatives of the Commission to interview any employee or other person affiliated with any entity he owns or controls, directly or indirectly, who has agreed to such an interview. The person interviewed may have counsel present.

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

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

XVIII. RETENTION OF JURISDICTION

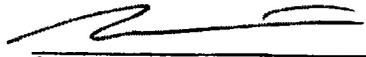
IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED, this 14 day of JAN, 2020.


UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR THE FEDERAL TRADE COMMISSION:



Jonathan Cohen (jcohen2@ftc.gov)
Benjamin J. Theisman (btheisman@ftc.gov)
Christopher J. Erickson (cerickson@ftc.gov)
Federal Trade Commission
600 Pennsylvania Ave., N.W., CC-9528
Washington, DC 20580
202-326-2551 (Cohen); -2223 (Theisman);
-3671 (Erickson); -3197 (facsimile)

1/10/2020
Date

FOR MICHAEL SANTOS:



Michael Santos, *pro se*

12/16/2019
Date