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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Federal Trade Commission,

Plaintiff,

v.

8 Figure Dream Lifestyle LLC, et al.,

Defendants.

No. SACV 19-1165-DOC (KESx)

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT
AGAINST DEFENDANT OEA, LLC**

On June 12, 2019, the Federal Trade Commission (“Commission”) filed its Complaint for a permanent injunction and other equitable relief in this matter pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. Docket No. 2. The Commission and Defendant OEA, LLC (“Settling Defendant”) now respectfully request that the Court enter this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in this action between them.

1 representations, either express or implied, about past, present, or future income,
2 profit, or appreciation.

3 G. **“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
6 any other group or combination acting as an entity.

7 H. **“Settling Defendant”** means OEA, LLC.

8 **ORDER**

9 **I. BAN ON THE SALE OF BUSINESS COACHING PROGRAMS**
10 **AND INVESTMENT OPPORTUNITIES**

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

13 A. Creating, advertising, marketing, promoting, offering for sale, or
14 selling, or Assisting Others in creating, advertising, marketing, promoting, offering
15 for sale, or selling any Business Coaching Program or any Investment Opportunity;
16 or

17 B. Holding, directly or through a third-Person, any ownership or other
18 financial interest in any business entity that is creating, advertising, marketing,
19 promoting, offering for sale, or selling, or that Assists Others in creating,
20 advertising, marketing, promoting, offering for sale, or selling any Business
21 Coaching Program, any Investment Opportunity, or any product to assist in the
22 creation or development of a Business Coaching Program or an Investment
23 Opportunity.

24 **II. PROHIBITION AGAINST MISREPRESENTATIONS OR**
25 **UNSUBSTANTIATED CLAIMS**

26 IT IS FURTHER ORDERED that Settling Defendant, its officers, agents,
27 employees, and attorneys and all others in active concert or participation with any
28 of them, who receive notice of this Order, whether acting directly or indirectly, in

1 connection with advertising, marketing, promoting, or offering for sale any good or
2 service, are permanently restrained and enjoined from:

3 A. Misrepresenting or Assisting Others in misrepresenting, expressly or
4 by implication, including through the use of any business, trade, or program name,
5 endorsement, or testimonial, any material fact, including:

6 1. Consumers who purchase Settling Defendant's memberships,
7 goods, or services will earn or are likely to earn substantial income; or

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

12 B. Making or Assisting Others in making any representation, expressly or
13 by implication, about likely revenue, earnings, profit, or income unless the
14 representation is non-misleading, and, at the time such representation is made,
15 Settling Defendant possesses and relies upon competent and reliable written
16 evidence that is sufficient to substantiate that the representation is true.

17 **III. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

18 IT IS FURTHER ORDERED that:

19 A. Judgment in the amount of Six Hundred Thousand Dollars (\$600,000)
20 is entered in favor of the Commission against Settling Defendant as equitable
21 monetary relief.

22 B. In partial satisfaction of the judgment against Settling Defendant and
23 within 14 days of entry of this Order, Wells Fargo Bank, N.A. is ordered to transfer
24 all of the funds from Settling Defendant's sole account, number XXXXXX [REDACTED], to
25 the Commission by electronic fund transfer in accordance with instructions to be
26 provided by a representative of the Commission.

27 C. In partial satisfaction of the judgment against Settling Defendant and
28 within 7 days of entry of this Order, Comerica Bank is ordered to transfer all of the

1 funds from Settling Defendant's sole account, number XXXXXX [REDACTED], to the
2 Commission by electronic fund transfer in accordance with instructions to be
3 provided by a representative of the Commission.

4 D. In partial satisfaction of the judgment against Settling Defendant and
5 within 7 days of entry of this Order, Settling Defendant is ordered to transfer Ten
6 Thousand Dollars (\$10,000) to the Commission by electronic fund transfer in
7 accordance with instructions to be provided by a representative of the Commission.

8 E. Upon completion of the transfers identified in Subsections II.B
9 through II.D, the remainder of the judgment is suspended, subject to Subsections
10 II.F through II.N below.

11 F. The Commission's agreement to the suspension of part of the
12 judgment is expressly premised upon the truthfulness, accuracy, and completeness
13 of Settling Defendant's sworn financial statements and related documents
14 (collectively, "Financial Representations") submitted to the Commission, namely:

15 1. The Financial Statement of Settling Defendant signed on
16 October 18, 2019, including the attachment files with Reference Numbers
17 OEA-003-B1 through OEA-003-B11; OEA-004-MS1 through OEA-004-
18 MS7; and OEA-005-R1; and

19 2. The additional documentation submitted by OEA to
20 Commission counsel Thomas L. Harris on July 24, 2019, Reference
21 Numbers OEA-002-FS; OEA-003-B1 through OEA-003-B11; OEA-004-
22 MS1 through OEA-004-MS7; and OEA-005-R1.

23 G. The suspension of the judgment will be lifted as to Settling Defendant
24 if, upon motion by the Commission, the Court finds that Settling Defendant failed
25 to disclose any material asset, materially misstated the value of any asset, or made
26 any other material misstatement or omission in the financial representations
27 identified above or that Settling Defendant is in default on its obligations under
28 Subsection II.D.

1 H. If the suspension of the judgment is lifted, the judgment becomes
2 immediately due in the amount specified in Subsection II.A above (which the
3 parties stipulate only for purposes of this Section represents the consumer injury
4 alleged in the Complaint), less any payment previously made pursuant to this
5 Section, plus interest computed from the date of entry of this Order.

6 I. Settling Defendant relinquishes dominion and all legal and equitable
7 right, title, and interest in all assets transferred pursuant to this Order and may not
8 seek the return of any assets.

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

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

18 L. Settling Defendant acknowledges that its Taxpayer Identification
19 Number (Employer Identification Number), which Settling Defendant previously
20 submitted to the Commission, may be used for collecting and reporting on any
21 delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

22 M. All money paid to the Commission pursuant to this Order may be
23 deposited into a fund administered by the Commission or its designee to be used
24 for equitable relief, including consumer redress and any attendant expenses for the
25 administration of any redress fund. If a representative of the Commission decides
26 that direct redress to consumers is wholly or partially impracticable or money
27 remains after redress is completed, the Commission may apply any remaining
28 money for such other equitable relief (including consumer information remedies)

1 as it determines to be reasonably related to Defendants' practices alleged in the
2 Complaint. Any money not used for such equitable relief is to be deposited to the
3 U.S. Treasury as disgorgement. Settling Defendant has no right to challenge any
4 actions the Commission or its representatives may take pursuant to this Subsection.

5 N. The asset freeze entered by the Court on July 19, 2019 and the duties
6 of asset holders and other third parties thereunder, Docket No. 51 at 6-9, are
7 modified to permit the payments identified in Subsections II.B through II.D. Upon
8 completion of all such payments, the asset freeze is dissolved as to Settling
9 Defendant.

10 **IV. BAN ON USE OF CUSTOMER INFORMATION**

11 IT IS FURTHER ORDERED that Settling Defendant, its officers, agents,
12 employees, and attorneys and all others in active concert or participation with any
13 of them, who receive actual notice of this Order, are permanently restrained and
14 enjoined from directly or indirectly:

15 A. Failing to provide sufficient customer information to enable the
16 Commission to efficiently administer consumer redress. If a representative of the
17 Commission requests in writing any information related to redress, Settling
18 Defendant must provide it, in the form prescribed by the Commission, within 14
19 days;

20 B. Disclosing, using, or benefitting from customer or prospective
21 customer information, including the name, address, telephone number, email
22 address, social security number, other identifying information, or any data that
23 enables access to a customer's or prospective customer's account (including a
24 credit card, bank account, or other financial account), that any Defendant obtained
25 prior to entry of this Order; and

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

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 **VII. 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:

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

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

23 1. Settling Defendant must report any change in: (a) any
24 designated point of contact; or (b) the structure of Settling Defendant or any
25 entity that Settling Defendant has any ownership interest in or controls
26 directly or indirectly that may affect compliance obligations arising under
27 this Order, including: creation, merger, sale, or dissolution of the entity or
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1 any subsidiary, parent, or affiliate that engages in any acts or practices
2 subject to this Order.

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

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

12 E. Unless otherwise directed by a Commission representative in writing,
13 all 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. The
17 subject line must begin: FTC v. 8 Figure Dream Lifestyle LLC, et al. (OEA, LLC),
18 No. X190045.

19 VIII. RECORDKEEPING

20 IT IS FURTHER ORDERED that Settling Defendant must create certain
21 records for 20 years after entry of the Order, and retain each such record for 5
22 years. Specifically, Settling Defendant must create and retain the following
23 records:

24 A. accounting records showing the revenues from all goods or services
25 sold;

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

3 C. records of all consumer complaints and refund requests concerning
4 the subject matter of the Order, whether received directly or indirectly, such as
5 through a third party, and any response;

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

8 E. a copy of each unique advertisement or other marketing material; and

9 F. Customer files obtained after entry of this Order, including those
10 recorded on a customer relationship management database, also known as a
11 "CRM," showing the names, addresses, telephone numbers, dollar amounts paid,
12 and the quantity of products purchased, to the extent such information is obtained
13 in the ordinary course of business.

14 IX. COMPLIANCE MONITORING

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

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

26 B. For matters concerning this Order, the Commission is authorized to
27 communicate directly with Settling Defendant. Settling Defendant must permit
28 representatives of the Commission to interview any employee or other person

1 affiliated with the Settling Defendant who has agreed to such an interview. The
2 person interviewed may have counsel present.

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

9 **X. RETENTION OF JURISDICTION**

10 IT IS FURTHER ORDERED that this Court retains jurisdiction of this mat-
11 ter for purposes of construction, modification, and enforcement of this Order.

12
13 **SO ORDERED** this 2nd day of March, 2020.

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16 _____
17 DAVID O. CARTER
18 UNITED STATES DISTRICT JUDGE
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1 **SO STIPULATED AND AGREED:**

2 **FOR PLAINTIFF:**

3 **FEDERAL TRADE COMMISSION**

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Date: 2/28/20

5 P. Connell McNulty (PA Bar No. 87966) (admitted *pro hac vice*)

6 (202) 326-2061 / pmcnulty@ftc.gov

7 Thomas L. Harris (CA Bar. No. 266271)

8 (202) 326-3620 / tharris1@ftc.gov

9 (202) 326-3395 (fax)

10 600 Pennsylvania Ave. NW, CC-8528

11 Washington, D.C. 20580

12 D. Emily Wu (CA Bar No. 293670)

13 (310) 824-4324 / ewu@ftc.gov

14 (310) 824-4380 (fax)

15 10990 Wilshire Blvd., Suite 400

16 Los Angeles, CA 90024

17 Local Counsel

18 Attorneys for Plaintiff Federal Trade Commission

19 **FOR DEFENDANT OEA, LLC:**

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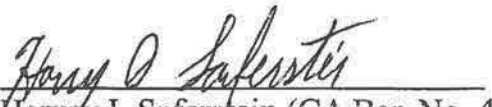
Date: 11/27/19

21 Mark H. Schwartz

22 3023 East Liberty Lane

23 Phoenix, AZ 85048

24 Owner and Officer of Defendant OEA, LLC

25 

Date: 11/27/19

26 Harvey I. Saferstein (CA Bar. No. 49750)

27 (310) 472-4282 / hsaferstein@headwear.com

28 Law Offices of Harvey I. Saferstein

167 N. Bentley Ave.

Los Angeles, CA 90049

1 Attorney for Defendant OEA, LLC

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