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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,
14 Plaintiff,
15 v.
16 MDK MEDIA INC., et al.,
17 Defendants.

18 Case No. 2:14-cv-05099-JFW-MRWx
19 STIPULATION FOR ORDER FOR
20 PERMANENT INJUNCTION AND
21 OTHER EQUITABLE RELIEF
22 AGAINST DEFENDANTS ERDOLO
23 LEVY EROMO AND ERDI
24 DEVELOPMENT LLC

25 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its
26 First Amended Complaint for Permanent Injunction and Other Equitable Relief for
27 a permanent injunction, and other equitable relief in this matter, pursuant to
28 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.
§ 53(b).

The Commission and Defendants Erdolo Levy Eromo and Erdi
Development LLC (“Settling Defendants”) stipulate to the entry of the
accompanying “Stipulated Order for Permanent Injunction and Other Equitable
Relief Against Defendants Erdolo Levy Eromo and Erdi Development LLC”
 (“Order”) with the terms set forth below.

FINDINGS

1. This Court has jurisdiction over this matter.

1 2. The First Amended Complaint charges that Defendants participated in
2 deceptive and unfair acts or practices in violation of Section 5 of the FTC Act, 15
3 U.S.C. § 45, in a scheme to place unauthorized charges on consumers’ mobile
4 telephone bills, a practice known as “cramming.”

5 3. Settling Defendants neither admit nor deny any of the allegations in
6 the First Amended Complaint, except as specifically stated in this Order. Only for
7 purposes of this action, Settling Defendants admit the facts necessary to establish
8 jurisdiction.

9 4. Settling Defendants waive and release any claims that they may have
10 against Plaintiff, the Commission, and their agents that relate to this action.
11 Settling Defendants waive any claim that they may have under the Equal Access to
12 Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through
13 the date of this Order, and agree to bear their own costs and attorney fees.

14 5. Settling Defendants waive all rights to appeal or otherwise challenge
15 or contest the validity of this Order.

16 **DEFINITIONS**

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

18 A. **“Settling Defendants”** means the Individual Settling Defendant and
19 the Corporate Settling Defendant, individually, collectively, or in any combination.

20 1. **“Corporate Settling Defendant”** means Erdi Development
21 LLC and its dba’s, successors, and assigns.

22 2. **“Individual Defendant”** means Erdolo Levy Eromo.

23 B. **“Person”** means any individual, group, unincorporated association,
24 limited general partnership, corporation, or other business entity.

25 **ORDER**

26 **I. BAN ON PLACING CHARGES ON TELEPHONE BILLS**

27 IT IS HEREBY ORDERED that Settling Defendants are permanently
28 restrained and enjoined from billing, submitting for billing, or assisting or

1 facilitating the billing or submitting for billing, charges to any telephone bill,
2 including but not limited to a bill for any voice, text, or data service.

3 **II. PROHIBITION AGAINST MISREPRESENTATIONS**

4 IT IS FURTHER ORDERED that, in connection with the advertising,
5 marketing, promotion, offering for sale, sale, or distribution of any product or
6 service, Settling Defendants, Settling Defendants' officers, agents, employees, and
7 attorneys, and all other persons in active concert or participation with any of them,
8 who receive actual notice of this Order, whether acting directly or indirectly, are
9 permanently restrained and enjoined from making, or assisting others in making,
10 expressly or by implication, any false or misleading representation, including
11 representations concerning the cost, performance, efficacy, nature, characteristics,
12 benefits, or safety of any product or service, or concerning any consumer's
13 obligation to pay for charges for any product or service.

14 **III. PROHIBITION AGAINST UNFAIR BILLING PRACTICES**

15 IT IS FURTHER ORDERED that, in connection with the advertising,
16 marketing, promotion, offering for sale, sale, or distribution of any product or
17 service, Settling Defendants, Settling Defendants' officers, agents, employees, and
18 attorneys, and all other persons in active concert or participation with any of them,
19 who receive actual notice of this Order, whether acting directly or indirectly, are
20 permanently restrained and enjoined from causing any consumer to be billed for
21 any product or service without having previously obtained the consumer's express
22 informed consent, and having created and maintained a record of such consent.

23 **IV. CUSTOMER INFORMATION**

24 IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants'
25 officers, agents, employees, and attorneys, and all other persons in active concert
26 or participation with any of them, who receive actual notice of this Order, whether
27 acting directly or indirectly, are permanently restrained and enjoined from directly
28 or indirectly:

1 A. disclosing, using, or benefitting from customer information, including
2 the name, address, telephone number, email address, social security number, other
3 identifying information, or any data that enables access to a customer's account
4 (including a credit card, bank account, telephone billing account, or other financial
5 account), that any Settling Defendant obtained prior to entry of this Order in
6 connection with the placement of charges on consumers' mobile telephone bills;
7 and

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

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

14 **V. COOPERATION**

15 IT IS FURTHER ORDERED that Settling Defendants must fully cooperate
16 with representatives of the Commission in this case and in any investigation or
17 litigation related to or associated with the transactions or the occurrences that are
18 the subject of the First Amended Complaint. Such Settling Defendants must
19 provide truthful and complete information, evidence, and testimony. Such
20 Individual Settling Defendant must appear and such Corporate Settling Defendant
21 must cause Corporate Settling Defendant's officers, employees, representatives, or
22 agents to appear for interviews, discovery, hearings, trials, and any other
23 proceedings that a Commission representative may reasonably request upon 5 days
24 written notice, or other reasonable notice, at such places and times as a
25 Commission representative may designate, without the service of a subpoena.

26 **VI. ORDER ACKNOWLEDGMENTS**

27 IT IS FURTHER ORDERED that Settling Defendants obtain
28 acknowledgments of receipt of this Order:

1 A. Each Settling Defendant, within 7 days of entry of this Order, must
2 submit to the Commission an acknowledgment of receipt of this Order sworn
3 under penalty of perjury.

4 B. For 3 years after entry of this Order, each Individual Settling
5 Defendant for any business involved with placing charges on phone bills that such
6 Defendant, individually or collectively with any other Defendants, is the majority
7 owner or controls directly or indirectly, and each Corporate Settling Defendant,
8 must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
9 managers and members; (2) all employees having managerial responsibilities for
10 the placement of charges on phone bills and all agents and representatives who
11 participate in the placement of charges on phone bills; and (3) any business entity
12 resulting from any change in structure as set forth in the Section titled Compliance
13 Reporting. Delivery must occur within 7 days of entry of this Order for current
14 personnel. For all others, delivery must occur before they assume their
15 responsibilities.

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

19 **VII. COMPLIANCE REPORTING**

20 IT IS FURTHER ORDERED that Settling Defendants make timely
21 submissions to the Commission:

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

24 1. Each Settling Defendant must: (a) identify the primary
25 physical, postal, and email address and telephone number, as designated points of
26 contact, which representatives of the Commission may use to communicate with
27 that Defendant; (b) identify all of that Defendant's businesses by all of their names,
28 telephone numbers, and physical, postal, email, and Internet addresses; (c) describe

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

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

15 B. For 3 years after entry of this Order, each Settling Defendant must
16 submit a compliance notice, sworn under penalty of perjury, within 14 days of any
17 change in the following:

18 1. Each Settling Defendant must report any change in: (a) any
19 designated point of contact; or (b) the structure of any Corporate Settling
20 Defendant or any entity that any Settling Defendant has any ownership interest in
21 or controls directly or indirectly that may affect compliance obligations arising
22 under 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 to
24 this Order.

25 2. Additionally, each Individual Settling Defendant must report
26 any change in: (a) name, including aliases or fictitious name, or residence address;
27 or (b) title or role in any business activity, including any business for which such
28 Defendant performs services whether as an employee or otherwise and any entity

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

3 C. Each Settling Defendant must submit to the Commission notice of the
4 filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by
5 or against such 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. Erdolo Levy Eromo, et al., X140034.

18 **VIII. RECORDKEEPING**

19 IT IS FURTHER ORDERED that Settling Defendants must create certain
20 records for 3 years after entry of the Order, and retain each such record for 2 years.
21 Specifically, Corporate Settling Defendant and Individual Settling Defendant for
22 any business that such Defendant, individually or collectively with any other
23 Defendants, is a majority owner or controls directly or indirectly, must create and
24 retain the following records:

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

27 B. personnel records showing, for each person providing services,
28 whether as an employee or otherwise, that person’s: name; addresses; telephone

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, whether
4 received directly or indirectly, such as through a third party, and any response;

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

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

8 **IX. COMPLIANCE MONITORING**

9 IT IS FURTHER ORDERED that, for the purpose of monitoring Settling
10 Defendants' compliance with this Order:

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

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

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

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

5 **X. RETENTION OF JURISDICTION**

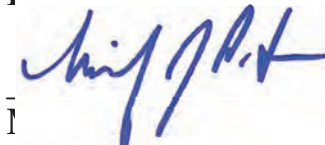
6 IT IS FURTHER ORDERED that this Court retains jurisdiction of this
7 matter for purposes of construction, modification, and enforcement of this Order.
8

9 **SO STIPULATED:**

10 **FOR PLAINTIFF FEDERAL TRADE COMMISSION**

11  _____ Date: 11/15/2023
12 F
13 Maricela Segura
14 Counsel for Plaintiff Federal Trade Commission

15
16 **FOR SETTLING DEFENDANTS**
17 **ERDOLO LEVY EROMO AND ERDI DEVELOPMENT LLC**

18  _____ Date: 9/27/2023
19 I
20 Iversen Proctor LLC
21 Counsel for Settling Defendants

22  _____ Date: 9/27/23
23 Erdolo Levy Eromo
24 Individually and as Owner and Managing Member
25 of Erdi Development LLC
26
27
28