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FILED '08 MAY 06 07:40 USDC-ORP

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**UNITED STATES DISTRICT COURT**

**DISTRICT OF OREGON**

**FEDERAL TRADE COMMISSION,**

Civ. No. CV07-0533 BR

Plaintiff,

v.

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT**

**MERCHANT PROCESSING INC.**

**INJUNCTION AND OTHER**



and 28 U.S.C. §§ 1391(b) and (c).

~~C. The stipulations of Defendants are in an effective agreement under 15 U.S.C. § 44.~~

~~(b) [REDACTED]~~

of the FTC Act, 15 U.S.C. § 44.

D. The First Amended Complaint ("Complaint") states a claim upon which relief may be granted against Defendants under §§ 5(a)(1), and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).

E. The Commission and Defendants stipulate and agree to this Final Order to settle and resolve all matters in dispute arising from the Complaint in the above-captioned matter to the date of entry of this Final Order.

F. Defendants enter into this Final Order freely and acknowledge that they have read

L. Entry of this Final Order is in the public interest.

M. Each party shall bear its own costs and attorney's fees.

### DEFINITIONS

Each of the terms defined in this Order shall have the meaning set forth below.



7. **“Defendant” or “Defendants”** means Merchant Processing, Inc.; Vequity Financial

~~Group, Inc.; Direct Merchant Processing, Inc.; DDI Services, Inc.; 11, D, and D~~

and Merchant Services, Inc.; and each of them, by whatever names each might be known

8. **“Individual Defendant” or “Individual Defendants”** means Aaron Lee Rian and

Direct Merchant Processing, Inc.; PPI Services Inc., d.b.a. Direct Processing, Inc. and Merchant

corporations or businesses under the control of any of them, or under the control of Individual Defendants Rian or McCarthy at any time prior to entry of this Final Order, including but not limited to Bad Boy Enterprises, Inc., d.b.a. Atlantic Hound; Bad Boy Racing, LLC; Bad Boy Investments, LLC; and Rian Racing, Inc.

B. In connection with representing directly or by implication that consumers will be

planned communication to the consumer, the following information shall be provided:

relating to rates and fees, including but not limited to the amounts of all discount rates,

processing surcharges, cancellation fees, and other fees consumers will be required to pay.



prior to entry of this Final Order for card processing goods or services. *Provided that,*

Defendants may disclose such identifying information to a law enforcement agency or as

authorized by any law, regulation, or court order. *Provided that the Receiver*

Defendants may disclose Merchant data or any other information otherwise protected by this

Paragraph to a potential purchaser of the Receivership Defendants' assets during the Time

Period for Sale, so long as the Receiver obtains a confidentiality agreement with terms consistent

with this Paragraph.

Order, the Receiver shall retain all interest in the Receivership Defendants, including their respective Merchant Account Portfolios, and in all accounts, property, and assets held in the name of the Receivership Defendants.

3. Within a time period agreed to by the Commission and the Receiver ("Time Period for Sale"), the Receiver shall sell or liquidate the Receivership Defendants' assets, including the Merchant Account Portfolios, to any interested bona fide third-party buyer for value, who is not a Defendant as defined herein. Any sale of the Receivership Defendants' assets, including the Merchant Account Portfolios, shall be complete and closed within the Time Period for Sale. All proceeds due under the sale, net of

properties and the Oklahoma property, and all other property released to and sold by the Receiver in this matter shall be paid to the Commission and shall be credited against the amount of the judgment owed by Defendants as set forth in Subparagraph III.A, *provided that* the Receiver may deduct his costs and fees as approved by the Court.

7. All funds paid pursuant to this Paragraph III shall be deposited into a fund

administered by the Commission for the benefit of the consumers of the products of the

not limited to restitution and any attendant expenses for the administration of any  
restitution fund. In the event that direct restitution to consumers is wholly or partially

control over any remaining monies and assets in direct proportion to the amounts they paid pursuant to the Rian Final Order and McCarthy Final Order.

**IV.**  
**Completion of Receivership**

**IT IS FURTHER ORDERED** that:

ICM, Inc. shall be deemed to have completed its receivership duties as of the date of this order.

V.  
Compliance Monitoring

**IT IS FURTHER ORDERED** that, for the purpose of monitoring and investigating compliance with any provision of this Final Order,

A. Within ten (10) days of receipt of written notice from a representative of the Commission, the Defendants shall submit additional written reports, sworn to under penalty of

perjury, produce documents for inspection and copying; appear for deposition; and/or provide

57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

**VI.**  
**Compliance Reporting by Defendants**

**IT IS FURTHER ORDERED** that, in order that compliance with the provisions of this Final Order may be monitored:

A. For a period of five (5) years from the date of entry of this Final Order, each of the Defendants shall notify the Commission of the following:

1. Any changes in the corporate structure of any Defendant or any business entity that any Defendant directly or indirectly control(s), or has an ownership interest in, that may affect compliance obligations arising under this Final Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Final Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided that*, with respect to any proposed change in the corporation about which the Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants shall notify the Commission as soon as is practicable after obtaining such knowledge;

B. One hundred eighty (180) days after the date of entry of this Final Order, each of



Order. This report shall include, but not be limited to:

1. A copy of each acknowledgment of receipt of this Final Order, obtained pursuant to Paragraph VIII; and

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

C. For the purposes of this Final Order, Defendants shall, unless otherwise directed by

the Commission's authorized representatives, mail all written notifications to the Commission to:

[REDACTED]

[REDACTED]

and reason for the person's termination, if applicable;

C. Merchant files containing the names, addresses, telephone numbers, dollar amounts

~~paid, quantity of items or services purchased, and description of items or services~~

extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly, indirectly, or through

any third party) and any responses to those complaints or requests.



Defendants must secure a signed and dated statement acknowledging receipt of this

Final Order, within thirty (30) days of delivery, from all persons receiving a copy of the Final Order pursuant to this Paragraph.

**IX.**

**Acknowledgment of Receipt of Order by Defendants**

**IT IS FURTHER ORDERED** that the Defendants, within five (5) business days of receipt of this Final Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Final Order.

**X.**

**Cooperation with FTC Counsel**

**IT IS FURTHER ORDERED** that Defendants shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are

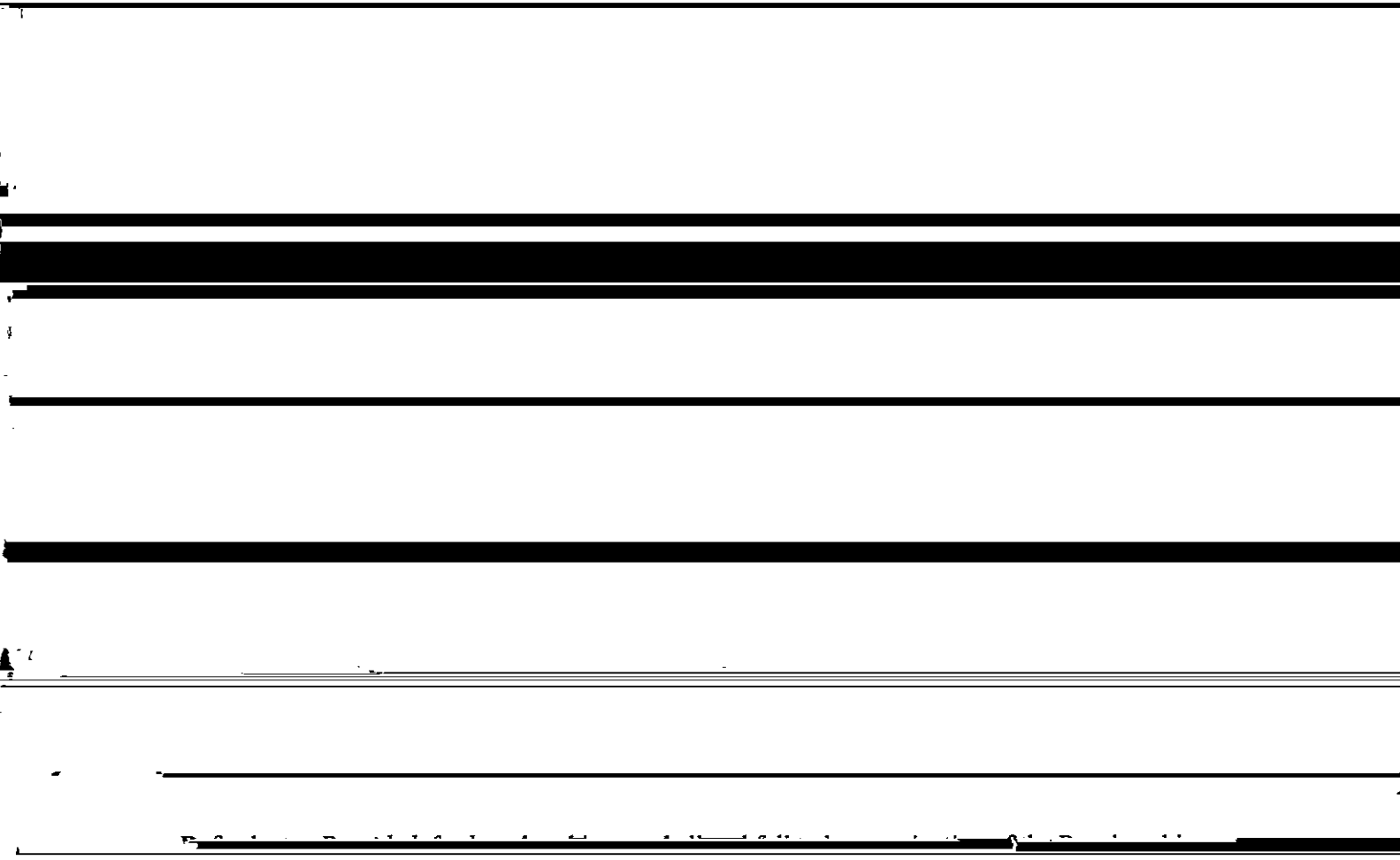


Receivership Defendants, or the Receiver appointed pursuant to this Final Order or any agent appointed by said Receiver; and

- E. Doing any act or thing whatsoever to interfere with the Receiver taking control, possession, or management of the property subject to this Receivership, or to in any way interfere with the Receiver, or to harass or interfere with the duties of the Receiver; or to interfere in any manner with the exclusive jurisdiction of this Court over the property and assets of the Receivership Defendants.

*Provided, however,* nothing in this Paragraph XI shall prohibit any federal or state law

enforcement or regulatory authority from commencing or prosecuting an action against the



[redacted]

[redacted]

[redacted]

[redacted]

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Attorney for MICHAEL A. GRASSMUECK, Receiver, and  
Defendants MERCHANT PROCESSING, INC.,  
DIRECT MERCHANT PROCESSING, INC.,  
VEQUITY FINANCIAL GROUP, INC., and  
PPI SERVICES INC.



Michael a. Grassmueck, Receiver for  
Defendants MERCHANT PROCESSING, INC.,  
DIRECT MERCHANT PROCESSING, INC.,  
VEQUITY FINANCIAL GROUP, INC., and  
PPI SERVICES INC.