

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE

FEDERAL TRADE COMMISSION and)	
STATE OF MAINE,)	
)	Case No. 2:16-cv-00023-GZS
Plaintiffs,)	
)	STIPULATED FINAL JUDGMENT
v.)	AND ORDER FOR PERMANENT
)	INJUNCTION AND OTHER
ANTHONY DILL, STACI DILL,)	EQUITABLE RELIEF AS TO
DIRECT ALTERNATIVES, and)	DEFENDANTS ANTHONY DILL,
ORIGINAL ORGANICS LLC,)	STACI DILL, DIRECT
)	ALTERNATIVES, AND
Defendants.)	ORIGINAL ORGANICS LLC

Plaintiffs, the Federal Trade Commission (“FTC” or “Commission”) and the State of

DEFINITIONS

text or other visual elements so that it is easily noticed, read, and understood;

- C. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it;
- D. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable;
- E. The disclosure must use dictionary and syntax understanda

13. "Preauthorized Electronic Fund Transfer" as defined by the Electronic Fund

- E. The following Morgan Stanley investment accounts:
 - (1) XXXX62-605;
 - (2) XXXX52-605;
 - (3) XXXX63-605;
 - (4) XXXX23-605; and
 - (5) XXXX25-605;

- F. The following Defined Benefit Plan and retirement accounts held at Morgan Stanley:
 - (1) Direct Alternatives Defined Benefit Pension Plan, Anthony & Staci Dill, Acct. XXXX68-605;
 - (2) Anthony Dill Roth IRA, Acct. XXXX00-605; and
 - (3) Staci Dill Roth IRA, Acct. XXXX08-605

- G. Surrender value of Defendant Staci Dill's Life insurance policy with the RiverSource Variable Universal Life, policy XXXX2004;

- H. Surrender value of Defendant Anthony Dill's life insurance policy with the Protective Life Insurance Co., policy XXXX8809;

- I. Valuable personal property located at 5 Rays Circle, Scarborough, Maine, including tennis bracelet, diamond earrings (complete set), diamond earring (one only), men's Rolex "Dtona" gold and silver watch, and two Thomas Arvid prints;

- J. All of Defendants' cash being held in escrow or reserve by credit card processing companies for Defendants, whether held under Defendants' names or under other company names, including "Natural Options, LLC,"

for the benefit of any Defendant including the following merchant accounts:

- (1) Power Pay, Accts. XXXX3005, XXXX3788, and XXXX4342;
 - (2) Electronic Merchant Systems, Acct. XXXX5562;
 - (3) CashFlows, Accts. XXXX1774 and XXXX1431;
 - (4) Signature Card Services, Accts. XXXX7110 and XXXX5980;
 - (5) Vision Payment Solutions Accts. XXXX1989 and XXXX7617;
- and
- (6) Humboldt, Acct. XXXX4883;

Provided, that Defendants shall be entitled to keep a total of \$11,000 from these accounts;

K. All of the property described and identified in Defendants' sworn statements listed in Subsection IX E., that are assets of Direct Alternatives and Original Organics LLC, including interest in:

- (1) All trademarks, including the trademark for "Original Organics," USPTO Serial No. 77664091 and the trademark for "Acai Fresh," USPTO Serial No. 77664083; and
- (2) Furniture, artwork, computers, multi-media devices, televisions, sound systems, telephones, and other equipment;

L. No less than \$200,000 currently held for the Defendants in an attorney trust account at Venable LLP;

M. All of Defendants' equitable and legal interests in the following companies:

- (1) Novia Products, LLC;
- (2) The Ice Chest;
- (3) Core Logix, LLC;
- (4) Northern Maine Distilling Company; and
- (5) Natural Options, LLC;

N. All CNL Lifestyle Properties, Inc. stock, including stock held in account number XXXX16605;

O. All of Defendants' interests in timeshares, including:

- (1) Time Share with RiverRun Company, Inc. at Attitash Mountain Village, Washington House, Unit C4;
- (2) Time Share with RiverRun Company, Inc. at Attitash

17. The terms “and” and “or” in this Final Order shall be construed conjunctively or disjunctively as necessary to make the applicable phrase or sentence inclusive rather than exclusive.

I.

BANNED WEIGHT-LOSS CLAIMS

IT IS ORDERED that Defendants, Defendants’ officers, agents, employees, and attorneys, and all other persons in active connection or participation with any of them, who receive actual notice of this Final Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any dietary supplement, over-the-counter drug, patch, cream, wrap, or other product worn on the body or rubbed into the skin, are permanently enjoined and enjoined from representing, or assisting others in representing, in any manner, expressly or by implication, including through the use of a product name, endorsement, depiction, illustration, any representation that such product:

- A. Causes weight loss of two pounds or more per week for a month or more without dieting or exercise;
- B. Causes substantial weight loss no matter what or how much the consumer eats;

be: (1) randomized, double-blind, and placebo-controlled; and (2) conducted by researchers qualified by training and experience to conduct such testing. In addition, all underlying or supporting data and documents generally accepted by experts in the relevant field as relevant to an assessment of such testing as described in Section entitled "Preservation of Records Relating to Competent and Reliable Human Clinical Tests or Studies" must be available for inspection and production to Plaintiffs. Defendants shall have the burden of proving that a product satisfies the definition of an Essentially Equivalent Product.

III.

PROHIBITED REPRESENTATIONS: OTHER HEALTH-RELATED CLAIMS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Final Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, are permanently restrained and enjoined from making, or assisting others in making, directly or by implication, including through the use of a product name, endorsement, depiction, or illustration, any representation, or other representations covered under Sections I or II of this Final Order, about the health benefits, safety, performance, or efficacy of any Covered Product, unless the representation is non-misleading and, at the time of making such representation, Defendants possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true.

For purposes of this Section, competent and reliable scientific evidence means tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons; (2) that are generally accepted in the profession to yield accurate and reliable results; and (3) as to which, when they are human clinical tests or studies, all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of such testing as set forth in the Subentitled Preservation of Records Relating to Competent and Reliable Human Clinical Tests Studies are available for inspection and production to Plaintiffs.

IV.

PROHIBITED REPRESENTATIONS REGARDING TESTS, STUDIES, OR INGREDIENTS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees,

V.

FDA-APPROVED CLAIMS

IT IS FURTHER ORDERED that nothing in this Final Order shall prohibit Defendants from:

A. Making any representation for any drug that is permitted in labeling for such drug under any tentative or final monograph promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration; and

B. Making any representation for any product that is specifically permitted in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990 or permitted under Sections 303-304 of the Food and Drug Administration Modernization Act of 1997.

VI.

PRESERVATION OF RECORDS RELATING TO COMPETENT AND RELIABLE HUMAN CLINICAL TESTS OR STUDIES

IT IS FURTHER ORDERED that, with regard to any human clinical test or study ("test") upon which Defendants seek to substantiate any claim covered by this Final Order, Defendants shall secure and preserve all underlying supporting data and documents generally accepted by experts in the field as relevant to an assessment of the test, including:

A. All protocols and protocol amendments, reports, articles, write-ups, or other accounts of the results of the test, and drafts of such documents reviewed by the test sponsor or any other person not employed by the research entity;

B. All documents referring or relating to recruitment; randomization; instructions, including oral instructions, to participants; and participant compliance;

C. Documents sufficient to identify all test participants, including any participants

who did not complete the test, and all communications with any participants relating to the test; all raw data collected from participants enrolled in the test, including any participants who did not complete the test; source documents for such data; any data dictionaries; and any case report forms;

D. All documents referring or relating to any statistical analysis of any test data, including any pretest analysis, intent-to-treat analysis, or between-group analysis performed on any test data; and

E. All documents referring or relating to the sponsorship of the test, including all communications and contracts between any sponsor and the test's researchers.

Provided, however, the preceding preservation requirements shall not apply to a Reliably Reported test, unless the test was conducted, controlled, or sponsored, in whole or in part by: (1) any Defendant; (2) any Defendant officers, agents, representatives, or employees; (3) any other person or entity in active concert or participation with any Defendant; (4) any person or entity affiliated with or acting on behalf of any Defendant;

VII.

VIII.

REQUIRED DISCLOSURES

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promoting, offering for sale, or sale of any good or service, Defendants and their officers, agents, employees, attorneys, and all other persons in concert or participation with any of them who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from:

A. Failing to clearly and conspicuously disclose, or assisting others in failing to clearly and conspicuously disclose before consumers are asked to reveal billing information or to consent to any purchase in connection with any claim that a good or service is “free,” has a minimal cost, or is being offered on a trial basis, an introductory or limited-time reduced cost, the following material terms and conditions of any offer:

1. In close proximity to such claim, the total cost to purchase, receive, or use any good or service that is the subject of the sales offer, including shipping, handling, and processing;
2. The amount, timing, and manner of payment of all fees, charges, or other amounts that a consumer will be charged or billed, and any additional financial obligations that may be incurred as a result of accepting the free product, service, or offer; and
3. The terms and conditions of any refund, cancellation, exchange, or repurchase policy or policies, including the specific steps and means by which such requests must be submitted, and the telephone number, email address, web address, or street address to which such requests must be

directed, including the deadline (by date or frequency) by which the consumer must act; and, if there is a policy of not making refunds, cancellations, exchanges, or repurchases, a statement regarding this policy; and

B. Failing to clearly and conspicuously disclose, or assisting others in failing to clearly and conspicuously disclose before consumers are asked to accept billing information or consent to any purchase that includes a Negative Option Feature:

1. That the consumer will be charged for the good or service, or that the charges will increase after the trial period ends, and if applicable, that the charges will be on a recurring basis, unless the consumer timely takes steps to prevent or stop such charges;
2. The amount (or range of costs) the consumer will be charged or billed, including shipping, handling, and processing, and, if applicable, the frequency of such charges unless the consumer timely takes steps to prevent or stop them;
3. The deadline (by date or frequency) which the consumer must act in order to stop the recurring charges;
4. The name of the seller or provider of the good or service;
5. A description of the good or service; and
6. The mechanism to stop any recurring charges.

In addition, for any transaction involving sale of a good or service to a consumer through a Negative Option Feature, within ten (10) days after the date of the sale, Defendants must send the consumer written confirmation of the transaction, either by email or first class

mail, according to the consumer's preference, which is identified as a written confirmation in the email subject line or on the outside of the envelope. Such written confirmation shall include Clear and Conspicuous disclosure of all the information required by this Subsection VIII.B(1)-(6) above, and shall specify the procedures by which consumers can cancel or obtain a refund.

IX.

EXPRESS INFORMED CONSENT

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert participation with any of them, who receive actual notice of this Final Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any good or service, are permanently restrained and enjoined from using billing information to obtain payment from a consumer, unless prior to using such billing information to obtain payment, Defendants obtain the express informed consent of the consumer.

A. For all written offers with a Negative Option Feature (including over the Internet or other web-based applications or services), consumer's express informed consent shall be obtained, prior to Defendants obtaining any billing information from consumers, through a check box, signature, or other substantially similar method,

risks, or obligations associated with any ~~Net~~ Option Feature, including any terms referring to “free,” “trial,” and “processing fee.”

B. For all oral offers including a ~~Net~~ Option Feature, Defendants shall, in addition to disclosing the information identified

A. Misrepresenting, expressly or by implication, any material term of any refund, return, or cancellation policy or practice;

B. Failing to disclose, Clearly and Conspicuously, before a consumer consents to pay for such good or service through a Negative Option Feature, all material terms, limitations, and conditions of any refund, return, or cancellation policy, including the deadline (by date or frequency) by which the consumer must act, and prohibitions against refunds, returns, or cancellations;

C. Failing to honor a refund, return, or cancellation request that complies with any policy to make refunds or allow returns or cancellations; and

D. Failing to provide a simple mechanism for a consumer to immediately stop any recurring charge for such good or service, at least one of which is simple and easy to use as the mechanism the consumer used to initiate the charges.

1. For consumers who entered into the agreement to purchase a good or service including a Negative Option Feature over the Internet or through other web-based applications or services, Defendants must provide a mechanism for consumers to stop the recurring charge over the Internet or through such other web-based application or service.
2. For consumers who entered into the agreement to purchase a good or service including a Negative Option Feature through an oral offer and acceptance, Defendants must maintain a telephone number through which the consumer can easily cancel the good or service, seek a refund for past charges, and immediately stop all further charges. Defendants must answer all calls to this telephone number during normal business hours.

XI.

PROHIBITION ON VIOLATING THE RESTORE ONLINE SHOPPERS' CONFIDENCE ACT

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Final Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any good or service, are permanently restrained and enjoined from violating the Restore Online Shoppers' Confidence Act, 15 U.S.C. §§ 8401-8405, a copy of which is attached hereto as EXHIBIT A.

XII.

COMPLIANCE WITH THE ELECTRONIC FUND TRANSFER ACT

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Final Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any good or service, are permanently restrained and enjoined, in connection with any person who purchases any good or service subsequent to the date of this Final Order, and who uses a debit card or other means of electronic fund transfer, from:

A. Failing to obtain written authorization for Preauthorized Electronic Fund Transfers from a consumer's account before initiating any Preauthorized Electronic Fund Transfer, as required by Section 107(a) of the Electronic Fund Transfer Act, 15 U.S.C. § 1693e(a), and Section 205.10(b) of Regulation E, 12 C.F.R. § 205.10(b), as more fully set out in Section 205.10 of the Federal Reserve Board's Official Staff Commentary to Regulation E, 12 C.F.R. § 205, Supp. I, or as it may hereafter be amended; and

with the terms set by, the Liquidation Receiver, which shall not unduly interfere with the Liquidation Receiver's sale of the real property;

2. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, assign, sell, or transfer to the Liquidation Receiver, or to such other party as the Liquidation Receiver may direct as required by the Liquidation Receiver, all interest in timeshares, including:
 - (1) Time Share with River Run Company, Inc. at Attitash Mountain Village, Washington House, Unit C4, New Hampshire;
 - (2) Time Share with River Run Company, Inc. at Attitash Mountain Village, Washington House, Unit D4, New Hampshire;
 - (3) Time Share with Exploria Resorts in Summer Bay, Florida, account number XXXX8293;
3. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, assign, sell, or transfer to the Liquidation Receiver, as required by the Liquidation Receiver or such other party as the Liquidation Receiver may direct, title to the 2007 Glastron Bow Rider (watercraft), IN XXX56D707, located at Thomas Aviation, 1684 Roxbury Road, Roxbury, Maine;
4. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, assign, sell, or transfer to the Liquidation Receiver, as required by the Liquidation Receiver or such other party as the Liquidation Receiver may direct, title to the 2011 Polaris

Receiver may direct, the following valuable personal property, all located at 5 Rays Circle, Scarborough, Maine

- (1) A tennis bracelet;
- (2) Set of diamond earrings;
- (3) Diamond earring (single);
- (4) Men's "Daytona" Rolex gold and silver watch; and
- (5) Thomas Arvid prints;

9. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, or transfer to the Liquidation Receiver or such other party as the Liquidation Receiver may direct, as required by the Liquidation Receiver, all interest in the following Morgan Stanley investment accounts:

- (1) XXXX62-605;
- (2) XXXX52-605;
- (3) XXXX63-605;
- (4) XXXX23-605; and
- (5) XXXX25-605.

Provided, however, that after these funds are transferred to the Liquidation Receiver, the Liquidation Receiver shall set aside a reserve for payment of the Dill Defendants' estimated federal and state taxes resulting from the liquidation of these funds; provided, further, that the Liquidation Receiver will only transfer those reserved funds to the Dill Defendants for payment of the estimated taxes owed for the year 2016, provided that the Dill

Defendants file their tax returns later than October 16, 2017 and that within ten (10) days after satisfaction of their 2016 tax obligations, the Dill Defendants shall assign their rights to receive any tax refunds to the Liquidation Receiver;

10. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, or transfer to the Liquidation Receiver or such other party as the Liquidation Receiver may direct, as required by the Liquidation R

Dill Defendants may utilize to the extent necessary to pay such tax liability, provided that the Dill Defendants file their tax returns no later than October 16, 2017, and that within (10) days of satisfaction of all 2016 tax obligations, the Dill Defendants shall assign or transfer the right to receive any tax refunds to the Liquidation Receiver;

11. Within thirty (30) days after the date of this Final Order, unless agreed to in writing by the Liquidation Receiver, convey, sell, assign, or transfer to the Liquidation Receiver or such other party as the Liquidation Receiver may direct: (i) Direct Alternatives' legal and equitable interests in the Direct Alternatives Defined Benefit Plan (the "Plan"), including all the powers, rights, discretion, and duties of Direct Alternatives in its capacity as the Plan sponsor; and (ii) Defendant Anthony Dill's legal and equitable interests in the Plan as Plan administrator, with all the powers, rights, discretion, and duties of the Plan administrator.

The Liquidation Receiver shall have sole plenary authority and control over the Plan and sole authority to perform the duties of the "Plan Administrator" and "Employer" under the Plan, including: the authority to collect, marshal, and administer the Plan's assets, liquidate the Plan's assets, distribute the Plan's assets, effectuate the termination of the Plan, communicate with Plan participants, coordinate Plan account distributions, make all required governmental filings, identify all claimants of the Plan and pay the amount of benefits owed to such claimants in accordance with the terms of the Plan, and pay service providers, agents,

custodians, investment counsel, accountants and legal counsel in connection with executing the foregoing duties. Provided, however, that the Liquidation Receiver shall not be liable for any claim, obligation, liability, action, cause of action, cost or expenses of Defendants or Direct Alternatives (or any member of a "controlled group" or "affiliated service group" under Section 414 of the Internal Revenue Code of 1986, as amended, of which Direct Alternatives is a member) arising out of or relating to events or circumstances occurring prior to entry of this Final Order, including without limitation any contingent or unliquidated obligations or liability to which Defendants or Direct Alternatives may be exposed. Provided, further, that if, and to the extent, the Plan is underfunded on a termination basis, Defendant Anthony Dill shall, if required by the Liquidation Receiver and in the sole option and direction of the Liquidation Receiver, execute a waiver of his benefit(s) under the Plan (and Defendant Staci Dill shall execute all required consent(s) to such waiver) to the extent necessary to render the Plan fully funded for all benefit liabilities on a termination basis and ensure that the Plan is eligible for a "standard termination" in accordance with the standards established by the Pension Benefit Guaranty Corporation (PBGC);

12. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, or transfer, to the Liquidation Receiver or such other party as the Liquidation Receiver may direct, as required by the Liquidation Receiver, all CNL Lifestyle

Properties, Inc., stock, including stock held in account number XXXX16605.

Provided, however, that after these funds are transferred to the Liquidation Receiver, the Liquidation Receiver shall set aside a reserve for payment of the Dill Defendants' estimated federal and state taxes resulting from the liquidation of these funds; provided, further, that the Liquidation Receiver will only transfer those funds to Defendants for payment of taxes owed for the year 2016; provided that the Dill Defendants file their tax returns no later than October 16, 2017 and that within (10) days after satisfaction of their 2016 tax obligations, the Defendants shall assign their rights to receive any tax refunds to the Liquidation Receiver;

13. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, or transfer to the Liquidation Receiver, or such other party as the Liquidation Receiver may direct, as required by the Liquidation Receiver, all of the property described or identified in Defendants' sworn statements listed in Subsection XIII.E., that are assets of Direct Alternatives and Original Organics LLC, including interests in:
 - (1) All trademarks, including the trademark for "Original Organics," USPTO Serial No. 77664091 and the trademark for "Acai Fresh," USPTO Serial No. 77664083; and
 - (2) All furniture, artwork, computers, multi-media devices, televisions, sound systems, telephones, and other equipment;

14. Within ten (10) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, or transfer to the Liquidation Receiver or such other party as the Liquidation Receiver may direct, as required by the Liquidation Receiver, all interest in the Direct Alternatives and Natural Options LLC merchant escrow accounts, including all funds currently being held in the following accounts:
- (1) Power Pay, Accts. XXX3005, XXXX3788, and XXXX4342;
 - (2) Electronic Merchant Systems, Acct. XXXX5562;
 - (3) CashFlows, Accts. XXXX1774 and XXXX1431;

all of Defendants' legal and equitable interests in the following companies:

- (1) Novia Products, LLC;
- (2) The Ice Chest;
- (3) Core Logix, LLC;
- (4) Northern Maine Distilling Company; and
- (5) Natural Options, LLC.

Provided, however, that Defendants shall be permanently enjoined from reacquiring any interest in such companies or their successors;

17. Within thirty (30) days of this Final Order, unless agreed to in writing by the Liquidation Receiver, liquidate, convey, sell, assign, endorse or transfer to the Liquidation Receiver, such other party as the Liquidation Receiver may direct, as required by the Liquidation Receiver, all legal and equitable rights to collect on loans including any evidence of such loans (e.g., the original promissory notes, if any) made by Defendant Anthony

19. Cooperate fully with the Liquidation Receiver and execute any instrument or document presented by the Liquidation Receiver, and do whatever else the Liquidation Receiver, in his sole discretion, deems necessary or desirable to transfer all of Defendants' interests in the Receivership Estate and to maximize the value of the Receivership Estate, including Defendants' interests in the companies listed in Subsection XIII.B.16. In the event any person or entity fails to deliver or transfer immediately any asset or otherwise fails to comply with any provision of this Section, or with the Liquidation Receiver, the Liquidation Receiver may file ex parte with the Court an Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, Writs of Possession or Sequestration or other equitable writs requested by the Liquidation Receiver. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county (pursuant to Fed. R. Civ. P. 4(c)(1)) to seize the asset, document, or other thing and deliver it to the Liquidation Receiver;

C. The Defendants shall deliver to counsel for the Commission and the Maine Attorney General, and the Liquidation Receiver, copies of signed and completed tax returns for the tax year 2016, including all related forms, schedules, statements, and attachments, within ten (10) business days after that return is officially filed. The Defendants shall also deliver to counsel for the Commission and the Maine Attorney General, and the Liquidation Receiver, copies of signed and completed amended federal and state tax returns for the years 2014, 2015,

and 2016, including all related forms, schedules, statements, and attachments, within ten (10) business days after each such amended return is officially filed. The Defendants shall also, within thirty (30) days after their final date permitted by the IRS for filing an amended federal tax return for that tax year, sign and submit to the IRS an IRS Form 4506, along with a payment to the IRS of the Form 4506 fee, directing the IRS to send to counsel for the Commission and the Maine Attorney General, and the Liquidation Receiver, a copy of the Defendants' original and amended tax returns filed for 2014, 2015, and 2016;

D. In the event of default on any obligation to make payments under this Final Order, or to transfer assets to the Receivership Estate, or to such other party as directed by the Liquidation Receiver, as required by Subsection B, above, the entire Judgment amount of \$16,419,989.00 shall immediately become due and payable. Defendants shall be jointly and severally liable for all payments required by this Subsection and any interest on such payments;

E. Plaintiffs' agreement to the suspension of part of the Judgment is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' sworn deposition testimony, financial statements, and related documents (collectively, "financial representations") submitted to Plaintiffs, namely the following:

1. Signed and sworn FTC Financial Statement of Individual Defendants and FTC Financial Statement of Corporate Defendants submitted to the Plaintiffs on August 3, 2015, as amended on September 18, 2015;
2. Attachments to FTC Financial Statement of Individual Defendants and FTC Financial Statement of Corporate Defendants submitted to the Plaintiffs on August 4, 2015 in the form of two CD-ROMs:

- (a) Disk 1 – Attachments A-I;
- (b) Disk 2 – Attachments A-F;
- 3. September 18, 2015 letter submission from Jeffrey D. Knowles to Plaintiffs, together with one CD-ROM containing Attachments A-QQ;
- 4. October 12, 2015 White Paper proposal for settlement from Jeffrey D. Knowles, together with Attachments A-L;
- 5. October 16, 2015 letter submission from Jeffrey D. Knowles to Plaintiffs explaining Defendants' investments in various companies, with 2013-2014 Balance Sheets and Profit & Loss Statements for Core Logix, LLC and Northern Maine Distilling Company;
- 6. October 20, 2015 letter submission from Jeffrey D. Knowles to Plaintiffs regarding the Dill Defendants' business interests, attaching Balance Sheets and a Profit & Loss Statement for The Ice Chest;
- 7. October 26, 2015 letter submission from Roger A. Colaizzi describing the Dill Defendants' three automobiles, providing serial numbers for a boat and two snowmobiles, the location of jewelry, confirming the address of real property, and attaching a June 22, 2015 Demand Letter from VitaQuest International, Inc. and the Dill Defendants' 2014 Federal Tax Return, including all schedules and attachments;
- 8. October 28, 2015 Anthony Dill deposition, together with all deposition exhibits;

9. October 29, 2015 letter submission from Roger A. Colaizzi describing the Dill Defendants' real property investments, together with Attachments A & B;
10. November 4, 2015 letter submission from Jeffrey D. Knowles describing additional valuable personal property, a personal loan, defense of a pending lawsuit, and an automobile, together with Attachment A; and
11. December 4, 2015 letter submission from Roger A. Colaizzi describing the current status of an attorney escrow, merchant escrows, and automobiles retained by the Dills;

F. The suspension of the Judgment will be lifted as to any Defendant if, upon motion by either of Plaintiffs, the Court finds that such Defendant failed to disclose any material asset or income, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified in Subsection XIII.E, above;

G. If the suspension of the Judgment is lifted, this Judgment becomes immediately due as to Defendants in the amount specified in Subsection A, above (which the parties stipulate only for purposes of this Section represents the consumer injury alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Final Order;

H. At such time that the Liquidation Receiver has liquidated all of the Receivership Estate, or 730 days have elapsed from the date of this Final Order without extension of the Liquidation Receiver's appointment, subject to any tax reserves described in Subsection XIII.B. above, this Court shall, upon application by Plaintiffs, Order the Liquidation Receiver to pay

from the Receivership Estate Five Hundred Thousand Dollars (\$500,000) to the State of Maine
by electronic fund transfer in a

acceptable to this Court, which shall remain in force and effect so long as the Liquidation Receiver serves, conditioned that the Liquidation Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs and comply with all Local Rules of this Court governing receivers.

The Liquidation Receiver and all persons authorized by him as herein authorized, including

believes should be brought to the Court's attention. Provided, however, if any of the required information would hinder the Liquidation Receiver's ability to pursue assets of the Receivership Estate, the portions of the Liquidation Receiver's report containing such information may be filed under seal and reserved on the parties.

XV.

DUTIES AND AUTHORITY OF LIQUIDATION RECEIVER

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

A. Assume control of the Receivership Estate and exclude the Defendants, and any person acting on their behalf from taking or retaining possession and control of any such Receivership Property, to the extent deemed advisable by the Liquidation Receiver;

B. Conserve, control, possess, hold, direct, and manage all Receivership Estate assets and perform all acts necessary or advisable to preserve the value of those assets, in order to prevent any irreparable loss, damage, or injury to the interests of the Receivership Estate, including obtaining an accounting of the assets and preventing transfer, withdrawal, or misapplication of assets;

C. Cause to be liquidated and converted into money the entire Receivership Estate, including any and all securities, commodities, stocks, bonds, equity shares, equitable or legal interests in businesses, investment accounts, real property, investments, timeshares, escrow accounts, retirement accounts, insurance policies, real property, furnishings, furniture, appliances, audio and television equipment, automobiles, watercrafts, loans due and payable, jewelry, art, and personal property owned by or for the benefit of the Receivership Estate, as the Liquidation Receiver deems to be advisable or necessary;

D. Enter into, assume, or ~~exit~~ contracts and purchase ~~insurance~~ as the Liquidation

I. Open one or more bank accounts in District of Maine as designated

P. Be responsible for oversight of Defendants' treatment of tax losses and gains that result from the liquidation of the Receivership Estate and ensure that tax refunds are properly remitted to the Liquidation Receiver by the Defendants;

Q. The Liquidation Receiver may seek or request such additional powers or instructions from the Court as he may deem necessary; and

R. Third Parties shall conclusively rely on this Final Order or the "Notice of Appointment of Liquidating Receiver" attached hereto as EXHIBIT C as sufficient evidence of the Liquidation Receiver's authority to engage in the acts and perform the duties herein, including his authority to convey, transfer, sign, pledge, liquidate and convey the assets of the Receivership Estate.

XVI.

COOPERATION WITH LIQUIDATION RECEIVER

IT IS FURTHER ORDERED that:

A. Defendants, Defendants' officers, agents, personal representatives, employees, and attorneys, and all other persons in active concert or participation with any of them or on their behalf, whether acting directly or indirectly, who receive notice of this Final Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device or entity, or any of them, shall cooperate fully with and assist the Liquidation Receiver in the performance of his duties under this Final Order. The Defendants' cooperation and assistance shall include:

1. Providing any information to the Liquidation Receiver or his representatives that the Liquidation Receiver, in his sole discretion, deems necessary or beneficial to exercise the authority and discharging the

- responsibilities of the Liquidation Receiver under this Final Order, including allowing the Liquidation Receiver or his representative to inspect or remove assets, and inspect and copy documents;
2. Providing any user names and passwords and executing any documents required to access any computer or electronic files in any medium, including electronically stored information stored, hosted, or otherwise maintained by an electronic data host;
 3. Executing deeds, liquidating assets, engaging in other forms of conveyance, sale, and assignment, required and directed by the Liquidation Receiver, including executing releases, titles, assignments, powers of attorney, and signature authority over other financial assets of the Receivership Estate so that the Liquidation Receiver, or such other parties as the Liquidation Receiver may direct, including asset purchasers, may take legal and equitable possession of the Receivership Estate;
 4. Surrendering, conveying, transferring, assigning to the Liquidation Receiver, or to such other parties as the Liquidation Receiver may direct, including asset purchasers, all legal and equitable title to the entire Receivership Estate, including securities, commodities, stocks, bonds, equity shares, equitable or legal interests in businesses, investment accounts, real property investments, mutual fund shares, escrow accounts, retirement accounts, insurance policies, real property, furnishings, furniture, audio and television equipment, snowmobiles, watercrafts, loans due and payable, and jewelry; and

5. Until Defendants liquidate, sell, assign, convey, transfer, or surrender possession and legal and equitable title to personal property to the Liquidation Receiver or to such other parties as the Liquidation Receiver may direct, including asset purchasers:
 - (a) Defendants shall maintain, and take no action to diminish the value of, the personal property, including any structures, fixtures, and appurtenances thereto, in good working order and in the same condition as existing prior to

9. Nothing in this Final Order requir

4. Excusing debts owed to the Receivership Estate;
5. Doing any act or refraining from any act whatsoever to interfere with the Liquidation Receiver's taking custody, control, possession, or managing of the assets or documents subject to the Receivership; or to harass or to interfere with the Liquidation Receiver in any way; or to refuse to cooperate with the Liquidation Receiver or the Liquidation Receiver's duly authorized agents in the exercise of their duties or authority under this Final Order; and
6. Filing, or causing to be filed, any petition on behalf of the Receivership Estate for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior permission from this Court.

XVII.

COOPERATION WITH FTC AND MAINE

IT IS FURTHER ORDERED that Defendants must fully cooperate with representatives of the Commission, the Maine AG, and any of their representatives in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Defendants must provide truthful and complete information, evidence, and testimony. Individual Defendants must appear and cooperate. Defendants must cause their officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that a representative of the Commission or the Maine AG may reasonably request upon five (5) days' written notice, or other reasonable notice, at such places and times as a Commission or Maine AG representative may designate, without the service of a subpoena.

XVIII.

CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants' officers, agents, employees, and attorneys, and all other persons in active connection with any of them, who receive actual notice of this Final 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, Defendants must provide it in the form prescribed by the Commission, within fourteen (14) days.

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, Social Security number or other identifying information, or any data that enables access to a customer account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Final Order in connection with the labeling, advertising, ma

XIX.

ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Final Order:

A. Each Defendant, within seven (7) days of entry of this Final Order, must submit to the Commission and the State of Maine an acknowledgment of receipt of this Final Order sworn under penalty of perjury.

B. For twenty (20) years after entry of this Final Order, Individual Defendants for any business involved in the sale or marketing of any Covered Product that such Defendants, individually or collectively with Corporate Defendants, are the majority owners or control, directly or indirectly, and each Corporate Defendant must deliver a copy of this Final Order to:

XX.

COMPLIANCE REPORTING

otherwise and any entity in which such Defendants have any ownership interest; and (c) describe in detail such Defendants' involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For twenty (20) years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following:

1. Each Defendant must report any change(a) any designated point of

- (a) Core Logix, LLC;
- (b) Novia Products, LLC;
- (c) The Ice Chest;
- (d) Northern Maine Distilling Company; and
- (e) Natural Options, LLC.

C. For a period of twenty (20) years, the Defendant must submit to the Commission and the Maine AG notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within fourteen (14) days of its filing.

D. Any submission to the Commission or the Maine AG required by this Final 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 Final 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, N.W., Washington, D.C. 20580. The subject line must begin FTC v. Direct Alternatives and the number X_____.

F. Unless otherwise directed by a Maine AG representative in writing, all submissions to the Maine AG pursuant to this Final Order must be sent by overnight courier (not the U.S. Postal Service) to: Office of the Attorney General of Maine, Consumer Protection Division, 111 Sewall Street, 6th Floor, Augusta, ME 04330. The subject line must begin Final

Order in re State of Maine v. Anthony Dill, et al., Direct Alternatives and Original Organics LLC and must identify the Court and docket number of this Final Order as ordered by the Court.

XXI.

RECORDKEEPING

IT IS FURTHER ORDERED that in connection with the sale of any Covered Product or Service, Defendants must create and retain records for twenty (20) years after entry of the Final Order, and retain each such record for eighty (80) years. Specifically, Corporate Defendants and Individual Defendants for any business that Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold, all costs incurred in generating those revenues, and the resulting net profit or loss;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; address; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. Complaints and full or partial refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. All records necessary to demonstrate compliance with each provision of this Final Order, including all submissions to the Commission and the Maine AG; and
- E. A copy of each unique advertisement or other marketing material.

XXII.

COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Final Order, including the financial representations upon which part of the judgment was suspended, and any ~~failure~~ transfer any assets ~~as~~ required by this Final Order:

A. Within fourteen (14) days of receipt ~~of~~ written request from a representative of the Commission or the Maine AG, each Defendant 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. Plaintiffs are 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 Final Order ~~the~~ Plaintiffs are authorized to

Maine AG to any law enforcement agency, and any representative of the State of Maine, of any material or information produced by Defendants pursuant to section 211 of the Maine UTPA, whether produced before or after the date of this Final Order.

XXIII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Final Order, and jurisdiction is retained by this Court in order to implement and carry out the terms of all orders and decrees that may be entered herein, and to entertain any application or motion by Plaintiffs or the Liquidating Receiver for additional relief pursuant to the provisions of this Final Order.

IT IS SO ORDERED this 5th day of February, 2016.

/s/ George Z. Singal
United States District Judge

IT IS SO STIPULATED this 19th day of January, 2016

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IT IS SO STIPULATED this 9th day of December, 2015

/s/ Anthony Dill
Defendant Anthony Dill, individually, and
on behalf of Defendants Direct Alternatives,
and Original Organics LLC

IT IS SO STIPULATED this 9th day of December, 2015

/s/ Staci Dill
Defendant Staci Dill

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