

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

3. The activities of the Wisconsin Defendants are or were in or affecting commerce, as defined the FTC Act, 15 U.S.C. § 44.

4. The Complaint states a claim upon which relief may be granted against the Wisconsin Defendants under Sections 5(a)(1), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a)(1), 53(b), and 57b; and under the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310.

5. The Wisconsin Defendants have engaged in acts or practices that violate Section 5(a)(1) of the FTC Act, 15 U.S.C. §45(a)(1) and various sections of the TSR. As demonstrated by the consumer declarations and the additional documents filed by the FTC, the Wisconsin Defendants and their marketing partners have made serious misrepresentations leading consumers to believe, among other things, that the medical discount card they offered for sale is health insurance or the equivalent of such insurance. The Wisconsin Defendants also assisted and fa

savings, or benefits. The insurance policies includ

B. failing to destroy such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order.

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

V.

EQUITABLE MONETARY RELIEF

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Eight Million Seven Hundred Forty-six Thousand Ninety-four Dollars and Eighteen Cents (\$8,746,094.18) is entered in favor of the FTC and against each of the Wisconsin Defendants, jointly and severally, as equitable monetary relief.

B. This monetary judgment shall become immediately due and payable by each of the Wisconsin Defendants upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance.

C. All payments under this Paragraph shall be made by certified check or other guaranteed funds payable to the Federal Trade Commission, Financial Management Office, or by wire transfer in accordance with directions provided by the Commission. The check(s) or written confirmation of the wire transfer(s) shall be delivered to: Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, N.W., Room CC-8528, Washington, D.C. 20580.

D. In accordance with 31 U.S.C. § 7701, Defendants are hereby required, unless they have done so already, to furnish to the Commission their taxpayer identification number(s) (social security number or employer

E.

compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, in the possession or control of, or which may be received by, the Wisconsin Defendants. The Receiver must not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

VII.

RECEIVER'S FINAL REPORT AND DISBURSEMENT OF RECEIVERSHIP ESTATE

IT IS FURTHER ORDERED that:

- A. The Receiver shall liquidate the assets of the Wisconsin Defendants in his

costs and expenses of administering the Receivership, including the compensation of the Receiver and the Receiver's personnel authorized by Section VI (Compensation of Receiver) of this Order or other orders of this Court, and the actual out-of-pocket costs incurred by the Receiver in carrying-out his duties; and (2) pay all remaining funds to the FTC as partial satisfaction of the judgment.

C.

electronic file, or telephonic data in any medium; advising all persons who owe money to the Wisconsin Defendants that all debts should be paid directly to the Receiver; and transferring funds or title of assets at the Receiver's direction and producing records related to the assets and sales of the Wisconsin Defendants. The entities obligated to cooperate with the Receiver under this provision include, but are not limited to, banks, broker-dealers, savings and loans, escrow agents, title companies, commodity trading companies, precious metals dealers, credit card processors, payment processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies and other financial institutions and depositories of any kind, as well as common carriers, telecommunications companies and third-party billing agents.

X.

COOPERATION WITH FTC COUNSEL

IT IS FURTHER ORDERED that the Wisconsin Defendants must fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. The Wisconsin Defendants must provide truthful and complete information, evidence, and testimony. The Individual Defendant must

A. Each of the Wisconsin Defendants, within seven (7) days of entry of this Order, must submit to the FTC an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five (5) years after entry of this Order, the Individual Defendant for any business that he, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, and the Corporate Defendant, must deliver a copy

offered, the means of advertising, marketing, and sales, and the involvement of any other Wisconsin Defendant (which the Individual Defendant must describe if he knows or should know due to his own involvement); (d) describe in detail whether and how that Wisconsin Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the FTC; and

2. Additionally, the Individual Defendant must: (a) identify all telephone numbers and all physical, postal, email, and Internet addresses, including all residences; (b) identify all business activities, including any business for which such defendant performs services whether as an employee or otherwise and any entity in which such defendant has any ownership interest; and (c) describe in detail such defendant's 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 Wisconsin Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following:

1. Each Wisconsin Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that such defendant has any ownershi

defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity;

C. Each Wisconsin Defendant must submit to the FTC notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such defendant within fourteen (14) days of its filing;

D. Any submission to the FTC required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is

C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

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

E. a copy of each unique advertisement, marketing email, banner advertisement, pop-up advertisement, mobile advertisement, web page, direct mail piece, Telemarketing script, text advertisement, or other marketing material.

XIV.

COMPLIANCE MONITORING

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

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

B. For matters concerning this Order, the FTC is authorized to communicate directly with each of the Wisconsin Defendants. The Wisconsin Defendants must permit representatives of the FTC to interview any employee or other person affiliated with them who has agreed to such an interview. The person interviewed may have counsel present.

C. The FTC may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or ot

identification or prior notice. Nothing in this Order limits the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

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

XV.

RETENTION OF JURISDICTION

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

SO ORDERED, this 27th day of June, 2016.

Robert N. Scola, Jr.
UNITED STATES DISTRICT JUDGE