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IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,
vs.
DIGITAL ALTITUDE LLC, et al.,
Defendants.

No. 2:18-CV-00729 JAK (MRWx)
**DEFAULT JUDGMENT AND
FINAL ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT
AGAINST DIGITAL ALTITUDE
LLC, ASPIRE PROCESSING LLC,
DISC ENTERPRISES INC., RISE
SYSTEMS AND ENTERPRISE LLC
(UTAH), RISE SYSTEMS AND
ENTERPRISE LLC (NEVADA),
SOAR INTERNATIONAL LIMITED
LIABILITY COMPANY, DIGITAL
ALTITUDE LIMITED, ASPIRE
PROCESSING LIMITED, AND
ASPIRE VENTURES LTD**
JS-6

This matter comes before the court upon the motion by Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for the entry of a Default Judgment and Permanent Injunction against Digital Altitude LLC, and application for the same against Aspire Processing LLC, Disc Enterprises Inc. (“Disc”), Rise Systems

1 Limited Liability Company (“Soar”), Digital Altitude Limited, Aspire Processing
2 Limited, and Aspire Ventures Ltd (collectively “Defaulting Defendants”).

3 On January 29, 2018, the FTC filed its Complaint for a Permanent
4 Injunction And Other Relief pursuant to Section 13(b) of the Federal Trade
5 Commission Act (“FTC Act”), 15 U.S.C. § 53(b) (Dkt. 1). Pursuant to Fed. R. Civ.
6 P. 65(b), the FTC also filed an ex parte application for a temporary restraining
7 order, asset freeze, other equitable relief, and an order to show cause why a
8 preliminary injunction should not issue against Digital Altitude LLC, Digital
9 Altitude Limited, Aspire Processing LLC, Aspire Processing Limited, Aspire
10 Ventures Ltd, Disc Enterprises Inc., RISE Systems & Enterprise LLC (Utah), RISE
11 Systems & Enterprise LLC (Nevada), Soar International Limited Liability
12 Company, The Upside, LLC, Thermography for Life, LLC, also d/b/a Living
13 Exceptionally, Inc. (“Thermography for Life”), Michael Force, Mary Dee, Morgan
14 Johnson, Alan Moore, and Sean Brown (collectively, “Defendants”). Dkt. 5.

15 The Court granted the application, issuing a temporary restraining order
16 (“TRO”) on February 1, 2018, including an asset freeze, appointment of a receiver,
17 immediate access to Defendants’ business premises, and other temporary relief.
18 Dkt. 34. The TRO also ordered Defendants to appear on February 15, 2018 and
19 show cause why a preliminary injunction should not issue against them. The
20 parties stipulated to a continuance of the show cause hearing and the court granted
21 that request, extending the TRO and continuing the hearing to March 5, 2018. Dkt.
22 61.

23 The FTC timely served all Defendants with the Complaint, TRO application
24 (and supporting documents), and TRO. *See* FTC’s Proofs of Service, Dkt. 37
25 (Digital Altitude LLC), 41 (Dee), 42 (Johnson), 48 (Brown), 49 (Force), 55, 72, &
26 155 (Aspire Processing Limited), 55, 71, & 155 (Aspire Ventures Ltd), 45, 55, &
27 155 (Digital Altitude Limited), 46 (Rise Utah), 47 (Soar), 51 (Aspire Processing
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1 | LLC), 52 (Rise Nevada), 53 (Thermography for Life), 80 & 80-1 (Disc).¹
2 | Defendants Sean Brown, Alan Moore, Morgan Johnson, and The Upside, LLC
3 | stipulated to the entry of Preliminary Injunctions as to them. Dkt. 74 (Moore), 76
4 | (Brown), 85 (Johnson), 103 (Upside). The Court issued Preliminary Injunctions
5 | accordingly. Dkt. 92 (Moore), 90 (Brown), 91 (Johnson), 107 (Upside). Defendants
6 | Michael Force, Mary Dee, Digital Altitude, LLC, and Thermography for Life
7 | opposed issuance of a Preliminary Injunction. The Court held a hearing on the
8 | matter on March 5 and 6, 2018, after which it issued a Preliminary Injunction as to
9 | all Defendants who had not stipulated to entry of a Preliminary Injunction. Dkt.
10 | 108, 111.

11 On March 30, 2018, the Clerk of Court entered the default of Defendants
12 | Aspire Processing LLC, Disc Enter

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1 entry of default judgment was warranted against Defendants Digital Altitude
2 Limited, Aspire Processing LLC, Aspire Processing Limited, Aspire Ventures Ltd,
3 Disc Enterprises Inc., RISE Systems & Enterprise LLC (Utah), RISE Systems &
4 Enterprise LLC (Nevada), and Soar International Limited Liability Company. Dkts.
5 183, 201.

6 On July 26, 2018, the Court granted a motion for the withdrawal of counsel
7 for Digital Altitude LLC, and ordered that it “shall obtain new counsel and have
8 such counsel enter an appearance in this action on or before August 13, 2018,”
9 warning that “[a] failure to do so may result in the striking of [Digital Altitude
10 LLC’s] . . . answer[] (Dkts. 114, 116) and the entry of [its] . . . default[.]” Dkt. 201
11 at 12. No counsel has since entered an appearance for Digital Altitude LLC. By
12 order of the Court, on August 14, 2018, the Clerk of Court struck the Answer of
13 Digital Altitude LLC and entered its default. Dkts. 210 & 211. Since that time,
14 Defendant Digital Altitude LLC has made no filings with the Court and has
15 otherwise given no indication it intends to continue to litigate this matter. Also
16 since that time, Michael Force, CEO and owner of Digital Altitude, LLC, has
17 reached a settlement with the FTC in his individual capacity.

18 Upon Consideration of the FTC’s Motion for Entry of Default Judgment
19 Against Defendant Digital Altitude LLC, the Court hereby **GRANTS** the FTC’s
20 motion. IT IS FURTHER ORDERED as follows:

21 **FINDINGS**

- 22 A. This Court has jurisdiction over this matter.
23 B. The Complaint charges that Defaulting Defendants participated in
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1 D. Defaulting Defendants had proper notice of this lawsuit. Dkt. 37
2 (Digital Altitude LLC), 55, 72, & 155 (Aspire Processing Limited), 55, 71, & 155
3 (Aspire Ventures Ltd), 45, 55, & 155 (Digital Altitude Limited), 46 (Rise Utah), 47
4 (Soar), 51 (Aspire Processing LLC), 52 (Rise Nevada), 80 & 80-1 (Disc).

5 E. Defaulting Defendant Digital Altitude, LLC stopped defending this
6 lawsuit in or about July 2018; all other Defaulting Defendants have failed to
7 answer or otherwise respond to the Complaint.

8 F. On March 30, 2018, the Clerk of Court entered the default of
9 Defendants Aspire Processing LLC, Disc Enterprises Inc., RISE Systems &
10 Enterprise LLC (Utah), RISE Systems & Enterprise LLC (Nevada), and Soar
11 International Limited Liability Company. Dkt. 133.

12 G. On July 5, 2018, the Clerk of Court entered the default of Defendants
13 Digital Altitude Limited, Aspire Processing Limited, and Aspire Ventures Ltd. Dkt.
14 186.

15 H. On August 14, 2018, by order of the Court, the Clerk of Court struck
16 the Answer of Digital Altitude LLC and entered its default. Dkts. 210 & 211.

17 I. The FTC is now entitled to default judgment as to Defaulting
18 Defendants pursuant to Rule 55(b) of the Federal Rules of Civil Procedure.

19 J. The allegations in the Complaint are taken as true against Defaulting
20 Defendants. Those allegations establish that Defaulting Defendants are liable for
21 injunctive and equitable monetary relief for violations of Section 5 of the FTC Act,
22 15 U.S.C. § 45.

23 K. Based on the Receiver's analysis, the consumer injury caused by
24 Defaulting Defendants totals at least fifty-four million dollars (\$54,000,000). The
25 Commission is therefore entitled to an award of equitable monetary relief against
26 the Defaulting Defendants in this amount.

27 L. Entry of this Final Judgment is in the public interest.
28

DEFINITIONS

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

A. **“Acquirer”** or **“Acquiring Bank”** means a business organization, Financial Institution, or an agent of a business organization or Financial Institution that has authority from an organization that operates or licenses a credit card system (e.g., Visa, MasterCard, American Express or Discover) to authorize Merchants to accept, transmit, or process payment by credit card through the credit card system for money, products, or anything else of value.

B. **“Business Coaching Program”** means any program, plan, or product, including those related to work-at-home-opportunities, that is represented, expressly or by implication, to train or teach a participant or purchaser how to establish a business or earn money or other consideration through a business or other activity.

C. **“Corporate Defendants”** means Digital Altitude LLC, Digital Altitude Limited, Aspire Processing LLC, Aspire Processing Limited, Aspire Ventures Ltd, Disc Enterprises Inc., RISE Systems & Enterprise LLC (Utah), RISE Systems & Enterprise LLC (Nevada), Soar International Limited Liability Company, The Upside, LLC, and Thermography for Life, LLC, also d/b/a Living Exceptionally, Inc., and each of their subsidiaries, affiliates, successors, and assigns.

D. **“Credit Card Laundering”** means: (a) presenting or depositing into, or causing or allowing another to present or deposit into, the credit card system for payment, a Credit Card Sales Draft generated by a transaction that is not the result of a credit card transaction between the cardholder and the Merchant; (b) employing, soliciting, or otherwise causing or allowing a Merchant, or an employee, representative, or agent of a Merchant, to present to or deposit into the credit card system for payment, a Credit Card Sales Draft generated by a transaction that is not the result of a credit card transaction between the cardholder

1 and the Merchant; or (c) obtaining access to the credit card system through the use
2 of a business relationship or an affiliation with a Merchant, when such access is not
3 authorized by the Merchant Account agreement or the applicable credit card
4 system.

5 E. **“Credit Card Sales Draft”** means any record or evidence of a credit
6 card transaction.

7 F. **“Defendant(s)”** means all of the Individual Defendants and the
8 Corporate Defendants, individually, collectively, or in any combination.

9 G. **“Financial Institution”** means any institution the business of which is
10 engaging in financial activities as described in section 4(k) of the Bank Holding
11 Company Act of 1956 (12 U.S.C. § 1843(k)). An institution that is significantly
12 engaged in financial activities is a Financial Institution.

13 H. **“Investment Opportunity”** means anything, tangible or intangible,
14 that is offered, offered for sale, sold, or traded based wholly or in part on
15 representations, either express or implied, about past, present, or future income,
16 profit, or appreciation.

17 I. **“Merchant”** means (a) any Person or entity engaged in the sale or
18 marketing of any goods or services, or soliciting a charitable contribution, or (b)
19 any Person or entity who applies for or obtains Payment Processing services.

20 J. **“Merchant Account”** means any account with an Acquiring Bank or
21 other Financial Institution, service provider, payment processor, independent sales
22 organization, or other entity that enables an individual, a business, or other
23 organization to accept payments of any kind.

24 K. **“Payment Processing”** means providing a Person, directly or
25 indirectly, with the means used to charge or debit accounts through the use of any
26 payment method or mechanism, including, but not limited to, remotely created
27 payment orders, remotely created checks, ACH debits, or debit, credit, prepaid, or
28 stored value cards. Whether accomplished through the use of software or

1 otherwise, Payment Processing includes, among other things: (a) reviewing and
2 approving Merchant applications for Payment Processing services; (b) providing
3 the means to transmit sales transactions data from Merchants to Acquiring Banks
4 or other Financial Institutions; (c) clearing, settling, or distributing proceeds of
5 sales transactions from Acquiring Banks or Financial Institutions to Merchants; or
6 (d) processing chargebacks or returned remotely created payment orders, remotely
7 created checks, or ACH checks.

8 L. **“Person”** means a natural person, organization, or other legal entity,
9 including a corporation, limited liability company, partnership, #g Banks or FPHDQV
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1 creation or development of a Business Coaching Program or an Investment
2 Opportunity.

3 **II. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS**

4 IT IS FURTHER ORDERED that Defaulting Defendants are permanently
5 restrained and enjoined from:

6 A. Credit Card Laundering;

7 B. Making, or assisting others in making, directly or by implication, any
8 false or misleading statement in order to obtain Payment Processing services;

9 C. Failing to disclose to an Acquiring Bank or other Financial Institution,
10 service provider, payment processor, independent sales organization, or other entity
11 that enables a Person to accept payments of any kind any material information
12 related to a Merchant Account including, but not limited to, the identity of any
13 owner, manager, director, or officer of the applicant for or holder of a Merchant
14 Account, and any connection between an owner, manager, director, or officer of the
15 applicant for or holder of a Merchant Account and any third Person who has been
16 or is placed in a Merchant Account monitoring program, had a Merchant Account
17 terminated by a payment processor or a Financial Institution, or has been fined or
18 otherwise disciplined in connection with a Merchant Account by a payment
19 processor or a Financial Institution; and

20 D. Engaging in any tactics to avoid fraud and risk monitoring programs
21 established by any Financial Institution, Acquiring Bank, or the operators of any
22 payment system, including, but not limited to, tactics such as balancing or
23 distributing sales transactions among multiple Merchant Accounts or merchant
24 billing descriptors; splitting a single sales transaction into multiple smaller
25 transactions; or using a shell company to apply for a Merchant Account.

26 **III. PROHIBITION AGAINST MISREPRESENTATIONS**

27 IT IS FURTHER ORDERED that Defaulting Defendants, their officers,
28 agents, employees, and attorneys, and all other Persons in active concert or

1 participation with any of them, who receive actual notice of this Order, whether
2 acting directly or indirectly, in connection with the advertising, marketing,
3 promoting, or offering for sale of any good or service, are permanently restrained
4 and enjoined from misrepresenting or assisting others in misrepresenting, expressly
5 or by implication, any material fact, including, but not limited to:

6 A. Consumers who purchase Defaulting Defendants' goods or services
7 will earn or are likely to earn substantial income;

8 B. Consumers who purchase Defaulting Defendants' goods or services
9 will receive business coaching that will provide what the consumers need to build a
10 successful online business; and

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

15 **IV. MONETARY JUDGMENT**

16 A. Judgment in the amount of Fifty-Four Million Dollars (\$54,000,000)
17 is entered in favor of 9 s se D D M

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1 accounts or assets of, on behalf of, or for the benefit of, any Defaulting Defendant
2 shall turn over such account or asset to the FTC, or, if the FTC so designates, the
3 Receiver within 10 days of receiving notice of this Order by any means, including
4 but not limited to via facsimile. Specifically:

5 1. Allied Wallet, Inc. and Allied Wallet Ltd. are ordered, within seven
6 (7) days of entry of this Order, to transfer to the Commission by electronic fund
7 transfer in accordance with instructions provided by a representative of the
8 Commission: all reserve funds and the contents of any other accounts held,
9 controlled, or serviced by Allied Wallet, Inc. or Allied Wallet, Ltd. and associated
10 with any payments processed by, or on behalf of Digital Altitude LLC, including
11 the Merchant Account with the merchant identification number (“MID”) ending in
12 0368 (approximately \$285,000).

13 2. WePay, Inc. is ordered, within seven (7) days of entry of this Order, to
14 transfer to the Commission by electronic fund transfer in accordance with
15 instructions provided by a representative of the Commission: all reserve funds or
16 any other accounts held, controlled, or serviced by and associated with any
17 payments processed by, or on behalf of Digital Altitude LLC, including Merchant
18 Accounts with the merchant identification numbers (“MID[s]”) ending in 0944 and
19 5881 (approximately \$34,000).

20 3. PayPal Holdings, Inc. is ordered, within seven (7) days of entry of this
21 Order, to transfer to the Commission by electronic fund transfer in accordance with
22 instructions provided by a representative of the Commission: all reserve funds or
23 any other accounts held, controlled, or serviced by and associated with any
24 payments processed by, or on behalf of Digital Altitude LLC, including the
25 account with account number ending in 3737 (approximately \$9,000).

26 D. Defaulting Defendants’ Taxpayer Identification Numbers (Employer
27 Identification Numbers) may be used for collecting and reporting on any
28 delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

1 E. All money paid to the Commission pursuant to this Order may be
2 deposited into a fund administered by the Commission or its designee to be used
3 for equitable relief, including consumer redress and any attendant expenses for the
4 administration of any redress fund. If a representative of the Commission decides
5 that direct redress to consumers is wholly or partially impracticable or money
6 remains after redress is completed, the Commission may apply any remaining
7 money for such other equitable relief (including consumer information remedies)
8 as it determines to be reasonably related to Defendants' practices alleged in the
9 Complaint. Any money not used for such equitable relief is to

10 Treasury as disgorgement. Defaulting Defendants have no right to challenge

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V. CUSTOMER INFORMATION
IT IS FURTHER ORDERED THAT
agents, employees, and
participation with any of
acting directly or indirectly

A. Failure to

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1 creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or
2 affiliate that engages in any acts or practices subject to this Order.

3 C. Each Defaulting Defendant must submit to the Commission notice of
4 the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding
5 by 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. Digital Altitude, et al. (Digital Altitude LLC), No.
18 X180021.

19 **X. RECORDKEEPING**

20 IT IS FURTHER ORDERED that Defaulting Defendants must create certain
21 records for 20 years after entry of the Order, and retain each such record for 5
22 years. Specifically, Defaulting Defendants 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 Defendant Digital Altitude LLC, without the necessity of identification or prior
2 notice. Nothing in this Order limits the Commission's lawful use of compulsory
3 process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

4 **XII. RETENTION OF JURISDICTION**

5 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
6 matter for purposes of construction, modification, and enforcement of this Order.

7 **IT IS SO ORDERED.**

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Dated: March 6, 2019

JOHN A. KRONSTADT
UNITED STATES DISTRICT JUDGE

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