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12 Attorneys for Plaintiff  
13 Federal Trade Commission

14 **IN THE UNITED STATES DISTRICT COURT**  
15 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

16 **Federal Trade Commission,**

17 Plaintiff,

18 vs.

19 **AlliedWallet, Inc., et al.,**

20 Defendants.

No.

[PROPOSED] STIPULATED FINAL  
ORDER FOR PERMANENT  
INJUNCTION AND MONETARY  
JUDGMENT AGAINST AMY  
ROUNTREE

21 Plaintiff the Federal Trade Commission (“FTC” or “Commission”), filed its  
22 Complaint for permanent injunction and other equitable relief in this matter  
23 pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15  
24 U.S.C. § 53(b) against AlliedWallet, Inc., Allied Wallet, Ltd., GTBill, LLC, and  
25 GTBill Ltd., Ahmad Khawaja (also known as Andy Khawaja), Mohammad Diab  
26 (also known as Moe Diab), and Amy Rountree (collectively, “Defendants”).  
27 Defendant Amy Rountree (“Defendant Rountree”) has waived service of the  
28 summons and the Complaint. The FTC and Defendant Rountree stipulate to the



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1 the product or service before the end of the period; (b) continuity plans in which,  
2 subsequent to the consumer's agreement to the plan, the seller or provider  
3 automatically ships products to a consumer unless the consumer notifies the seller  
4 or provider within a certain time not to ship the products; and (c) automatic  
5 renewal plans in which the seller or provider automatically renews the agreement  
6 and charges the consumer unless the consumer cancels before the renewal.

7 T. "Payment Facilitator" means an entity that is registered with a credit  
8 card system by an Acquirer to facilitate transactions on behalf of Sponsored  
9 Merchants, and receives settlement transaction proceeds from the Acquirer on  
10 behalf of the Sponsored Merchants.

11 U. "Payment Processing" means transmitting sales transaction data on  
12 behalf of a Merchant or providing a Person, directly or indirectly, with the means  
13 used to charge or debit accounts through the use of any payment method or  
14 mechanism, including, but not limited to, credit cards, debit cards, prepaid cards,  
15 stored value cards, ACH Debits, and Remotely Created Payment Orders. Whether  
16 accomplished through the use of software or otherwise, Payment Processing  
17 includes, among other things: (a) reviewing and approving Merchant applications  
18 for payment processing services; (b) transmitting sales transaction data or  
19 providing the means to transmit sales transaction data from Merchants to  
20 Acquirers, Payment Processors, SOs, or other Financial Institutions; (c) clearing,  
21 settling, or distributing proceeds of sales transactions from Acquirers or Financial  
22 Institutions to Merchants; (d) processing Chargebacks or returned Remotely  
23 Created Payment Orders or ACH Debits; (e) sign a merchant acceptance  
24 agreement on behalf of an Acquirer, receive settlement of transaction proceeds  
25 from an Acquirer, on behalf of a sponsored Merchant.

26 V. "Payment Processor" means any Person providing Payment  
27 Processing services in connection with another Person's sale of goods or services  
28 or in connection with any charitable donation.

1 W. "Person" means any natural person, organization, or legal entity,  
2 including a corporation, limited liability company, partnership, proprietorship,  
3 association, cooperative, government or governmental subdivision or agency, or  
4 any other group or combination acting as an entity.

5 X. "Outbound Telemarketing" means any plan, program, or campaign  
6 that is conducted to induce the purchase of goods or services by use of one or more  
7 telephones, and which involve a telephone call initiated by a Person other than the  
8 consumer, whether or not covered by the Telemarketing Sales Rule ("TSR"), 16  
9 C.F.R. Part 310.

10 Y. "Remotely Created Payment Order" or "RCPO" means a payment  
11 instruction or order, whether created in electronic or paper format, drawn on a  
12 payor's financial account that is initiated or created by the payee, and which is  
13 deposited into or cleared through the clearing system. For purposes of this  
14 definition, an account includes any financial account or credit or other arrangement  
15 that allows checks, payment instructions, or orders to be drawn against it that are  
16 payable by, through, or at a bank.

17 Z. "Sales Agent" means a Person that matches, arranges, or refers  
18 prospective Clients or Clients to a Payment Processor or ISO for Payment  
19 Processing, but does not hold any contractual liability in the event of losses related  
20 to the Payment Processing activities conducted by or on behalf of Clients. As  
21 such, a Sales Agent may be involved in recommending a particular Payment  
22 Processor or ISO to a prospective Client or forwarding to the Payment Processor or  
23 ISO a prospective Client's or Client's merchant application, or negotiating rates  
24 and fees charged by a Payment Processor or ISO, but a Sales Agent may not be  
25 involved in any Payment Processing and may not act as an ISO.

26 AA. "Sponsored Merchant" means any Person or entity to whom a  
27 Payment Facilitator agrees to provide Payment Processing services.

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1 BB. "Total Return Rate" means the proportion (expressed as a  
2 percentage) of all attempted ACH Debit RCPD transactions that are returned  
3 through the banking system for any reason, whether before or after payment, out of  
4 the total number of such attempted transactions, calculated separately for each  
5 transaction type.

6 ORDER

7 I. BAN ON PROCESSING FOR CERTAIN MERCHANT CATEGORIES

8 IT IS ORDERED that Defendant Roundcube, whether acting directly or  
9 through an intermediary, is permanently restrained and enjoined from Payment  
10 Processing, and from assisting others engaged in Payment Processing, whether  
11 directly or through an intermediary, for any Person:

12 A. Offering to sell, selling, promoting or marketing the following goods  
13 or services:

- 14 1) Money Making Opportunities;
- 15 2) credit repair;
- 16 3) credit card protection;
- 17 4) identity theft protection;
- 18 5) debt collection, debt counseling, debt settlement, or debt  
19 consolidation;
- 20 6) mortgage or loan modification;
- 21 7) government grants; or
- 22 8) timeshare resale;

23 B. Engaged in Outbound Telemarketing;

24 C. Listed on the Mastercard Member Alert to Control High-Risk  
25 Merchants (MATCH) list for any of the following reasons: excessive Chargebacks  
26 or fraud, fraud conviction, laundering, identification as a Questionable Merchant  
27 per the Mastercard Questionable Merchant Audit Program, merchant collusion,  
28 illegal transactions, or identity theft;





1 Mastercard Questionable Merchant Account Program, merchant collusion, illegal  
2 transaction, or identity theft, had a Merchant Account terminated by a Payment  
3 Processor or a Financial Institution, or has been fined or otherwise disciplined in  
4 connection with a Merchant Account by a Payment Processor or a Financial  
5 Institution; and

6 C. Engaging in any tactics to avoid fraud and risk monitoring programs  
7 established by any Financial Institution, Acquirer, or the operators of any payment  
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1 obtaining and reviewing all current marketing materials for each good or service  
2 related to the offer for which Defendant Rountree would provide the prospective  
3 High Risk Client with Payment Processing, ISO, or Sales Agent services. The  
4 purpose of such steps is to determine whether the prospective High Risk Client is  
5 engaged in any of the following acts/practices, in which case Defendant  
6 Rountree shall not provide Payment Processing or an ISO or Sales Agent for  
7 the prospective High Risk Client:

8 1. Failing to clearly and conspicuously disclose all products and services  
9 that are sold in conjunction with the offer/product or service, and the total cost to  
10 purchase, receive, or use, any products or services that are the subject of the sales  
11 offer;

12 2. Misrepresenting any material aspect of the performance, efficacy,  
13 nature, or central characteristics of goods or services that are the subject of the  
14 sales offer;

15 3. Failing to clearly and conspicuously disclose all material terms/disclosn15  
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1 A. Failing to monitor the sales activity of all current Clients to identify  
2 Clients that should be designated High Risk Clients requiring additional  
3 screening pursuant to Section V of the Order, and for newly-designated High Risk  
4 Clients, failing to complete the reasonable screening process described in Section  
5 V of the Order within a one month period;

6 B. Failing to monitor each High Risk Client's transactions to determine  
7 whether the High Risk Client is engaged in practices that are deceptive or unfair in  
8 violation of Section 5 of the FTC Act. Such monitoring shall include, but not be  
9 limited to, regularly reviewing High Risk Clients' Internet websites from an IP  
10 address that is not associated with Defendant Rountree, regularly reviewing each  
11 High Risk Client's Chargeback Rates, Total Return Rates (if Defendant proposes to  
12 provide Payment Processing services for ACH Debit or RCPO transactions), and  
13 reasons provided for these rates, as well as examining any unusual or suspect  
14 transaction patterns, values, and volume;

15 C. Failing to calculate and update at least on a monthly basis for each  
16 High Risk Client the Chargeback Rate and Total Return Rate (if Defendant  
17 proposes to provide Payment Processing services for ACH Debit or RCPO  
18 transactions). For any Client with multiple processing accounts, the calculation of  
19 the Chargeback Rate and Total Return Rate shall be made for each of the High  
20 Risk Client's individual processing accounts, and in the aggregate for each High  
21 Risk Client;

22 D. Failing to immediately stop processing sales transactions and, as soon  
23 as practical but in no more than 5 days, close all processing accounts for:

24 1. Any Covered Client whose Total Return Rate exceeds two and one-  
25 half percent (2.5%) and whose total number of ACH Debit or RCPO returned  
26 transactions in any month exceeds forty (40) transactions;

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1           2. Any Covered Client whose monthly Chargeback Rate exceeds one  
2 percent (1%) and whose total number of Chargebacks exceeds forty (40) in two of  
3 the past six months; and

4           3. Any Covered Client that Defendant Rountree knows or should know  
5 is engaged in tactics to avoid fraud and risk monitoring programs established by  
6 any Financial Institution, Acquirer, or the operators of any payment system,  
7 including, but not limited to, balancing or distributing sales transaction volume or  
8 sales transaction activity among multiple Merchant Accounts or merchant billing  
9 descriptors; splitting a single sales transaction into multiple smaller transactions, or  
10 using shell companies to apply for additional Merchant Accounts.

11           E. Failing to immediately conduct a reasonable investigation of the cause  
12 of Total Return Rate (if Defendant Rountree proposes to provide Payment  
13 Processing services for ACH Debit or RCPO transactions) or Chargeback Rates (a  
14 reasonable investigation includes, but is not limited to: verifying and updating the  
15 truth and accuracy of information gathered in compliance with Section V of this  
16 Order and any other advertising of the High Risk Client; confirming that the High  
17 Risk Client has obtained required consumer authorizations for the transactions;  
18 contacting Financial Institutions and Better Business Bureaus to gather detailed  
19 information, including complaints and other relevant information, regarding the  
20 High Risk Client; reviewing from an IP address that is not associated with  
21 Defendant Rountree the Internet websites used by the High Risk Client to market  
22 its goods and services; searching publicly available sources for legal actions taken  
23 by the Commission or other state or federal law enforcement agencies against the  
24 High Risk Client; and conducting “test shopping to determine the High Risk  
25 Client’s sales practices (where possible) for:

26           1. Any High Risk Client, excluding Covered Clients, whose Total Return  
27 Rate exceeds two and one-half percent (2.5%) and whose total number of ACH  
28 Debit or RCPO returned transactions any month exceeds forty (40); and





1 Defendant Rountree's sworn financial statements and related documents  
2 (collectively, "financial representations") submitted to the Commission, namely:

3 1. the Financial Statement of Amy Rountree digitally signed by  
4 Defendant Rountree on January 2, 2019, including the attachments, submitted by  
5 email by Defendant Rountree's counsel assistant, Taly Goody, to Commission  
6 counsel Andrew Hudson on January 4, 2019; and

7 2. information submitted via email from Defendant Rountree's counsel  
8 David Steiner to Commission counsel Andrew Hudson on February 15, 2019,  
9 regarding personal property.

10 D. The suspension of the judgment will be lifted as to Defendant  
11 Rountree if, upon motion by the Commission, the Court finds that Defendant  
12 Rountree failed to disclose any material asset, materially misstated the value of any  
13 asset, or made any other material misstatement or omission in the financial  
14 representations identified above.

15 E. If the suspension of the judgment is lifted, the judgment becomes  
16 immediately due as to Defendant Rountree the amount specified in Subsection A  
17 above (which the parties stipulate only for purposes of this Section represents the  
18 amount by which Defendant Rountree was unjustly enriched by the conduct  
19 alleged in the Complaint), plus interest computed from the date of entry of this  
20 Order.

## 21 VIII. ADDITIONAL MONETARY PROVISIONS

22 IT IS FURTHER ORDERED that:

23 A. Defendant Rountree relinquishes claim and all legal and equitable  
24 right, title, and interest in all assets transferred pursuant to this Order and may not  
25 seek the return of any assets.

26 B. The facts alleged in the Complaint will be taken as true, without  
27 further proof, in any subsequent civil litigation by or on behalf of the Commission,  
28 including in a proceeding to enforce its rights to any payment or monetary

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1 XI. COMPLIANCE REPORTING

2 IT IS FURTHER ORDERED that Defendant Rountree make timely  
3 submissions to the Commission:

4 A. One year after entry of this Order, Defendant Rountree must submit a  
5 compliance report, sworn under penalty of perjury:

6 1. Defendant Rountree must: (a) identify the primary physical, postal,  
7 and email addresses and telephone number, as designated points of contact, which  
8 representatives of the Commission use to communicate with Defendant  
9 Rountree; (b) identify all of Defendant Rountree's businesses by all of their names,  
10 telephone numbers, and physical, postal, email, and Internet addresses; (c) describe  
11 the activities of each business, including goods and services offered, the means  
12 of advertising, marketing, and sales, and the involvement of any other Defendant  
13 (which Defendant Rountree must describe if she knows or should know due to her  
14 own involvement); (d) describe in detail whether and how Defendant Rountree is  
15 in compliance with each Section of this Order; and (e) provide a copy of each  
16 Order Acknowledgment obtained pursuant to this Order, unless previously  
17 submitted to the Commission.

18 2. Additionally, Defendant Rountree must: (a) identify all telephone  
19 numbers and all physical, postal, email and Internet addresses, including all  
20 residences; (b) identify all business activities, including any business for which she  
21 performs services whether as an employee or otherwise and any entity in which she  
22 has any ownership interest; and (c) describe in detail her involvement in each such  
23 business, including title, role, responsibilities, participation, authority, control, and  
24 any ownership.

25 B. For 10 years after entry of this Order, Defendant Rountree must  
26 submit a compliance notice, sworn under penalty of perjury, within 14 days of any  
27 change in the following:

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1           1. Defendant Rountree must report any change in: (a) any designated  
2 point of contact; or (b) the structure of any entity that Defendant Rountree has any  
3 ownership interest in or controls directly or indirectly that may affect compliance  
4 obligations arising under this Order including: creation, merger, sale, or  
5 dissolution of the entity or any subsidiary, parent, or affiliate that engages in any  
6 acts or practices subject to this Order.

7           2. Additionally, Defendant Rountree must report any change in: (a)  
8 name, including aliases or fictitious names, residence address, (b) title or role  
9 in any business activity, including any business for which she performs services  
10 whether as an employee or otherwise, and any entity in which she has any  
11 ownership interest, and identify the name, physical address, and any Internet  
12 address of the business or entity.

13           C. Defendant Rountree must submit to the Commission notice of the  
14 filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by  
15 or against Defendant Rountree within 14 days of its filing.

16           D. Any submission to the Commission required by this Order to be  
17 sworn under penalty of perjury must be true and accurate and comply with 28  
18 U.S.C. § 1746, such as by concluding "I declare under penalty of perjury under  
19 the laws of the United States of America that the foregoing is true and correct.  
20 Executed on: \_\_\_\_\_" and supplying the date, signatory's full name, title (if  
21 applicable), and signature.

22           E. Unless otherwise directed by a Commission representative in writing,  
23 all submissions to the Commission pursuant to this Order must be emailed to  
24 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
25 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
26 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The  
27 subject line must begin "FTC v. Amy Rountree, Matter No. 1723155."  
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1 XII. RECORDKEEPING

2 IT IS FURTHER ORDERED that Defendant Rountree must create certain  
3 records for 10 years after entry of the Order, and retain each such record for 5  
4 years. Specifically, Defendant Rountree, in any business that she, individually or  
5 collectively with any other Defendants, is a majority owner or controls directly or  
6 indirectly, must create and retain the following records:

7 A. accounting records showing the revenues from all goods or services  
8 sold;

9 B. personnel records showing, for each person providing services,  
10 whether as an employee or otherwise, a person's: name, addresses; telephone  
11 numbers; job title or position; dates of hire and (if applicable) the reason for  
12 termination;

13 C. records of all consumer complaints and refund requests pertaining to  
14 Payment Processing Services, whether received directly or indirectly, such as  
15 through a third party, and any response;

16 D. records necessary to demonstrate that Defendant Rountree has  
17 requested, received, and reviewed the press, advertising and marketing materials  
18 of any Person for whom she provides any services;

19 E. all records necessary to demonstrate full compliance with each  
20 provision of this Order, including all submissions to the Commission;

21 F. documents sufficient to show monthly and yearly Chargeback and  
22 refund amounts both by dollar amounts and number of transactions; and

23 G. all communications and contracts with credit card companies, banks,  
24 Financial Institutions and Payment Processors.

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1 XIII. COMPLIANCE MONITORING

2 IT IS FURTHER ORDERED that, for the purpose of monitoring Defendant  
3 Rountree's compliance with this Order and any failure to transfer any assets as  
4 required by this Order:

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

12 B. For matters concerning this Order, the Commission is authorized to  
13 communicate directly with each Defendant Rountree. Defendant Rountree must  
14 permit representatives of the Commission to interview any employee or other  
15 Person affiliated with any Defendant Rountree who has agreed to such an  
16 interview. The Person interviewed may have counsel present.

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

23 D. Upon written request from a representative of the Commission, any  
24 consumer reporting agency must furnish consumer reports concerning Defendant  
25 Rountree pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
26 §1681b(a)(1).

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