

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
No. 18-CIV-60379-ALTMAN/HUNT**

**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**THOMAS DLUCA, individually and also  
d/b/a Bitcoin Funding Team and  
My7Network,**

**LOUIS GATTO, individually and also d/b/a  
Bitcoin Funding Team and My7Network,**

**ERIC PINKSTON, individually and also  
d/b/a Bitcoin Funding Team and  
My7Network, and**

**SCOTT CHANDLER, individually and also  
d/b/a Bitcoin Funding Team and JetCoin,**

**Defendants.**

**STIPULATED ORDER FOR PERMANENT INJUNCTION  
AGAINST DEFENDANT LOUIS GATTO**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and Louis Gatto (“Settling Defendant”) stipulate to the entry of this Stipulated Order for Permanent Injunction against Defendant Louis Gatto (“Or

**THEREFORE, IT IS ORDERED** as follows:

**FINDINGS**

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), in connection with the marketing of cryptocurrency schemes by: (a) representing that such schemes were *bona fide* money-making opportunities when, in fact, they were chain referral schemes; and (b) by making false or misleading income claims.
3. Settling Defendant neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Settling Defendant admits the facts necessary to establish jurisdiction.
4. Settling Defendant waives any claim that he may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agrees to bear his own costs and attorney fees.
5. Settling Defendant waives all rights to appeal or otherwise challenge or contest the validity of this Order.

**DEFINITIONS**

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

- A. “**Business Venture**” means any written or oral business arrangement, however denominated, whether or not covered by 16 C.F.R. Part 437, that consists of providing payment or other consideration for the right or means to offer, sell, or distribute a good or service.

B. “**Defendant(s)**” means Thomas Dluca, Louis Gatto, Eric Pinkston, and Scott Chandler, individually, collectively, or in any combination.

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

D. “**Multi-Level Marketing Program**” means any plan or program in which a participant has the right to (1) recruit others into the program or have others placed in the participant’s downline and (2) receive payment or other compensation that is based, in whole or in part, upon purchases, sales, or any other activities of the participant’s downline. Downline refers to the collection of participants whom a participant has personally recruited (first level), any participants and customers recruited by first level participants (second level), any participants and customers recruited by second level participants (third level), and so forth, however denominated.

E. “**Person**” means an individual, organization, financial institution, or other legal entity, including, but not limited to, an association, cooperative, corporation, limited liability company, partnership, proprietorship, or trust, or combination thereof.

F. “**Settling Defendant**” means Louis Gatto.

## **ORDER**

### **I. BAN ON PROHIBITED MARKETING PROGRAMS**

**IT IS ORDERED** that Settling Defendant, whether acting directly or indirectly, is permanently restrained and enjoined from engaging, participating, or assisting others in the advertising, marketing, promoting, or operating of any Multi-Level Marketing Program, including any good- or service-based pyramid scheme.

## **II. PROHIBITED MARKETING SCHEMES**

4. the total costs to purchase, receive, or participate in the Investment Opportunity or Business Venture;

5. any material restriction, limitation, or condition to purchase, receive, or participate in the Investment Opportunity or Business Venture;

6. any material aspect of the performance, efficacy, nature, or central characteristics of the Investment Opportunity or Business Venture; or

7. any material aspect of the nature or terms of the refund, cancellation, exchange, or repurchase policies of the Investment Opportunity or Business Venture.

B. Making any representation, expressly or by implication, regarding the amount or level of income, including full-time or part-time income, that a participant can reasonably expect to earn through an Investment Opportunity or Business Venture unless the representation is non-misleading and, at the time, such representation is made, Settling Defendant possesses and relies upon competent and reliable evidence sufficient to substantiate that the representation is true. Implied representations regarding the amount or level of income that a participant reasonably can expect to earn include, but are not limited to, representations involving and images used to show luxury goods or an improved lifestyle.

#### **IV. ASSET FREEZE.**

**IT IS FURTHER ORDERED** that the asset freeze is dissolved as to Settling Defendant.

#### **V. CUSTOMER INFORMATION**

**IT IS FURTHER ORDERED** that Settling Defendant, his officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who



must provide truthful and complete information, evidence, and testimony. Settling Defendant must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 10 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena.

## **VII. ORDER ACKNOWLEDGMENTS**

**IT IS FURTHER ORDERED** that Settling Defendant obtain acknowledgments of receipt of this Order:

A. Settling Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 10 years after entry of this Order, Settling Defendant for any business that he, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives having managerial responsibilities for conduct related to the subject matter of the Order and all agents and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current

### VIII. COMPLIANCE REPORTING

**IT IS FURTHER ORDERED** that Settling Defendant make timely submissions to the Commission:

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

1. identify all telephone numbers and all physical, postal, email, and Internet addresses, including all residences;
2. identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Settling Defendant;
3. identify all of Settling Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses;
4. describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Settling Defendant must describe if he knows or should know due to his own involvement);
5. describe in detail Settling Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership;
6. identify all business activities, including any business for which Settling Defendant performs services whether as an employee or otherwise and any entity in which Settling Defendant has any ownership interest;
7. describe in detail whether and how Settling Defendant is in compliance with each Section of this Order; and





E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not th



**XI. RETENTION OF JURISDICTION**

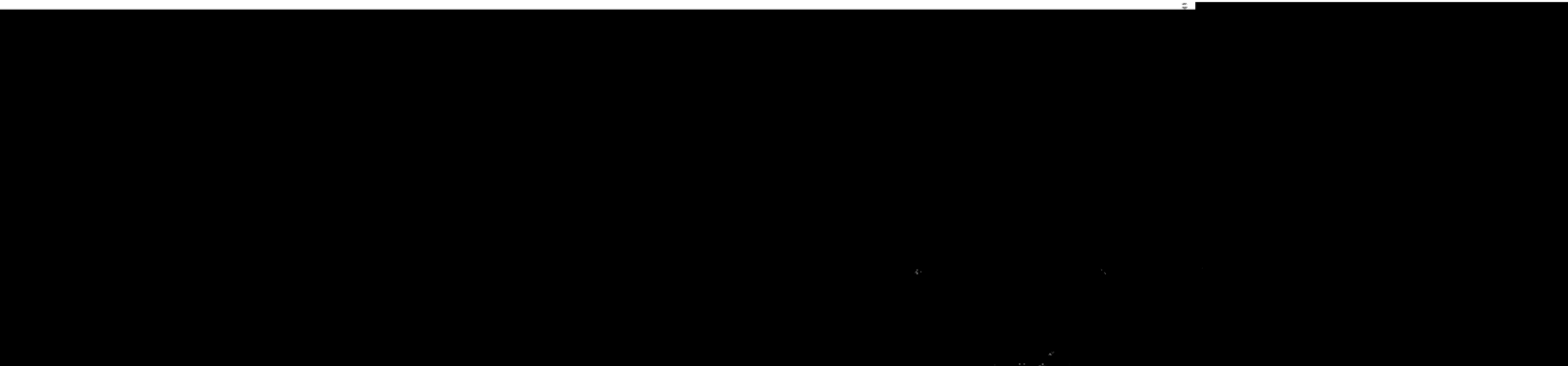
**IT IS FURTHER ORDERED** that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

**SO ORDERED** this \_\_\_ day of \_\_\_\_\_, 2019.

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Honorable Roy K. Altman  
United States District Judge

THEIR CO-STIPULATION



Handwritten notes and signatures in pencil, including the letters "RV" and "David Bro".

Printed text at the bottom of the page, including "North Palm Beach, Florida" and "Bamburgh Bines, Florida 334".

