

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

BPO USA LLC, et al.,

Defendants.

Case No. _____

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AS TO
MICHAEL A. GIANNULIS,
MICHAEL R. WILLIAMS AND BPO
CORPORATE DEFENDANTS**

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), filed its Complaint for Permanent Injunction and Other Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §53(b) (“Complaint”). The FTC, individual Defendants Michael A. Giannulis (“Giannulis”), Michael R. Williams (“Williams”), and corporate Defendants BPO USA LLC, Pixx Media LLC, MyEcomClub Events LLC and Mike Antoni LLC (collectively, “

Act of 1956 (12 U.S.C. § 1843(k)). An institution that is significantly engaged in financial activities is a Financial Institution.

H. “**Giannulis**” means Individual Defendant Michael Anthony Giannulis, a/k/a Mike Antoni.

I. “**Individual Defendant(s)**” means Giannulis and Williams, individually, collectively, or in any combination.

J. “**Liquidating Receiver**” means Mark J. Bernet, Equal Treatment Act (act) 0.00

MOBE Pro Limited, MOBE Inc., MOBE Online Ltd., Matt Lloyd Publishing.com Pty Ltd., Matthew Lloyd McPhee a/k/a Matt Lloyd, Russell W. Whitney, and Susan Zanghi.

O. **“Payment Processing”** means providing a Person, directly or indirectly, with the means used to charge or debit accounts through the use of any payment method or mechanism, including, but not limited to, remotely created payment orders, remotely created checks, ACH debits, or debit, credit, prepaid, or stored value cards. Whether accomplished through the use of software or otherwise, Payment Processing includes, among other things: (a) reviewing and approving Merchant applications for payment processing services; (b) providing the means to transmit sales transactions data from Merchants to Acquiring Banks or other Financial Institutions; (c) clearing, settling, or distributing proceeds of sales transactions from Acquiring Banks or Financial Institutions to Merchants; or (d) processing chargebacks or returned remotely created payment orders, remotely created checks, or ACH checks.

P. **“Person”** means a natural person, organization, or other legal entity, including a corporation, limited liability company, partnership, proprietorship, association, cooperative, government or governmental subdivision or agency, or any other group or combination acting as an entity.

Q. **“Settling Defendants”** means Giannulis, Williams, and BPO Corporate Defendants, individually, collectively or in any combination.

R. **“Williams”** means Individual Defendant Michael Ryan Williams.

ORDER

I. BAN ON SALE OR MARKETING OF BUSINESS COACHING PROGRAMS AND MONEY-MAKING METHODS

IT IS ORDERED that Settling Defendants are permanently restrained and enjoined from:

A. Creating, advertising, marketing, promoting, offering for sale, or selling, or assisting others in creating, advertising, marketing, promoting, offering for sale, or selling any Business Coaching Program or any Money-Making Method; and

B. Holding, directly or through a third-person, any ownership or other financial interest in any business entity that is creating, advertising, marketing, promoting, offering for sale, or selling, or that assists others in creating, advertising, marketing, promoting, offering for sale, or selling any Business Coaching Program, any Money-Making Method, or any product to assist in the creation or development of a Business Coaching Program or a Money-Making Method.

II. PROHIBITIONS RELATED TO MERCHANT ACCOUNTS

IT IS FURTHER ORDERED that Settling Defendants are permanently restrained and enjoined from:

A. Credit Card Laundering;

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

C. Failing to disclose to an Acquiring Bank or other Financial Institution, service provider, payment processor, independent sales organization, or other entity that enables a Person to accept payments of any kind any material information related to a Merchant

Account including, but not limited to, the identity of any owner, manager, director, or officer of the applicant for or holder of a Merchant Account, and any connection between an owner, manager, director, or officer of the applicant for or holder of a Merchant Account and any third person who has been or is placed in a Merchant Account monitoring program, had a Merchant Account terminated by a payment processor or a Financial Institution, or has been fined or otherwise disciplined in connection with a Merchant Account by a payment processor or a Financial Institution; and

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

III. PROHIBITION AGAINST MISREPRESENTATIONS

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

A. That consumers who purchase any goods or services will earn or are likely to earn substantial income; or

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

IV. MONETARY JUDGMENT AND PARTIAL SUSPENSION

A. Judgment in the amount of Thirty One Million Six Hundred Thousand Dollars (\$31,600,000) is entered in favor of the Commission against the Settling Defendants, jointly and severally, as equitable monetary relief.

B. In partial satisfaction of the monetary judgment:

1. Settling Defendants are ordered to pay to the Commission Seven Hundred Sixty Thousand Dollars (\$760,000), which, as Settling Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission;

2. Within ten (10) days of entry of this Order, the Settling Defendants shall surrender or assign to the Liquidating Receiver all control, title, dominion and interest to and deliver to the Liquidating Receiver or his designated agent possession of the following property items and property rights identified in **Attachment A** to this Order. The Liquidating Receiver shall, as soon as practicable, commence the sale of the unliquidated assets identified above and surrendered or assigned pursuant to this Order using a commercially reasonable procedure. The Liquidating Receiver shall hold the surrendered or assigned assets, and the proceeds from the sale of the unliquidated assets, for future transfer to the Commission in accordance with further instructions from the Court.

C. Settling Defendants shall cooperate fully with the Commission and the Liquidating Receiver and take such steps as the Commission or the Liquidating Receiver may require, including delivering and providing access to the assets, executing any documents and providing any information, documents and signatures the Commission or the Liquidating Receiver may deem necessary, to effectuate the assignment, transfer, sale and liquidation of the assets or properties referenced in Subsection B above.

D. Upon delivery of all payments to the Commission and of all the assets to the Liquidating Receiver specified in Subsection B above, the remainder of the judgment against Settling Defendants is suspended, subject to Subsections E thru L below.

E. The Commission's agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of Settling Defendants' sworn financial statements and related Documents (collectively, "Financial Representations") submitted to the Commission, namely:

1. The sworn amended Financial Statement of Individual Defendant Giannulis, executed on October 17, 2019, including attachments;
2. The sworn amended Financial Statement of Individual Defendant Williams, executed on October 18, 2019, including attachments;
3. The amended Financial Statement of Corporate Defendant BPO USA LLC, signed by Williams on October 15, 2019, including attachments dated October 18, 2019;
4. The amended Financial Statement of Corporate Defendant Pixx Media LLC, signed by Giannulis on October 17, 2019, including attachments dated October 18,

submitted by Settling Defendants' counsel to FTC counsel via email on September 27, 2019 at 10:13 am EDT;

12. The supplement to Settling Defendants' financial disclosures submitted by Settling Defendants' counsel to FTC counsel via email on September 26, 2019 at 12:42 pm EDT, including attached PDF file entitled "BPO Settlement Asset schedule from FTC";

13. The supplement to Settling Defendants' financial disclosures submitted by Settling Defendants' counsel to FTC counsel via email on September 27, 2019 at 10:13 am EDT;

14. The supplement to Settlement Defendants' financial disclosures sent by Settling Defendants' counsel to FTC counsel via email on October 7, 2019 at 12:02 pm EDT, including 9 attached files;

15. The supplement to Settlement Defendants' financial disclosures sent by Settling Defendants' counsel to FTC counsel via email on October 14, 2019 at 8:20 pm EDT, including 5 attached files;

16. The supplement to Settling Defendants' financial disclosures submitted by Settling Defendants' counsel to FTC counsel via FTP file transfer on October 14, 2019 at 8:21 pm EDT, transmitting 31 secure files

17. The supplement to Settlement Defendants' financial disclosures sent by Settling Defendants' counsel to FTC counsel via email on October 18, 2019 at 11:46 pm EDT, including one attached PDF file entitled "2019.10.18 Letter to S. Kim and B. Davidson re Financial Statements.pdf," one attached excel file entitled "Debt and Asset Spreadsheet

10.18.2019.xlsx,” and one zip file;

18. The supplement to Settling Defendants’ financial disclosures submitted by Settling Defendants’ counsel to FTC counsel via FTP file transfer on October 21, 2019 at 11:07 pm EDT transmitting 65 secure files

19. The supplement to Settlement Defendants’ financial disclosures sent by Settling Defendants’ counsel to FTC counsel via letter dated October 28, 2019 entitled “47887274-v1-Response to Request for Supp Financial Data.pdf”;

20. The supplement to Settling Defendants’ financial disclosures submitted by Settling Defendants’ counsel to FTC counsel via FTP file transfer on October 28, 2019 at 9:41 am EDT transmitting 46 secure files

21. The supplement to Settling Defendants’ financial disclosures sent by Settling Defendants’ counsel to FTC counsel via letter dated November 27, 2019 entitled “48121622-v1-2019.11.27 – Letter to S. Kim and B. Davidson update re financials – revised date.pdf”;

22. The supplement to Settling Defendants’ financial disclosures submitted by Settling Defendants’ counsel to FTC counsel via FTP file transfer on November 27, 2019 at 11:43 am EDT transmitting 203 secure files;

23. The declaration of Michael A. Giannulis, dated December 7, 2019, as to the completeness of disclosures regarding assets held (as)-5 (s)-n 3 0 Td [(T)1 (he)4 (de)4 (c)4 (l)-

Corporate Defendants.

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

G. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Settling Defendant in the amount specified in Subsection A above (which the parties stipulate only for purposes of this Section represents the unjust enrichment alleged in the Complaint), less any payments previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

V. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. Settling Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets

B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

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the filing of the elections and statements contemplated by the provisions. The Liquidating Receiver shall be designated the administrator of the Settlement Fund, pursuant to Treas. Reg. § 1.468B-2(k)(3)(i), and shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2, including but not limited to (a) obtaining a taxpayer identification number, (b) timely filing applicable federal, state, and local tax returns and paying taxes reported thereon, and (c) satisfying any information, reporting or withholding requirements imposed on distributions from the Settlement Fund. The Liquidating Receiver shall cause the Settlement Fund to pay taxes in a manner consistent with treatment of the Settlement Fund as a "Qualified Settlement Fund." Settling Defendants shall cooperate with the Liquidating Receiver in fulfilling the Settlement Fund's obligations under Treas. Reg. § 1.468B-2.

F. The Liquidating Receiver shall liquidate the assets listed in Attachment A and all net proceeds, after all necessary expenses of the Liquidating Receiver are paid pursuant to this Section, shall be paid to the Commission.

G. In liquidating the assets listed in Attachment A, the following provisions apply:

1. The Liquidating Receiver shall, at reasonable cost and in a commercially reasonable fashion, liquidate, without further approval from the Court, the assets of the assets listed in Attachment A for fair market value.

2. Settling Defendants shall cooperate fully with the Liquidating Receiver and take such other steps as the Liquidating Receiver may require in connection with the listing, marketing, and sale of the assets listed in Attachment A.

3. Settling Defendant shall sign any documents necessary for the sale of the assets listed in Attachment A including, but not limited to, powers of attorney in favor of

listed in Attachment A or to enlarge or diminish the Commission's right (or lack thereof) to challenge such exemptions.

H. Any and all sums collected by the Liquidating Receiver over and above those necessary to manage and maintain the ~~assets~~ listed in Attachment A or those necessary to make payments authorized by this Order shall be paid to the FTC.

I. The Liquidating Receiver is entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual ~~out-of-pocket~~ expenses incurred by him. The Liquidating Receiver's compensation and the compensation of any persons hired by him ~~are~~ to be paid solely from the income generated by the assets of the receivership estate or the proceeds of the sale of the ~~assets~~ listed in Attachment A and other sums collected by the Liquidating Receiver, and such payments shall have priority over all other distributions except for any transfer fees, recording fees, or other payments owed through the transfer of the ~~assets~~ listed in Attachment A at the time of their sale. The Liquidating Receiver shall file with the Court and serve on the FTC and ~~Debtors'~~ ~~Debtors'~~ counsel of record periodic requests for the payment of such reasonable compensation. The Liquidating Receiver shall not increase the fees or rates used as the bases for such fee applications without prior approval of the Court.

J. The Liquidating Receiver shall complete liquidation, transfer all funds to the Commission pursuant to this Section, file its final application for fees, and terminate its service within 180 calendar days of the date of this Order, unless good cause is shown to extend the estate beyond such time.

VII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that ~~the~~ Settling Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order ~~are~~ permanently restrained and enjoined from directly or indirectly

- A. Failing to provide sufficient customer information to enable the Commission

VIII. COOPERATION

IT IS FURTHER ORDERED that Settling 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. Settling Defendants must provide truthful and complete information, evidence, and testimony. Settling Defendants must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a Commission representative may designate, without the service of a subpoena.

IX. ORDER ACKNOWLEDGMENTS

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

E. Each 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.

F. For 15 years after entry of this Order each Individual Defendant for any business that he, individually or collectively with any other Defendants or any MOBE Defendant is the majority owner or controls directly or indirectly, and each BPO Corporate Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees 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

any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Settling Defendant within 14 days of its filing.

D. Any submission to the Commission 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 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 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 NW, Washington, DC 20580. The subject line must begin: FTC v. BPO USA LLC, et al. (BPO Defendants).

XI. RECORDKEEPING

IT IS FURTHER ORDERED that Settling Defendants must create certain records for 15 years after entry of the Order, and retain each such record for 5 years. Specifically, BPO Corporate Defendants and each Individual Defendant for any business that he, individually or collectively with any other Defendants or any MOBE Defendant, 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;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or

Attachment A

No.	Description of Property
1	2018 KTM Motorcycle Model 500EXC-F titled in the name of Michael R. Williams (VIN: VBKEXL406JM417077)
2	Rolex Oyster Perpetual Date watch with diamond bezel and diamond dial as disclosed in Giannulis' October 17, 2019 financial statement and depicted in photos from November 26, 2019 disclosures
3	Rolex Oyster Perpetual Date watch with diamond bezel and diamond dial as disclosed in Williams' October 18, 2019 financial statement and depicted in photos from November 26, 2019 disclosures
4	Five gold rings bearing MOBE insignia as disclosed in Giannulis' October 17, 2019 financial statement and depicted in photos from November 26, 2019 disclosures
5	Five gold rings bearing MOBE insignia as disclosed in Williams' October 18, 2019 financial statement and depicted in photos from November 26, 2019 disclosures
6	Pushgram.co software application purchased by Pixx Media LLC about April 1, 2019