

UNITED STATES DISTRICT COURT



IT IS THEREFORE STIPULATED AND AGREED by and between Plaintiff Federal

CERTIFICATE OF SERVICE

EXHIBIT 1

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and jurisdiction over Defendant.
2. Venue in this District is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).
3. Defendant's activities, as alleged in the Amended Complaint, are in or affecting "commerce," as that term is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The Amended Complaint states a claim upon which relief may be granted against Defendant under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b, and the Franchise Rule, 16 C.F.R. Part 436.
5. Defendant has stipulated to the entry of this Judgment freely and without coercion. Defendant has acknowledged that she has read the provisions of this Judgment and is prepared to abide by them.
6. Plaintiff and Defendant have agreed that the entry of this Judgment resolves all matters of

DEFINITIONS

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad;
2. "Business Venture" means any written or oral business arrangement, however denominated, regardless of whether covered by the Franchise Rule or Business Opportunity Rule, which consists of the payment of any consideration in exchange for:
 - a. the right or means to offer, sell, or distribute goods or services (regardless of whether identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
 - b. more than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business;
3. "Franchise Rule" means the FTC Trade Regulation Rule titled "Disclosure Requirements and Prohibitions Concerning Franchising," codified at 16 C.F.R. Part 436, or as it may be amended;
4. "Business Opportunity Rule" means the FTC Trade Regulation Rule titled "Disclosure Requirements and Prohibitions Concerning Business Opportunities," codified at 16 C.F.R. Part 437, or as it may be amended;
5. "Defendant" means Allison Steinberg;
6. "Receiver" shall mean Carl F. Schoeppl, Esq., the Receiver appointed by the Court in this matter over Fidelity ATM, Inc., and Steinberg Group, Inc.; and
7. "Document" is synonymous in meaning and equal in scope to the usage of the term in Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into

reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

ORDER

I. PROHIBITION AGAINST VIOLATION OF SECTION 5
OF THE FEDERAL TRADE COMMISSION ACT

IS THEREFORE ORDERED that, in connection with the offering for sale or selling of any business venture, Defendant and her agents, employees, officers, corporations, successors, assigns, and all those persons in active participation with them who receive actual notice of this Judgment by personal service or otherwise, are hereby restrained and enjoined from making any material misrepresentation or assisting others in making any material misrepresentation, either expressly or by implication, to any prospective purchaser of a business venture, including, but not limited to, the following:

- A. Misrepresenting that consumers who purchase a business venture are likely to earn substantial income;
- B. Misrepresenting that retail locations have already been secured, or will be secured

4. Any material aspect of the nature or terms of a refund, cancellation, exchange or repurchase policy for the goods or services; and
- B. Providing substantial assistance to any third party to make any material misrepresentation, including, but not limited to, those misrepresentations prohibited by Paragraph III.A, above.

IV. EQUITABLE MONETARY RELIEF

IT IS FURTHER ORDERED that:

- A. Judgment is hereby entered in favor of Plaintiff Federal Trade Commission and against Defendant in the amount of \$4,250,000 (four million two hundred fifty thousand dollars), which the FTC alleges is the amount of injury suffered by consumers. Upon Defendant's compliance with the provisions of Paragraph IV.B of this Judgment, the payment requirements of this Judgment shall be suspended subject to the conditions set forth in Paragraphs IV.D and IV.E of this Judgment.
- B. This Judgment shall be partially satisfied by Defendant's transfer of the following assets to the Commission:
 1. For each bank or brokerage account listed in Appendix A of this Judgment, Defendant shall, within five (5) days of entry of this Judgment, remit the entire balance of each account to the Commission by certified check(s) 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. In no event shall the sum of all balances remitted by Defendant pursuant to this Paragraph IV.B.1 be less than \$1,600.00 (one thousand six hundred dollars). The check(s) or written confirmation of the wire transfer(s) shall be delivered to: Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, NW, H-286, Washington, DC 20580;
 2. For all other assets listed in Appendix A, Defendant shall, within ten (10) days of entry of this Judgment, execute and record such documents as necessary to transfer title of those assets to the Commission or its designated transferee,

and Defendant shall, within five (5) days of entry of this Judgment, deliver physical custody of such assets to the Receiver. The Receiver shall, as soon as practicable upon receipt of such assets and transfer of title, commence their liquidation, and Defendant shall have no right to challenge said liquidation. Any transfer fees, taxes, or other payments mandated from the transferor under state law shall be paid from the proceeds of each sale at the time each such asset is sold. Following liquidation of such assets, the Receiver shall forward the net proceeds to the Commission within 30 days, as the Commission may direct; and

3. For any funds deposited into the Court registry pursuant to this Court's June 8, 2007, Order [D.E. 71], the Clerk of Court is directed to remit the entire balance of those funds, including any accumulated interest, to the Commission.
- C. Any and all funds or assets transferred or paid pursuant to this Part IV shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. In the event that redress to consumers is wholly or partially impracticable, or any funds remain after redress is completed, the Commission may apply any remaining funds to such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendant's practices alleged in the Amended Complaint. Any funds not used for such equitable relief shall be deposited in the United States Treasury as disgorgement. Defendant shall have no right to contest the manner of distribution or other disposition of funds chosen by the Commission. The Commission in its sole discretion may use a designated agent to administer consumer redress.
- D. In the event of any default in the transfer of assets required by Paragraphs IV.B.1, or IV.B.2, which default continues for ten (10) days beyond the due date of transfer, the entire unpaid monetary judgment of \$4,250,000, together with interest, as computed pursuant to 28 U.S.C. § 1961 from the date of default to the date of

payment, shall immediately become due and payable, and in that event, Plaintiff is hereby authorized to execute judgment for such amount against Defendant.

Provided, however, that in all other respects this Judgment shall remain in full force and effect.

- E. Plaintiff's agreement to this Judgment is expressly premised upon the truthfulness, accuracy, and completeness of Defendant's sworn financial statement dated December 21, 2006, and supporting documents, as well as the sworn deposition

- H. Defendant agrees that the facts as alleged in the Amended Complaint filed in this action shall be taken as true, without further proof, for the purpose of any action to collect the judgment, including, but not limited to, a nondischargeability complaint in any bankruptcy case.
- I. Any proceedings instituted under this Part IV are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings Plaintiff may initiate to enforce this Judgment.

V. LIFTING OF THE ASSET FREEZE

IT IS FURTHER ORDERED that the freeze of Defendant's assets pursuant to the Stipulated Preliminary Injunction signed by pursuing 0 Tw 0.21manu51(5)y initiate to

- B. Defendant as Employee or Non-Control Person: For any business where Defendant is not a controlling person of the business but otherwise engages in the offer or sale of investment opportunities, Defendant must deliver a copy of this Judgment to all principals and managers of such business before engaging in such conduct; and
- C. Defendant must secure a signed and dated statement acknowledging receipt of the Judgment within thirty (30) days of delivery, from all persons receiving a copy of the Judgment pursuant to this Part VII.

VIII. COMPLIANCE REPORTING BY DEFENDANT

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Judgment may be monitored:

- A. For a period of five (5) years from the date of entry of this Judgment:
 - 1. Defendant shall notify the Commission in writing of the following:
 - a. Any changes in Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in Defendant's employment status (including

affiliate that engages in any acts or practices subject to this Judgment; the filing of a bankruptcy petition; or a change in the corporate name or address at least 30 days prior to such change; provided that, with respect to any proposed change in such a business entity about which Defendant learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

- B. One hundred eighty (180) days after the date of entry of this Judgment, Defendant shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which she has complied and is complying with this Judgment. This report shall include, but not be limited to:
1. The then-current residence address, mailing addresses, and telephone numbers of Defendant;
 2. The then-current employment and business addresses and telephone numbers of Defendant, a description of the business activities of each employer or business, and the title and responsibilities of Defendant for each employer or business;
 3. A copy of each acknowledgment of receipt of this Judgment, obtained pursuant to Part VII of this Judgment; and
 4. Any other changes required to be reported under Paragraph VIII.A of this Judgment.
- C. For the purposes of this Judgment, Defendant shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the FTC to:
- Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580
Re: FTC v. Fidelity ATM, Inc.No. 06-81101 (S.D. Fla.)

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- F. All records and documents necessary to demonstrate fully Defendant's compliance with each provision of this Judgment.

X. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Judgment,

- A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendant shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in Defendant's possession or direct or indirect control for inspection of the

XI. PROHIBITIONS INVOLVING CONSUMER LISTS

XV. SEVERABILITY

IT IS FURTHER ORDERED that the provisions of this Judgment are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

XVI.

APPENDIX A

Description of Asset	Identifying Information
2006 BMW M 6 Registered in the name of Allison Steinberg	Registration No. FL- [REDACTED]
Woman's Rolex Watch	Identified in Deposition of Allison Steinberg