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CLERK OF COURT
LEON COUNTY, FLORIDA

FILED

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
IN AND FOR LEON COUNTY, FLORIDA

STATE OF FLORIDA,
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS

Plaintiff,

v.

Case No. 2013 CA 1746

I. SEVEN DEVELOPMENT, LLC, D/B/A
FLORIDA CENTER OF CORPORATIONS
and THOMAS H. FRED, JR.,

Defendants.

STIPULATED FINAL CONSENT JUDGMENT

The parties hereby agree and stipulate that this Court has jurisdiction over the parties and the subject matter of this action pursuant to the provisions of the Florida Deceptive and Unfair Trade Practices Act ("FDUPTA"), and that venue is proper in this Court in that the actions at issue took place in more than one county in the State of Florida.

Defendants having agreed and stipulated to the entry of this Final Consent Judgment ("Judgment"), the findings of fact set forth below, and that this Court has jurisdiction to enter a permanent injunction and final judgment in this matter, and the Court having reviewed the file and necessary papers, the Court makes the following findings:

1. Plaintiff Office of the Attorney General, Department of Legal Affairs, State of Florida (the "Attorney General") is an agency of the State of Florida and the enforcing authority under the Florida Deceptive and Unfair Trade Practices Act, Florida Statutes Section 501.201 *et seq.*

2. Defendant L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS, with a principal place of business registered as 4650 South West 52nd Street, Suite 702, Davie, Florida 33314, is a Florida corporation.

3. Defendant THOMAS H. FRED, JR., is a resident of the state of Florida and is over the age of 18. Defendant THOMAS H. FRED, JR., is a principal of L SEVEN DEVELOPMENT, LLC.

4. Through L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS, the Defendant, THOMAS FRED, JR., conducted business in Florida.

5. During the relevant time period, namely on or about February 1, 2013 through February 28, 2014, THOMAS H. FRED, JR., acted as the day-to-day manager of L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS, and actively controlled and directed the business and operations of L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS.

6. The Attorney General initiated an investigation into allegations that Defendants engaged in acts or practices that were misleading, unfair, deceptive or unconscionable.

7. Defendants' deceptive acts and misrepresentations to consumers included, but were not limited to, the following:

- a. Beginning on or about February 1, 2013, THOMAS H. FRED, JR., and a company owned and operated by him, L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS, began sending thousands of mailings to newly approved corporations or limited liability companies (LLCs) throughout the State of Florida.

- b. The mailings gave the misleading impression that the businesses were required to send payments to the FLORIDA CENTER OF CORPORATIONS for an optional and decorative document called a "Certificate of Status" in order to obtain full corporate or LLC status. A "Certificate of Status" is an optional item which is suitable for framing and not required to become a corporation or LLC in the State of Florida.
- c. Deceived by the Defendants into thinking the certificates were required and that the Defendants' mailings came from the government, thousands of businesses paid fees ranging from \$45.72 to \$54.47 to the Defendants.
- d. On July 1, 2013, Chief Judge Charles A. Francis issued an Order, which temporarily enjoined the Defendants from mailing documents, or marketing or engaging in any activity that could reasonably be interpreted to be activities of a government agency or involved payments by businesses to the Defendants in connection with applications for corporation status during the pendency of the case. The Order further prohibited the Defendants from conducting any solicitation from the Florida Center of Corporations to any Florida corporation without prior approval of the Court.
- e. Following the issuance of the July 1, 2013 Order, the Defendants sought the approval of the Attorney General for a nearly identical mailing, which the Attorney General declined to approve. The Defendants then began colluding with a third party to send solicitations to businesses that had applied to the state Division of Corporations for corporate or LLC status in direct violation of the July 1, 2013 Order.

- f. Corporation Services Center, named in the post-order mailings as the entity to which payments should be made, is registered with the Florida Division of Corporations as a fictitious name used by the limited liability company SMBA Holdings, of which Cory M. Zimmerman is registered as the manager.
- g. Zimmerman began requesting decorative certificates of status from the Division of Corporations on or about August 1, 2013, and gave his email contact information to the Division as "tfred@gmail.com."
- h. Many new corporations and LLCs responded to the post-Order mailings by sending funds to Zimmerman's company, which deposited checks from these businesses into bank accounts maintained by Defendants FRED and L SEVEN DEVELOPMENT. In response to these mailings, the applicants paid substantial sums that were then deposited in the bank accounts of the Defendants.

8. The acts and practices described above are in violation of the Florida Deceptive and Unfair Trade Practices Act Section 501.201 *et seq.*

9. The practices of the Defendants constitute unfair, deceptive and unconscionable trade practices that are likely to deceive a consumer acting reasonably in the same circumstances.

10. Consumers in the State of Florida were actually injured by the unfair, deceptive and unconscionable practices of the Defendants.

11. The Defendants entered into this Order freely and without coercion. The Defendants acknowledge that they have each read, understand, and are prepared to abide by the provisions of this Order.

12. The parties stipulated and agreed to this Judgment without trial or adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the Complaint to the date of this Order.

13. Defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Judgment.

14. Defendants waive and release any claims they may have against the Attorney General, its employees, representatives, or agents. Defendants agree that this Judgment does not entitle them to seek attorney's fees.

15. This Judgment is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any proceedings that the Attorney General may initiate to enforce this Judgment.

16. This Judgment should not be construed as providing for payment of a fine, penalty, punitive assessment, or forfeiture, and the monetary judgment provided herein is based on the amount of money the Attorney General could have sought as restitution for consumers if the parties had not stipulated to this Judgment.

17. Entry of this Judgment is in the public interest.

WHEREFORE, based upon the foregoing factual findings, it is hereby ORDERED AND ADJUDGED:

1. Final judgment is hereby entered on the cause of action asserted under the Florida Deceptive and Unfair Trade Practices Act in favor of the Office of the Attorney General, Department of Legal Affairs, State of Florida (the "Attorney General"), The Capitol, PL-01,

Tallahassee, Florida 32399 and against Defendants L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS and THOMAS H. FRED, JR.

2. The purpose of FDUTPA is to "protect the consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce." Section 501.202(2). To that end, "reasonable restrictions upon the future activities of any defendant to impede her or him [sic] from engaging in or establishing the same type of endeavor" are permitted by the Act, and courts may "order any defendant to divest herself or himself of any interest in any enterprise." Section 501.207(3). Prohibiting business activities is constitutional when the limitation is rationally related to the State's objective of preventing deceptive practices. Fraternal Order of Police v. Dept. of State, 392 So. 2d 1296, 1302 (Fla. 1980) (upholding regulations in the Law Enforcement Funds Act even though they were not "the best possible means to eradicate the evils perceived" because they were not "wholly unrelated" to the legislature's purpose). As such, a permanent injunction is appropriate.

3. The Court hereby permanently enjoins Defendants, as well as their officers, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this Order, directly or indirectly, from the following:

- a. Any acts or practices that violate the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes;
- b. Mailing documents, marketing or engaging in any activity that (i) could reasonably be interpreted to be activities of a government agency or (ii) involves payments by businesses to the Defendants in connection with

applications for corporation status or for any other service that could reasonably be interpreted to be the activities of a government agency;

- c. Sending any solicitation that could reasonably be interpreted to have originated from a government agency;
- d. Marketing, soliciting, advertising, selling, providing, mailing documents, or accepting payment for any service that could reasonably be interpreted as being a service provided by a government agency;
- e. Engaging directly or indirectly in any act, system, scheme, or plan that could reasonably be interpreted as being a service provided by a government agency;
- f. Accepting any income or payment from any person or entity that is engaging in any activity that could reasonably be interpreted as being a service provided by a government agency;
- g. Assisting any person in engaging directly or indirectly in any act, system, scheme, or plan to solicit money, payments, revenue or income of any kind from businesses or individuals that could reasonably be interpreted as being a service provided by a government agency;
- h. Assisting any person in marketing, advertising, selling, providing, soliciting, mailing documents, or accepting payment for any activity that could reasonably be interpreted as being a service provided by a government agency;

- i. Associating with any person or entity engaging directly or indirectly in any act, system, scheme, or plan to solicit money that could reasonably be interpreted as being a service provided by a government agency;
- j. Making, expressly or by implication any statement or representation of an affiliation with, endorsement by, or sponsorship by any government entity, including but not limited to the Florida Division of Corporations or the State of Florida;
- k. Assisting others in making, expressly or by implication, a representation enumerated in paragraph 3 a-j of this Judgment;
- l. Collecting money, revenue, income, or compensation in any form from activities enumerated in paragraph 3 a-j of this Judgment; or
- m. Disseminating, or causing to be disseminated, any untrue or misleading advertisements, mailings, or solicitations of any kind in the context of activities enumerated in paragraph 3 a-j of this Judgment, or in the context of advertising of products or services in commerce, pursuant to Florida Statute Sections 501.204 (2006) and 817.40 (1997).

4. Defendants shall not destroy, mutilate, conceal, alter, or dispose of Defendants' books, records, contracts, financial records, consumer files and financial information, regardless of the manner in which it is stored, for a period of two (2) years from the date of this Judgment. At any point during the two (2) year retention period set forth herein, Defendants shall make any and all books and records available to the Attorney General within three (3) business days of any reasonable request.

5. FDUTPA authorizes reimbursement to consumers who have been damaged by

deceptive trade practices. §501.207(3), Fla. Stat. It also authorizes recovery of the actual damages caused by the deceptive practices. §501.207(1)(b), Fla. Stat. All consumers who paid money in response to a deceptive trade practice are entitled to their money back, and there is no need for an individualized inquiry into how each consumer reacted to the practice. F.T.C. v. Wilcox, 926 F. Supp. 1091, 1105 (S.D. Fla. 1995); F.T.C. v. People's Credit First, No. 8:03-CV-2353-T, 2005 WL 3468588 (M.D. Fla. Dec. 18, 2005).

6. Judgment is hereby entered in favor of the Attorney General and against the Defendants, jointly and severally, in the amount of one million five hundred thousand dollars (\$1,500,000.00), as restitution and monetary relief for consumer injury; provided, however subject to the provisions enumerated in this order, judgment in the amount of one million two hundred thousand dollars (\$1,200,000.00), shall be suspended upon Defendants' compliance with the requirements, injunctions, and conditions of this Judgment.

- a. Restitution in the amount of three hundred thousand dollars (\$300,000.00) ("Restitution Amount") shall be paid by the Defendants to the Office of the Attorney General within sixty (60) days of the entry of this Judgment. Subject to the provisions enumerated in this order, the Defendants' payment of the Restitution Amount, shall include all restitution, attorneys' fees, costs and civil penalties to be paid by the Defendants to the Office of the Attorney General, and any additional restitution, attorney's fees, costs and civil penalties shall be suspended, conditional upon Defendants compliance with the requirements, injunctions, and conditions of this Judgment. The Restitution Amount includes assets in the amount of \$159,865.24 which have been frozen by the Office of the Attorney General pending the outcome of litigation, leaving a remaining amount

of \$140,143.76 to be paid by the Defendants to the Office of the Attorney General. The Defendants' payment of the Restitution Amount shall also satisfy the payment required by the Order Holding Defendants in Contempt issued by this Court on August 26, 2014.

- b. The Restitution Amount shall be paid by wire transfer, certified funds or cashier's checks, payable to the Department of Legal Affairs Escrow Fund ("Escrow Fund"), and shall be sent to: Richard P. Lawson, Division Director, Consumer Protection Division, Office of the Attorney General, The Capitol, PL-01, Tallahassee, Florida 32399. Upon receipt, payments shall be deposited into the Department of Legal Affairs Escrow Fund, in accordance with Section 501.2101(1), Florida Statutes for distribution to consumers according to the sole business judgment of the Department. Upon its establishment, the Escrow Fund shall be the sole property of, and under the sole control of the Department of Legal Affairs.
7. The payment of restitution shall be administered under the following provisions:
 - a. Florida claimants having purchased any certificates of status, corporate minutes, or any other goods or services from Defendants' during the relevant period shall be eligible for restitution.
 - b. Within 90 days from the effective date of this Judgment, Defendants shall provide the names and addresses of eligible Florida claimants during the relevant period, as well as the amount due to each to the selected Claims Administrator ("Administrator"). All costs and expenses of the Administrator, including taxes, shall be paid from the Escrow Fund.

- c. Defendant shall provide to the Administrator all information already in its possession and readily available that is reasonably necessary for the administration of restitution. The Administrator shall utilize appropriate information security protocols to ensure the privacy of consumer information and otherwise comply with all applicable privacy laws. Claimants discovered subsequent to the effective date of this Judgment shall provide documentation to the Administrator in support of their claim. Eligibility shall be determined at the discretion of the Administrator and the Attorney General.
- d. In the event actual restitution for future complainants exceeds the Restitution Amount, then the Restitution Amount will be distributed pro-rata to the complainants determined by the Attorney General to be eligible for restitution. In no event shall any individual consumer receive more than the amount they are actually owed. If any restitution monies remain after the distribution of the Restitution Amount, the Attorney General will deposit the remaining monies into the Department of Legal Affairs Revolving Trust Fund, and it shall be used for expended attorney's fees, costs and expenses, including but not limited to non-attorney employee costs, management fees, administrative expenses and costs of future enforcement pursuant to Chapter 501, Part II, Florida Statutes.
8. While restitution serves the purpose of restoring an injured person to the financial position held before a defendant received an unlawful benefit, with a civil penalty "the law exacts payment by way of punishment for doing some act which is prohibited..." Sun Coast Intern. Inc. v. Dept. of Business Regulation, 596 So. 2d 1118, 1121 (Fla. 1st DCA 1992) (internal citations omitted). Anyone who has used a trade practice found to be unlawful under

the Act is liable for a civil penalty of up to \$10,000 per violation. §501.2075, Fla. Stat. Each instance in which a deceptive representation is disseminated constitutes a violation. U.S. v. Reader's Digest Ass'n, Inc., 662 F. 2d 955, 966 (3d Cir. 1981).

9. The Court finds that the Attorney General is entitled to civil penalties in the amount of one million dollars (\$1,000,000.00). The Defendants therefore are jointly and severally liable for and are ordered to pay civil penalties in the amount of one million dollars (\$1,000,000.00), however subject to the provisions enumerated in this order, judgment for payment of civil penalties in the amount of one million dollars (\$1,000,000.00), shall be suspended upon Defendants' compliance with the requirements, injunctions, and conditions of this Judgment.

10. Section 501.2105 provides that the prevailing party may recover fees and costs from the non-prevailing party. Humane Society of Broward County v. the Florida Humane Society, 951 So. 2d 966, 969 (Fla. 4th DCA 2007); Smith v. Bilgin, 534 So. 2d 852, 854 (Fla. 1st DCA 1998).

11. The Court finds that the Attorney General is entitled to payment of its attorneys' fees and costs in the amount of fifty thousand dollars (\$50,000.00). The Defendants therefore are jointly and severally liable for and are ordered to pay attorneys' fees and costs to Plaintiff in the amount of fifty thousand dollars (\$50,000.00), however subject to the provisions enumerated in this order, judgment for payment of its attorneys' fees and costs in the amount of fifty thousand dollars (\$50,000.00), shall be suspended upon Defendants' compliance with the requirements, injunctions, and conditions of this Judgment.

12. Defendants shall each complete under oath Florida Rule of Civil Procedure Form 1.977 (Fact Information Sheet), including all required attachments, and serve it on the Office of

the Attorney General, Consumer Protection Division, within 45 days from the date of this Judgment, unless the Judgment is satisfied or post-judgment discovery is stayed.

13. Defendants shall not affect any change in the form of doing business or the organizational identity of any of the existing business entities or create any new business entities as a method of avoiding the terms and conditions set forth in this Judgment.

14. The Attorney General's agreement to and the Court's approval of this Judgment are expressly premised upon the truthfulness, accuracy, and completeness of Defendants' financial Statements, all of which Defendants assert are truthful, accurate and complete. Defendants and the Attorney General stipulate that Defendants' financial statements provide the basis for the monetary judgment stated in paragraphs 6 and 7 of this Judgment and that the Attorney General has relied on the truthfulness, accuracy, and completeness of Defendants' financial statements.

15. If, upon motion by the Attorney General, this Court finds that any Defendant(s) have materially misstated in Defendant(s) financial statements, the value of any asset, made any material misrepresentation, or omitted material information concerning a financial condition by failing to disclose any asset that should have been disclosed in Defendants' financial statements, or made any other material misstatement or omission in Defendants' financial statements, the Court shall terminate, as to the offending Defendant(s), the suspension of the monetary judgment entered in paragraph 6. The Court, without further adjudication, shall enter a modified judgment holding the offending Defendants(s) liable to the Attorney General in the amount of one million five hundred thousand dollars (\$1,500,000.00) for consumer redress, fifty thousand dollars (\$50,000.00) for attorneys' fees and costs, and one million dollars (\$1,000,000.00) for civil penalties, less any amounts turned over to the Attorney General pursuant to paragraph 6 of this

Judgment. Upon such reinstatement of the monetary judgment, the Court shall make an express determination that the judgment shall become immediately due and payable by the offending Defendant(s), jointly and severally, and the Attorney General shall be entitled to interest computed from the day of entry of this Judgment at the rate prescribed under Florida Statutes Section 55.03, as amended, on the unpaid balance.

16. Defendants acknowledge and agree that (1) this monetary judgment is restitution, solely remedial in nature, and not a fine, penalty, punitive assessment, or forfeiture; (2) any proceedings instituted under this Section would be in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings that the Attorney General or any other state or federal agency may initiate to enforce this Judgment; and (3) all money paid to satisfy the monetary judgment is irrevocably paid for purposes of settlement between the parties.

17. Should this Judgment be modified pursuant to this Section, this Judgment, in all other respects, shall remain in full force and effect unless otherwise ordered by the Court.

18. The freeze against the Defendants' Wells Fargo bank account Nos: [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]; Defendants' Bank of America bank account Nos: [REDACTED], [REDACTED] and [REDACTED]; Defendants' Tropical Financial Credit Union bank account No: [REDACTED]; Defendants' SunTrust bank account No: [REDACTED], and any and all other accounts of the Defendants frozen pursuant to the Order entered by this Court on July 1, 2013, shall be lifted for the sole purpose of transferring the assets pursuant to paragraphs 6 and 7. The safety deposit box frozen pursuant to the July 1, 2013 Order of this Court shall be opened in the presence of an investigator

of the Office of the Attorney General and the contents inventoried for the purposes of satisfying this Judgment.

19. The Defendants shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the Attorney General's Complaint, cooperate in good faith with the Office of the Attorney General and appear at such places and times as the Office of the Attorney General shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the Office of the Attorney General. If requested in writing by the Office of the Attorney General, Defendants shall appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint, without the service of a subpoena.

20. The Defendants shall fully cooperate in good faith with the Attorney General's investigation and Complaint into the actions of Cory M. Zimmerman and SMBA HOLDINGS, LLC, including but not limited to: (1) appearing at the Office of the Attorney General to provide sworn statements as to any and all activities as to the business practices of Cory M. Zimmerman and SMBA HOLDINGS, LLC.; and (2) complying with any and all requests for information from the Office of the Attorney General as it relates to the investigation of Cory M. Zimmerman and SMBA HOLDINGS LLC.

21. In order that compliance with the provisions of this Judgment may be monitored:

- a. For a period of three (3) years from the date of entry of this Judgment,
 - i. Each Individual Defendant shall notify the Office of the Attorney General of the following:

1. Any changes in such Defendant's residence, mailing address, and telephone number, within ten (10) days of the date of such change;
 2. Any changes in such Defendant's employment status (including self-employment), and any change in such Defendant's ownership in any business entity within ten (10) days of the date of such change. Such notice shall include the name and address of each business that such Defendant is affiliated with, employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of Defendant's duties and responsibilities in connection with the business or employment; and
 3. Any changes in such Defendant's name or use of any aliases or fictitious names within ten (10) days of the date of such change.
- ii. Defendants shall notify the Office of the Attorney General of any changes in structure of any business entity that any Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this judgment, including but not limited to incorporation or other organization; a dissolution, assignment, sale, merger, or other actions, the creation or dissolution of a subsidiary, parent, or affiliate that emerges in any acts or practices subject to this order; or a change in the business name or address, at least thirty (30) days prior to such change, provided that, with respect to any such change in the business entity about which a Defendant learns less than thirty (30) days

prior to the date such action is to take place, such Defendant shall notify the Attorney General as soon as is practicable after obtaining such knowledge.

- b. One hundred twenty (120) days after the date of entry of this Judgment and every one hundred twenty (120) days thereafter for a period of three (3) years, Defendants each shall provide a written report to the Attorney General, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Judgment. This report shall include, but not be limited to:

i. For each Individual Defendant:

1. Such Defendant's then-current residence address, mailing addresses, and telephone numbers;
2. Such Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that such Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of such Defendant's duties and responsibilities in connection with the business or employment; and
3. Any other changes required to be reported under this Section.

ii. For all Defendants:

1. A copy of each acknowledgment of receipt of this Judgment, obtained pursuant to Paragraph 22; and

- a. Any other changes required to be reported under this Section.
- c. Each Defendant shall notify the Office of the Attorney General of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.
- d. For the purposes of this Judgment, Defendants shall, unless otherwise directed by the Attorney General's authorized representatives, send by overnight courier all reports and notifications required by this Judgment to the Office of the Attorney General, Consumer Protection Division, The Capital, PL-01, Tallahassee, Florida, 32399-1050.
- e. Provided that, in lieu of overnight courier, Defendants may send such reports or notifications by first-class mail, but only if Defendants contemporaneously send an electronic version of such report to the Office of the Attorney General at oag.ec.tlh@myfloridalegal.com.
- f. For purposes of the compliance reporting and monitoring required by this Judgment, the Attorney General is authorized to communicate directly with the Defendants.
- g. For a period of three (3) years from the date of entry of this Judgment, the Defendants for any business for which they are the majority owner or directly or indirectly in control, are hereby required to create and retain the following records:
- i. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

- ii. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- iii. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- iv. Complaints and refund requests (whether received directly or indirectly, such as through a third party) and any responses to those complaints or requests;
- v. Copies of all sales scripts, web pages, training materials, advertisements, mailings, flyers, or other marketing materials; and
- vi. All records and documents necessary to demonstrate full compliance with each provision of this Judgment, including but not limited to, copies of acknowledgments of receipt of this Judgment required by paragraph 22 and all reports submitted to the Attorney General pursuant to this Judgment.

22. For a period of three (3) years from the date of entry of this Judgment, Defendants shall deliver copies of this Judgment as directed below:

- a. For any business that the Defendant(s) control, directly or indirectly, or in which such Defendant(s) has a majority ownership interest, such Defendant must deliver

a copy of this Judgment to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Judgment; and (3) any business entity resulting from any change in structure set forth this Judgment.

- b. For current personnel, delivery shall be within five (5) days of services of this Judgment upon such Defendant.
- c. For new personnel, delivery shall occur prior to them assuming their responsibilities.
- d. For any business entity resulting from any change in structure set forth in this Judgment, delivery shall be at least thirty (30) days prior to the change in structure.
- c. For any business where the Defendants are not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Judgment, such Defendant must deliver a copy of this Judgment to all principals and managers of such business before engaging in such conduct.
- f. Defendants 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 section.

23. L SEVEN DEVELOPMENT, LLC, D/B/A FLORIDA CENTER OF CORPORATIONS in any and all forms shall dissolve its legal status and cease conducting business forever.

24. This Judgment is continuing in nature and shall be binding on any and all successors or assigns of Defendants.

25. This Judgment is not a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Defendants or any other person or entity. Notwithstanding any other provision of this Judgment, nothing herein shall be construed to impair, compromise or affect any right of any government agency other than the Office of the Attorney General for the State of Florida relating to the operative facts at issue in this action.

26. Nothing herein shall affect Defendants' (a) testimonial obligations, or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General is not a party.

27. Any failure to comply with the terms and conditions of this Judgment is by statute prima facie evidence of a violation of Chapter 501, Part II, Florida Statutes, and will subject Defendants to any and all civil penalties and sanctions authorized by law, including attorneys' fees and costs. In the event that a court of competent jurisdiction makes a determination that a violation of any provision of this Judgment has occurred, then Defendants shall be jointly and severally liable for up to \$10,000 per violation in civil penalties, as well as any additional attorneys' fees and costs, and other relief as may be allowed by law. In addition, any sanction or payment provided by this section does not preclude the Department of Legal Affairs from pursuing any other action, relief, or sanction available to the Department for any act which, independent of this judgment, would constitute a violation of the laws of Florida.

28. This Court retains jurisdiction of this case to enforce the terms of this Judgment and enter any further orders as may be necessary to ensure compliance with this Judgment, including contempt proceedings, civil and/or criminal.

29. The Parties jointly participated in the negotiation of the terms articulated in this Judgment.

30. This document is signed in anticipation of this Judgment being submitted to the Court for approval, without necessity of hearing, which is hereby WAIVED by all parties. The signatures below indicate the parties' consent and agreement to this Judgment.

Agreed to:

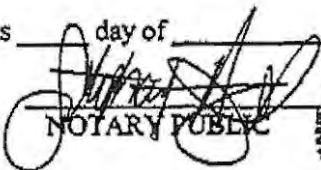

By: 
Defendant L SEVEN DEVELOPMENT, LLC.

By: 
Defendant THOMAS FRED, JR., individually

STATE OF FLORIDA)
COUNTY OF _____)

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida, Grubel personally appeared, individually and/or as _____. S/He acknowledged before me that s/he executed the foregoing instrument for the purposes therein stated on the 18th day of November, 2014.

Subscribed to before me this _____ day of _____, 2014.

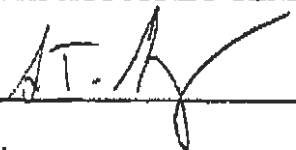

NOTARY PUBLIC
 STEPHANY ALVAREZ
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF129482
Expires 8/4/2018
(print, type, or stamp commissioned Notary Public)

Personally known or Produced Identification _____ (check one)

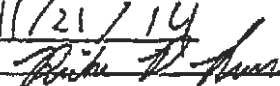
Type of Identification Produced: _____

Witnessed: 
Roberto Starzaile
Counsel for Defendant

OFFICE OF THE ATTORNEY GENERAL

By: 

Sean T. Garvey
Florida Bar No.: 0094652
Assistant Attorney General
Consumer Protection Division
Office of the Attorney General
The Capitol, PL-01
Tallahassee, Florida 32399-1050
Phone: (850) 414-3300
Fax: (850) 488-4483
sean.garvey@myfloridalegal.com
oag.ec.tlh@myfloridalegal.com

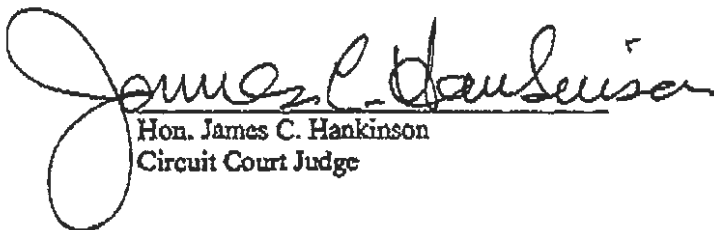
Dated: 11/21/14
By: 
Richard P. Lawson

Director, Consumer Protection Division
Department of Legal Affairs
Office Of The Attorney General
The Capitol - PL-01
Tallahassee, FL 32399-1050
(850) 414-3300

Dated: 11/21/14

SO ORDERED. Approved and Entered in Chambers in Leon County, Florida this 2nd day of

Dec., 2014.


Hon. James C. Hankinson
Circuit Court Judge