

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 06-80180 - CIV-RYSKAMP/VITUNAC

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**NATIONWIDE CONNECTIONS, INC.,
ACCESS ONE COMMUNICATIONS, INC.,
NETWORK ONE SERVICES, INC.,
WILLOUGHBY FARR,
MARY LOU FARR,
YARET GARCIA,
ERIKA RIABOUKHA,
QAADIR KAID,**

Defendants,

**BILLING CONCEPTS, INC.,
ACI BILLING SERVICES, INC.,
d/b/a OAN,
BSG CLEARING SOLUTIONS NORTH
AMERICA, LLC,
THE BILLING RESOURCE, d/b/a INTEGRETTEL,
Defendants and Third Party Plaintiffs,**

v.

**WILLOUGHBY FARR,
YARET GARCIA,
ERIKA RIABOUKHA,
QAADIR KAID,
JESUS SANDOVAL,
JESSY MENDOZA,
GERMAN MIRANDA, and
RONNY MORILLO,**

Cross Defendants/Third Party Defendants.

**STIPULATED FINAL
JUDGMENT AND ORDER FOR
PERMANENT INJUNCTION
AND CONSUMER REDRESS
AS TO DEFENDANT
QAADIR KAID**

This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission (“FTC” or “Commission”) and Defendant Qadir Kaid (“Defendant” or “Kaid”).

On February 27, 2006, the Commission filed a Complaint for Injunctive and Other Equitable Relief, including rescission, restitution, redress, and disgorgement, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and moved for an *ex parte* Temporary Restraining Order (“TRO”) pursuant to Rule 65 of the Federal Rules of Civil Procedure. That same day, this Court, having considered the Complaint, memorandum of law, declarations, and other exhibits filed in support of the Commission’s motion, issued a TRO including an asset freeze and appointment of a temporary receiver. On March 8, 2006, the Court entered a Preliminary Injunction Order that provided for a continuation of all of the relief in the TRO. On September 21, 2006, the Clerk filed the Commission’s First Amended Complaint, and on September 25, 2006, the Court entered an Amended Preliminary Injunction, which continued all of the relief in the Preliminary Injunction Order and expanded the receivership to cover, among other things, assets of Willoughby Farr and Mary Lou Farr. Now, the Commission and Defendant Kaid offer the following Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief as to Defendant Qadir Kaid (the “Final Order”).

Upon the joint motion of the FTC and Defendant it is hereby **ORDERED, ADJUDGED,** and **DECREED** as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and the parties hereto.
2. Venue is proper in the Southern District of Florida under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).

3. The activities of Defendant are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

4. The First Amended Complaint alleges claims upon which, if true, relief may be granted against Defendant under Sections 5(a)(1) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).

5. The Commission and Defendant stipulate and agree to this Final Order to settle and resolve all matters in dispute arising from the First Amended Complaint in the above-captioned matter to the date of entry of this Final Order.

6. Defendant has waived all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

7. Defendant has entered into this Final Order freely and without coercion. Defendant acknowledges that he has read the provisions of this Final Order and has agreed to abide by them.

8. Defendant waives all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

9. Defendant waives and releases any claim he may have against the FTC and its employees, representatives, or agents.

10. This Final Order is remedial in nature and shall not be construed as payment of a fine, penalty, punitive assessment, or forfeiture.

11. Entry of this Final Order is in the public interest.

DEFINITIONS

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

1. **“Amended Preliminary Injunction”** means the amended preliminary injunction order [D.E. 223] issued by this Court on September 25, 2006, in combination with any subsequent order modifying the same.
2. **“Assets”** means any legal or equitable interest in, right to, or claim to any real or personal property of Defendant, or held for the benefit of Defendant, wherever located, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” “notes” (as these terms are defined in the Uniform Commercial Code), chattels, leaseholds, contracts, mails, other deliveries, shares of stock, lists of participants, intellectual property, accounts, credits, receivables, cash, and trusts, including, but not limited to, any trust held for the benefit of Defendant, Defendant’s minor children, or Defendant’s spouse or domestic partner.
3. **“Defendant”** means Qaadir Kaid.
4. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes, but is not limited to, writings, drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic correspondence, including e-mail and instant messages, photographs, audio and video recordings, computer records, whether active or inactive, and any 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.
5. **“Individual Defendants”** means: Willoughby Farr; Mary Lou Farr; Yaret Garcia; Erika Riaboukha; and Qaadir Kaid.

6. **“Line Subscriber”** means a person that has arranged with a local exchange carrier or other entity to obtain local telephone service provided through an assigned telephone number and to be billed for such service on a monthly (or periodic) basis.

7. **“Nationwide Defendants”** means: Nationwide Connections, Inc.; Access One Communications, Inc.; Network One Services, Inc.; Willoughby Farr; Mary Lou Farr; Yaret Garcia; Erika Riaboukha; and Qadir Kaid.

8. **“Plaintiff”** means the Federal Trade Commission.

9. **“Receiver”** shall mean the receiver appointed in the Amended Preliminary Injunction. The term “receiver” also includes any deputy receivers as may be named by the receiver.

10. **“Receivership Defendants”** means: (1) Nationwide Connections, Inc., Access One Communications, Inc., Network One Services, Inc.; (2) the following affiliated entities acting in active concert or participation with them or the Individual Defendants, namely 411TXT, Inc., CELL-INFO-USA, Inc., Enhanced Billing Services, Inc., Toll Free Connect, Inc., Cripple Creek Holdings, LLC, Built to Last, LLC, Not Fade Away, LLC, He’s Gone, LLC, The Other One, LLC, Turn on Your Love Light, LLC, China Cat Sunflower, LLC, Lazy River Road Holdings, LLC; (3) any affiliates, fictitious names, subsidiaries, successors, assigns or d/b/as of the aforementioned entities; and (4) Willoughby Farr.

11. **“Representatives”** means Defendant’s partners, agents, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Final Order by personal service or otherwise.

12. **“TRO”** means the *Ex Parte* Temporary Restraining Order with Asset Freeze and Other Equitable Relief [D.E. 18] issued by the Court in this matter on February 27, 2006.

PROHIBITED BUSINESS ACTIVITIES

I.

IT IS THEREFORE ORDERED that Defendant and his Representatives are hereby permanently restrained and enjoined from directly or indirectly misrepresenting, expressly or by implication, in writing or orally, that a consumer is obligated to pay any charge that has not been expressly authorized.

II.

IT IS FURTHER ORDERED that Defendant and his Representatives are hereby permanently restrained and enjoined from billing or submitting any charge for billing on a Line Subscriber's telephone bill unless the charge has been expressly authorized.

III.

IT IS FURTHER ORDERED that Defendant is hereby permanently restrained and enjoined from serving as an officer or director of any business entity, unless Defendant actually controls, participates in, or has knowledge of the daily operations of that entity.

RESTRICTION ON USE OF CONSUMER INFORMATION

IV.

IT IS FURTHER ORDERED that Defendant and his Representatives are hereby permanently restrained and enjoined from selling or renting the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information Defendant received from the Nationwide Defendants for any Line Subscriber or other person whom Defendant or his Representatives billed, or caused to be billed, at any time prior to entry of this Final Order. *Provided, however,* that Defendant and his Representatives may disclose such identifying information as required by any law, regulation, or court order.

EQUITABLE MONETARY RELIEF

V.

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in favor of the Commission and against Defendant in the amount of seventy-five thousand dollars (\$75,000.00). Defendant shall relinquish all right, title, and interest in those Assets in Appendix A that are transferred to the Commission, or its designee or agent, pursuant to Paragraph V(B). Within five (5) business days of entry of this Final Order, Defendant shall take all steps necessary to facilitate the transfer to the Commission, or its designee or agent, of such Assets in Appendix A to which Defendant relinquishes all right, title, and interest.

B. Within ten (10) business days of service of this Final Order, the Bank of America, its parent corporation, subsidiaries, affiliates, principals, and agents, shall transfer all funds held in the accounts in Appendix A, less twenty-five thousand dollars (\$25,000.00), to the Commission, or its designee or agent, by wire transfer in accordance with wiring instructions to be provided by the Commission.

C. Proceedings instituted under this Paragraph V 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 the Commission may initiate to enforce this Final Order.

COMMISSION'S USE OF MONETARY JUDGMENT

VI.

IT IS FURTHER ORDERED that all funds paid pursuant to Paragraph V of this Final Order 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 direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendant's practices alleged in the First Amended Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendant shall have no right to challenge the Commission's choice of remedies under this Paragraph.

LIFTING OF ASSET FREEZE

VII.

IT IS FURTHER ORDERED that the freeze of Defendant's Assets pursuant to the Amended Preliminary Injunction shall be lifted to the extent necessary to turn over Assets as required by Paragraph V of this Final Order and upon completion of those transfers, shall be vacated and lifted permanently.

COOPERATION WITH FTC COUNSEL

VIII.

IT IS FURTHER ORDERED that Defendant 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 FTC's First Amended Complaint, cooperate in good faith with the FTC and appear, or cause his employees, Representatives, or agents to appear, at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pre-trial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Defendant shall appear, or cause his employees, Representatives, or agents to 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 First Amended Complaint, without service of a subpoena.

COOPERATION WITH THE RECEIVER

IX.

IT IS FURTHER ORDERED that Defendant shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to: providing information to the Receiver that the Receiver deems necessary in order to exercise the authority and discharge the responsibilities of the Receiver under the Amended Preliminary Injunction and this Final Order; providing any password required to access any computer, electronic file, or telephonic data in any medium; and advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Receiver. Defendant is hereby permanently restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Defendants;
- B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants, including, but not limited to, books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations, electronically-stored records, or any other papers of any kind or nature;
- C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Defendants, or the Receiver;
- D. Excusing debts owed to the Receivership Defendants;

E. Failing to notify the Receiver of any asset, including accounts, of a Receivership Defendant held in any name other than the name of the Receivership Defendant, or by any person or entity other than the Receivership Defendant, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of such assets; and

F. Doing any act, including any failure to act, that: (1) interferes with the Receiver managing, or taking custody, control, or possession of, the assets or documents subject to this receivership; (2) harasses or interferes with the Receiver in any way; (3) interferes in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants; or (4) constitutes a refusal to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court.

COMPLIANCE MONITORING

X.

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

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 such Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Final Order by all other lawful means, including but not limited to the following:

1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;
2. posing as consumers and suppliers to Defendant, or his employees, or any other entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice; and

C. Defendant shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Final Order. The person interviewed may have counsel present.

Provided, however, that nothing in this Final Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

COMPLIANCE REPORTING BY DEFENDANT

XI.

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

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

- b. Any changes in employment status (including self-employment) of Defendant, and any change in the ownership by Defendant 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 Defendant is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of Defendant's duties and responsibilities in connection with the business or employment; and
 - c. Any changes in Defendant's name or use of any aliases or fictitious names; and
2. Defendant shall notify the Commission of any changes in the corporate structure of any business entity that Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Final Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Final Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided that*, with respect to any proposed change in the corporation 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 Final Order, 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 he has complied and is complying with this Final Order. 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 name, business addresses and telephone numbers of each employer of Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of Defendant, for each such employer or business;
3. A copy of each acknowledgment of receipt of this Final Order, obtained pursuant to Paragraph XIII; and
4. Any other changes required to be reported under subparagraph A of this Paragraph.

C. For the purposes of this Final Order, Defendant shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director, Division of Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
Re: FTC v. Nationwide Connections, et al., No. 06-80180 (S.D. Fla.).

D. For purposes of the compliance reporting and monitoring required by this Final Order, the Commission is authorized to communicate directly with Defendant.

RECORD KEEPING PROVISIONS

XII.

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Final Order, in connection with any business that Defendant directly or indirectly manages, controls, or has a majority ownership interest in, Defendant and his agents, employees, corporations, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this Final Order by personal service or otherwise, are hereby restrained and enjoined, in connection with any business where charges associated with the business's products or services appear on a Line Subscriber's telephone bill, from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. 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;
- C. 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;
- D. Complaints and refund requests (whether received directly, indirectly, or through any third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and

F. All records and documents necessary to demonstrate full compliance with each provision of this Final Order, including but not limited to, copies of acknowledgments of receipt of this Final Order, required by Paragraph XIII, and all reports submitted to the FTC pursuant to Paragraphs X and XI.

DISTRIBUTION OF FINAL ORDER BY DEFENDANT

XIII.

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Final Order, Defendant shall deliver copies of the Final Order as directed below:

A. For any business that Defendant controls, directly or indirectly, or in which Defendant has a majority ownership interest, Defendant must deliver a copy of this Final Order to all principals, officers, directors, and managers of that business. Defendant must also deliver copies of this Final Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of this Final Order. For current personnel, delivery shall be within five (5) days of service of this Final Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

B. For any business where Defendant is not a controlling person of a business but where Defendant otherwise engages in conduct related to the subject matter of this Final Order, Defendant must deliver a copy of this Final Order to all principals and managers of such business before engaging in such conduct.

C. Defendant must secure a signed and dated statement acknowledging receipt of the Final Order, within thirty (30) days of delivery, from all persons receiving a copy of the Final Order pursuant to this Paragraph.

ACKNOWLEDGMENT OF RECEIPT OF FINAL ORDER BY DEFENDANT

XIV.

IT IS FURTHER ORDERED that Defendant, within five (5) days of receipt of this Final Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Final Order.

ENTRY OF THIS FINAL ORDER

XV.

IT IS FURTHER ORDERED that, pursuant to Federal Rule of Civil Procedure 54(b), there is no just reason for delay and the Clerk of Court shall enter this order as a final order.

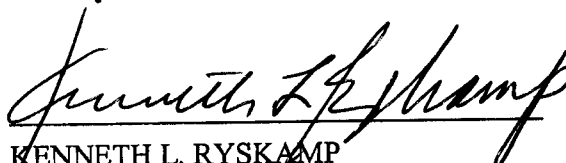
RETENTION OF JURISDICTION

XVI.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Final Order.

JUDGMENT IS THEREFORE ENTERED, pursuant to all the terms and conditions recited above.

SO ORDERED, this 28 day of March, 2008.


KENNETH L. RYSKAMP
United States District Judge

STIPULATED AND AGREED AS FOLLOWS:

FOR THE PLAINTIFF:

DATED: March 24, 2008



Laura M. Kim (A5500999)

Lkim@ftc.gov

Telephone: (202) 326-3734

Facsimile: (202) 326-3395

Collot Guerard (A5500480)

Cguerard@ftc.gov

Telephone: (202) 326-3338

Facsimile: (202) 326-3395

Richard McKewen (A5501046)

Rmckewen@ftc.gov

Telephone: (202) 326-3071

Facsimile: (202) 326-3395

Robert Schoshinski (A550684)

Rshoshinski@ftc.gov

Telephone: (202)326-3219

Facsimile: (202) 326-3395

Attorneys for Plaintiff

Federal Trade Commission

FOR THE DEFENDANT:

DATED: 2/8/2008



Mark D. Johnson, PA (208205)

Markdjohnsonpa@bellsouth.net

Telephone: (772) 223-7700

Facsimile: (772) 223-1177

Attorney for Qaadir Kaid

DATED: 2/11/2008



Qaadir Kaid

Appendix A

Interest held by or titled in the name of or on behalf of Defendant in the following Assets:

Asset	Owned by
Bank of America account XXXXXXXX0463	Qadir Kaid and Yaret Garcia
Bank of America account XXXXXXXX9201	Qadir Kaid and Yaret Garcia