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**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON**

**FEDERAL TRADE COMMISSION,**

Civ. No. CV07-0533 BR

Plaintiff,

v.

**MERCHANT PROCESSING, INC.;**  
**VEQUITY FINANCIAL GROUP, INC.;**  
**DIRECT MERCHANT PROCESSING,**  
**INC.; PPI SERVICES INC.; AARON**  
**LEE RIAN; and KARELY MCCARTHY,**  
**A.K.A. KARLY SPEELMAN,**

**STIPULATED FINAL JUDGMENT**  
**AND ORDER FOR PERMANENT**  
**INJUNCTION AND OTHER**  
**EQUITABLE RELIEF AS TO**  
**MERCHANT PROCESSING, INC.;**  
**VEQUITY FINANCIAL GROUP, INC.;**  
**DIRECT MERCHANT PROCESSING,**  
**INC.; AND PPI SERVICES INC.**

Defendants.

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This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission ("Plaintiff" or "FTC" or "Commission") and Defendants Merchant Processing, Inc. ("MPI");

STIPULATED FINAL ORDER AS TO  
MERCHANT PROCESSING, INC., ET AL. - 1

Vequity Financial Group, Inc. (“Vequity”); Direct Merchant Processing, Inc. (“DMP”); and PPI Services Inc. (“PPI”) (collectively “Defendants”). On April 11, 2007, this Court granted Plaintiff’s *ex parte* application and entered a Temporary Restraining Order (“TRO”) with an order to show cause why a preliminary injunction should not issue against Defendants MPI, DMP, Vequity, and Aaron Lee Rian. The parties entered into a Stipulated Preliminary Injunction (“Stip. PI”) on April 30, 2007. On September 28, 2007, this Court granted Plaintiff’s second *ex parte* application and entered a second TRO against the original defendants as well as two additional parties, Karely McCarthy, a.k.a. Karly Speelman, (“McCarthy”), and PPI Services Inc. (“PPI”). Subsequently, the Court extended the TRO against all parties, and on October 3, 2007, Plaintiff moved this Court for leave to amend its Complaint to add McCarthy and PPI as defendants and also filed a Motion for Preliminary Injunction as to all defendants, including McCarthy and PPI. On October 12, 2007, this Court entered a Stipulated Temporary Restraining Order as to all defendants, and Plaintiff filed its First Amended Complaint. On November 2, 2007, the Court entered a Second Stip. PI as to all defendants. The Commission and Defendants, acting by and through the Receiver and the Receiver’s counsel, now stipulate to entry of this Stipulated Final Judgment and Order for Permanent Injunction (“Final Order”).

NOW, THEREFORE, the Commission and Defendants, having requested the Court to enter this Final Order, it is **ORDERED, ADJUDGED, AND DECREED** as follows:

#### **FINDINGS**

- A. This Court has jurisdiction over the subject matter of this case and personal jurisdiction over Defendants.
- B. Venue is proper as to all parties in the District of Oregon under 15 U.S.C. § 53(b)

and 28 U.S.C. §§ 1391(b) and (c).

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

D. The First Amended Complaint (“Complaint”) states a claim upon which relief may be granted against Defendants under §§ 5(a)(1), and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).

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

F. Defendants enter into this Final Order freely and acknowledge that they have read and understand the provisions of this Final Order and have agreed to abide by them.

G. Defendants waive all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

H. Defendants waive 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).

I. Defendants waive and release any claim they may have against the Commission and its employees, representatives, or agents that relates to the subject matter of this action.

J. No provision of this Final Order shall be construed as an admission that Defendants have engaged in violations of the FTC Act or the acts or omissions alleged in the Complaint.

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

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

M. Each party shall bear its own costs and attorneys fees.

### DEFINITIONS

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

1. **“Acquiring bank”** means a bank that provides businesses with Merchant Accounts where the proceeds of the businesses’ credit and debit card sales are deposited.
2. **“Assets”** means any legal or equitable interest in, right to, or claim to, any real or personal property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), and all cash, wherever located.
3. **“Assisting”** means providing substantial assistance or support to any person. For purposes of this Final Order, providing substantial assistance or support includes, but is not limited to: (a) recording or verifying sales solicitations; (b) performing customer service functions including, but not limited to, receiving or responding to consumer complaints, obtaining or receiving identifying and financial information from consumers, and communicating with consumers on behalf of the seller or telemarketer; (c) developing, providing, or arranging for the development or provision of sales scripts or any other marketing material; (d) verifying, processing, fulfilling, or arranging for the fulfillment of orders; (e) developing, providing, or arranging for the provision of names of potential customers; (f) collecting or arranging for the collection of accounts receivable or other amounts owed; (g) performing or providing marketing services of any kind; (h) processing card transactions; or

(i) consulting. Assisting does not include employment with a financial institution unless such employment includes any one or more of (a) through (i) above.

4. **“Card processing goods or services”** means goods or services relating to the acceptance, authorization, settlement, or payment for credit or debit card-related sales.

5. **“Clearly and conspicuously”** means:

- a. if presented in writing, the information shall be in a type size and location sufficient for an ordinary consumer to read and comprehend it, and shall be disclosed in a manner that would be easily recognizable and understandable in language and syntax to an ordinary consumer. If the information is contained in a multi-page print document, the disclosure shall appear on the first page or on the signature page of the document;
- b. if presented orally, the information shall be disclosed in a volume, cadence, and syntax sufficient for an ordinary consumer to hear and comprehend; and
- c. nothing contrary to any information disclosed shall be imparted at or near the time of the disclosure. Further, a subsequent disclosure made orally or in writing only limits or qualifies a prior disclosure and cannot cure a false claim.

6. **“Consumer”** means an actual or potential purchaser, customer, licensee, or lessee, regardless of whether that person is a corporation, limited liability corporation, partnership, association, other business entity, or natural person, and regardless of whether the purchase is made for business purposes or for personal or household purposes.

7. **“Defendant” or “Defendants”** means Merchant Processing, Inc.; Vequity Financial Group, Inc.; Direct Merchant Processing, Inc.; PPI Services Inc., d.b.a. Direct Processing, Inc., and Merchant Services, Inc.; and each of them, by whatever names each might be known.
8. **“Individual Defendant” or “Individual Defendants”** means Aaron Lee Rian and Karely McCarthy, a.k.a. Karly Speelman, and each of them, whether acting directly or through any successor, assign, agent, employee, entity, corporation, subsidiary, division, or other device, unless specified otherwise.
9. **“Merchant”** means a person, corporation, or any other entity that acts as a consumer by purchasing, leasing, or renting card processing goods or services.
10. **“Merchant Account”** means a bank account opened at an Acquiring Bank in the name of a Merchant for deposits of the proceeds of the Merchant’s credit or debit card-related sales transactions. “Merchant Account” also includes, but is not limited to, goods, leases, and services related to that account.
11. **“Merchant Account Portfolio”** means all Merchant Accounts from which the Receivership Defendants derive any income.
12. **“Person”** means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.
13. **“Receiver”** shall mean Michael A. Grassmueck, in his capacity as Receiver over the Receivership Defendants appointed pursuant to the Second Stipulated Preliminary Injunction. The Receiver is not an employee, representative, or agent of the FTC.
14. **“Receivership Defendants”** means Merchant Processing, Inc. (or any successor to Merchant Processing, Inc., while operated by the Receiver); Vequity Financial Group, Inc.;

Direct Merchant Processing, Inc.; PPI Services Inc., d.b.a. Direct Processing, Inc., and Merchant Services, Inc., Oregon corporations, and their affiliates and subsidiaries, and any other corporations or businesses under the control of any of them, or under the control of Individual Defendants Rian or McCarthy at any time prior to entry of this Final Order, including but not limited to Bad Boy Enterprises, Inc., d.b.a. Atlantic Hound; Bad Boy Racing, LLC; Bad Boy Investments, LLC; and Rian Racing, Inc.

## **CONDUCT PROHIBITIONS**

### **I.**

#### **Prohibited Business Activities**

**IT IS THEREFORE ORDERED** that Defendants, their successors and assigns, and their officers, agents, directors, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Order by personal service or otherwise, whether acting directly or through any person, trust, corporation, limited liability company, subsidiary, division, or other device, in connection with the advertising, promoting, marketing, offering for sale, sale, or lease of any product or service, are hereby permanently restrained and enjoined from:

- A. Misrepresenting, expressly or by implication:
  1. the savings a consumer will realize if the consumer purchases the product or service;
  2. that any existing leases or contracts will be bought out if a consumer purchases the product or service;
  3. any material fact relating to fees or rates charged for the product or service;
  4. any other material fact regarding the product or service;

B. In connection with representing directly or by implication that consumers will be charged any particular rate or fee, failing to disclose clearly and conspicuously all material facts relating to rates and fees, including but not limited to the amounts of all discount rates, processing surcharges, cancellation fees, and other fees consumers will be required to pay.

C. Altering or adding to documents previously signed by consumers so as to change material terms including, but not limited to, terms related to rates and fees to be incurred by the consumer, without the express consent of the consumer;

D. Concealing or failing to disclose clearly and conspicuously to consumers any terms of a contract;

E. Failing to furnish to a consumer a complete copy of any contract or document signed by a consumer at the time the contract or document is signed.

F. Assisting others who violate any provision of Paragraph I of this Final Order.

**II.**  
**Prohibited Disclosure of Customer Information**

**IT IS FURTHER ORDERED** that Defendants, their successors and assigns, and their officers, agents, directors, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Order by personal service or otherwise, whether acting directly or through any person, trust, corporation, limited liability company, subsidiary, division, or other device, are hereby permanently restrained and enjoined, other than transfers in the ordinary course of business, from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, Social Security number, credit card number, bank account number, e-mail address or other identifying information of any Merchant who paid any money to Defendants or any one of them at any time



prior to entry of this Final Order for card processing goods or services. *Provided that*, Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order. *Provided further* that the Receivership Defendants may disclose Merchant data or any other information otherwise protected by this Paragraph to a potential purchaser of the Receivership Defendants' assets during the Time Period for Sale, so long as the Receiver obtains a confidentiality agreement with terms consistent with this Paragraph signed by the potential purchaser.

**III.**  
**Redress and Other Equitable Relief**

**IT IS FURTHER ORDERED** that

A. Judgment is hereby entered against Defendants, jointly and severally with the Individual Defendants, in the amount of \$26,480,041 (twenty-six million, four hundred eighty thousand, forty-one dollars).

B. Judgment shall be suspended subject to the following conditions:

1. Defendants hereby agree to the appointment of Michael A. Grassmueck as Permanent Receiver ("Receiver") over the Receivership Defendants, with all of the same rights, duties and powers as set forth in the November 2, 2007, Second Stip. PI, which continued the appointment of Michael A. Grassmueck as Temporary Receiver over all of the Receivership Defendants in this matter.

2. Pursuant to the agreement of Defendant Rian as described in the Stipulated Final Judgment and Order for Permanent Injunction as to Aaron Lee Rian ("Rian Final Order"), and the agreement of McCarthy as described in the Stipulated Final Judgment and Order for Permanent Injunction as to Karely McCarthy, a.k.a. Karly McCarthy

(“McCarthy Final Order”), both of which are being filed concurrently with this Final Order, the Receiver shall retain all interest in the Receivership Defendants, including their respective Merchant Account Portfolios, and in all accounts, property, and assets held in the name of the Receivership Defendants.

3. Within a time period agreed to by the Commission and the Receiver (“Time Period for Sale”), the Receiver shall sell or liquidate the Receivership Defendants’ assets, including the Merchant Account Portfolios, to any interested bona fide third-party buyer for value, who is not a Defendant as defined herein. Any sale of the Receivership Defendants’ assets, including the Merchant Account Portfolios, shall be complete and closed within the Time Period for Sale. All proceeds due under the sale, net of reasonable fees and expenses (including reasonable attorneys fees and expenses) incurred in connection with the sale and any other liabilities required to be paid consistent with the terms of such sale, shall be treated in the manner described in Subparagraph III.B.6-8.

4. Pursuant to the terms and conditions agreed to by the parties, the Receiver shall also hereby take possession of the real property located at 17481 SW Hoodoo Court, Beaverton, OR 97007-7702; 184 N Pacific Street, Rockaway Beach, OR 97136 (“Oregon properties”); and 40332 SCR 4545, Keota, OK (“Oklahoma property”).

5. Within the Time Period for Sale, the Receiver shall sell the Oregon properties and the Oklahoma property to any interested bona fide third-party buyer for value, who is not a Defendant as defined herein.

6. Proceeds from the sale of the Receivership Defendants and the balances held in Receivership Defendants’ accounts, as well as proceeds from the sale of the Oregon

properties and the Oklahoma property, and all other property released to and sold by the Receiver in this matter shall be paid to the Commission and shall be credited against the amount of the judgment owed by Defendants as set forth in Subparagraph III.A, *provided that* the Receiver may deduct his costs and fees as approved by the Court.

7. All funds paid pursuant to this Paragraph III shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including but not limited to restitution and any attendant expenses for the administration of any restitution fund. In the event that direct restitution to consumers is wholly or partially impracticable or funds remain after restitution 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 the practices alleged in the Complaint. Any funds up to the amount specified in Subparagraph III.A not used for such equitable relief shall be deposited in the United States Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph. No portion of any payments or assets assigned under the judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment.

8. If, after all funds are paid and released pursuant to Subparagraph III.B, the total funds paid to the Commission pursuant to Subparagraph III.B are insufficient to satisfy the judgment set forth in Subparagraph III.A, the remainder of the monetary judgment shall be deemed suspended. If any funds or assets remain in the Receivership after payments and releases under Subparagraph III.B, and the Receiver's expenses are paid, then Individual Defendants Rian and McCarthy shall be given dominion, title, and

control over any remaining monies and assets in direct proportion to the amounts they paid pursuant to the Rian Final Order and McCarthy Final Order.

**IV.**  
**Completion of Receivership**

**IT IS FURTHER ORDERED** that:

A. If the judgment set forth in Subparagraph III.A. is paid to the FTC in full pursuant to a sale of the Receivership Defendants' assets under Subparagraph III.B, within the Time Period for Sale, then the Receiver shall file with the Court, and serve on the parties, a final report describing the scope of the Receiver's activities; or

B. If the judgment set forth in Subparagraph III.A is not paid to the FTC in full pursuant to a sale of the Receivership Defendants' assets under Subparagraph III.B, within the Time Period for Sale, the Receiver shall immediately:

1. Wind down the affairs and marshal the records and remaining assets of the Corporate Defendants, liquidate any and all Receivership Defendants' assets remaining in the Receivership estate, and release to the Commission all dominion, title, and control of the proceeds of such assets not to exceed payment in full of the judgment to the FTC pursuant to Subparagraph III.A; and

2. File with the Court, and serve on the parties, a final report describing the wind-down of the business of the Receivership Defendants and the scope of the Receiver's activities.

C. After filing the final report described in this Paragraph IV, and receiving any fees due under the Final Order, the rights, duties, authority, and responsibilities of the Receiver shall terminate.

**V.**  
**Compliance Monitoring**

**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, the Defendants shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry to any Commission representative during normal business hours to any business location in any Defendant's possession or direct or indirect control for the purpose of inspecting the business location.

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 any Defendant or its employees, or any other entity managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice; and

C. Defendants 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 the 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,

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)).

**VI.**  
**Compliance Reporting by Defendants**

**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, each of the Defendants shall notify the Commission of the following:

1. Any changes in the corporate structure of any Defendant or any business entity that any Defendant directly or indirectly control(s), 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 the Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants 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, each of the Defendants shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which it has complied and is complying with this Final

Order. This report shall include, but not be limited to:

1. A copy of each acknowledgment of receipt of this Final Order, obtained pursuant to Paragraph VIII; and
2. Any other changes required to be reported under Subparagraph A of this Paragraph;
- C. For the purposes of this Final Order, Defendants shall, unless otherwise directed by

the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director of Enforcement  
Federal Trade Commission  
601 New Jersey Ave., N.W.  
Washington, DC 20001  
*Re: FTC v. Merchant Processing, Inc., et al., CV07-0533 BR;*

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

## **VII.** **Record Keeping**

**IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry of this Final Order, each of the Defendants, in connection with any business where (1) it is the majority owner, or directly or indirectly manages or controls the business, and (2) the business is engaged in conduct related to the subject matter of this Final Order, is hereby restrained and enjoined 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. Merchant files containing the names, addresses, telephone 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 VIII of this Final Order, and all reports submitted to the FTC pursuant to Paragraph VI of this Final Order.

#### **VIII.**

#### **Distribution of Order by Defendants**

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

A. For any business that any of the Defendants controls, directly or indirectly, or in which any Defendant has a majority ownership interest, the Defendant must deliver a copy of this Final Order to all principals, officers, directors, and managers of that business. The 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 the Final Order. For current personnel, delivery shall be within five (5) days of service of this Final Order upon the Defendants. For new personnel, delivery shall occur prior to them assuming their responsibilities;



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

**IX.**

**Acknowledgment of Receipt of Order by Defendants**

**IT IS FURTHER ORDERED** that the Defendants, within five (5) business 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.

**X.**

**Cooperation with FTC Counsel**

**IT IS FURTHER ORDERED** that 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 FTC's Complaint, cooperate in good faith with the FTC and appear, or cause their officers, employees, representatives, or agents to appear, at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and such other matters as may be reasonably required by the FTC. If requested in writing by the FTC, Defendants shall appear, or cause their officers, 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 Complaint, without the service of a subpoena.

**XI.**

**Stay of Other Actions**

**IT IS FURTHER ORDERED** that except by leave of this Court, during the pendency of the receivership, the Defendants and all customers, Merchants, principals, investors, creditors,

stockholders, lessors, and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of the Receivership Defendants, and all others acting for or on behalf of such persons, including attorneys, trustees, agents, sheriffs, constables, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees be and are hereby stayed from:

- A. Commencing, prosecuting, continuing, or enforcing any suit or proceeding against the Receivership Defendants, except that such actions may be filed to toll any applicable statute of limitations;
- B. Commencing, prosecuting, continuing, or entering any suit or proceeding in the name or on behalf of the Receivership Defendants;
- C. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, any property of the Receivership Defendants, any property in possession of the Receiver by virtue of this Final Order, or any property claimed by any of them, or attempting to foreclose, forfeit, alter, or terminate any of the Receivership Defendants' interests in property, including, without limitation, the establishment, granting, or perfection of any security interest, whether such acts are part of a judicial proceeding or otherwise;
- D. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wheresoever located, owned by or in the possession of the

Receivership Defendants, or the Receiver appointed pursuant to this Final Order or any agent appointed by said Receiver; and

- E. Doing any act or thing whatsoever to interfere with the Receiver taking control, possession, or management of the property subject to this Receivership, or to in any way interfere with the Receiver, or to harass or interfere with the duties of the Receiver; or to interfere in any manner with the exclusive jurisdiction of this Court over the property and assets of the Receivership Defendants.

*Provided, however,* nothing in this Paragraph XI shall prohibit any federal or state law enforcement or regulatory authority from commencing or prosecuting an action against the Defendants. *Provided, further,* that this stay shall end following termination of the Receivership pursuant to Paragraph IV of this Final Order.

## **XII.** **Release**

**IT IS FURTHER ORDERED** that the Commission, upon execution of this Agreement and the filing of this Final Order, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties to this Final Order, hereby irrevocably and unconditionally releases, remises, acquits, and forever discharges all Receivership Defendants, their heirs, successors, assigns, legal representatives, estates, and successors in interest, from any and all known and unknown causes of action, suits, charges, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, torts, controversies, agreements, promises, variances, trespasses, damages, judgments, extends, executions, claims, and demands whatsoever, in law, admiralty, or equity which it ever had, now has, or may have, arising out of any occurrence prior to the date hereof, including without limitation, any act or allegation arising

from, or which could arise from, the FTC's Complaint, Amended Complaint, or the above-captioned action, and any claims that were or could have been raised by FTC or on its behalf pursuant to any contract, expressed or implied, any obligation arising out of public policy, or the FTC Act or any other law, and all claims that were or could have been raised by the FTC or on its behalf for attorneys' fees, disbursements, costs, or the like.

**XIII.**  
**Retention of Jurisdiction**

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

**SO ORDERED**, this 5<sup>th</sup> day of May, 2008.

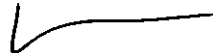


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The Honorable Anna J. Brown  
United States District Judge

So Stipulated:



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Attorney for MICHAEL A. GRASSMUECK, Receiver, and  
Defendants MERCHANT PROCESSING, INC.,  
DIRECT MERCHANT PROCESSING, INC.,  
VEQUITY FINANCIAL GROUP, INC., and  
PPI SERVICES INC.



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Michael a. Grassmueck, Receiver for  
Defendants MERCHANT PROCESSING, INC.,  
DIRECT MERCHANT PROCESSING, INC.,  
VEQUITY FINANCIAL GROUP, INC., and  
PPI SERVICES INC.