

1 WILLARD K. TOM
General Counsel

2 SARAH SCHROEDER (CA Bar No. 221528)
3 MATTHEW GOLD (NY Bar No. 2073963)
4 KERRY O'BRIEN (CA Bar No. 149264)
901 Market Street, Suite 570
San Francisco, CA 94103
5 Telephone: (415) 848-5100
6 Facsimile: (415) 848-5184
e-mail: sschroeder@ftc.gov; mgold@ftc.gov;
kobrien@ftc.gov

7 Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

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10 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
11 **OAKLAND DIVISION**

12 FEDERAL TRADE COMMISSION,
13
14 Plaintiff,
15 v.
16 NATIONAL AWARDS SERVICE
ADVISORY, LLC, et al.,
17 Defendants

Case No. CV 10-5418 PJH

~~[PROPOSED]~~

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AS TO:**

- (1) NATIONAL AWARDS SERVICE ADVISORY, LLC,
- (2) CENTRAL PROCESSING OF NEVADA, LLC,
- (3) GEOVANNI SORINO, AND
- (4) JORGE A. CASTRO

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22 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed its
23 Complaint, subsequently amended (as amended, "Complaint"), for a permanent
24 injunction and other equitable relief in this matter pursuant to Section 13(b) of the
25 Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b). The FTC and
26 Defendants National Awards Service Advisory, LLC, Central Processing of Nevada,
27 LLC, Geovanni Sorino, and Jorge A. Castro ("Stipulating Defendants"), by and
28 through their counsel, stipulate to the entry of this *Stipulated Order for Permanent*

1 *Injunction and Monetary Judgment as to National Awards Service Advisory, LLC,*
2 *Central Processing of Nevada, LLC, Geovanni Sorino, and Jorge A. Castro*
3 (“Order”) to resolve all matters in dispute in this action between them.

4 **THEREFORE, it is ORDERED** as follows:

5 **FINDINGS**

6 1. This Court has jurisdiction over the subject matter and all of the parties.
7 2. Venue is proper as to all parties in this District.
8 3. Stipulating Defendants’ activities are “in or affecting commerce,” as
9 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

10 4. The Complaint states claims upon which relief may be granted against
11 Stipulating Defendants under Section 5 of the FTC Act, 15 U.S.C. § 45.

12 5. In its Complaint, the FTC charges that Defendants engaged in deceptive
13 acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in the offer
14 of prize promotions.

15 6. Plaintiff and Stipulating Defendants waive all rights to appeal or
16 otherwise challenge or contest the validity of this Order.

17 7. Stipulating Defendants waive any claim that they may hold under the
18 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this
19 action through the date of this Order and agree to bear their own costs and attorneys
20 fees.

21 **DEFINITIONS**

22 For the purposes of this Order, the following definitions apply:

23 A. “Corporate Defendants” means National Awards Service Advisory,
24 LLC; and Central Processing of Nevada, LLC; and any entity or name through which
25 they do business including, but not limited to, Prize Information Bureau, Award
26 Notification Bureau, Publishers Information Bureau, and Consumer Reporting
27 Services; and their successors and assigns.

1 B. "Defendants" means all of the Individual Defendants and the Corporate
2 Defendants, individually, collectively, or in any combination.

3 C. "Individual Defendants" means Geovanni Sorino and Jorge A. Castro.

4 D. "Prize promotion" means(1) a sweepstakes or other game of chance; or
5 (2) an oral or written express or implied representation that a person has won, has
6 been selected to receive, or may be eligible to receive, or enter a contest to receive, a
7 prize or purported prize, whether in the form of money, merchandise, or anything of
8 value.

9 **ORDER**

10 **I.**

11 **BAN ON PRIZE PROMOTION**

12 **IT IS ORDERED** that Defendants, whether acting directly or through any
13 other person, are permanently restrained and enjoined from:

14 A. Advertising, marketing, promoting, offering for sale, or selling any
15 prize promotion; or

16 B. Assisting others engaged in advertising, marketing, promoting, offering
17 for sale, or selling any prize promotion.

18 **II.**

19 **PROHIBITION AGAINST MISREPRESENTATIONS**

20 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,
21 servants, employees, and attorneys, and all other persons in active concert or
22 participation with any of them who receive actual notice of this Order by personal
23 service or otherwise, whether acting directly or indirectly, in connection with the
24 advertising, marketing, promoting, or offering for sale of any good or service, are
25 permanently restrained and enjoined from misrepresenting, or assisting others in
26 misrepresenting, expressly or by implication:

27 A. that any person is affiliated with, endorsed or approved by, or otherwise
28 connected to any other person;

1 B. the cost, performance, efficacy, nature, or characteristic of any good or
2 service.

3 **III.**

4 **MONETARY JUDGMENT AND PARTIAL SUSPENSION**

5 **IT IS FURTHER ORDERED** that:

6 A. Judgment in the amount of Five Million Five Hundred Ninety Two
7 Thousand Seven Hundred Fifteen Dollars (\$5,592,715) is entered against Individual
8 Defendants and Corporate Defendants, jointly and severally.

9 B. Upon the transfers of funds held by third parties pursuant to the Section
10 titled "Turnover of Assets Held by Third Parties," the remainder of the judgment
11 shall be suspended subject to the Subsections below.

12 C. The Commission's agreement to, and the Court's approval of, the
13 suspension of part of the judgment, is expressly premised upon the truthfulness,
14 accuracy, and completeness of Defendants' sworn financial statements and related
15 documents (collectively, "financial representations") submitted to the Commission,
16 namely:

- 17 1. the Financial Statement of Individual Defendant Geovanni Sorino
18 signed on February 3, 2011, including the attachments;
- 19 2. the Financial Statement of Individual Defendant Jorge Castro
20 signed on February 1, 2011, including the attachments;
- 21 3. the Financial Statement of Corporate Defendant National Awards
22 Service Advisory, LLC, signed by Geovanni Sorino, manager, on
23 March 23, 2011, including the attachments;
- 24 4. the Financial Statement of Corporate Defendant Central
25 Processing of Nevada, LLC, signed by Jorge Castro, manager, on
26 February 28, 2011, including the attachments;

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

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

10 D. Unless they have already done so, Defendants are required, in
11 accordance with 31 U.S.C. § 7701, to furnish to the Commission their respective
12 Taxpayer Identifying Numbers (Social Security numbers or Employer Identification
13 Numbers), which shall be used for purposes of collecting and reporting on any
14 delinquent amount arising out of Defendants' relationship with the government.

15 E. All money paid to the Commission pursuant to this Order shall be
16 deposited into a fund administered by the Commission or its representatives to be
17 used for equitable relief, including consumer redress and any attendant expenses for
18 the administration of any redress fund. If direct redress to consumers is wholly or
19 partially impracticable or money remains after redress is completed, the Commission
20 may apply any remaining money for such other equitable relief (including consumer
21 information remedies) as it determines to be reasonably related to Defendants'
22 practices alleged in the Complaint. Any monies not used for such equitable relief
23 shall be deposited to the U.S. Treasury as disgorgement. Defendants shall have no
24 right to challenge any actions the Commission or its representatives may take
25 pursuant to this Section.

26 F. Defendants shall take no deduction, capital loss, write-off, or any other
27 tax benefit on any federal or state tax return, amended tax return, IRS Form 1045, or
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1 any other tax filing, for all or any part of any payment toward satisfaction of this
2 judgment.

3 **V.**

4 **TURNOVER OF ASSETS HELD BY THIRD PARTIES**

5 **IT IS FURTHER ORDERED** that, to partially satisfy the monetary
6 judgment set forth in the Section titled "Monetary Judgment," any law firm, financial
7 or brokerage institution, escrow agent, title company, commodity trading company,
8 automated clearing house, network transaction, business entity, or person that holds,
9 controls, or maintains custody of any account or asset of, on behalf of, or for the
10 benefit of, any Defendant that is frozen pursuant to the Court's December 15, 2010
11 Preliminary Injunction shall turn over such asset and all funds in such account to the
12 Commission within ten (10) business days of receiving notice of this Order by any
13 means, including, but not limited to, notice provided by facsimile. Such turnover or
14 payment shall be made by wire transfer in accordance with directions provided by
15 the Commission.

16 **VI.**

17 **LIFTING OF THE ASSET FREEZE**

18 **IT IS FURTHER ORDERED** that the freeze of the assets pursuant to the
19 Preliminary Injunction in this case shall be lifted only as to Defendants National
20 Awards Service Advisory, LLC, Central Processing of Nevada, LLC, Geovanni
21 Sorino, and Jorge A. Castro. This Order does not alter the freeze of the assets of
22 Tully Lovisa, Steven McClenahan, International Award Advisors, Inc., Spectrum
23 Caging Services, Inc., Prize Registry Bureau, Inc., Consolidated Data Bureau, Inc.,
24 and Registered Data Analytics, Inc., pursuant to the December 15, 2010 Preliminary
25 Injunction.

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VII.

DISPOSITION OF PAST CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from:

A. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the sale of any prize promotion; and

B. Failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by a law, regulation, or court order.

VIII.

COOPERATION WITH FTC

IT IS FURTHER ORDERED that Defendants National Awards Service Advisory, LLC, Central Processing of Nevada, LLC, Geovanni Sorino, and Jorge A. Castro shall fully cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Such Defendants must provide truthful and

1 complete information, evidence, and testimony. Such Individual Defendants must
2 appear and such Corporate Defendants “must cause their officers, employees,
3 representatives, or agents to appear for interviews, discovery, hearings, trials, and
4 any other proceedings that a Commission representative may reasonably request
5 upon 5 days written notice, or other reasonable notice, at such places and times as a
6 Commission representative may designate, without the service of a subpoena.

7 **IX.**

8 **ORDER ACKNOWLEDGMENTS**

9 **IT IS FURTHER ORDERED** that Defendants obtain acknowledgments of
10 receipt of this Order:

11 A. Each Defendant, within 7 days of entry of this Order, must submit to the
12 Commission an acknowledgment of receipt of this Order sworn under penalty of
13 perjury.

14 B. For 5 years after entry of this Order, each Individual Defendant for any
15 business that such Defendant, individually or collectively with any other Defendant,
16 is the majority owner or directly or indirectly controls, and each Corporate
17 Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors,
18 and managers; (2) all employees, agents, and representatives who participate in
19 conduct related to the subject matter of the Order; and (3) any business entity
20 resulting from any change in structure as set forth in the Section titled Compliance
21 Reporting. Delivery must occur within 7 days of entry of this Order for current
22 personnel. To all others, delivery must occur before they assume their
23 responsibilities.

24 C. From each individual or entity to which a Defendant delivered a copy of
25 this Order, that Defendant must obtain, within 30 days, a signed and dated
26 acknowledgment of receipt of this Order.

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1 **X.**

2 **COMPLIANCE REPORTING**

3 **IT IS FURTHER ORDERED** that Defendants make timely submissions to
4 the Commission:

5 A. One year after entry of this Order, each Defendant must submit a
6 compliance report, sworn under penalty of perjury.

7 1. Each Defendant must: (a) designate at least one telephone
8 number and an email, physical, and postal address as points of
9 contact, which representatives of the Commission may use to
10 communicate with Defendant; (b) identify all of that Defendant's
11 businesses by all of their names, telephone numbers, and
12 physical, postal, email, and Internet addresses; (c) describe the
13 activities of each business, including the products and services
14 offered, the means of advertising, marketing, and sales, and the
15 involvement of any other Defendant (which Individual
16 Defendants must describe if they know or should know due to
17 their own involvement); (d) describe in detail whether and how
18 that Defendant is in compliance with each Section of this Order;
19 and (e) provide a copy of each Order Acknowledgment obtained
20 pursuant to this Order, unless previously submitted to the
21 Commission;

22 2. Additionally, each Individual Defendant must: (a) identify all
23 telephone numbers and all email, Internet, physical, and postal
24 addresses, including all residences; (b) identify all titles and roles
25 in all business activities, including any business for which such
26 Defendant performs services whether as an employee or
27 otherwise and any entity in which such Defendant has any
28 ownership interest; and (c) describe in detail such Defendant's

1 involvement in each such business, including title, role,
2 responsibilities, participation, authority, control, and any
3 ownership.

4 B. For 20 years following entry of this Order, each Defendant must submit
5 a compliance notice, sworn under penalty of perjury, within 14 days of any change in
6 the following:

- 7 1. Each Defendant must report any change in: (a) any designated
8 point of contact; or (b) the structure of any Corporate Defendant
9 or any entity that Defendant has any ownership interest in or
10 directly or indirectly controls that may affect compliance
11 obligations arising under this Order, including: creation, merger,
12 sale, or dissolution of the entity or any subsidiary, parent, or
13 affiliate that engages in any acts or practices subject to this Order.
- 14 2. Additionally, each Individual Defendant must report any change
15 in: (a) name, including aliases or fictitious name, or residence
16 address; or (b) title or role in any business activity, including any
17 business for which such Defendant performs services whether as
18 an employee or otherwise and any entity in which such Defendant
19 has any ownership interest, and identify its name, physical
20 address, and Internet address, if any.

21 C. Each Defendant must submit to the Commission notice of the filing of
22 any bankruptcy petition, insolvency proceeding, or any similar proceeding by or
23 against such Defendant within 14 days of its filing.

24 D. Any submission to the Commission required by this Order to be sworn
25 under penalty of perjury must be true and accurate and comply with 28 U.S.C. §
26 1746, such as by concluding: "I declare under penalty of perjury under the laws of
27 the United States of America that the foregoing is true and correct. Executed
28

1 on: _____” and supplying the date, signatory’s full name, title (if applicable), and
2 signature.

3 E. Unless otherwise directed by a Commission representative in writing,
4 all submissions to the Commission pursuant to this Order must be emailed to
5 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
6 Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade
7 Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject
8 line must begin: FTC v. National Awards Service Advisory, LLC, Central
9 Processing of Nevada, LLC, Geovanni Sorino, and Jorge A. Castro (Matter Number
10 X1100010).

11 **XI.**

12 **RECORDKEEPING**

13 **IT IS FURTHER ORDERED** that Defendants must create certain records for
14 20 years after entry of the Order, and retain each such record for 5 years.

15 Specifically, Corporate Defendants and each Individual Defendant for any business
16 in which that Defendant, individually or collectively with any other Defendants, is a
17 majority owner or directly or indirectly controls, must maintain the following
18 records:

19 A. Accounting records showing the revenues from all goods or services
20 sold, all costs incurred in generating those revenues, and the resulting net profit or
21 loss;

22 B. Personnel records showing, for each person providing services, whether
23 as an employee or otherwise, that person’s: name, addresses, and telephone
24 numbers; job title or position; dates of service; and, if applicable, the reason for
25 termination;

26 C. Customer files showing the names, addresses, telephone numbers, dollar
27 amounts paid, and the quantity and description of goods or services purchased;

1 D. Complaints and refund requests, whether received directly or indirectly,
2 such as through a third party, and any response;

3 E. All records necessary to demonstrate full compliance with each
4 provision of this Order, including all submissions to the Commission; and

5 F. A copy of each advertisement or other marketing material.

6 **XII.**

7 **COMPLIANCE MONITORING**

8 **IT IS FURTHER ORDERED** that, for the purpose of monitoring
9 Defendants' compliance with this Order, including the financial representations upon
10 which part of the judgment was suspended:

11 A. Within 14 days of receipt of a written request from a representative of
12 the Commission, each Defendant must: submit additional compliance reports or
13 other requested information, which must be sworn under penalty of perjury; appear
14 for depositions; and produce documents, for inspection and copying. The
15 Commission is also authorized to obtain discovery, without further leave of court,
16 using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30
17 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

18 B. For matters concerning this Order, the Commission is authorized to
19 communicate directly with each Defendant. Defendant must permit representatives
20 of the Commission to interview any employee or other person affiliated with any
21 Defendant who has agreed to such an interview. The person interviewed may have
22 counsel present.

23 C. The Commission may use all other lawful means, including posing,
24 through its representatives, as consumers, suppliers, or other individuals or entities,
25 to Defendants or any individual or entity affiliated with Defendants, without the
26 necessity of identification or prior notice. Nothing in this Order limits the
27 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of
28 the FTC Act, 15 U.S.C. §§ 49, 57b-1.

XIII.

RETENTION OF JURISDICTION

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

IT IS SO ORDERED,

Dated: 4/19/12



HONORABLE PHYLIS J. HAMILTON
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR THE PLAINTIFF: FEDERAL TRADE COMMISSION

Sarah Schroeder

SARAH SCHROEDER
MATTHEW GOLD
KERRY O'BRIEN
Federal Trade Commission
901 Market Street, Ste. 570
San Francisco, CA 94103
(415) 848-5150 (voice)
(415) 848-5184 (fax)

Dated: 4/16/12

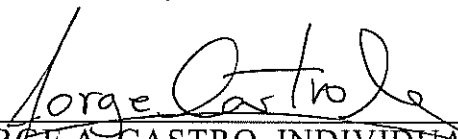
FOR DEFENDANTS GEOVANNI SORINO AND NATIONAL AWARDS SERVICE ADVISORY, LLC

Giovanni Sorino

GEOVANNI SORINO, INDIVIDUALLY AND AS
AN OFFICER OF NATIONAL AWARDS SERVICE ADVISORY, LLC

Dated: 9/1/11

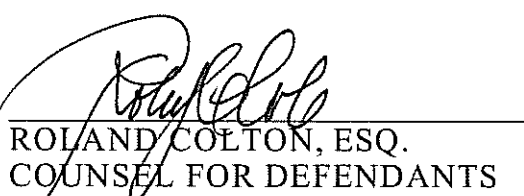
1 **FOR DEFENDANTS JORGE A. CASTRO AND CENTRAL PROCESSING**
2 **OF NEVADA, LLC**

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4 **JORGE A. CASTRO, INDIVIDUALLY AND AS**
5 **AN/OFFICER OF CENTRAL PROCESSING OF NEVADA, LLC**

6 Dated: 09/04/2011

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8 **FOR DEFENDANTS NATIONAL AWARDS SERVICE ADVISORY, LLC,**
9 **AND CENTRAL PROCESSING OF NEVADA, LLC**

10 
11 **ROLAND COLTON, ESQ.**
12 **COUNSEL FOR DEFENDANTS**

13 Dated: Oct. 11, 2011