

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
Miami Division  
Case No. 04-22431-CIV-MARTINEZ/BROWN**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERICAN ENTERTAINMENT  
DISTRIBUTORS, INC. et al.,

Defendants.

**STIPULATED FINAL ORDER AND  
PERMANENT INJUNCTION AS TO  
DEFENDANTS MAURICIO PAZ AND  
UNIVERSAL CYBERCOM  
CORPORATION**

This matter comes before the Court on the stipulation of Plaintiff Federal Trade Commission (“FTC” or “Commission”) and Defendants Mauricio Paz and Universal Cybercom Corporation.

The Commission and Defendants Paz and Universal Cybercom Corporation consent to the entry of the following Stipulated Final Order and Permanent Injunction (“Final Order”) as a full, complete, and final settlement of the claims against these Defendants in Plaintiff’s Complaint for Injunctive and Other Equitable Relief, alleging violations of Section 5(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), and the FTC’s Franchise Rule, 16 C.F.R. Part 436.

Upon the joint motion of the Commission and Defendants Paz and Universal Cybercom Corporation, the Court makes the following findings and enters judgment in this action as set forth below.

### FINDINGS

1. This Court has jurisdiction of the subject matter of this case and over Defendants Paz and Universal Cybercom Corporation.
2. The Southern District of Florida is a proper venue for this action.
3. The activities of Defendants Paz and Universal Cybercom Corporation are in or affecting commerce within the meaning of the FTC Act, 15 U.S.C. §§ 44, 45.
4. The Complaint states a claim upon which relief may be granted against Defendants Paz and Universal Cybercom Corporation under Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
5. On November 24, 2004, this Court entered a stipulated preliminary injunction that, among other things, enjoined transfer of assets owned or controlled by Mauricio Paz or Universal Cybercom Corporation, and appointed Gerald Wald, Esq. as Receiver for Defendant Universal Cybercom Corporation with authority to, among other things, liquidate all assets of Universal Cybercom Corporation and hold such assets pending further order of this Court. *See* DE 72.
6. In a separate preliminary injunction entered on January 5, 2005, this Court appointed Gerald Wald, Esq. as Receiver for corporate defendants Automated Entertainment Dispensers, Inc., and Universal Technical Support, Inc. with authority to, among other things, liquidate all assets of these Defendants and hold such assets pending further order of this Court. *See* DE 101.
7. On February 22, 2005, this Court entered a Default Judgment and Final Order authorizing Receiver Gerald Wald, Esq. to liquidate and wind down Defendants American Entertainment Distributors, Inc., and Automated Entertainment Machines, Inc. *See* DE 124.

8. On April 20, 2008, this Court entered a judgment in *United States v. Mauricio Paz*, Case No. 05-60249-CR-Marra, in which it ordered Defendant Paz to pay restitution in the amount of \$4,821,284.00, payable to victims of the mail fraud charged in that proceeding.

9. Defendants Paz and Universal Cybercom Corporation enter into this Final Order freely and without coercion. Defendants Paz and Universal Cybercom Corporation further acknowledge that they have read the provisions of this Final Order and are prepared to abide by them.

10. Defendants Paz and Universal Cybercom Corporation waive all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

11. Each party shall bear its own costs and attorneys' fees. Defendants Paz and Universal Cybercom Corporation further waive and release any claims they may have against the Commission, its employees, representatives, or agents. Defendants Paz and Universal Cybercom Corporation agree that this Final Order does not entitle Defendants Paz and Universal Cybercom Corporation to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. No. 104-121, 110 Stat. 847, 863-64 (1996), and Defendants Paz and Universal Cybercom Corporation further waive any rights to attorneys' fees that may arise under said provision of law.

12. This Final Order 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 FTC may initiate to enforce this Final Order.

13. This Final Order 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 Commission could have sought as restitution for consumers if the parties had not stipulated to this Final Order.

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

15. Pursuant to Federal Rule of Civil Procedure 54(b), the Court finds there is no just reason for delay in entering this Order as a final judgment and the Clerk of Court immediately shall enter this Order as a final judgment as to Defendants Paz and Universal Cybercom Corporation.

#### **DEFINITIONS**

A. "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, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, lines of credit, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad.

B. "Business Opportunity Rule" means the FTC Trade Regulation Rule titled "Disclosure Requirements and Prohibitions Concerning Business Opportunities," codified at 16 C.F.R. Part 437, or as it may be amended.

C. "Business venture" means any written or oral business arrangement, however denominated, that is covered by the Franchise Rule or the Business Opportunity Rule, or that consists of the payment of any consideration in exchange for:

1. the right or means to offer, sell, or distribute goods or services (regardless of whether identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and

2. more than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business.

D. "Defendants' Financial Statements" means the Federal Trade Commission Financial Statement questionnaires for Universal Cybercom Corporation and Mauricio Paz signed by Mauricio Paz and dated October 12, 2004, and the Net Worth Statement and Monthly Cash Flow Statement that Defendant Paz provided to the United States Probation Office pursuant to 18 U.S.C. § 3664(d)(3).

E. "Document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rules of Civil Procedure 34(a) and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

F. "Franchise Rule" means the FTC Trade Regulation Rule titled "Disclosure Requirements and Prohibitions Concerning Franchising," codified at 16 C.F.R. Part 436, or as it may be amended.

G. "Investment opportunity" means anything, tangible or intangible, that is offered, offered for sale, sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation.

H. "Receiver" shall mean Gerald B. Wald, Esq., the receiver appointed in this action for the Receivership Defendants.

I. "Receivership Defendants" means Corporate Defendants American Entertainment Distributors, Inc., Automated Entertainment Dispensers, Inc., Automated Entertainment Machines, Inc., Universal Cybercom Corporation, and Universal Technical Support, Inc.

J. "Representatives" means successors, assigns, officers, agents, servants, and employees of Defendants Paz or Universal Cybercom Corporation and those persons in active concert or participation with Defendants Paz or Universal Cybercom Corporation.

### **ORDER**

#### **I. BAN AGAINST ANY INVOLVEMENT WITH BUSINESS VENTURES OR INVESTMENT OPPORTUNITIES**

**IT IS THEREFORE ORDERED** that Defendant Paz, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, is permanently enjoined from:

- A. Advertising, marketing, promoting, offering for sale, or selling any business venture or investment opportunity;
- B. Assisting others in the advertising, marketing, promoting, offering for sale, or selling any business venture or investment opportunity;
- C. Serving as an employee, officer, director, trustee, general manager, consultant, or advisor in a position with duties or responsibilities that are described as involving or do involve engaging in or assisting in the advertising, marketing, promoting, offering for sale, or selling of any business venture or investment opportunity; or
- D. Holding any ownership interest, share, or stock in any business entity which engages or assists in the advertising, marketing, promoting, offering for sale, or selling of any business venture or investment opportunity, except that this prohibition does not apply to ownership of

less than one percent (1%) of the outstanding shares or stock in a entity whose shares or stock is listed on a national securities exchange.

**II. PROHIBITIONS AGAINST FALSE OR MISLEADING STATEMENTS**

**IT IS FURTHER ORDERED** that, in connection with the advertising, marketing, promoting, offering for sale, or sale of any good or service, Defendant Paz, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, and any Representatives of Defendants Paz who receive actual notice of this Order by personal service or otherwise (*see* Fed. R. Civ. P. 65(d)(2)), are permanently enjoined from:

A. Falsely representing, expressly or by implication, any fact material to a consumer's decision to buy, accept or use the good or service, including making any false representation of:

1. The total cost to purchase, receive, or use, and the quantity of, any goods or services that are subject to the sales offer;
  2. Any material restrictions, limitations, or conditions to purchase, receive, or use the goods or services;
  3. Any material aspect of the nature or terms of a refund, cancellation, exchange, or repurchase policy for the goods or services; or
  4. The income, profits, or sales volume likely to be achieved from goods or services;
- and

B. Providing substantial assistance to any third party to make any material misrepresentation, including, but not limited to, those misrepresentations prohibited by Paragraph A, above.

### III. BAN AGAINST DISCLOSURE OF CUSTOMER INFORMATION

**IT IS FURTHER ORDERED** that Defendant Paz and any Representatives of Defendant Paz who receive actual notice of this Order by personal service or otherwise (*see* Fed. R. Civ. P. 65(d)(2)) are permanently restrained and enjoined from selling, renting, leasing, transferring or otherwise disclosing the name, address, telephone number, credit card number, bank account number, electronic mail address or other identifying information of any person who paid any money to any of the Defendants named in the Complaint in this action, at any time prior to the entry of this Final Order, in connection with the advertising, promotion, offering for sale, or sale of business opportunities or ventures, franchises, or location services; *provided*, however, that Defendant and his Representatives may disclose such identifying information to a law enforcement agency, or as required by any law, regulation or court order.

### IV. MONETARY JUDGMENT

**IT IS FURTHER ORDERED** that Defendants Paz and Universal Cybercom Corporation are jointly and severally liable to the FTC for nineteen million two hundred one thousand four hundred three dollars (\$19,201,403), which represents the amount of consumer injury caused by Defendants Paz and Universal Cybercom Corporation's unlawful practices, and the FTC is awarded a monetary judgment in that amount.

A. This monetary judgment is stayed upon Defendants Paz and Universal Cybercom Corporation transferring all interest in, title to, and control over the assets identified below in Section V, but the stay may be lifted if, upon motion of the Commission, this Court finds that Defendant Paz, in executing one or more of Defendants' Financial Statements, has (i) materially misstated the value of any asset disclosed in the statement(s) that the Defendant executed; (ii) materially misstated one or more of Defendants' financial condition by failing to disclose any



asset that should have been disclosed in the statement(s) that the Defendant executed; or (iii) has made any other material misstatement or omission in one or more of Defendants' Financial Statements. If the stay is lifted, the full amount of the judgment, less any amount previously collected to pay judgments for restitution in this action or the joint and several criminal monetary judgments for restitution imposed in S.D. Fla. Dockets Nos. 06-60249-Cr-Marra, 06-60250-Cr-Dimitrouleas, 06-20677-Cr-Martinez, and 06-60203-Martinez, shall become immediately due and payable by any Defendant for whom the stay is lifted with interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, on the unpaid balance.

B. All assets paid to the FTC or its designated agent pursuant to this Final Order shall be deposited into a redress fund, administered by the FTC or its designated 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 FTC may apply any remaining funds to such other equitable relief (including consumer education remedies) as it determines to be reasonably related to the practices alleged in the Complaint in this action. All funds not so used for such equitable relief shall be paid to the United States Treasury as disgorgement. The FTC in its sole discretion may use a designated agent to administer consumer redress. Defendants Paz and Universal Cybercom Corporation shall have no right to challenge the Commission's choice of remedies under this Order or other Orders in this action transferring assets to the FTC.

C. Defendants Paz and Universal Cybercom Corporation agree that the facts as alleged in the Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any

payment or money judgment pursuant to this Order, including but not limited to a nondischargeability complaint in any bankruptcy case. Defendants further stipulate and agree that the facts alleged in the Complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A).

D. The stay of a portion of the monetary judgment in this Order does not affect the judgments for restitution imposed in S.D. Fla. Dockets Nos. 06-60249-Cr-Marra, 06-60250-Cr-Dimitrouleas, 06-20677-Cr-Martinez, and 06-60203-Martinez, or any actions taken to enforce such judgments. The Commission's agreement to stay a portion of the monetary judgment in this Order is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' Financial Statements. In the event that the stay of monetary judgment is lifted based on material misstatements or omissions in the Financial Statements, Defendant Paz must (1) provide the Commission with federal and, if applicable, state tax returns for the preceding two years, and complete new financial disclosure forms fully and accurately within ten business days of receiving a request from the Commission to do so; and (2) cooperate fully with the Commission and its agents in all attempts to collect the judgment.

#### **V. SURRENDER OF ASSETS**

**IT IS FURTHER ORDERED** that:

A. The freeze of Defendants' assets set forth in the Stipulated Preliminary Injunction with Asset Freeze entered by this Court on November 24, 2004 (DE 72) is, upon entry of this Final Order, lifted and superceded by this Final Order.

B. Effective upon the entry of this Final Order, Defendants Paz and Universal Cybercom Corporation surrender to the FTC all control, title, dominion, and interest in the following assets:

1. All funds held by Bank of America, N.A. in the name of Mauricio A. Paz;
  2. All funds held by Bank of America, N.A. in the name of Universal Cybercom Corporation; and
  3. All funds held by Citibank, N.A. in the name of Mauricio A. Paz;
  4. All funds held by Wachovia Bank, N.A. in a joint account in the names of Mauricio Paz and Esther Castrillion;
  5. Thirty-nine thousand five hundred one dollars and one cent (\$39,500.01) deposited by Mauricio Paz with the Receiver; and
  6. The Receivership Defendants and any assets of the Receivership Defendants, including all assets of Defendants Universal Cybercom Corporation or other Receivership Defendants under the control of the Receiver.
- C. To effect the surrender of the funds identified above, the Court directs that the banks holding the funds or their successors shall, immediately upon receiving notice of this Final Order, remit the funds to the Commission by certified check(s) or other guaranteed funds payable to the Federal Trade Commission, Financial Management Office, or by wire transfer in accordance with directions provided by counsel for the Commission. The Receiver shall remit the thirty-nine thousand five hundred one dollars and one cent deposited by Defendant Paz to the Commission upon receiving notice of this Final Order, and remit assets of the Receivership Defendants in accordance with the provisions of this Order concerning the Receiver's Final Report and Disbursement.
- D. Defendants acknowledge and agree that the Receiver has authority under this Final Order to take any steps necessary to dissolve and wind down the Receivership Defendants and liquidate their assets.

E. Defendants relinquish all dominion, control, and title to the assets surrendered to the fullest extent permitted by law. Defendants shall make no claim to or demand return of these assets, directly or indirectly, through counsel or otherwise.

F. In the event that it is necessary to execute additional documents to transfer or liquidate assets of the Receivership Defendants or any other assets that are to be surrendered under this Order, or to dissolve and wind down the Receivership Defendants, Defendants Paz and Universal Cybercom Corporation shall execute such documents within three business days of a request from the Receiver or the FTC.

G. In accordance with 31 U.S.C. § 7701, Defendants are hereby required, unless they have done so already, to furnish to the Commission their taxpayer identification numbers (Social Security numbers and employer identification numbers), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendant Paz or Universal Cybercom Corporation's relationship with the government.

**VI. APPOINTMENT OF RECEIVER TO DISSOLVE  
DEFENDANT UNIVERSAL CYBERCOM CORPORATION**

**IT IS FURTHER ORDERED** that Gerald Wald, Esq., the Receiver appointed by prior orders of this Court, is hereby appointed as Receiver for Defendant Universal Cybercom Corporation for the purpose of taking the necessary steps to wind down the businesses of the Universal Cybercom Corporation, liquidate the assets of Universal Cybercom Corporation apart from the Bank of America accounts surrendered pursuant to Section V, and pay any net assets to the FTC to help satisfy the monetary judgment in this Order. In carrying out these duties, Receiver shall be the agent of this Court, shall be accountable directly to this Court, and is authorized and directed to:

A. Continue to exercise full control over Universal Cybercom Corporation and continue to collect, marshal, and take custody, control, and possession of all the funds, property, premises, accounts, documents, mail, and other assets of, or in the possession or under the control of, Universal Cybercom Corporation, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to Universal Cybercom Corporation, with full power to collect, receive, and take possession of all goods, chattels, rights, credits, monies, effects, lands, leases, books and records, limited partnership records, work papers, and records of accounts, including computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and other papers and documents of other individuals, partnerships, or corporations whose interests are now held by or under the direction, possession, custody, or control of Universal Cybercom Corporation, *provided that* the Receiver shall release the contents of the Universal Cybercom Corporation Safe Deposit Box at Bank of America, Box 4828, to Martha Torres, mother of Mauricio Paz.

B. Continue to have full control over the management and personnel of Universal Cybercom Corporation, including the authority to remove, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of these Defendants from control of, management of, or participation in, the affairs of these Defendants;

C. Take all steps necessary or advisable to locate and liquidate all other assets of Universal Cybercom Corporation, cancel Universal Cybercom Corporation's contracts, collect on amounts owed to Universal Cybercom Corporation, and take such other steps as may be necessary to wind-down, terminate and dissolve Universal Cybercom Corporation efficiently;

D. Provide the FTC, upon request, with any customer records or other business records of Universal Cybercom Corporation necessary for paying consumer redress;

- E. Make payments and disbursements from the Receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order;
- F. Continue to perform all acts necessary or advisable to complete an accounting of the Receivership assets, and prevent unauthorized transfer, withdrawal, or misapplication of assets;
- G. Continue to enter into contracts and purchase insurance as advisable or necessary;
- H. Continue to defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Receiver in his role as Receiver, or against Universal Cybercom Corporation, as the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;
- I. Continue to maintain bank accounts created as designated depositories for funds of Universal Cybercom Corporation, and make all payments and disbursements from the Receivership estate from such an account;
- J. Continue to perform all incidental acts that the Receiver deems to be advisable or necessary, which includes retaining, hiring, or dismissing any employees, independent contractors, or agents;
- K. Continue to cooperate with reasonable requests for information or assistance from any state or federal law enforcement agency; and
- L. Dispose of, or arrange for the disposal of, the records of Universal Cybercom Corporation no later than six months after the Court's approval of the Receiver's final report. To safeguard the privacy of consumers, records containing personal financial information shall be shredded, incinerated, or otherwise disposed of in a secure manner. For records that must be retained, the Receiver may elect to retain records in their original form or to retain photographic or electronic copies so long as said records are: 1) kept in a secure, locked area; 2) stored

electronically on a computer network or drive with restricted access or an encrypted electronic storage device; or 3) redacted of all personally identifiable information including dates of birth, Social Security numbers, driver's license numbers or other state identification numbers, passport numbers, financial account numbers, or credit or debit card numbers. *Provided, however*, that the Receiver may not sell, rent, lease, transfer, disclose, use, or otherwise benefit from the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to Defendants in connection with the advertising, promotion, marketing, offering for sale, or sale of automated rental machines, except that the Receiver may disclose such identifying information to a law enforcement agency, or as required by any law, regulation, or court order.

#### **VII. COMPENSATION OF RECEIVER**

**IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the Receiver, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Final Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, in the possession or control of, or which may be received by, Universal Cybercom Corporation. The Receiver shall periodically apply to the Court for approval of specific amounts of compensation and expenses and must not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

#### **VIII. RECEIVER'S FINAL REPORT AND DISBURSEMENT**

**IT IS FURTHER ORDERED** that:

- A. No later than sixty (60) days from the date of the entry of this Final Order, the Receiver shall file and serve on the parties a report (the "Final Report") to the Court that details the steps taken to dissolve the Defendant Universal Cybercom Corporation and close the Receivership

estate. The Final Report must include an accounting of the Receivership estate's finances and total assets and a description of what other actions, if any, must be taken to wind down the Receivership.

B. The Receiver shall mail copies of the Final Report to all known creditors of Universal Cybercom Corporation with a notice stating that any objections to paying any assets of Universal Cybercom Corporation to satisfy the Receiver's costs and expenses and the monetary judgment set forth in this Final Order must be submitted to the Court and served by mail upon the Receiver and the parties within thirty (30) days of the mailing of the Final Report.

C. No later than fifteen (15) days after submission of the Final Report, the Receiver shall file an application for payment of compensation and expenses associated with his performance of his duties as Receiver.

D. The Court will review the Final Report and any objections to the report and, absent a valid objection, will issue an order directing that the Receiver:

1. Pay the reasonable costs and expenses of administering the Receivership, including compensation of the Receiver and the Receiver's personnel authorized by Section VII of this Final Order or other orders of this Court and the actual out-of-pocket costs incurred by the Receiver in carrying out his duties;

2. To the extent that funds remain, pay all remaining funds to the FTC or its designated agent to reduce the monetary judgment in Section IV.

#### **IX. COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of (i) monitoring and investigating compliance with any provision of this Order; and (ii) investigating any discrepancies in the



accuracy of Defendants' financial statements upon which the Commission's agreement to this Order is expressly premised:

A. Within ten (10) days of receipt of written notice from a representative of the Commission, Mauricio Paz 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 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 Paz, his employees, or any entity managed or controlled in whole or in part by Defendant Paz, without the necessity of identification or prior notice; and

C. Defendant Paz 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 Order. The person interviewed may have counsel present.

***Provided, however,*** that nothing in this 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)).

**X. COMPLIANCE REPORTING BY DEFENDANT PAZ**

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

A. For a period of five (5) years following his release from federal custody, Defendant Paz shall notify the Commission of any changes in his residence, mailing addresses, and telephone numbers within ten (10) days of the date of such change;

B. From the entry of this Final Order until five (5) years following his release from federal custody, Defendant Paz shall notify the Commission of:

1. Any changes in Defendant Paz's employment status (including self-employment), and any change in his ownership of any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of any business that he is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of his duties and responsibilities in connection with the business or employment; and

2. Any changes in the structure of any business entity that he directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including, but not limited to incorporation or other organization; 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 Order; or a change in the business name or address, and shall provide notice of any change in the name or structure of such a business entity at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about which Defendant Paz learns less

than thirty (30) days prior to the date such action is to take place, Defendant Paz shall notify the Commission as soon as is practicable after obtaining such knowledge; and

3. Any changes in Mauricio Paz's name or use of any aliases or fictitious names.

C. One hundred eighty (180) days after the date of entry of this Order, Defendant Mauricio Paz shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth the name, addresses, and telephone numbers of each business, if any, that Defendant Paz is affiliated with, is employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of Defendant Paz's duties and responsibilities in connection with the business or employment.

D. Defendant Paz shall notify the Commission of his filing of a bankruptcy petition within fifteen (15) days of filing.

E. For the purposes of this Order, Defendant Paz shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W., Room NJ-2122  
Washington, DC 20580  
**Re: FTC v. American Entertainment Distributors, Inc., et al., Civil  
Action No. 04-22431 (S.D. Fla)**

*Provided*, that, in lieu of overnight courier, Defendant Paz may send such reports or notifications by first-class mail, but only if Defendant Paz contemporaneously sends an electronic version of such report or notification to the Commission at [DEBrief@ftc.gov](mailto:DEBrief@ftc.gov).

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

#### **XI. RECORD KEEPING PROVISIONS**

**IT IS FURTHER ORDERED** that, from the entry of this Final Order until eight (8) years following his release from federal custody, if Defendant Paz is the majority owner or otherwise controls a business engaged in advertising, marketing, promoting, offering for sale, or sale of goods or services, Defendant Paz and any Representatives of Defendant Paz with actual notice of this Order are 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. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and descriptions 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; and
- E. Copies of all sales scripts, training materials, advertisements, or other marketing.

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

## **XII. DISTRIBUTION OF ORDER BY DEFENDANT**

**IT IS FURTHER ORDERED** that, from the entry of this Final Order until five (5) years following his release from federal custody, Defendant Paz shall deliver copies of the Order as directed below:

A. For any business that Defendant Paz controls, directly or indirectly, or in which Defendant Paz has a majority ownership interest, Defendant Paz must deliver a copy of this Order 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 Order; and (3) any business entity resulting from any change in structure set forth in Subsection B.2 of the Section titled "Compliance Reporting by Defendant Paz." For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection B.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.

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

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

**XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IT IS FURTHER ORDERED** that Defendants Paz and Universal Cybercom Corporation, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

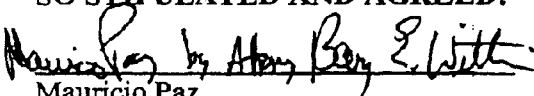
**XIV. RETENTION OF JURISDICTION**

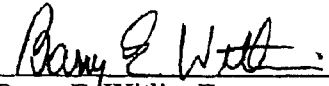
**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

**SO ORDERED**, this 17 day of November 2010

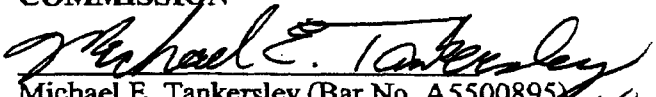
  
\_\_\_\_\_  
JOSE E. MARTINEZ  
UNITED STATES DISTRICT JUDGE

**SO STIPULATED AND AGREED:**

  
Mauricio Paz  
for Mauricio Paz individually and for  
Universal Cybercom Corporation

  
\_\_\_\_\_  
Barry E. Witlin, Esq.  
1200 S. Pine Island Road, Suite 230  
Plantation, Florida 33324  
Telephone: (954) 473-4500  
Fax: (954) 473-1970  
witref@bellsouth.net  
*Counsel for Defendants Mauricio Paz and  
Universal Cybercom Corporation*

**FOR THE FEDERAL TRADE  
COMMISSION**

  
Michael E. Tankersley (Bar No. A5500895) 11/16/09  
600 Pennsylvania Ave., NW  
Washington, D.C. 20580  
Telephone: (202) 326-2991  
Fax: (202) 326-3395  
mtankersley@ftc.gov  
*Counsel for Plaintiff Federal Trade  
Commission*