

**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 AS
TO DEFENDANTS AUTOMATED
ENTERTAINMENT DISPENSERS,
INC. AND UNIVERSAL
TECHNICAL SUPPORT, INC.**

This matter comes before the Court on the stipulation of Plaintiff Federal Trade Commission ("FTC" or "Commission") and Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc.

The Commission and Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. consent to the entry of the following Stipulated Final Order as a full, complete and final settlement of 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc., 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc.
2. The Southern District of Florida is a proper venue for this action.

3. The activities of the Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. under Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

5. In previous preliminary injunctions entered in this action, this Court has appointed Gerald Wald, Esq. as Receiver for corporate defendants Automated Entertainment Dispensers, Inc., Universal Technical Support, Inc., and Universal Cybercom Corporation with authority to, among other things, liquidate all assets of these Defendants and hold such assets pending further order of this Court. *See* DE 72, 101.

6. This Court has also 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.

7. Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. have entered into this Final Order freely and without coercion.

8. Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. waive all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

9. Each party shall bear its own costs and attorney's fees. Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. further waive and release any claims they may have against the Commission or the Receiver, and against any employees, representatives, or agents of the Commission or the Receiver. Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. agree that this Final Order

does not entitle Defendant Automated Entertainment Dispensers, Inc. or Universal Technical Support, Inc. 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. further waive any rights to attorneys' fees that may arise under said provision of law.

10. 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.

11. 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.

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

14. In accordance with Federal Rule of Civil Procedure Rule 65(d), this Final Order shall be binding upon Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc.; upon agents, servants, employees of these Corporations; and upon those persons in active concert or participation with these Corporations who receive actual notice of this Order by personal service or otherwise.

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 Final Order as a final judgment as to Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc.

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

ORDER

I. MONETARY JUDGMENT

IT IS HEREBY ORDERED that Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc.'s unlawful practices, and the FTC is awarded a monetary judgment in that amount.

- A. The assets surrendered by Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. described in Section II below, and any funds paid to the FTC by the Receiver after liquidating and dissolving Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc., as described in Section III below, shall be credited as payments toward judgment.

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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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.

II. SURRENDER OF ASSETS

IT IS FURTHER ORDERED that:

- A. The freeze of the Defendants' assets set forth in the Stipulated Preliminary Injunction with Asset Freeze entered by this Court on January 5, 2005 (DE 101) is, upon entry of this Final Order, lifted to the extent necessary to transfer and turn over the assets identified in this Section.
- B. Effective upon the entry of this Final Order, Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. surrender to the FTC all control, dominion, and interest in the funds held by Wachovia Bank in every account in the name of Automated Entertainment Dispensers, Inc., and every account in the name of Universal Technical Support, Inc.
- C. To effect the surrender of these assets, the Court directs that Wachovia Bank or its successor shall, immediately upon receiving notice of this Final Order, remit the entire balances

of the accounts of Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. to the Commission. Wachovia Bank shall pay the balances 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 attorneys for the Commission.

D. Effective upon the entry of this Final Order, Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. surrender all control, title, dominion, and interest in the assets of the Receivership Defendants held by the Receiver and the proceeds from the Receivers' maintenance or liquidation of these assets, and Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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 to take any additional steps necessary to liquidate assets of these corporations.

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 the 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 Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. shall execute such documents within three business days of a request from the Receiver or the FTC.

III. APPOINTMENT OF RECEIVER TO DISSOLVE DEFENDANTS

IT IS FURTHER ORDERED that Gerald B. Wald, Esq., the Receiver appointed by prior orders of this Court, is hereby appointed as Receiver for Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. for the purpose of taking the necessary steps to wind down the businesses of these corporations, liquidate any and all assets of these Corporations apart from the Wachovia bank accounts surrendered pursuant to Section II.A, and pay any net assets to the FTC to satisfy the monetary judgment in this Order. In carrying out these duties, the 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 Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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, these Defendants, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to the Defendants, 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 the Defendants;

B. Continue to have full control over the management and personnel of Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc., 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 assets of Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc., cancel the Defendants' contracts, collect on amounts owed to these Defendants, and take such other steps as may be necessary to wind down, terminate and dissolve these Defendants efficiently;

D. Provide the FTC, upon request, with any customer records or other business records of these Defendants 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 the Defendants, 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 the Defendants, 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 the Defendants 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 any Defendant 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.

IV. 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, Defendants Automated Entertainment Dispensers, Inc. and Universal

Technical Support, Inc. 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.

V. RECEIVER'S FINAL REPORT AND DISBURSEMENT OF ASSETS OF THE DEFENDANTS

IT IS FURTHER ORDERED that:

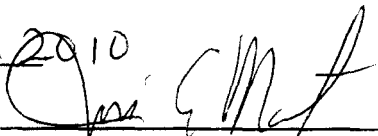
- A. No later than sixty (60) days from the date of the entry of this Final Order, the Receiver shall file and serve on the parties a report (the "Final Report") to the Court that details the steps taken to dissolve Defendants Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. 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 any known creditors of Automated Entertainment Dispensers, Inc. and Universal Technical Support, Inc. with a notice stating that any objections to paying any assets of the Defendants 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 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 I.

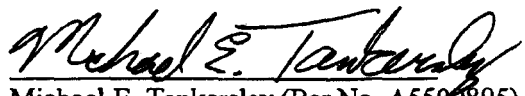
VI. RETENTION OF JURISDICTION

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

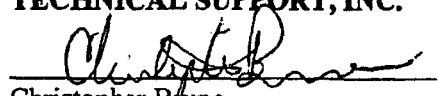
SO ORDERED, this 17 day of November 2010

JOSE E. MARTINEZ
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR THE FEDERAL TRADE COMMISSION


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