

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
IN AND FOR LEON COUNTY, FLORIDA**

STATE OF FLORIDA,
OFFICE OF THE ATTORNEY GENERAL,

Plaintiff,

v.

Case No.: 2015-CA-000536

FLORIDA CORPORATE FILING SERVICES, LLC,
a Florida Corporation, MICHAEL JACOBS,
an individual, JOEL RINGGOLD, an individual, and
MARC ADAM, an individual,

Defendants.

DISPOSED

CONSENT JUDGMENT

The parties, State of Florida, Office of the Attorney General (“the Attorney General”), FLORIDA CORPORATE FILING SERVICES, LLC (FCFS), and MICHAEL JACOBS (“Defendants”), through their respective counsel, hereby agree and stipulate that (i) this Court has jurisdiction over the parties and the subject matter of this action pursuant to the provisions of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2017) (“FDUTPA”), (ii) that venue is proper in this Court in that the actions at issue took place in more than one county in the State of Florida, and (iii) that this Court has jurisdiction to enter a permanent injunction and final judgment in this matter.

Defendants MICHAEL JACOBS, and to the extent it is legally authorized to do so as a dissolved business entity, FCFS, by its former Manager, Michael Jacobs, have agreed and stipulated to the entry of this Consent Judgment (“Judgment”) and the findings of fact set forth below. Having reviewed the file and necessary papers, the Court makes the following findings:

1. The Attorney General is an enforcing authority under the Florida Deceptive and Unfair Trade Practices Act, Florida Statutes Section 501.201 *et seq.*

2. Defendant FCFS was a limited liability company located at 5810 N. Monroe Street, Suite 210A, Tallahassee, FL 32303. FCFS was administratively dissolved by the Florida Secretary of State, Division of Corporations on September 25, 2015.

3. Defendant MICHAEL JACOBS was one of the owners and operators of FCFS and was, during all relevant times, a Florida resident.

4. During the period covered by the Attorney General’s Complaint, MICHAEL JACOBS was the one-third owner of FCFS and, with his co-owners, conducted the business and operations of FCFS. MICHAEL JACOBS was listed as the Manager of the LLC in the LLC’s filings with the Florida Secretary of State, Division of Corporations.

5. The Attorney General initiated an investigation into allegations that Defendants engaged in acts or practices that were misleading, unfair, deceptive, or unconscionable, resulting in the instant litigation.

6. For purpose of entering into this Judgment, the parties agree that the following facts support judgment in favor of the Attorney General as to Defendants FCFS and MICHAEL JACOBS:

- a. MICHAEL JACOBS, JOEL RINGOLD, and MARC ADAM owned and operated FLORIDA CORPORATE FILING SERVICES, LLC, which sent solicitations, mimicking official-looking documents, to newly approved Florida corporations and limited liability companies (LLCs) posted to the Florida Division of Corporations' website each day.
- b. The Division of Corporations, which is part of the Florida Department of State, is authorized by statute to grant corporate or LLC status to businesses. Each day on its publicly available website, the Division of Corporations posts the names and contact information of hundreds of newly approved Florida corporations and LLCs.
- c. The Defendants used the names and contact information of newly approved Florida corporations and LLCs posted to the Division of

Corporations website each day to send official-looking documents to these businesses soliciting payments for "Certificates of Status."

- d. The Defendants' solicitations could reasonably have given new Florida business owners or managers the impression that the solicitations originated from the State of Florida and that the Division of Corporations required the recipients to send payments to complete the process of becoming a corporation or LLC.
- e. In actuality, certificates of status are entirely optional decorative pieces of paper which have no bearing on a corporation or LLC's official status.
- f. The Defendants charged recipients of the mailings \$47.99 for these certificates of status, which are sold by the Division of Corporations at the much lower prices of \$8.75 for a corporation and \$5.00 for a LLC.
- g. Numerous corporations and LLCs responded to the solicitations by sending funds to the Defendants. FCFS purchased at least 19,401 certificates from the Division of Corporations using the fictitious name "Miles Austin." Because Defendants charged recipients \$47.99 for certificates of status, this equals \$931,053.99 in

minimum revenue that the Defendants realized as the result of the deceptive solicitations.

- h. Recipients of the Defendants' mailings likely only sent money because the mailings could reasonably have led them to believe that certificates of status were required and that the mailings came from a government entity.

7. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS enter into this Judgment freely and without coercion. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS acknowledge that they have each read, understand, and are prepared to abide by the provisions of this Judgment and have had the opportunity to review the same with counsel of their choosing prior to entry of this Judgment.

8. The Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS stipulate and agree to this Judgment without trial or adjudication of any issue of fact or law to settle and resolve all matters in dispute arising from the Complaint to the date of this Judgment.

9. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS waive all rights to seek judicial review or otherwise challenge or contest the validity of this Judgment.

10. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS waive and release any claims they may have against the Attorney General, its employees, representatives, or agents. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS agree that this Judgment does not entitle them to seek attorney's fees.

11. Entry of this Judgment is in the public interest.

12. The injunctive language and the monetary components set forth below apply to Defendants FCFS and MICHAEL JACOBS.

WHEREFORE, based upon the foregoing factual findings, it is hereby ORDERED AND ADJUDGED:

13. Final judgment is hereby entered on the cause of action asserted under FDUTPA in favor of the Office of the Attorney General and against the Defendants FCFS and MICHAEL JACOBS.

14. The Court hereby permanently enjoins the Defendants FCFS and MICHAEL JACOBS as well as all officers, agents, servants, employees, and those persons in active concert or participation with the Defendants FCFS and MICHAEL JACOBS who receive actual notice of this Judgment, directly or indirectly from the following:

- a. Mailing documents of any kind, or soliciting payments in any manner, related to certificates of status;

- b. Mailing documents that could reasonably be interpreted to have originated from a government agency, unless the documents are expressly required, or approved of, by the government agency;
- c. Sending any solicitation that could reasonably be interpreted to have originated from a government agency, unless the solicitation is expressly required, or approved of, by the government agency;
- d. Mailing, soliciting, selling, providing documents, or accepting payments for any service that could reasonably be interpreted as being a service provided by a government agency, unless the documents or payments are expressly required, or approved of, by the government agency;
- e. Engaging directly or indirectly in any act, system, scheme, or plan that would constitute a violation of paragraphs 14(a)-(d);
- f. Accepting any income or payment from any person or entity that is engaging in any activity that would constitute a violation of paragraphs 14(a)-(d);
- g. Assisting any person in engaging directly or indirectly in any act, system, scheme, or plan to solicit money, payments, revenue, or income of any kind from businesses or individuals that would constitute a violation of paragraphs 14(a)-(d);

- h. Assisting any person in marketing, advertising, selling, providing, soliciting, mailing documents, or accepting payment for any activity that would constitute a violation of paragraphs 14(a)-(d);
- i. Associating with any person or entity engaging directly or indirectly in any act, system, scheme, or plan to solicit money that would constitute a violation of paragraphs 14(a)-(d);
- j. Making, expressly or by implication, any false statement or representation of an affiliation with, endorsement by, or sponsorship by any government entity, including but not limited to the Florida Division of Corporations or the State of Florida;
- k. Assisting others in making, expressly or by implication, a representation that would constitute a violation of paragraph 14(j);
- l. Collecting money, revenue, income, or compensation in any form arising from conduct that would constitute a violation of paragraphs 14(a)-(d); or
- m. Disseminating, or causing to be disseminated, any untrue or misleading advertisements, mailings, or solicitations of any kind in the context of activities prohibited by paragraph 14(a)-(l) of this Judgment, or in the context of advertising of products or services in commerce, pursuant to Florida Statute Sections 501.204 (2017) and 817.40 (2017).

15. Judgment is hereby entered in favor of the Attorney General and against Defendants FCFS and MICHAEL JACOBS individually and/or as business entities, jointly and severally, in the amount of \$310,351.33 as partial restitution and monetary relief for consumer injury; however, the \$310,351.33 shall be suspended as to Defendant MICHAEL JACOBS upon Defendant MICHAEL JACOBS' completion of the payments enumerated in paragraphs 15(a) and Defendant MICHAEL JACOBS' compliance with the requirements, injunctions, and conditions of this Judgment.

- a. Any and all assets of the Defendants' that were frozen pursuant to the March 5, 2015 Order of this Court shall be remitted to the Office of the Attorney General within thirty (30) days of the entry of this Judgment subject to the provisions enumerated in this Order.
- b. The asset freeze entered by the Court on March 5, 2015 is dissolved for the purpose of transferring the funds held in Defendant FCFS's Bank of America account ending in No: 8211; Defendant MICHAEL JACOBS' Bank of America account ending in No: 6629; Defendant FCFS's Chase bank account ending in No: 3688; Defendant FCFS's Citibank bank account ending in No: 5145; and any other bank accounts of Defendants FCFS and MICHAEL

JACOBS frozen pursuant to the March 5, 2015 Order, to the Attorney General.

- a. Any assets remitted to the Attorney General pursuant to paragraph 15(a) shall be used to offset the \$310,351.33 in restitution awarded to the Attorney General pursuant to this Judgment.
- b. The Attorney General shall have sole discretion to determine how these funds are distributed. Any funds remaining after all efforts have been made to return funds to consumers can be kept by the Attorney General to offset any fees and costs resulting from the present litigation.

16. The Court finds that the Attorney General is entitled to civil penalties from Defendants FCFS and MICHAEL JACOBS in the amount of \$232,812.00. This amount represents a \$12.00 civil penalty for each of the corporations and LLCs that responded to the Defendants FCFS and MICHAEL JACOBS' solicitations by sending payments. Defendants FCFS and MICHAEL JACOBS are therefore liable for and are ordered to pay civil penalties in the amount of \$232,812.00; however, subject to the provisions enumerated in this Judgment, judgment for payment of civil penalties in the amount of \$232,812.00 shall be suspended as to Defendant MICHAEL JACOBS upon Defendant MICHAEL JACOBS' compliance with the requirements, injunctions, and conditions of this Judgment as provided in paragraph 20 herein.

17. The Court finds that the Attorney General is entitled to payment of its attorney's fees and costs in the amount of \$45,570.00. Defendants FCFS and MICHAEL JACOBS therefore are liable for and are ordered to pay attorney's fees and costs to the Attorney General in the amount of \$15,190.00; however, judgment for the payment of attorney's fees and costs in the amount of \$15,190.00 shall be suspended as to Defendant MICHAEL JACOBS upon Defendant MICHAEL JACOBS' compliance with the requirements, injunctions, and conditions of this Judgment as provided in paragraph 20 herein.

18. Defendants FCFS and MICHAEL JACOBS shall not effect any change in the form of doing business or the organizational identity of any existing business entities or create any new business entities as a method of avoiding the terms and conditions set forth in this Judgment.

19. The Attorney General's agreement to and the Court's approval of this Judgment are expressly premised upon Defendant MICHAEL JACOBS' cooperation in this matter as articulated in Paragraph 23, and the truthfulness, accuracy, and completeness of Defendants FCFS and MICHAEL JACOBS' Financial Disclosures, all of which Defendants FCFS, by its former Manager

Michael Jacobs, and MICHAEL JACOBS assert are truthful, accurate, and complete. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS and the Attorney General stipulate that Defendants FCFS and MICHAEL JACOBS' Financial Disclosures provide the basis for the monetary judgment stated in paragraphs 15-17 of this Judgment and that the Attorney General has relied on the truthfulness, accuracy, and completeness of Defendants FCFS' and MICHAEL JACOBS' Financial Disclosures.

20. If, upon motion by the Attorney General, this Court finds that Defendants FCFS and MICHAEL JACOBS have (1) failed to make any of the payments listed in this Judgment; (2) have violated any of the injunctive provisions listed in paragraph 14; (3) have failed to cooperate fully in these proceedings as articulated in paragraph 23; or (4) have made material misstatements in Defendant MICHAEL JACOBS' Financial Disclosures, misstated the value of any asset, made any material misrepresentation, or omitted material information concerning a financial condition by failing to disclose any asset that should have been disclosed in Defendant MICHAEL JACOBS' Financial Disclosures, or made any other material misstatement or omission in Defendant MICHAEL JACOBS' Financial Disclosures, the Court shall terminate the suspension of the monetary judgment entered in paragraphs 15-17. The Court, without further adjudication, shall enter a modified judgment holding the Defendant MICHAEL JACOBS liable to the

Attorney General in the amount of \$310,351.33, for consumer redress; \$15,190.00 for attorney's fees and costs; and \$232,812.00 for civil penalties, less any amounts turned over to the Attorney General pursuant to paragraph 15(a) of this Judgment. Upon such reinstatement of the monetary judgment, the Court shall make an express determination that the judgment shall become immediately due and payable by Defendants, FCFS and MICHAEL JACOBS, jointly and severally, and the Attorney General shall be entitled to interest computed from the day of entry of this Judgment at the rate prescribed under Section 55.03, Florida Statutes (2017), as amended, on the unpaid balance.

21. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS acknowledge and agree that (1) any proceedings instituted under this Judgment would be in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings that the Attorney General or any other state or federal agency may initiate to enforce this Judgment; and (2) all money paid to satisfy the monetary judgment is irrevocably paid for purposes of settlement between the parties.

22. Should this Judgment be modified pursuant to paragraph 20, this Judgment, in all other respects, shall remain in full force and effect unless otherwise ordered by the Court.

23. Defendant MICHAEL JACOBS 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 Attorney General's Complaint, cooperate in good faith with the Attorney General and appear at such places and times as the Attorney General shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, trial, and testifying at trial, and for such other matters as may be reasonably requested by the Attorney General. If requested in writing by the Office of the Attorney General, Defendant MICHAEL JACOBS shall 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.

24. In order that compliance with the provisions of this Judgment may be monitored:

- a. For a period of 2 years from the date of entry of this Judgment,
 - i. Defendant MICHAEL JACOBS shall notify the Attorney General of the following:
 1. Any changes in his residence, mailing address, and telephone number, within ten (10) days of the date of such change;

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

3. Any changes in his name or use of any aliases or fictitious names within ten (10) days of the date of such change or usage.

ii. Defendant MICHAEL JACOBS shall notify the Attorney General of any changes in structure of any business entity that he directly or indirectly controls, or has an ownership interest in, that may affect his or FCFS' compliance obligations arising under this Judgment, including but not limited to incorporation or other organization; a dissolution, assignment, sale, merger, or other actions; 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, at least thirty (30) days prior to such change, provided that, with respect to any such change in the business entity about which Michael Jacobs learns less than thirty (30) days prior to the date such action is to take place, he shall notify the Attorney General as soon as is practicable after obtaining such knowledge.

- b. One hundred twenty (120) days after the date of entry of this Judgment and every three hundred sixty-five (365) days thereafter for a period of 2 years, Defendant MICHAEL JACOBS shall provide the Attorney General with a copy of the Defendant's annual federal tax return and, if applicable, state income tax returns which are true and accurate.
- c. Defendants, FCFS and MICHAEL JACOBS, shall notify the Attorney General of the filing of a bankruptcy petition by Defendants FCFS and MICHAEL JACOBS within fifteen (15) days of filing.
- d. For the purposes of this Judgment, Defendant MICHAEL JACOBS shall, unless otherwise directed by the Attorney General's

authorized representatives, send by overnight courier all tax returns, reports and notifications required by this Judgment to the Office of the Attorney General, Enforcement Division, The Capital, PL-01, Tallahassee, Florida, 32399-1050.

- e. Provided that, in lieu of overnight courier, Defendant MICHAEL JACOBS may send such tax returns, reports or notifications by first-class mail, but only if Defendant MICHAEL JACOBS, contemporaneously sends an electronic version of such report to the Attorney General at oag.ec.tlh@myfloridalegal.com.
- f. For purposes of the compliance reporting and monitoring required by this Judgment, the Attorney General is authorized to communicate directly with Defendant MICHAEL JACOBS.
- g. For a period of 2 years from the date of entry of this Judgment, the Defendant MICHAEL JACOBS for any business for which he has any ownership interest, or directly or indirectly controls, is hereby required to create and retain the following records:
 - i. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

- ii. 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;
- iii. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- iv. Complaints and refund requests (whether received directly or indirectly, such as through a third party) and any responses to those complaints or requests;
- v. Copies of all sales scripts, web pages, training materials, advertisements, mailings, flyers, or other marketing materials; and
- vi. All records and documents necessary to demonstrate full compliance with each provision of this Judgment, including but not limited to, copies of acknowledgments of receipt of

this Judgment required by paragraph 25 and all reports submitted to the Attorney General pursuant to this Judgment.

25. For a period of 2 years from the date of entry of this Judgment, Defendant MICHAEL JACOBS shall deliver copies of this Judgment as directed below:

- a. For any business that Defendant MICHAEL JACOBS controls, directly or indirectly, or in which Defendant MICHAEL JACOBS has any ownership interest, Defendant MICHAEL JACOBS must deliver a copy of this Judgment to (1) all principals, officers, directors, and managers of that business; and (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Judgment.
- b. For current personnel, delivery shall be within five (5) days of service of this Judgment upon Defendant MICHAEL JACOBS.
- c. For new personnel, delivery shall occur prior to them assuming their responsibilities.
- d. For any business entity resulting from any change in structure set forth in this Judgment, delivery shall be at least thirty (30) days prior to the change in structure.

- e. For any business where Defendant MICHAEL JACOBS is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Judgment, Defendant MICHAEL JACOBS must deliver a copy of this Judgment to all principals and managers of such business before engaging in such conduct.
- f. Defendant MICHAEL JACOBS must secure a signed and dated statement acknowledging receipt of the Judgment, within thirty (30) days of delivery, from all persons receiving a copy of the Judgment pursuant to this section.

26. Defendant MICHAEL JACOBS shall not authorize or in anyway participate in the reinstatement of FCFS, and, to the extent he has any control over any decisions related to FCFS, FCFS shall remain legally dissolved and refrain from conducting business forever.

27. This Judgment is continuing in nature and shall be binding on all successors or assigns of Defendants FCFS and Michael Jacobs.

28. This Judgment is not a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Defendants or any other person or entity. Notwithstanding any other provision of this Judgment, nothing herein shall be construed to impair, compromise, or affect

any right of any government agency other than the Attorney General for the State of Florida relating to the operative facts at issue in this action.

29. Nothing herein shall affect Defendants' (a) testimonial obligations, or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General is not a party.

30. Any failure to comply with the terms and conditions of this Judgment is by statute prima facie evidence of a violation of Chapter 501, Part II, Florida Statutes (2017), and will subject Defendants to any and all civil penalties and sanctions authorized by law, including attorney's fees and costs. In the event that a court of competent jurisdiction makes a determination that a violation of any provision of this Judgment has occurred, then Defendants FCFS and MICHAEL JACOBS shall be jointly and severally liable for up to \$15,000 per violation in civil penalties, as well as any additional attorney's fees and costs, and other relief as may be allowed by law. In addition, any sanction or payment provided by this section does not preclude the Attorney General from pursuing any other action, relief, or sanction available to the Attorney General for any act which, independent of this judgment, would constitute a violation of the laws of Florida.

31. This Court retains exclusive jurisdiction of this case to enforce the terms of this Judgment and enter any further orders as may be necessary to ensure

compliance with this Judgment, including civil and/or criminal contempt proceedings.

32. Defendants FCFS, by its former Manager Michael Jacobs, and MICHAEL JACOBS jointly participated in the negotiation of the terms articulated in this Judgment.

33. This document is signed in anticipation of this Judgment being submitted to the Court for approval, without necessity of hearing, which is hereby WAIVED by Defendants FCFC and MICHAEL JACOBS and the Attorney General. The signatures below indicate these parties' consent and agreement to this Judgment.

34. Defendants FCFC and MICHAEL JACOBS will not appeal or otherwise seek to avoid, void, or overturn this Judgment and will cooperate in effecting the entry of this Judgment.

Agreed to:

By: 
Defendant FLORIDA CORPORATE
FILING SERVICES, LLC
By its former Manager, MICHAEL JACOBS

Dated: 11/17/2017

By: 
Defendant MICHAEL JACOBS, individually

Dated: 11/17/2017

NEW YORK
STATE OF ~~FLORIDA~~)
COUNTY OF SUFFOLK)

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida, MICHAEL T. JACOBS, personally appeared, individually and/or as _____ . S/He acknowledged before me that s/he executed the foregoing instrument for the purposes therein stated on the 17th day of NOVEMBER, 2017.

Subscribed to before me this 17th day of NOVEMBER, 2017.

Jeanne M. Condon

NOTARY PUBLIC

JEANNE M. CONDON
Notary Public, State of New York
No. 01CO6115898
Qualified in Suffolk County
Commission Expires September 13, 2022

(print, type, or stamp commissioned Notary Public)

Personally known _____ or Produced Identification (check one)

Type of Identification Produced: FLORIDA DRIVER'S LICENSE

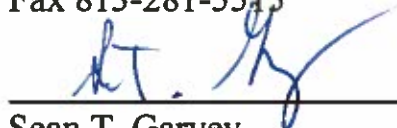
OFFICE OF THE ATTORNEY GENERAL

By: Pam A Conners Dated: 12/12/17
Patricia Conners
Deputy Attorney General
Department of Legal Affairs
Office of The Attorney General
The Capitol – PL-01
Tallahassee, FL 32399-1050
(850) 245-0140

By: Victoria Butler Dated: 11/27/17
Victoria Butler
Director, Consumer Protection Division
Office of the Florida Attorney General, Pam Bondi

3507 East Frontage Road, Suite 325
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By:



Dated:



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SO ORDERED. Approved and Entered in Chambers in Leon County, Florida this

15th day of December, 2017.



Circuit Court Judge