

**IN THE CIRCUIT COURT OF THE SEVENTEENTH
JUDICIAL CIRCUIT, IN AND FOR BROWARD
COUNTY, FLORIDA**

**OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,
STATE OF FLORIDA,**

Plaintiff,

Case No.:

vs

PAUL D. SCOTT, a/k/a Doug Scott,
a/k/a Douglas Scott, a/k/a P. Douglas
Scott, an individual;
ROBERT POSNER, a/k/a Ron Posner,
a/k/a Ron Goodman, a/k/a Dr. Ron
Goodman, a/k/a Rob Marshall; an individual;
ANTHONY DIMEGLIO, a/k/a Anthony
DeMillio; an individual;
PLATINUM TELEVISION GROUP, INC.,
a Florida corporation;
NEW LINE MEDIA SOLUTIONS, INC.,
a Florida corporation;
U.S. MEDIA TELEVISION, INC., a Florida
corporation, d/b/a USM Studios, Inc., and
d/b/a United States Media Television; and
FR MEDIA, INC., a Florida corporation
f/n/a Forbes Media, Inc.,

Defendants.

COMPLAINT

Plaintiff, **OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS, STATE OF FLORIDA** (hereinafter referred to as "Plaintiff" or the "Attorney General"), hereby sues Defendants **PAUL D. SCOTT**, a/k/a Doug Scott, a/k/a Douglas Scott, a/k/a P. Douglas Scott, an individual (hereinafter "SCOTT"); **ROBERT POSNER**, a/k/a Ron

Posner, a/k/a Ron Goodman, a/k/a Dr. Ron Goodman, a/k/a Rob Marshall, an individual (hereinafter “**POSNER**”); **ANTHONY DIMEGLIO**, a/k/a Anthony DeMillio, an individual (hereinafter “**DIMEGLIO**”); **PLATINUM TELEVISION GROUP, INC.**, a Florida corporation (hereinafter “**PLATINUM**”); **NEW LINE MEDIA SOLUTIONS, INC.**, a Florida corporation (hereinafter “**NEW LINE MEDIA**”); **U.S. MEDIA TELEVISION, INC.**, a Florida corporation, d/b/a USM Studios, Inc., and d/b/a United States Media Television (hereinafter “**U.S. MEDIA**”); and **FR MEDIA, INC.**, a Florida corporation f/n/a Forbes Media, Inc. (hereinafter “**FR MEDIA**”); collectively referred to herein as “**THE DEFENDANTS**,” and alleges as follows:

JURISDICTION

1. This is an action for declarative relief, injunctive relief, equitable restitution, attorneys’ fees and costs, civil penalties and any other statutory relief available, pursuant to Florida’s Deceptive and Unfair Trade Practices Act (FDUTPA), Chapter 501, Part II, Florida Statutes.

2. This Court has subject-matter jurisdiction pursuant to the provisions of FDUTPA. The statutory violations alleged herein occurred in or affected more than one judicial circuit in the State of Florida.

3. Venue is proper in the Seventeenth Judicial Circuit as the statutory violations alleged herein occurred in Broward County, Florida, and the principal place of business for each of **THE DEFENDANTS** was located in Broward County, Florida. Upon information and belief, Defendants **SCOTT** and **DIMEGLIO** each also reside within Broward County, Florida.

SUMMARY OF COMPLAINT

4. During and prior to the year 2007, Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** and other affiliates (including Defendants **POSNER** and **DIMEGLIO**) engaged in the business of deceptively offering, selling and producing various television advertising products to consumers (primarily small to mid-sized businesses and various governmental entities, including towns and municipalities). These advertising products included various forms of “paid programming,” including short marketing “presentations,” “segments,” “commercials,” “infomercials” and/or “advertorials” (collectively referred to herein as “advertising products,” “advertising presentations” or “paid programming”). Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** would generally package and present several of these short advertising presentations together, in order to create the impression that the client/customer was being “featured” on an independent and objective, magazine-style, television show hosted by a celebrity.¹

5. However, rather than identifying **PLATINUM** and/or **NEW LINE MEDIA** as a marketing company, or as a producer of infomercials, advertorials or other paid programming, Defendant **SCOTT** and his affiliates (including Defendants **POSNER** and **DIMEGLIO**) depicted these companies as being the creator and/or producer of numerous regularly scheduled, national cable television shows.

6. In reality, the Defendants did not have any such regularly scheduled, national cable shows. Instead, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** would purchase small time slots (2 to 5 minutes in length) from cable companies throughout the United States. Many of these companies were affiliates of national cable systems (such as CNN and

¹ The Attorney General does not allege that any of the celebrities identified in this Complaint were aware of the DEFENDANTS’ deceptive acts and practices described herein.

Fox), who would reserve five or ten minutes per hour for the local affiliate to sell advertising. The rates for these essentially local spots would vary by coverage area and time of day. Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** would purchase these available (local) advertising spots, then air the client/consumers' advertising presentation at that time slot.

7. In marketing their advertising products Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** did not initially approach the potential customers as being advertisers or producers of paid programming. In fact, they did not inform consumers that they were "selling" anything at all. Rather, they composed an elaborate and fictional scenario, presenting themselves to potential clients as an educational or news oriented, magazine-style television series seeking "guests" to be "featured" on their show.

8. To enhance the illusion that the targeted consumer was being approached by an actual television news or feature magazine show, Defendants **SCOTT, POSNER** and **DIMEGLIO** formulated a deceptive, multi-level sales scheme , which included an exaggerated "approval process" that the client/consumer purportedly had to pass in order to "qualify" to appear as a "featured guest." Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** added to this charade by having their commission-based telemarketers (including **POSNER** and **DIMEGLIO**) identify themselves to consumers as being the "Creative Director," "Senior Producer" and/or "Executive Producer" of the supposed "national television show."

9. The targeted consumers were eventually told that a "fee" (typically \$19,800 or \$29,800) would be charged if their (business/government) entity was "selected" to be on the "show." However, the target was also told falsely that the money being charged was not a fee for the production of the segment itself (i.e., the segment was not "paid programming"). Instead, the target was told they were being charged a "licensing fee" to cover the subsequent use

of the segment by the client after the show aired, and to ensure that the client had a “financial interest” in the completion of the supposed “episode” and would cooperate during its production.

10. To bolster the deceptive sales scheme, Defendants **SCOTT, POSNER** and **DIMEGLIO** utilized scripts and other marketing materials that contained numerous false and misleading representations, many of which Defendant **SCOTT** admitted were not accurate in sworn testimony he provided during the Attorney General’s initial investigation. To avoid potential responsibility for their individual actions, Defendant **SCOTT** permitted his telemarketers, including Defendants **POSNER** and **DIMEGLIO**, to utilize fake names when communicating with a potential target of their scheme.

11. As a result, on or about May 10, 2007, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** entered into an Assurance of Voluntary Compliance (“the AVC”) with the Plaintiff. The AVC required that these Defendants (referred to herein as “AVC Respondents”) not violate the FDUTPA by, among other things, deceptively marketing their advertising products to consumers as more particularly described below.

12. At or about the time the AVC was being negotiated and agreed upon, Defendant **SCOTT** was already taking steps to circumvent and/or avoid compliance with the terms of the AVC. Among other things, Defendant **SCOTT** began to form and utilize other artificial entities (including **Encore Television Group, Inc.** (“**Encore TV**”), **U.S. MEDIA** and, more recently, **FR MEDIA**) to replace **PLATINUM** and **NEW LINE MEDIA** as the public face for the scheme. **THE DEFENDANTS** and their affiliates have operated these entities as a common enterprise (hereinafter referred to as the “Paul Douglas Scott Enterprise” or the “PDS Enterprise”) from the same offices in Coral Springs, Florida, for the purpose of continuing to deceptively market advertising products to consumers in Florida and elsewhere.

13. After the AVC was entered, **THE DEFENDANTS** modified their sales scripts so that their telemarketers would avoid making the most blatant (easily verifiable) misrepresentations that were contained in the prior sales scripts, many of which Defendant **SCOTT** admitted in testimony were complete falsehoods. However, **THE DEFENDANTS** and their affiliates did not change (other than cosmetically) the overall deceptive sales scheme being utilized by their telemarketers. For example, among the cosmetic changes made in the sales presentations, **THE DEFENDANTS** stopped having their telemarketers refer to themselves as “Creative Directors,” and instead, they began to use the title “Associate Producers.” **THE DEFENDANTS** also stopped referring to the cost of their advertising product as a “Licensing Fee,” and instead, began calling it a “Scheduling Fee.”

14. However, **THE DEFENDANTS** and their representatives have otherwise continued to employ essentially the same deceptive, multi-step sales scheme that was utilized before the AVC. Among other things, **THE DEFENDANTS** and their representatives continue to employ an exaggerated “approval process;” they continue to deceptively represent that a targeted consumer (or its product) is being “featured” through a guest appearance on one of **THE DEFENDANTS’** purported “national television shows;” and they continue to hide behind numerous fake names.

THE PLAINTIFF

15. Plaintiff is an enforcing authority of FDUTPA as defined in Chapter 501, Part II, Florida Statutes, and is authorized to pursue this action to enjoin violations of FDUTPA, as well as to obtain declaratory, legal, equitable or other appropriate relief, including rescission or reformation of contracts, restitution, disgorgement, civil penalties and attorney’s fees and costs.

16. Plaintiff has conducted an investigation, and the head of the enforcing authority, Attorney General Pam Bondi, has determined that an enforcement action serves the public interest, as required by Section 501.207(2), *Fla. Stat.* A copy of said determination is attached and incorporated herein as Plaintiff's **Exhibit A**.

THE DEFENDANTS

17. At all times material hereto, **THE DEFENDANTS** were engaged in trade or commerce within the definition of Section 501.203(8), *Fla. Stat.*, and **THE DEFENDANTS** did advertise, offer, solicit and/or provide advertising products, which constitute "goods or services" as used within Section 501.203(8), *Fla. Stat.*

18. At all times material hereto, **THE DEFENDANTS** solicited consumers within the definition of Section 501.203(7), Florida Statutes. **THE DEFENDANTS'** FDUTPA violations as described have occurred within four (4) years of the filing of this action.

19. Defendant **PAUL D. SCOTT**, a/k/a Doug Scott, a/k/a Douglas Scott, a/k/a P. Douglas Scott ("**SCOTT**") is an adult individual, who upon information and belief resides in Parkland, Florida and is *sui juris*.

20. Defendant **SCOTT**, at all times material hereto, has been a principal owner officer and/or director of Defendants **PLATINUM, NEW LINE MEDIA, U.S. MEDIA** and **FR MEDIA**, as well as "**Encore TV**", a dissolved Florida corporation, and **Real Estate Investments of Florida, LLC**. ("**REI of Florida**"), an active Florida corporation that owns the office building utilized by **THE DEFENDANTS** to conduct the deceptive scheme. Since at least in or about June 2007, Defendant **SCOTT** began to create and/or operate these various entities as a common enterprise for the purpose of deceptively offering advertising products to consumers in Florida and elsewhere.

21. On or about May 10, 2007, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** (along with another individual who was not involved herein) entered into the AVC with the Attorney General.

22. At all times material hereto, Defendant **SCOTT**, knew of, participated in and controlled the activities of the PDS Enterprise and its affiliates, including, but not limited to, **PLATINUM, NEW LINE MEDIA, Encore TV, U.S. MEDIA** and **FR MEDIA**. Defendant **SCOTT** had actual knowledge or knowledge fairly implied on the basis of objective circumstances, that the acts of the employees, agents, and other representatives of the PDS Enterprise were unfair or deceptive and/or prohibited by law as described below.

23. Defendant **ROBERT POSNER**, a/k/a Ron Posner, a/k/a Ron Goodman, a/k/a Dr. Ron Goodman, a/k/a Rob Marshall (“**POSNER**”) is an adult individual, who upon information and belief resides in Delray Beach, Florida and is *sui juris*. Defendant **POSNER** was previously licensed to practice dentistry in New Jersey until on or about October 16, 2002, when his license was suspended following his conviction for having improper sexual contact with several dental assistants (one of whom a patient). Subsequently, Defendant **POSNER** began working in various sales/telemarketing positions until being hired as a telemarketer by Defendant **SCOTT** at **PLATINUM** in about 2004. Thereafter, Defendant **POSNER** utilized various fake names to conceal his identity and deceive consumers while soliciting them, directly and indirectly, to purchase advertising products from the PDS Enterprise during all periods material hereto.

24. Although he has no material experience or training in television broadcasting, production or journalism, Defendant **POSNER** leads consumers to believe he is directly involved with, if not primarily responsible for, the various creative aspects involved with producing one or more of **THE DEFENDANTS’** purported “national television shows.” For

example, in connection with soliciting consumers for the advertising product packaged under the name “Health Briefs,” Defendant **POSNER** routinely claimed to be the “Senior Medical Producer” for that “national television show,” and he specifically identified himself to consumers using the fake name “Dr. Ron Goodman.”

25. Defendant **POSNER**’s picture has also appeared on the “Meet the Team” page for the “Health Briefs” website, directly next to a concocted biography for “Dr. Ron Goodman.” The biography portrays “Dr. Goodman” as being a devoted father and touts his previous background in healthcare, claiming it “brings added insight, experience and knowledge to many of the medical stories he helps create.” Absent from the biography is any disclosure regarding **POSNER**’s disciplinary suspension, his related criminal conviction, and the fact that his role in the company is that of a telemarketer and not a “creative” producer of any such “national television show.” The websites for **THE DEFENDANTS**’ other supposed “national television shows” also contain **POSNER**’s picture and the same biography, however **POSNER** is identified therein using different fake names such as “Ron Goodman” or “Rob Marshall.”

26. Defendant **POSNER** has actively and directly participated in the deceptive acts and practices of the PDS Enterprise as described herein, and has been deceptively soliciting consumers, directly and indirectly, to purchase the related advertising products since at least in or about 2004, long before entry of the AVC, and continuously thereafter. Defendant **POSNER** also manages, supervises and trains the PDS Enterprise’s other telemarketers, and assists in the creation, review, approval and/or use of various deceptive sales materials and presentations on behalf of the PDS Enterprise.

27. In some cases, **POSNER** directly solicits consumers to purchase the advertising products while acting as a “fronter” in the PDS Enterprise’s multi-step, telemarketing sales

scheme, and he deceptively identifies himself as being the “show’s” purported “Creative Director” and/or “Associate Producer.” On other occasions, **POSNER** directly solicits consumers while functioning as a “closer” for the sale, at which time he deceptively portrays himself as being the “Senior Producer” (and/or the “Executive Producer”) for whatever purported “national television show” is being use by the PDS Enterprise to pitch the advertising product.

28. Defendant **ANTHONY DIMEGLIO**, a/k/a Anthony DeMillio (“**DIMEGLIO**”) is an adult individual, who upon information and belief resides in Broward County, Florida and is *sui juris*. **DIMEGLIO** previously worked as a telemarketer for another production company that was acquired by **PLATINUM** prior to the entry of the AVC in 2007. After joining **PLATINUM**, Defendant **DIMEGLIO** continued working as a telemarketer, using the alias name “Anthony DeMillio.”

29. Although he has no material experience or training in television broadcasting, production or journalism, Defendant **DIMEGLIO** leads consumers to believe he is directly involved with, if not primarily responsible for, the various creative aspects involved with producing one or more of **THE DEFENDANTS’** purported “national television shows.” **DIMEGLIO** is not identified to consumers (either over the telephone or on **THE DEFENDANTS’** websites) as being a salesman/telemarketer, which is the extent of his entire work experience. Instead, **DIMEGLIO** is deceptively portrayed as having substantial experience in television broadcasting and/or investigative journalism, including representations that he “has been in the television industry for over 15 years,” and “worked with ‘60 Minutes’ correspondent, Morley Safer.”

30. At all times material hereto, Defendant **DIMEGLIO** actively and directly participated in the deceptive acts and practices of the PDS Enterprise as described herein, and he has been deceptively soliciting consumers, directly and indirectly, to purchase the related advertising products long before entry of the AVC, and continuously thereafter. Defendant **DIMEGLIO** also managed, supervised and trained the PDS Enterprise's other telemarketers, and assisted in the creation, review, approval and/or use of deceptive sales materials and presentations on behalf of the PDS Enterprise.

31. During various periods material hereto, **DIMEGLIO** solicited consumers to purchase the advertising products over the telephone as a "fronter," while deceptively portraying himself to be the "Creative Director" or "Associate Producer." On other occasions, **DIMEGLIO** solicits consumers to purchase advertising products while functioning as a "closer" for the sale, at which time he deceptively portrays himself as being the "Senior Producer" (and/or the "Executive Producer") for whatever purported "national television show" is being use by the PDS Enterprise to pitch the advertising product.

32. Defendant **PLATINUM TELEVISION GROUP, INC.** ("**PLATINUM**") is an active, Florida for-profit corporation, with a principal address of 6250 Coral Ridge Drive, Coral Springs, Florida. At all time material hereto, Defendant **SCOTT** has been a principal owner and Director of Defendant **PLATINUM**. At all times material hereto, Defendant **PLATINUM** has participated in the unlawful and deceptive activities of the PDS Enterprise and shared, among other things, common offices, employees, managers, officer/director/owners, business models, advertising products, brands, telemarketing practices, distribution outlets, equipment, marketing materials, business forms, methods and procedures and other resources.

33. At various times relevant hereto, Defendant **PLATINUM** has operated under or employed several fictitious names that it registered in Florida, including: “Eye On America TV,” “PTG Studios,” “Platinum Productions,” “The Economic Report,” “PTGTV,” “Art of Living,” “Business Day TV” and “Today in America.” Defendant **PLATINUM** has also operated under or employed other (unregistered) fictitious names including, but not limited to: “Focus on America,” “Pulse on America,” “Great Taste,” “Today’s Family,” “New Home Journal,” “Business & Beyond,” “Competitive Edge,” “Health Forum” and “Eye on Technology.”

34. Defendant **NEW LINE MEDIA SOLUTIONS INC.** (“**NEW LINE MEDIA**”) is an active, Florida for-profit corporation, with a principal address of 6250 Coral Ridge Drive, Coral Springs, Florida. At all time material hereto, Defendant **SCOTT** has been a principal owner, President and Director of **NEW LINE MEDIA**. Defendant **NEW LINE MEDIA** operated under or employed fictitious names, including “Eye On America” and “Our Planet.” At all times material hereto, Defendant **NEW LINE MEDIA** participated in the unlawful and deceptive activities of the PDS Enterprise and shared, among other things, common offices, employees, managers, officer/director/owners, business models, advertising products, brands, telemarketing practices, distribution outlets, equipment, marketing materials, business forms, methods and procedures and other resources.

35. Defendant **U.S. MEDIA TELEVISION, INC.** (“**U.S. MEDIA**”), is an active, Florida for-profit corporation, formed on or about June 6, 2007, with a principal address of 6250 Coral Ridge Drive, Coral Springs, Florida. At all times material hereto, Defendant **SCOTT** has been the principal owner and CEO of **U.S. MEDIA**. At all times material hereto, Defendant **U.S. MEDIA** participated in the unlawful and deceptive activities of the PDS Enterprise and shared, among other things, common offices, employees, managers, officer/director/owners,

business models, advertising products, brands, telemarketing practices, distribution outlets, equipment, marketing materials, business forms, methods and procedures and other resources.

36. At various times relevant hereto, Defendant **U.S MEDIA** has operated under or employed one or more fictitious names that it registered in Florida, including “United States Media Television” and “Inside Business.” Defendant **U.S. MEDIA** has also operated under or employed various other fictitious names in Florida, including, but not limited to: “Art of Living,” “Business Day,” “The Edge,” “Net Worth,” “Today in America,” “The Environmental Report,” Viewpoints Industry,” “Enterprises,” “Business Briefs,” Insights, “Industry Today,” “Communities of Distinction,” “Profiles,” “Editions,” “The Zone” and “Health Briefs.”

37. Defendant **FR MEDIA, INC.**, f/n/a Forbes Media, Inc. (“**FR MEDIA**”) is an active, Florida for-profit corporation, formed on or about October 16, 2013, with a principal address of 6250 Coral Ridge Drive, Coral Springs, Florida. At all time material hereto, Defendant **SCOTT** has been a principal owner and President **FR MEDIA**. Defendant **FR MEDIA** operated under or employed the fictitious name “Forbes Living.” Since its inception, Defendant **FR MEDIA** has participated in the unlawful and deceptive activities of the PDS Enterprise and shared, among other things, common offices, employees, managers, officer/director/owners, business models, telemarketing practices, distribution outlets, equipment, marketing materials, business forms, methods and procedures and other resources.

38. Since at least in or about March 2014, **THE DEFENDANTS** have also operated under the assumed name of “USM Studios, Inc.,” and they have maintained a website for that purpose at www.USMStudiosinc.com. This website has provided connecting links to websites pages for **THE DEFENDANTS**’ other purported “national television shows,” including, “Today in America,” Viewpoints Industry,” “Enterprises,” “Communities of Distinction,” “The Zone”

“Health Briefs” and “City View.” However, the entity, “USM Studios, Inc.,” has not been properly registered by any of **THE DEFENDANTS** to do business in Florida under a fictitious name, nor is it properly registered to do business in Florida as a domestic or foreign corporation.

OTHER RELEVANT ENTITY

39. **Encore Television Group, Inc. (“Encore TV”)** was a Florida for-profit corporation that was formed by Defendant **SCOTT** on or about September 28, 2006 and administratively dissolved on or about September 25, 2009. During its existence, Defendant **SCOTT** was a principal owner and President of **Encore TV** and operated the company out of the same offices as **PLATINUM** and **NEW LINE MEDIA**, then located at 1000 East Hillsboro Blvd., Suite 105, Deerfield Beach, Florida.

40. **Encore TV** operated under or employed the fictitious names “Eye on America,” “The Economic Report,” “Sustainable Planet,” and “Business Day,” and it participated in the unlawful and deceptive activities of the PDS Enterprise after the AVC was entered. **Encore TV** shared common offices, employees, managers, officer/director/owners, business models, advertising products, telemarketing practices, distribution outlets, equipment, marketing materials, sales scripts, business forms, methods and procedures and other resources with the PDS Enterprise.

41. Advertising presentations produced by the PDS Enterprise through **Encore TV** were primarily marketed under the names “Eye on America” and “The Economic Report.” The targeted consumers’ segments were packaged together with a brief introduction from a “celebrity host,” Greg Gumbel. **Encore TV** was abandoned by **SCOTT** after it was sued by Gumbel (along with **SCOTT, PLATINUM** and **NEW LINE MEDIA**) for failing to disclose the true nature of these “shows,” that is, that they essentially involved the sale of “infomercials” and

were not a national “news magazine” show as Gumbel had been lead to believe, and for failing to disclose the existence of the AVC.

BACKGROUND REGARDING THE DECEPTIVE SALES SCHEME

42. As indicated above, prior to entry of the AVC, Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** and their affiliates (including Defendants **POSNER** and **DIMEGLIO**) deceptively solicited consumers in Florida and elsewhere to purchase their advertising products.

43. Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** and their affiliates did not disclose to the consumers that they were being targeted and pitched to purchase an infomercial or other form of paid programming. Instead, these Defendants, and their affiliates, orchestrated and utilized an elaborate and fictional scenario, presenting themselves as being the creative directors and/or producers of various educational or news oriented, magazine-style television series that were hosted by celebrities (which at that time included Marilu Henner, Fred Thompson, I and/or Terry Bradshaw).

44. The targeted consumers were deceptively led to believe that they had been contacted because they were being considered and evaluated by Defendant **PLATINUM** and/or **NEW LINE MEDIA** to appear as a “featured guest” on a specific “episode” that was being planned for an upcoming “season” on one of their “national television shows.”

45. As a part of the deceptive sales scheme, Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** and their affiliates would conduct online research to identify potential targets (referred to as “sales leads”) based on certain pre-determined criteria provided by Defendant **SCOTT**, including the size and sophistication of the organization and the amount of its reported revenues. **THE DEFENDANTS’** telemarketers would research the target’s business

activities in order to be able to concoct a fictitious “scenario,” which they could then plausibly pitch to the target as the topic planned for one of their supposed “upcoming episodes.” Defendant **SCOTT**, working through the PDS Enterprise, created numerous, broadly encompassing “show titles” to package and present the infomercials (paid programming), which cunningly provided the opportunity for **THE DEFENDANTS’** telemarketers to solicit and sell the advertising products to virtually any potential targeted consumer.

46. To further enhance the illusion that the targeted consumer was not being pitched simply to buy an infomercial or other form of paid programming, Defendants **SCOTT**, **PLATINUM**, **NEW LINE MEDIA** and their affiliates (including Defendant **POSNER** and **DIMEGLIO**) formulated a deceptive, multi-step sales process, which utilized “cold-callers,” “frontiers,” “closers” and other high-pressure (boiler-room) techniques.

The “Cold-callers” (Appointment Setters)

47. Initially, a “cold caller” from the PDS Enterprise would make an unsolicited telephone call to the targeted consumer, based on an approved “sales lead” that had previously been developed by a PDS Enterprise salesperson. The “cold-caller” was a commission based employee of the PDS Enterprise and served as an “Appointment Setter” for several other salespersons. Using a script created and/or approved by Defendants **SCOTT**, **POSNER** and/or **DIMEGLIO**, the Appointment Setter would identify themselves to the targeted consumer as being an “Assistant to the Creative Director” for one of their “national television shows.”

48. The cold caller/Appointment Setter would also tell the targeted consumer that the “Creative Director” for the show was looking to do a story on a particular (concocted) topic, and wanted to interview the target to determine if their business might “lend some relevant content to the show.” The Appointment Setter was instructed not to disclose that a fee was required to be

on the show, and to avoid any further questions by getting off the phone as quickly as possible after scheduling a conference call with the “Creative Director” within the next one to two days.

The “Fronters” (“Creative Directors”)

49. After speaking with the “cold-caller,” the targeted consumer would then be contacted by the supposed “Creative Director” for the “show” in question. In reality, these “Creative Directors” (including Defendants **POSNER** and **DIMEGLIO**) were simply commission-based telemarketers, who had no background in television, broadcasting or journalism, but served as the initial “fronter” on the sales pitch. Using a script created and/or approved by Defendants **SCOTT**, **POSNER** and/or **DIMEGLIO**, these telemarketers would identify themselves, not as sales representatives, but rather as the “Creative Director.”

50. During this part of the sales process, the purported “Creative Director” would again tell the target that their company was “being considered” for an appearance as the “featured guest” on one of their national television shows/series. The targeted consumer was also falsely told that **PLATINUM/NEW LINE MEDIA** had an impressive advisory board, an extensive research department, and employed focus groups to determine which topics might be of interest to their viewers, and which businesses might potentially be a “good fit” for the show.

51. The “Creative Director” (telemarketer) would then ask the targeted consumer a number of supposed “qualifying questions,” in order to purportedly better understand whether the target’s business would “fit” the particular episode they were supposedly planning. The “Creative Director” would also go through a lengthy discussion about the production process for the show, and describe its supposed widespread distribution (telling the target, for example, that the show was scheduled to air both nationally and regionally that season, and falsely stating or suggesting it would reach “millions of households”).

52. As a part and in furtherance of the deceptive sales process, Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** and their affiliates made numerous false and misleading representations to the targeted consumers, including, among other things:

- a. that the “shows” were sponsored by national companies, such as Microsoft and Home Depot, and that these “sponsors” and other “program revenues” paid for the production and airing of the client segments in the shows;
- b. that Defendant **PLATINUM/NEW LINE MEDIA** utilized industry experts, focus groups and/or an “Advisory Board” for selecting potential topics for its shows, which included members from MIT and Harvard Business School;
- c. that the show had a “production value” of \$250,000 which was paid for with their national sponsorships.
- d. that a “fee” (typically \$19,800 or \$29,800) would be charged if the entity was selected to be on the show, but the money being requested was not for the production of the segment itself;
- e. that the monies charged reflected a “licensing fee” to cover the subsequent use of the segment by the targeted client (and to ensure the client had a financial interest in the project and would fully cooperate during production); and
- f. that the “featured segments” would receive multiple national airings.

53. The targeted consumers were also deceptively led to believe that they had to successfully undergo a multi-level “selection process” before being “approved” to be a featured guest the purported “national television show.” Some of the consumers were led to believe they were competing with other potential “guests” being considered for an appearance on the same show.

The “Closers” (“Senior Producers”)

54. If the targeted consumer seemed willing and able to pay the “licensing fee,” the “Creative Director” would then arrange for them to be contacted by the purported “Senior Producer” of the show. The targeted consumer was led to believe that the “Senior Producer” also had to approve the featured guest’s appearance on the show. In reality, the “Senior Producer” was another (more experienced) telemarketer, who essentially acted as the “closer” on the sale.

55. During this part of the sales process, the “Senior Producer” would conduct another mock “interview” of the target, proclaim the business to be a “good fit” for the purportedly planned episode, and then advise the target that a signed contract (Participation Agreement) would be required before “final approval” could be granted by Defendant **SCOTT**, the show’s “Executive Producer.” Once a signed contract was received from the target, Defendant **SCOTT** would typically call to welcome them as a new client. In reality, the approval process was based upon the customers’ ability to pay the “licensing fee” rather than the content provided.

PRIOR ASSURANCE OF VOLUNTARY COMPLIANCE

56. As the result of Plaintiff’s investigation, Defendants **PLATINUM, NEW LINE MEDIA, SCOTT** and another individual not material hereto entered into the AVC on or about May 10, 2007. A true and correct copy of this Assurance is attached and incorporated herein as **Exhibit B**. Among other things, the AVC contained the following injunctive provisions:

a) AVC Respondents shall make no false representations relating to the size or success of their companies, nor shall they state that their programs have received praise or

acclaim from outside persons or entities when that is not the case; (See Exhibit B, AVC, Pg. 3, Par. 1)

b) AVC Respondents shall not have their salespersons identify themselves as “creative directors” or in any other manner that would imply that they are responsible for the creative content of any television show or production; (See Exhibit B, AVC, Pg. 4, Par. 2)

c) AVC Respondents shall not state nor imply that a potential client is competing with another potential client or clients for a position or placement in a television show produced or aired by AVC Respondents; (See Exhibit B, AVC, Pg. 4, Par. 3)

d) AVC Respondents shall make no false statement relating to sponsorship of shows; (See Exhibit B, AVC, Pg. 4, Par. 4)

e) AVC Respondents shall not falsely state nor imply that a potential client’s proposed contract is subject to an exaggerated approval process, where such statements are intended to create a false impression that acceptance is based on factors other than an ability to pay; (See Exhibit B, AVC, Pg. 4, Par. 5)

f) AVC Respondents shall not state nor imply that the cost of production or airing of a client’s segment will be covered by any source other than the client’s fee, program revenues and national sponsorships (if that is, in fact, the case); (See Exhibit B, AVC, Pg. 4, Par. 6)

g) AVC Respondents shall not represent the fee paid by a potential client solely as a “licensing fee” or as a “copyright fee; (See Exhibit B, AVC, Pg. 4, Par. 7)

h) AVC Respondents shall be responsible for making the substantive terms and conditions of this agreement known to its officers, employees, agents, representatives, or any other persons that are substantially affected by this AVC and are engaged in AVC Respondents’ business, projects and activities. The obligation imposed by this paragraph is continuing in

nature and shall apply to new officers, employees, agents, representatives or any other persons as they become engaged in AVC Respondents' business. (See Exhibit B, AVC, Pg. 6, last (unnumbered) paragraph)

i) AVC Respondents shall not affect any change in the form of doing business or its organizational identity as a method of avoiding the terms and conditions set forth in this Assurance. (See Exhibit B, AVC, Pg. 7, first full (unnumbered) paragraph)

POST-AVC CONDUCT

57. Subsequent to the execution of the AVC, and at all times material during the period from August 1, 2008 to present, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** have continued to employ many of the same tactics and practices specifically prohibited in the prior AVC, and which constitute new and distinct violations of FDUTPA.

58. At or about the time the AVC was being negotiated and agreed upon, Defendant **SCOTT** was already taking steps to circumvent and/or avoid compliance with the terms of the AVC. As indicated above, Defendant **SCOTT** formed and began operating the PDS Enterprise for the purpose of continuing the deceptive sales scheme.

The Purported "National Television Shows"

59. Among other things, **SCOTT** and his affiliates have continued to deceptively represent the PDS Enterprise entities to potential consumers as being an objective, journalistic entity that produces regularly scheduled television series, including, but not limited to, such names as "Eye on America" with Greg Gumbel, "Art of Living" with Marilu Henner, "Today in America" with Terry Bradshaw, "City View" with Kevin Harrington and "Forbes Living" with Forbes Riley. In truth and in fact, these, presentations and the other so called "shows" created by the PDS Enterprise are not regularly scheduled television shows or series, nor do they have

any substantial (let alone widespread) viewership. Instead, the advertising products solicited by **THE DEFENDANTS** constitute “paid programming” that air on an ad hoc basis following the purchase of various amounts (or blocks) of time by the PDS Enterprise.

60. **SCOTT**, along with **PLATINUM**, **NEW LINE MEDIA** and **Encore TV**, also deceptively induced at least one of their purported “celebrity hosts” (Greg Gumbel) into becoming associated with several of their advertising presentations. **SCOTT** offered Gumbel a position as the “anchor” for an “educational, news-oriented program” called “Eye on America,” which was purportedly distributing short “education stories” to regional and national news networks. Gumbel subsequently learned that the “Eye on America” presentations did not involve “educational programming,” but instead presented highly commercial, “infomercials” for things such as: time-shares, real estate, resorts, cell chargers, water treatment, fiber products, beverages, magnet therapy, employee-monitoring software, windshield repair, forensic engineering, industrial automation, marketing tools, expense management and yoga. In addition, **SCOTT** failed to disclose to Gumbel the existence and/or terms of the AVC that had been recently entered.

61. Shortly thereafter, Gumbel filed a federal lawsuit against **SCOTT** (along with **PLATINUM**, **NEW LINE MEDIA** and **Encore TV**), at which time **SCOTT** abandoned **Encore TV** and essentially cancelled its “line up” of “national television shows” (including “Eye on America,” “The Economic Report,” “Sustainable Planet” and “Business Day”). Instead, **SCOTT** began using another PDS Enterprise entity (**U.S. MEDIA**) and promoting substantially similar “shows,” in order to continue deceptively soliciting targeted consumers to purchase advertising products. **SCOTT** also obtained another “celebrity host” (Terry Bradshaw) to replace Gumbel on the new purported “national television shows.” Although the names of the

PDS Enterprise “shows” changed over time, the format of the advertising presentations, the topics covered and the related ploys used by **THE DEFENDANTS’** to market the presentations to consumers remained essentially the same.

62. For example, in various statements to potential clients, on its internet website (www.todayinamericatv.com), and/or on its Facebook page, **THE DEFENDANTS** have characterized their “Today in America with Terry Bradshaw” production variously as a:

- a) TV show;
- b) television series;
- c) television program;
- d) cable television program;
- e) cable TV show;
- f) feature news series;
- g) unique cable television show;
- h) hit TV show; and as
- j) educational programming.

63. In order to enhance the impression that the presentations are not “infomercials” or other advertising products, but rather a regular television series with a national and international viewership, **THE DEFENDANTS** make various other, unsubstantiated claims that have little or no basis in fact. For example, **THE DEFENDANTS** claim that their alleged show/series:

- a. airs throughout the United States and Canada;
- b. reaches TV viewers across the United States on cable channels and cable networks;
- c. shares their stories with millions of TV viewers across America;
- d. airs nationwide on cable networks and cable channels such as CNN Headline News and the Fox Business Network;
- e. is carried on regional cable networks across the United States, as well as on cable channels like CNN Headline News;
- f. has continued to grow in audience;

- g. is aired over distinct “seasons”; and
- h. is engaging and topical to its viewers in the more than 90 million households in which the show is aired in the United States.

64. Likewise, another PDS Enterprise production, called the “Art of Living” with Marilu Henner, was represented to potential clients and on internet websites, as being: (a) a prominent lifestyle show, covering travel, dining, fashion, interior design and family life, among other topics; (b) a national television show; (c) a television series; (d) a unique series; and (e) a program which airs on a variety of national and regional networks. Like the PDS Enterprise’s other advertising presentations, this “show” was utilized by **THE DEFENDANTS** as a ploy to deceptively solicit targeted consumers to purchase infomercials or other forms of paid programming from the PDS Enterprise.

65. Similarly, **THE DEFENDANTS** have continued to deceptively portray their more recent advertising presentations as being regular “television shows” or “television series,” rather than as a platform for selling their “paid programming” products. For example, in various promotional materials, websites, communications and/or other solicitations made by **THE DEFENDANTS**:

- a) “Enterprises TV” is described as “an American Television Show... [that] features interviews with entrepreneurs, CEOs and industry professionals across North America and throughout the world;”
- b) “Viewpoints TV” is described as “a unique program that transcends today’s standard television fare” and claims “the show provides viewers with information that matters to them.”
- c) “The Environmental Report with Terry Bradshaw” is described as “a television show that celebrates successful sustainable solutions, made by individuals, organizations, businesses and municipalities all around the world.”

- d) “Profiles with Terry Bradshaw” is described as “a television show that informs viewers on a variety of topics, trends and relevant issues impacting our nation and the world.”
- e) The website for “Net Worth Commerce TV with Terry Bradshaw” claims that, “With its compelling content and trusted host, Net Worth Commerce TV is becoming a viewer favorite among the financial and business sectors.... The series provides informative 5-minute features that identify today’s foremost companies and individuals.”
- f) “City View with Kevin Harrington” is described as “a television show that educates viewers on various topics relating to cities, services, tourism and economic development” and is claimed to be “one of television’s most diverse shows.”
- g) “Forbes Living” with Forbes Riley is described as a “unique talk show” having a “national television audience,” and its advertising presentations (consisting of paid programming) are described on its website as being separate “episodes.”
- h) The telemarketing scripts used by **THE DEFENDANTS** and their representatives describe each of the various advertising productions as “television shows” that take an “educational approach.”
- i) The “Participation Agreements” relating to each of the PDS Enterprise’s productions describe the related presentations as being part of a “national television show.”

Cosmetic Changes to the Deceptive Sales Scheme

66. Following the entry of the AVC, Defendants **SCOTT, PLATINUM, NEW LINE MEDIA** did not materially change the core, deceptive business model or the multi-step (“layered”) sales process used by the PDS Enterprise and its telemarketers (including Defendants **POSNER** and **DIMEGLIO**). Instead, only cosmetic changes were made, and the scheme continued through other PDS Enterprise entities, including Defendants **U.S. MEDIA** and **FR MEDIA**.

67. For example, to avoid compliance with provisions in the AVC (Exhibit B, Pg. 4, Par. 2) that were designed to prevent **SCOTT**’s salespersons from misrepresenting themselves as being “creative directors” for any television show or production, **SCOTT, PLATINUM** and

NEW LINE MEDIA merely changed the title of their “fronter/telemarketers” from that of “Creative Directors” to that of “Associate Producers.” Virtually no substantive changes were made to these employees’ job duties and responsibilities, and no changes were made in the sales scripts to identify these employees as telemarketers, or to dispel the false impression that these individuals were responsible for the creative content of their “shows.” In reality, the PDS Enterprise telemarketers (including Defendants **POSNER** and **DIMEGLIO**) have no experience, background or training in broadcasting, television production or journalism; they are commission based salespersons who are pretending to be directors or producers of a national television show.

68. Likewise, **SCOTT, PLATINUM** and **NEW LINE MEDIA** also attempted to avoid compliance with the AVC’s provisions (Exhibit B, Pg. 4, Par. 6 and 7) which were designed to prevent **SCOTT’s** salespersons from misrepresenting that the monies used to produce the clients’ segments were not being derived essentially from the client’s themselves. Prior to entry of the AVC, **SCOTT’s** telemarketers were instructed to misrepresent to prospective clients that the fees being charged (typically \$19,800 or \$29,800) were a “licensing fee,” and were not being paid for the production of the segments themselves. Since the AVC, in order to maintain the façade that the advertising products were not “infomercials” (or another form of “paid programming”), **SCOTT, POSNER** and **DIMEGLIO** have instructed and trained their telemarketers to deceptively represent to the target that the monies being charged represents a “scheduling fee.”

69. To maintain the façade of being a “television show,” **THE DEFENDANTS** and their affiliates falsely represent that the “show” earns significant revenues independent of the “scheduling fees” charged to clients. Targets are specifically informed, for example, that the

costs of production and airing of their “segment” are primarily covered, not by fees charged to the client, but by certain, undefined “program revenues.” Defendants represent that: “...all the network placements, along with the majority of the overall production costs, are covered through the programs revenues.” Defendants’ rebuttal scripts also suggest that consumers be told: “We don’t ask our guest organizations to underwrite the entire production project...”

70. In truth and in fact, and as **THE DEFENDANTS** well knew, the fees being charged to the targeted consumers are the primary source (if not total source) of funds used to produce the advertising products. Moreover, the fee typically charged to a targeted consumer exceeds the full cost of production and airing of the client’s infomercial.

Exaggerated Approval Process Has Continued

71. Since entry of the AVC, **THE DEFENDANTS** have continued to misrepresent and/or deceptively imply that the targeted consumer must essentially pass a multi-step (layered), “approval process,” in order to be featured on one of the PDS Enterprise’s “national television shows.” Contrary to the prohibitions in the AVC (See Exhibit B, AVC, Pg. 4, Par. 5), **THE DEFENDANTS’** deceptive sales scheme is designed to create, and would reasonably create, a false impression that acceptance as a “featured guest” is based on factors other than the targeted consumer’s ability to pay.

72. Defendants **SCOTT, POSNER** and **DIMEGLIO** participate directly and indirectly in the deceptive sales scheme, and they train and supervise the PDS Enterprise’s other telemarketers in likewise utilizing the scheme. As a part and in furtherance of their “layered” sales scheme **THE DEFENDANTS** have continued to use “cold-callers” as appointment setters, in order to bait the targeted consumer into speaking with a salesperson/telemarketer, who is called an “Associate Producer,” but functions as the “fronter” on the sales pitch. After speaking

with the “Associate Producer,” the target is sent additional marketing/production materials, and subsequently put in contact with another salesperson/telemarketer, referred to as a “Senior Producer,” who purportedly must also approve the content of the fictional segment supposedly being produced.

73. As was done prior to entry of the AVC, the purported “Senior Producer” of the “show” then conducts another mock interview of the target and attempts to “close” the deal. The targeted consumer is then sent a contract (Participation Agreement) they must sign and return before they can meet with the “Executive Producer” (typically **SCOTT**) for his supposed final “sign-off” on the featured guest’s appearance.

74. In truth and in fact, and as **THE DEFENDANTS** well know, the actual approval to solicit and sell the advertising product to the targeted consumer is already obtained by the telemarketer before the appointment setter (pretending to be an “Assistant to the Associate Producer”) ever even attempts to contact the potential target. The actual approval process is based primarily on factors that relate to the target’s ability to pay rather than the supposed “creative content” the target brings to one of their supposed “shows.”

75. The deceptive sales process continues to begin with **THE DEFENDANTS’** telemarketing employees developing potential “sales leads” from the Internet and other sources. Based upon certain criteria created or approved by **SCOTT**, the telemarketers look for companies to target that generally include mid-size firms with national or multi-state markets. The “leads” developed are submitted for approval, before the target is contacted by the PDS Enterprise. If the submitted sales lead is “cleared” (i.e., approved), the sales employee will conduct further research on the company and concoct a “scenario,” or pitch, with which the targeted business will be approached.

76. The targeted business, depending on business type, will be fit into one of any number of the PDS Enterprises' presentations. These purported "shows" cover virtually any possible business scenario so that almost any targeted business (or town or municipality) could be "featured" in a PDS Enterprise presentation. These purported "national television shows" include or have included:

- a) "Eye on America," "The Economic Report," "Sustainable Planet" and "Business Day" (with Greg Gumbel);
- b) "Art of Living" (with Marilu Henner);
- c) "Inside Business," "The Edge," "Net Worth," "The Environmental Report," Viewpoints Industry," "Enterprises," "Business Briefs," Insights, "Industry Today," "Communities of Distinction," "Profiles," "Editions," "The Zone," "Health Briefs," and "Today in America" (with Terry Bradshaw);
- d) "Enterprise," "City View" and "Health Briefs" (with Kevin Harrington); and
- e) "Forbes Living" (with Forbes Riley).

77. The approved lead and concocted "scenario" would then go to an "Appointment Setter" (cold-caller) who would then attempt to make contact with an executive level, "decision maker" of the targeted business. Upon making contact with the "decision maker," the Appointment Setter would commence the deceptive charade. Using a script created and/or approved by **SCOTT, POSNER** and **DIMEGLIO**, the Appointment Setters represent themselves, for example, as the "assistant" to an "Associate Producer" for the "Today in America show with Terry Bradshaw," or "The Art of Living show with Marilu Henner" or the "City View show with Kevin Harrington," or the "Forbes Living show with Forbes Riley."

78. The Appointment Setters tell the "decision maker" that the Associate Producer is looking to do a story or segment on a (concocted) topic related to the targeted business. For example, if the targeted business was medically related, they might be told that the show was

looking to do a story or segment as part of their “medical minute series.” The cold-caller, under the guise of being the “Assistant to the Associate Producer” would then attempt to set a phone appointment between the business executive and the “Associate Producer” so that the exaggerated approval process charade can continue.

79. As before the AVC, the Appointment Setters are instructed to set appointments quickly and get off the phone, to avoid answering questions relating to **THE DEFENDANTS’** services. If asked by a target whether **THE DEFENDANTS** produce “infomercials,” the “cold callers” were instructed to represent that **THE DEFENDANTS’** productions were “educational programs.”

80. In the event that there was a difficulty or delay in arranging a call between the targeted business and the “Associate Producer,” the targeted business would be sent an email, the purpose of which was to create a false sense of urgency in the mind of the business representative. Generally, this e-mail would falsely and improperly represent that the “producer” was facing a fictional production or scheduling “deadline” and that it was necessary that the business representative call within the next twenty four hours or other short time period.

81. When the targeted business representative calls for their appointment with the “Associate Producer” they are falsely informed that the “show” was currently in the process of creating a segment highlighting a topic corresponding to the target’s particular business. They are also told that the “show” is “exploring (their) options” and that the show “learned about (the targeted business) through our research department.” Targeted consumers are referred to, not as consumers/clients, but as potential “guests” of the show.

82. The “Associate Producer” then engages the “decision maker” in a discussion about the targeted business. Using scripts prepared and/or approved by **SCOTT, POSNER** and

DIMEGLIO, the “Associate Producer” (telemarketer) continues the charade by asking a series of supposed “qualifying questions” about the target’s business, as part of a “momentum building process.” The Associate Producer (telemarketer) is trained to also employ a “framing” technique, in order to build credibility for the sales pitch. Essentially, this sales technique involves using buzz words that the telemarketer has obtained from the target’s own website, which he cleverly uses to supposedly “frame the issues” for the segment during the call. In this way, the telemarketer (“fronter”) deceptively creates the impression that the “Associate Producer” for the show was already familiar with the (concocted) subject/topic that purportedly was going to be profiled on “the show”).

83. After finishing the discussion regarding the supposed “qualifying questions,” the “Associate Producer” then falsely states or implies that he needs to have a discussion with the “Senior Producer” as to whether or not the targeted business would “bring anything” to the segment “content wise.” This, according to business rebuttal scripts, “...is the next step in evaluating the story and for us to determine who would be the best fit for the show.” The pitch is effectively a ruse designed and intended to enhance the false belief: a) that Defendants actually produce a regularly scheduled television show; b) that the target is being “considered” as a “guest” for that show; c) that the target is in competition with other potential “guests” for the same spot; and d) that the basis of their selection will be whether or not the company’s story will support the topical premise of a pre-planned program segment.

84. In truth and fact, despite affirmative statements that the “scheduling fee” is “...just one of a handful of requirements to be on the show...” virtually every targeted business contacted by **THE DEFENDANTS** is accepted as long they agree to pay the required fee and follow standard contract terms.

85. When asked by one of his telemarketers why they needed to go through the charade of such an exaggerated approval process, Defendant **SCOTT** admitted that the PDS Enterprise had been unable to sell their advertising products when they previously tried without this deception.

86. Likewise, to maintain the facade of a successful national television show, however, **THE DEFENDANTS** needed to offer a rationale for the charging of some \$20,000 in fees to their “guests” (and in some cases up to \$30,000 or more). Accordingly, Defendants **SCOTT, POSNER** and **DIMEGLIO** train their telemarketers to couch their request for fees in language implying that the fees charged are merely to ensure the full commitment and cooperation of the targeted business. For example, representative sales scripts for the “shows” state:

“...based on the collaboration between ourselves and the guest organizations we work with, we find that they must have a financial responsibility as well, which ensures their full commitment and cooperation, from production all the way to the final edit that goes to air. This financial requirement for any guest of the show is a “scheduling fee” of \$29,800, if we were to end up working together.”

Additional AVC Violations

87. Defendants **SCOTT, PLATINIUM** and **NEW LINE MEDIA** failed to make the substantive terms and conditions of the AVC known to its present and future officers, employees, agents, representatives, and any other persons that are substantially affected by the AVC and engaged in the AVC Respondents’ business, projects and activities (including, but not limited to its “celebrity host,” Greg Gumbel). Such disclosure was required by the AVC. (See Exhibit B, AVC, Pg. 6). Although **SCOTT** gave “lip service” to the requirement, by telling his employees that an AVC had been entered, he did not fully disclose the terms and conditions of the AVC to them.

88. In addition, **SCOTT** falsely told the PDS Enterprise's employees that all of their sales practices and procedures were in full compliance with the AVC. He also went so far as to falsely represent to his telemarketing staff that some of their business/sales practices had been specifically "approved" by the OAG, in direct violation of the AVC. (See Exhibit B, AVC, Pg. 10-11).

89. Defendants **SCOTT**, **PLATINIUM** and **NEW LINE MEDIA** also attempted to change its form of doing business and organizational identity as a method of avoiding the terms and conditions set forth in the AVC, in direct violation thereof. (See Exhibit B, AVC, Pg. 7). Specifically, as indicated above, **SCOTT**, **PLATINIUM** and **NEW LINE MEDIA** made certain cosmetic changes to their sales scripts, in order to avoid complying with the substantive terms and conditions of the AVC (e.g., employing the terms "Associate Producer" verse "Creative Director" and "Scheduling Fees" rather than "Licensing Fees"). In addition, **SCOTT** formed additional entities (including **Encore TV**, **U.S. MEDIA**) to operate as a common enterprise with **PLATINIUM** and **NEW LINE MEDIA** shortly before and after entering into the AVC. **SCOTT** subsequently used this common enterprise (the PDS Enterprise) as a means of concealing and avoiding the terms and conditions of the AVC.

Use of Fake Names By Telemarketers

90. **THE DEFENDANTS** permit, if not encourage, their telemarketers (including the "Appointment Setters," "Associate Producers" and "Senior Producers") to use various fake names when soliciting consumers to purchase their advertising products. This practice makes it more difficult for a consumer to investigate the background of the caller. It also enables, encourages and emboldens the telemarketer to participate in the PDS Enterprise's deceptive sales scheme without fear of being held personally responsible.

91. Many of the PDS Enterprise' telemarketers also created separate email accounts under their fake names to continue the deception while communicating with potential customers; they also used fake names on their telephone voice mail message system at the PDS Enterprise's offices. As indicated above, Defendants **POSNER** and **DIMEGLIO** also created deceptive biographies using one or more fake names, which biographies were posted on the websites for many of the purported "shows."

92. On various occasions, the telemarketers would interchange their supposed roles when communicating with a targeted consumer. For example, the "Senior Producers" (including **POSNER** and **DIMEGLIO**) would contact a target while pretending to be an "Associate Producer." On such occasions, a different individual (including **SCOTT**) would assume the role of the "Senior Producer" for the second (closing) call with the target. Another employee would pretend to be the "Executive Producer" on occasions when **SCOTT** was not available, or had already pretended to be the "Senior Producer" on the sales call. Allowing the use of fictitious names further assisted in concealing their interchanging roles.

93. Defendant **SCOTT** was fully aware of, and condoned, this deception. In an email **SCOTT** sent to his senior telemarketers (including Defendant **DIMEGLIO**) at the conclusion of the Gumbel litigation in or about April 2010, **SCOTT** wrote:

"Guys I spoke to our attorneys and the only issue we may have some of the AP's [Associate Producers] used fictitious names when fronting. We need to have them use [their] own name or a middle name but it can not be anything outside of the real name and/or the middle name. thoughts?"

94. Thereafter, **SCOTT** continued to allow the telemarketers to use fake names, including Defendants **POSNER** and **DIMEGLIO**. As indicated above, **POSNER** continued to utilize the fake name "Dr. Ron Goodman" until recently, when he began to again use the fake

name “Ron Marshall” on websites for several of the purported “shows.” At various times, **SCOTT** went by different names in connection with specific PDS Enterprise affiliates, including, Doug Scott (**PLATINUM**); Douglas Scott (**NEW LINE MEDIA**); Paul D. Scott (**Encore TV**); Paul Scott (**U.S. MEDIA**); and P. Douglas Scott (**REI of Florida**).

Use of Fake Company Name on Website

95. **THE DEFENDANTS** continue to direct potential customers to their website at www.usmstudios.com, which contains links to their purported “television shows.” However the website also purports to be operated by a fabricated entity, called “USM Studios, Inc.” The website claims USM Studios, Inc., is a “rapidly expanding enterprise” that “for more than seventeen years, ... has specialized in developing, producing, and distributing programming for diverse audiences.” In fact, there is no such incorporated entity named USM Studios, Inc., that is registered to do business in Florida (or elsewhere).

96. Thus, any targeted consumer who attempted to conduct due diligence before agreeing to pay the \$20,000 to 30,000 “scheduling fee” would not have been able to find any potentially negative information on the company, since it does not actually exist. Likewise, there is no reference anywhere on the website to the PDS Enterprise’s other companies, such as **PLATINUM**, **NEW LINE MEDIA** or Encore TV, which have been the subject of prior legal proceedings that are matters of public record.

Misrepresentations regarding Viewership/Distribution/Airings

97. As indicated above, **THE DEFENDANTS** attempt to create a false impression with consumers that their “shows” are regularly scheduled television programs, which have a substantial following of viewers. For example, in various marketing materials, **THE DEFENDANTS** state that their shows/series: (1) have continued to grow in audience; (2) share

their stories with millions of TV viewers across America; (3) air throughout the United States and Canada; (4) reach TV viewers across the United States on cable channels and cable networks; and (5) air nationwide on cable networks and cable channels, such as CNN Headline News, ESPN2 and Fox Business Network. In fact, **THE DEFENDANTS** do not have a sufficient factual basis for making such unsubstantiated claims regarding viewership.

98. Likewise, to further bolster the false impression that “the shows” have a widespread national appeal, **THE DEFENDANTS** linked each “show’s” webpage to a list purportedly reflecting its national and regional distribution outlets. The listing did not provide any information regarding the shows’ actual viewership. Instead, it cunningly refers only to the size of the potential audience for the network/channel itself, based on the total number of cable subscribers to that network and/or channel. For example, during various times relevant hereto, the websites have indicated that **THE DEFENDANTS**’ “shows” air on the following national networks:

- a) “Fox Business Network to 80+ Million Households”;
- b) “Discovery Channel Transponder to 104+ Million Households”;
- c) “The FOX Broadcasting Company and ABC Television Network each have approximately 200 affiliated stations across the United States, thereby providing broadcast coverage to over 98% of American households”;
- d) “FOX News Channel© FOX News Channel is America’s #1 news network on cable.”
- e) “Bloomberg TV to 73 Million Households”
- f) “ION Media Networks, Inc., owns and operates the nation’s largest broadcast television station group, reaching over 98+ million U.S. television households via its nationwide broadcast television & cable distribution systems”
- g) “Fox Sports Net 24-hour network of regionalized affiliates reaching over 80 million households nationally”

h) “WE tv available to 85+ million households”

98. In truth and in fact, and as **THE DEFENDANTS** well know, the PDS Enterprise’s “shows” did not (and do not) garner “millions” of viewers. Nor are they regularly scheduled programs on such networks/channels. Moreover, Defendant **SCOTT** knew there was no factual basis for making such explicit or implicit representations, as actual viewership ratings are not maintained by (or available from) ratings companies (such as Neilson) for “paid programming.” Moreover, as Defendant **SCOTT** well knew (and previously admitted in testimony during Plaintiff’s investigation), the estimated viewership for the “national” time slots purchased by the PDS Enterprise to air their paid programming on the Fox Business Network was only approximately 30-40 thousand viewers over an entire hour slot (or about 15-20 thousand over a half-hour period). Thus, **THE DEFENDANTS** had no reasonable basis in fact for representing or implying that their half-hour, branded advertising presentations had any substantial following of “viewers” let alone “millions” of such viewers.

99. Defendant **SCOTT** and his affiliates also utilize the PDS Enterprise websites to further promote the false impression that the advertising products constitute individual “television shows,” rather than simply a presentations of several, independent infomercials that are packaged together and air in a half hour block of purchased airtime. **THE DEFENDANTS** provide links on the PDS Enterprise websites where a consumer is able to view a “prior episode” of their purported “television shows.” For example, the PDS Enterprise advertising presentation called “Forbes Living” currently lists eight such purported “prior episodes,” including one that purportedly aired on WE tv on Friday, March 27th at 7:00am. Consumers are invited to “Watch Episode 8 Full Show” through a link to YouTube. The “episode” contains multiple infomercials

(for clothing, exercise equipment, a yoga mat and herbal supplements), but fails to disclose on the screen that the presentation is “paid programming.”

100. In addition, **THE DEFENDANTS** have included other deceptive information on their websites concerning the frequency of “airings” for their purported “shows.” The websites for each of these separately branded productions contains a link to a separate webpage, which purportedly lists the dates when the individual programs have aired on either a national or local channel. Thus, when a targeted consumer for a particular “show” would search the related website, it would appear that “the show” was being aired regularly. In fact, however, **THE DEFENDANTS** posted the exact same list of “airings” on each website for each of the separate “shows.” **THE DEFENDANTS** altered the formatting on the “airings” page associated with each of the separate websites, making it more difficult for a potential customer to uncover that the list of purported “airings” for each show was identical.

101. Likewise, in marketing the advertising products to targeted consumers, **THE DEFENDANTS** deceptively represent (directly and by implication) that the customer will be able to select the specific markets where the advertising presentations will air. To foster the impression that the “shows” will be widely distributed and viewed, **THE DEFENDANTS** list numerous major markets on their purported “distribution checklist” of which the consumer can select numerous (up to 50) markets. In truth and in fact, **THE DEFENDANTS** generally disregard the consumers’ selections and instead often purchasing blocks of time in smaller, less expensive markets where the presentation is then aired and repeated.

102. Since at least in or about April 30, 2011, an unknown number of consumers in Florida and elsewhere have been induced by **THE DEFENDANTS** to purchase advertising products, costing them millions of dollars, through the deceptive sales scheme describe above.

COUNT I

**VIOLATION OF FDUTPA THROUGH FAILURE TO COMPLY
WITH PRIOR ASSURANCE OF VOLUNTARY COMPLIANCE**

(As to Defendants SCOTT, PLATINUM and NEW LINE MEDIA)

103. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 102 as if fully set forth herein.

104. FDUTPA provides that “unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.” Section 501.204, Fla. Stat.

105. The provisions of FDUTPA are to be “construed liberally” to promote the protection of the “consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce.” Section 501.202, Fla. Stat.

106. Failure to comply with a previously executed and un-rescinded Assurance of Voluntary Compliance is a violation of FDUTPA. Section 501.207(6), Fla. Stat.

107. Any person, firm, corporation, association, or entity, or any agent or employee of the foregoing, who willfully engages in a deceptive or unfair act or practice is liable for a civil penalty of \$10,000 for each such violation; willful violations occur when the person knew or should have known that the conduct in question was deceptive or unfair or prohibited by rule. Section 501.2075, Fla. Stat.

108. On or about May 10, 2007, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** entered into the AVC with the Attorney General, a copy of which is attached hereto as

Exhibit B. Since then, the AVC has not been rescinded by agreement of the parties or voided by the court for good cause.

109. From an unknown date, but commencing from in or about July 2007 and continuing to the present, Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA**, while engaging in trade or commerce, failed to comply with the AVC by, among other things:

- (a) making false representations relating to the size or success of their companies by, for example, advertising and representing that “Eye on America” with Greg Gumbel, “Today in America with Terry Bradshaw,” “The Art of Living with Marilu,” “City View” with Kevin Harrington, and/or “Forbes Living” with Forbes Riley were national television shows or series;
- (b) having their salespersons identify themselves in a manner that would imply that they are responsible for the creative content of any television show or production, including, by having their salespersons identify themselves as “associate producers” and “senior producers;”
- (c) stating or implying that a potential client was competing with another potential client or clients for a position or placement in a television show produced or aired by AVC Respondents, including falsely informing potential clients that the show was “exploring other options” or otherwise considering alternative “guests;”
- (d) making false statements relating to sponsorship of shows by falsely informing potential clients that “...all the network placements, along with the majority of the overall production costs, are covered through the programs revenues” where such program revenues would implicitly have to be earned through program sponsorships that did not, in fact, exist;
- (e) falsely stating or implying that a potential client’s proposed contract was subject to an exaggerated approval process, where such statements are intended to create a false impression that acceptance is based on factors other than an ability to pay, including stating or implying that an appearance on their “shows” was contingent upon the approval of associate and senior producers on the basis of show content;
- (f) stating or implying that the cost of production or airing of a client’s segment will be covered by any source other than the client’s fee, program revenues and national sponsorships, including falsely representing to potential clients that the costs of production are primarily covered, not by fees charged to the client, but by unspecified “program revenues;”
- (g) failing to make the substantive terms and conditions of the AVC known to its officers, employees, agents, representatives, and other persons that were substantially

affected by the AVC and were engaged in AVC Respondents' business, projects and activities, as well as falsely advising appointment setters, associate producers and senior producers that the AVC Respondents' sales practices were in full compliance with the AVC and/or had been approved by the Attorney General; and/or

- (h) affecting a change in the form of the doing business or organizational identity of the AVC Respondents as a method of avoiding the terms and conditions set forth in this AVC, including, but not limited to forming **U.S. MEDIA** on or about June 6, 2007, approximately one month subsequent to the execution of the AVC and thereafter conducting business and engaging in the complained-of practices through the PDS Enterprise.

110. Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** have violated and will continue to violate the FDUTPA by, including but not limited to, continuing to violate the AVC, as more particularly set forth in paragraphs 56 through 102, above.

111. Unless Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** are permanently enjoined from engaging further in the acts and practices complained of herein, their continued activities will result in irreparable injury to the public and consumers in the State of Florida for which there is no adequate remedy at law.

COUNT II

FLORIDA'S DECEPTIVE AND UNFAIR TRADE PRACTICES ACT **CHAPTER 501, PART II FLORIDA STATUTES ("FDUTPA")**

(As to All Defendants)

112. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 102 as if fully set forth herein.

113. FDUTPA provides that "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." Section 501.204, Fla. Stat. Misrepresentations, false statements or omissions of material fact constitute deceptive acts or practices prohibited by FDUTPA.

114. FDUTPA defines “trade or commerce” as:

...the advertising, soliciting, providing, offering, or distributing, whether by sale, rental, or otherwise, of any good or service, or any property, whether tangible or intangible, or any other article, commodity, or thing of value, wherever situated. “Trade or commerce” shall include the conduct of any trade or commerce, however denominated, including any nonprofit or not-for-profit person or activity.

Section 501.203(8), Fla. Stat. (Emphasis supplied.)

115. The provisions of FDUTPA are to be “construed liberally” to promote the protection of the “consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce.” Section 501.202, Fla. Stat.

116. Any person, firm, corporation, association, or entity, or any agent or employee of the foregoing, who willfully engages in a deceptive or unfair act or practice is liable for a civil penalty of \$10,000 for each such violation; willful violations occur when the person knew or should have known that the conduct in question was deceptive or unfair or prohibited by rule. Section 501.2075, Fla. Stat.

117. At all times material hereto, **THE DEFENDANTS** engage in “trade or commerce” as defined by Section 501.203(8), Fla. Stat. Among other things, **THE DEFENDANTS** created and employed a deceptive sales scheme, using the internet and numerous telemarketers, to advertise, solicit, offer and sell various advertising products to consumers in Florida and elsewhere.

118. As more particularly describe in paragraphs 42 through 55 and 57 though 102), above, **THE DEFENDANTS**, directly and indirectly, have engaged in and continue to engage in a pattern and practice of advertising, promoting and selling its products and services through

deceptive and unfair acts and practices. At all times material hereto the deceptive and unfair practices include, but are not limited to, the following:

- a. deceptively representing their products and services, and the nature, size and success of their companies and products, during telephonic solicitations with consumers. **THE DEFENDANTS** produce and purchase air time for infomercials, but represent themselves as an objective educational or news oriented magazine-style national television show or series seeking “guests” to be featured on their show and in manners more particularly describe above;
- b. deceptively representing that their “shows” air in national markets on networks including CNN Headline News and Fox Business Network, as if their infomercials were part of the regular broadcasting schedule of these networks;
- c. deceptively portraying their sales personnel as “associate producers” and “senior producers”
- d. deceptively representing that there are time or production deadlines which require prompt consumer action in order for the targeted consumer to be considered as a “guest” on their “show,” including misleading representations that deadlines exist in order for a targeted consumer to be considered for a particular “season” of a given production and that the CEO is attempting to schedule the segment (or “get this scheduled”) within the next several days;
- e. deceptively representing that **THE DEFENDANTS** employ a content-driven “approval” process to further the impression that the targeted consumer is being “considered” as a “guest” for a particular show, including the use of phrases such as, “It has to be a good fit for both organizations” and “...if this is something we collectively wanted to move forward with...” and otherwise falsely stating or implying that the “project” need be approved by an associate producer, senior producer and, ultimately, an executive producer/CEO;
- f. deceptively portraying their fee structure and the size, success and business model of their companies by stating that the majority of the costs of production and / or airing of a clients feature is covered by “program revenues” or sponsorships;
- g. deceptively representing or implying the amount of past, current and/or anticipated viewership of **THE DEFENDANTS**’ advertising products and/or the frequency of their airings in various television markets;
- h. deceptively representing the identities and backgrounds of the PDS Enterprise telemarketers (including **POSNER** and **DIMEGLIO**) and its affiliated entities, including operating under the fake corporate name of USM Studios, Inc.;

- i. deceptively representing or implying that a consumer advertising segment will be aired in specific markets selected by the consumer;
- j. deceptively airing their “shows” in a purchased timeslot, or otherwise publishing them over the Internet, without clearly and conspicuously disclosing on the screen that the production is “paid programming,” including deceptively representing or implying that the production is an “episode” of a “national television show.”

119. **THE DEFENDANTS’** acts and practices have a tendency to mislead, and do mislead, targeted consumers who reasonably believe that their entity will be featured on an actual television show that is not simply “paid programming,” and that the “show” will be widely distributed and seen by millions of viewers across the country and elsewhere.

120. **THE DEFENDANTS** have violated and will continue to violate the FDUTPA, by among other things, using deceptive and unfair sales practices in the advertising, soliciting, offering and selling of the PDS Enterprise advertising products, as more particularly set forth in paragraphs 42 through 55 and 57 through 102, above.

121. The above-described acts and practices of **THE DEFENDANTS** have injured and will likely continue to injure and prejudice the public and consumers in the State of Florida and elsewhere. Unless **THE DEFENDANTS** are permanently enjoined from engaging further in the acts and practices complained of herein, the continued activities of **THE DEFENDANTS** will result in irreparable injury to the public and consumers in the State of Florida for which there is no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, State of Florida, Department of Legal Affairs, Office of the Attorney General, respectfully requests that this Court:

A. DECLARE that the foregoing acts and practices of Defendants **SCOTT, PLATINUM** and **NEW LINE MEDIA** constitute a violation of the AVC, which constitutes a violation of FDUTPA;

B. DECLARE that the foregoing acts and practices of **THE DEFENDANTS** are unfair, deceptive and/or unconscionable in violation of FDUTPA;

C. GRANT permanent injunctions against **THE DEFENDANTS**, and their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this injunction, prohibiting and enjoining such persons from violating the provisions of Chapter 501, Part II, Florida Statutes, as specifically alleged above and granting any further appropriate injunctive relief;

D. GRANT rescission of the contracts entered into with **THE DEFENDANTS** by Florida consumers;

E. GRANT rescission of any releases executed by Florida consumers to **THE DEFENDANTS** as a condition of Receiving any portion of a refund;

F. AWARD full restitution against **THE DEFENDANTS**, jointly and severally, to consumers for the acts and practices of **THE DEFENDANTS** in accordance with § 501.207, Fla. Stat.;

G. AWARD as disgorgement of all revenue, and all interest or proceeds derived there-from by **THE DEFENDANTS** as a result of transactions with Florida consumers, generated as a result of the unconscionable, unfair and deceptive practices as set forth in this complaint, to the Attorney General for deposit into the General Revenue Fund;

H. ASSESS civil penalties against **THE DEFENDANTS**, jointly and severally, in the amount of Ten Thousand Dollars (\$10,000.00), pursuant to §501.2075, Fla. Stat., or Fifteen

Thousand Dollars (\$15,000.00) in cases involving senior citizens or handicapped persons, pursuant to §501.2077(2), Fla. Stat., for each violation of Chapter 501, Part II, Fla. Stat.;

I. AWARD attorneys' fees and costs against **THE DEFENDANTS**, jointly and severally, pursuant to Section 501.2075, Fla. Stat., or as otherwise authorized by law.

J. GRANT such other and further relief as this Honorable Court deems just and proper, including, but not limited to, all other relief allowable under § 501.207(3), Florida Statutes, said relief to include but not be limited to dissolution of **THE DEFENDANTS'** entities and a permanent injunction prohibiting Defendant **SCOTT** from engaging in the business of selling advertising services to any person or entity in the State of Florida or from a Florida business location.

K. GRANT such other relief as this Honorable Court deems just and proper.

Dated this 13th day of May, 2015.

Respectfully Submitted,

PAMELA JO BONDI

Attorney General of the State of Florida

/s/ Howard S. Dargan

Howard S. Dargan

Assistant Attorney General

Fla. Bar No.: 0494089

Office of the Attorney General

Consumer Protection Division

1515 N. Flagler Drive, Suite 900

West Palm Beach, FL 33470

Primary: Howard.Dargan@myfloridalegal.com

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Telephone: 561.837.5007

Facsimile: 561.837.5109

**IN THE CIRCUIT COURT OF THE SEVENTEENTH
JUDICIALCIRCUIT, IN AND FOR BROWARD
COUNTY, FLORIDA**

**OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,
STATE OF FLORIDA,**

Plaintiff,

Case No.:

vs

**PAUL D. SCOTT, a/k/a Doug Scott,
a/k/a Douglas Scott, a/k/a P. Douglas
Scott, an individual;
ROBERT POSNER, a/k/a Ron Posner,
a/k/a Ron Goodman, a/k/a Dr. Ron
Goodman, a/k/a Rob Marshall; an individual;
ANTHONY DIMEGLIO, a/k/a Anthony
DeMillio; an individual;
PLATINUM TELEVISION GROUP, INC.,
a Florida corporation;
NEW LINE MEDIA SOLUTIONS, INC.,
a Florida corporation;
U.S. MEDIA TELEVISION, INC., a Florida
corporation, d/b/a USM Studios, Inc., and
d/b/a United States Media Television; and
FR MEDIA, INC., a Florida corporation
f/n/a Forbes Media, Inc.,**

Defendants.

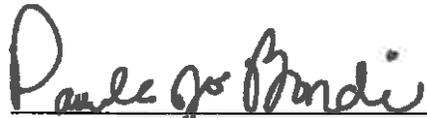
DETERMINATION OF PUBLIC INTEREST

**NOW COMES, PAMELA JO BONDI, ATTORNEY GENERAL, STATE OF
FLORIDA, and states:**

1. Pursuant to Section 20.11, Florida Statutes, I am the head of the Department of Legal Affairs, State of Florida (hereinafter referred to as the Department).

2. In this matter, the Department seeks an injunction and other relief on behalf of one or more consumers caused by an act or practice performed in violation of Chapter 501, Part II, Florida Statutes.
3. I have reviewed this matter and I have determined that an enforcement action serves the public interest.

Dated this 4th day of ~~April~~^{May}, 2015



PAMELA JO BONDI
ATTORNEY GENERAL
STATE OF FLORIDA

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS**

IN THE MATTER OF:

AG Case # L06-3-1151

**Platinum Television Group, Inc.,
New Line Media Solutions, Inc.,
Paul Douglas Scott and Walter N.
Burton**

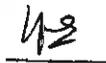
Respondents.

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT to the provisions of Chapter 501, Part II, Florida Statutes, Florida's Deceptive and Unfair Trade Practices Act, the **OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS**, hereinafter referred to as the Attorney General, caused an inquiry to be made into the business and advertising practices of **Platinum Television Group, Inc. and New Line Media Solutions, Inc.**, Florida corporations doing business in Florida, whose business addresses are 1000 E. Hillsboro Blvd., Suite 105, Deerfield Beach, FL 33441 and 1000 E. Hillsboro Blvd., Suite 205, Deerfield Beach, FL 33441 respectively, **Paul Douglas Scott and Walter Burton**, hereinafter referred to as Respondents.

IT APPEARS that Respondents are willing to enter into this Assurance of Voluntary Compliance, hereinafter referred to as **Assurance**, without any admission that Respondents have


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Assurance of Voluntary Compliance, AG Case # L06-3-1151

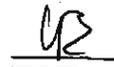
violated Florida's Deceptive and Unfair Trade Practices Act or any other law and for the purpose of settlement in this matter only, and the Attorney General, by and through its undersigned Assistant Attorney General being in agreement, does in this matter accept this Assurance in termination of this inquiry pursuant to Section 501.207(6), Florida Statutes (2006), and by virtue of the authority vested in the Attorney General by said statute.

FACTUAL BACKGROUND

Platinum Television Group, Inc. (hereinafter referred to as "Platinum") and New Line Media Solutions, Inc. (hereinafter referred to as "New Line") were incorporated, operated and controlled by Paul Douglas Scott and Walter N. Burton. In the year 2005, Walter Burton sold his ownership interest in these entities and had no further control over their operations or procedures. Both entities provided essentially the same services to the public and both utilized essentially the same business practices.

Platinum and New Line produced magazine style television shows which were aired on national and regional television networks. Potential clients from Florida and throughout the United States were contacted telephonically by "creative directors." These creative directors were actually sales persons who attempted to solicit businesses into signing business contracts with Platinum and New Line. For a "licensing fee" of approximately \$20,000.00 (more, in some cases), a short 5-7 minute feature of the business would be produced and inserted into a previously produced magazine style show. The businesses were usually told that the show would


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air on a combination of national and regional broadcast networks.

The present investigation concerned allegations that the Respondents engaged in certain practices in violation of F.S. 501, Part II. Among these practices:

- a) Respondents made misrepresentations regarding sponsorships by national companies such as Microsoft and Home Depot and falsely represented that these sponsorships paid for the production and airing of the subject programs.
- b) Respondents falsely implied that clients would be receiving multiple national airings of their spots and
- c) Respondents falsely represented the participation of "Advisory Boards" consisting of members such as MIT and Harvard Business School.

IT IS HEREBY AGREED by the parties that Respondents and their representatives, agents, employees or any other person who act under, by, through or on behalf of Respondents, directly or indirectly, or through any corporate or other device, shall hereby comply with and have actual knowledge of Chapter 501, Part II, Florida Statutes (2006), the Florida Deceptive and Unfair Trade Practices Act.

IT IS FURTHER AGREED by the parties that;

1. Respondents shall make no false representations relating to the size or success of their companies, nor shall they state that their programs have received praise or acclaim from outside persons or entities when that is not the case.


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2. Respondents shall not have their salespersons identify themselves as “creative directors” or in any other manner that would imply that they are responsible for the creative content of any television show or production.
3. Respondents shall not state nor imply that a potential client is competing with another potential client or clients for a position or placement in a television show produced or aired by Respondents.
4. Respondents shall make no false statement relating to sponsorship of shows.
5. Respondents shall not falsely state nor imply that a potential client’s proposed contract is subject to an exaggerated approval process, where such statements are intended to create a false impression that acceptance is based on factors other than an ability to pay.
6. Respondents shall not state nor imply that the cost of production or airing of a client’s segment will be covered by any source other than the client’s fee, program revenues and national sponsorships (if that is, in fact, the case).
7. Respondents shall not represent the fee paid by a potential client solely as a “licensing fee” or as a “copyright fee.”
8. Respondents shall not represent themselves to be any national news, cable or broadcast network, nor shall Respondents represent that they are “associated” with any such network.
9. Respondents shall not represent the existence of company or television show


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"Advisory Boards" unless said boards actually exist and provide input and advice on a continuing basis. Any member of a company or television show advisory board must consent, in writing, to serve in such capacity and must further consent in writing to the use of their names in company or television show promotional materials. Records relating to these boards and their members shall be maintained by the companies and shall be made available for inspection upon reasonable request by the Office of the Attorney General.

10. Respondents shall specifically disclose to the potential client, at the time a proposed contract or business agreement is tendered for consideration, the exact number of national airings due the client pursuant to that contract and the approximate time of day or night said airings will take place and the networks on which those shows will air.

11. The Respondents shall specifically disclose to the potential client, at the time a proposed contract or business agreement is tendered for consideration, the exact number of regional airings due the client pursuant to that contract.

12. The companies shall maintain, in each client's file, proof of purchase of air time for any and all airings of a company television show containing a segment relating to said client. Notices of upcoming airings, including times, dates and market locations shall be provided to all clients in advance of said airings. Once the companies have aired all of the segments due a particular client pursuant to the contract, the companies shall, within ninety (90) days, submit to the client a statement of completion, summarizing all such airings.


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13. Unless otherwise agreed to by the client in writing, all airings of client segments shall be within the contracted one-half hour magazine format.

14. Any and all contracts between the companies and clients shall include:

- a) The exact number of national airings due pursuant to the agreement and the name(s) of the network/station(s) on which said airing(s) will take place.
- b) The exact number of regional airings due pursuant to the agreement and the name(s) of the network/station(s) on which said airing(s) will take place.
- c) The date prior to which all airings of the client's program or segment will take place. All airings of a client's program will take place within one year of the contract date except in cases where the client agrees in writing with a modification or in instances where the client's conduct prohibits airing as scheduled.

15. In furtherance of any collection activities, the companies shall not exaggerate the amount of work performed for a given client, nor shall they exaggerate the potential damages that might be suffered by the companies as the result of a client's breach.

IT IS FURTHER AGREED by the parties that, upon execution of this Assurance, Respondents shall be responsible for making the substantive terms and conditions of this agreement known to its officers, employees, agents, representatives, or any other persons that


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are substantially affected by this Assurance and are engaged in Respondents' business, projects and activities. The obligation imposed by this paragraph is continuing in nature and shall apply to new officers, employees, agents, representatives or any other persons as they become engaged in Respondents' business.

IT IS FURTHER AGREED by the parties that the Respondents shall not effect any change in the form of doing business or its organizational identity as a method of avoiding the terms and conditions set forth in this Assurance.

IT IS FURTHER AGREED by the parties that future violations of this Assurance of Voluntary Compliance are by statute prima facie evidence of a violation of Chapter 501, Part II, Florida Statutes, and will subject the Respondents to any and all civil penalties and sanctions provided by law, as well as attorneys fees and costs.

IT IS FURTHER AGREED by the parties that, as Respondent Walter N. Burton is no longer associated with the Respondent business entities and as he is not currently engaged in the business described within this AVC, he shall be allowed to engage in this business at a future date. In the event that he engages in such business activities, he will be subject to the provisions of this Assurance relating to business practices and procedure.

IT IS FURTHER AGREED by the parties that Respondent PLATINUM, NEW LINE and PAUL DOUGLAS SCOTT shall pay restitution to the persons or entities listed in Exhibit #1 of this Assurance in the amounts stated therein. Payments due pursuant to this provision shall be


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made in full prior to July 31, 2007.

IT IS FURTHER AGREED that the Respondents PLATINUM, NEW LINE and PAUL DOUGLAS SCOTT shall, within 60 days of the date of the effective date of this Assurance, establish a restitution fund in the total amount of \$75,000.00 for clients or former clients who file a complaint with the Office of the Attorney General during a period of 30 days subsequent to the effective date of this Assurance. At the end of this thirty day period, the Office of the Attorney General shall provide Respondents with such additional complaints. For any complaint so received, Respondents will conduct a complete accounting of the client's file in order to determine: a) the number of national and regional airings due the client pursuant to the contract and: b) the number of national and regional airings paid for by Respondents to television networks for the airing of programs featuring said client. In the event that Respondents PLATINUM, NEW LINE and PAUL DOUGLAS SCOTT are unable to establish that they, in fact, paid for a particular national or regional airing due pursuant to a contract, they shall immediately refund the client the sum of \$1,000.00 for each such national airing and \$500.00 for such each regional airing. No client shall be refunded an amount greater than that paid by the client to the Respondents. Respondents PLATINUM, NEW LINE and PAUL DOUGLAS SCOTT shall have a period of 30 days from the date of receipt of said complaint to the date of refund. Respondents shall provide the Office of the Attorney General with copies of all records pertaining to the resolution of said complaints. Should the contract be unclear as to the exact


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number of national airings due the client, it shall be assumed for the purposes of the restitution calculation that this number is two national airings. The \$75,000.00 restitution fund described herein shall be held and distributed by Tripp, Scott, P.A.. If no additional complaints are filed with the Office of the Attorney General within the aforesaid 30 day period, Tripp, Scott, P.A. shall return the \$75,000.00 restitution fund to Respondents. In the event claims are filed during this period, any remaining balance after said claims are paid shall be returned to the Respondents.

IT IS FURTHER AGREED by the parties that Respondents PLATINUM, NEW LINE and PAUL DOUGLAS SCOTT shall pay to the State of Florida, Office of the Attorney General, Department of Legal Affairs, the total sum of One Hundred Thousand Dollars (\$100,000.00), pursuant to Section 501.2105, Florida Statutes, said payment to represent costs and investigative fees. Payment shall be made by check made payable to **Office of the Attorney General, Legal Affairs Revolving Trust Fund** and shall be sent, with this agreement, by certified mail to South Florida Economic Crimes Bureau Chief, Robert Julian, Office of the Attorney General, 110 SE 6th Street, Ninth Floor, Fort Lauderdale, FL 33301 prior to May 31, 2007. In addition to the forgoing, Respondents shall make a check payable to the State of Florida Legal Affairs Revolving Trust Fund for use pursuant to Section 501.2101, Florida Statutes, in the aggregate amount of One Hundred Thousand Dollars (\$100,000.00) for costs associated with ongoing and future enforcement initiatives pursuant to chapter 501, Part II, Florida Statutes. Said payment shall be sent by certified mail to South Florida Economic Crimes Bureau Chief, Robert Julian,


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Assurance of Voluntary Compliance, AG Case # L06-3-1151

Office of the Attorney General, 110 SE 6th Street, Ninth Floor, Fort Lauderdale, FL 33301 prior to May 31, 2007.

IT IS FURTHER AGREED by the parties that Respondent WALTER N. BURTON shall make a check payable to the State of Florida Legal Affairs Revolving Trust Fund for use pursuant to Section 501.2101, Florida Statutes, in the aggregate amount of One Hundred and Seventy Five Thousand Dollars (\$175,000.00) for costs associated with ongoing and future enforcement initiatives pursuant to chapter 501, Part II, Florida Statutes. Said payment shall be sent by certified mail to South Florida Economic Crimes Bureau Chief, Robert Julian, Office of the Attorney General, 110 SE 6th Street, Ninth Floor, Fort Lauderdale, FL 33301 prior to June 30, 2007

IT IS FURTHER AGREED by the parties that this Assurance shall become effective upon its execution by the parties. Acceptance by the Office of the Attorney General shall be established by the signature of the Deputy Attorney General. The receipt or deposit by the Office of the Attorney General of any monies pursuant to the "Assurance" does not constitute acceptance by the Deputy Attorney General, and any monies received shall be returned if this Assurance is not executed by the Deputy Attorney General.

IT IS FURTHER AGREED by the Parties that Respondents and their representatives, agents, employees or any other person who acts under, by, through, or on behalf of Respondents, directly or indirectly, or through any corporate or other device, shall not represent or imply that


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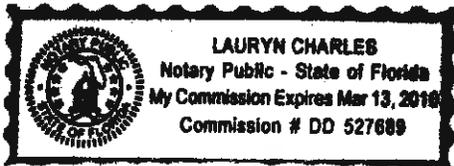

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Assurance of Voluntary Compliance, AG Case # L06-3-1151

any advertisement, business practice or activity used or engaged in by Respondents has been approved, in whole or in part, by the Office of the Attorney General.

IN WITNESS WHEREOF, the Respondents Platinum Television Group, Inc., New Line Media Solutions, Inc., Paul Douglas Scott and Walter N. Burton have caused this Assurance of Voluntary Compliance to be executed by Douglas Scott, Individually and as President/Director of Platinum Television Group, Inc. and New Line Media Solutions, Inc. and individually by Walter N. Burton as a true act and deed in Broward County, Florida, this 1st day of May, 2007.

By my signature I, Paul Douglas Scott, hereby affirm that I am acting in my capacity and within my authority as President of Platinum Television Group, Inc. and New Line Media Solutions, Inc. and that by my signature I am binding the corporation to this Assurance.



Paul Douglas Scott
Paul Douglas Scott, individually and as President of Platinum Television Group, Inc. and New Line Media Solutions, Inc.

STATE OF FLORIDA)
COUNTY OF BROWARD)

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida personally appeared, Paul Douglas Scott, Individually and as President of Platinum Television Group, Inc. and New Line Media Solutions, Inc., and he acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the 1st day of May, 2007.

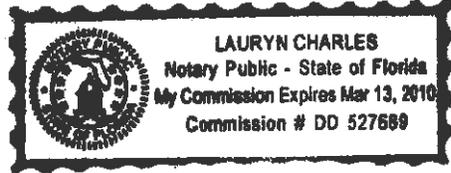
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Assurance of Voluntary Compliance, AG Case # L06-3-1151

Laury Charles
NOTARY PUBLIC

Laury Charles
(print, type, or stamp commissioned Notary Public
Personally known _____ or Produced Identification
 (check one)



Type of Identification Produced: FLDL

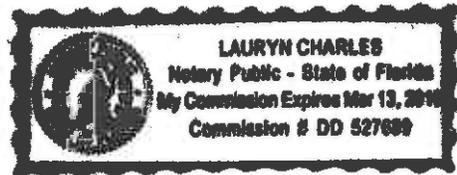
Walter N. Burton
Walter N. Burton

STATE OF FLORIDA)
COUNTY OF BROWARD)

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida personally appeared, Walter N. Burton, Individually and as President of Platinum Television Group, Inc. and New Line Media Solutions, Inc., and he acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the 1st day of May, 2007.

Laury Charles
NOTARY PUBLIC

Laury Charles
(print, type, or stamp commissioned Notary Public
Personally known _____ or Produced Identification
 (check one)

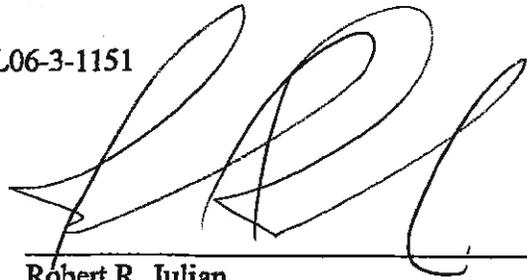


Type of Identification Produced: FLDL

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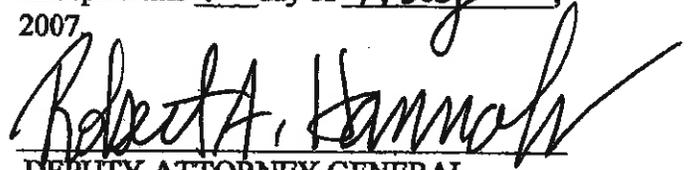
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Assurance of Voluntary Compliance, AG Case # L06-3-1151



Robert R. Julian
Economic Crimes Bureau Chief
South Florida Region

Accepted this 10th day of May,
2007.



DEPUTY ATTORNEY GENERAL
The Capitol
Tallahassee, Florida 32399-1050



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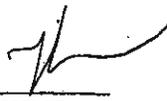
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EXHIBIT #1

CLIENT COMPANY	RESTIT.	
ADVANCED CONCEPTS IN MEDICINE	0.00	As per complaint
A.N. DERINGER	\$9,850.00	One half fee.
ASPIRE TECHNOLOGIES	0.00	File contained POA
BODY BIO	\$2,000.00	Total paid - no airings
DURACO, INC.	\$10,070.50	One half fee
E-AVELAR HISPANICS MARKETING, INC.	\$16,000.00	Total paid - no airings
GRAND CRAFT, LLC	0.00	As per complaint
IMPAC, INC. (Innovative Machinery Packaging)	\$9,850.00	One half fee
JAZZ TOYS, LTD.	\$9,850.00	One half fee
MOUNTAIN MEADOW BOTANICALS	\$9,850.00	One half fee
NATURAL IMMUNOGENICS	\$19,700.00	Total fee - No airings
NEW MISSION SYSTEMS, INT.	\$9,778.00	One half fee
PRESIDENTIAL BILLIARDS	\$14,063.00	One half fee
SWAROVSKI	0.00	
TEXAS HOT RODS, LLC	\$4,925.00	One half fee


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