

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

Case No. 1:22-cv-23760

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DK AUTOMATION LLC, a limited liability
company,

AMZ AUTOMATION LLC, a limited liability
company,

THATLIFESTYLENINJA LLC, a limited liability
company,

PROFICIENT SUPPLY LLC, a limited liability
company,

DIGITAL NINJAZ LLC, a limited liability
company,

ZONBASE, INC., a Delaware corporation,

KEVIN DAVID HULSE, a/k/a Kevin David,
individually and as an officer of DK
AUTOMATION LLC, AMZ AUTOMATION
LLC, THATLIFESTYLENINJA LLC, DIGITAL
NINJAZ LLC, and ZONBASE, INC., and

DAVID SHAWN ARNETT, individually and as
an officer of DK AUTOMATION LLC, AMZ
AUTOMATION LLC, and PROFICIENT
SUPPLY LLC,

Defendants.

**STIPULATED ORDER FOR PERMANENT INJUNCTION,
MONETARY JUDGMENT, AND OTHER RELIEF**

Plaintiff, the Federal Trade Commission (“Commission”), filed its Complaint for Permanent Injunction, Monetary Relief, Civil Penalties, and Other Relief (“Complaint”), for a permanent injunction, monetary relief, civil penalties, and other relief in this matter, pursuant to Sections 5(m)(1)(A)-(B), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(m)(1)(A)-(B), 53(b), and 57b. The Commission and Defendants stipulate to the entry of this Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive and unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities,” 16 C.F.R. Part 437, as amended, the Consumer Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b, and prior Commission determinations concerning unfair and deceptive acts or practices in commerce in connection with the marketing, distribution, promotion, and sale of goods and services, including business opportunities and training programs.
3. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to

establish jurisdiction.

4. Defendants waive and release any claims that they may have against the Commission that relate to this action, and they agree to bear their own costs and attorney fees.
5. Defendants and the Commission waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

- A. **“Business Coaching Program”** means any product or service, including any program or plan, that is represented, expressly or by implication, to train or teach a consumer how to establish, operate, or improve a business.
- B. **“Business Opportunity”** means a commercial arrangement in which:
 1. A Seller solicits a prospective Purchaser to enter into a new business; and
 2. The prospective Purchaser makes a required payment; and
 3. The Seller, expressly or by implication, orally or in writing, represents that the Seller or one or more Designated Persons will:
 - (i) Provide locations for the use or operation of equipment, displays, vending machines, or similar devices, owned, leased, controlled, or paid for by the Purchaser; or
 - (ii) Provide outlets, accounts, or customers, including, but not limited to, Internet outlets, accounts, or customers, for the Purchaser’s goods or services; or
 - (iii) Buy back any or all of the goods or services that the Purchaser makes, produces, fabricates, grows, breeds, modifies, or provides, including but not

limited to providing payment for such services as, for example, stuffing envelopes from the Purchaser's home.

C. **"Covered Communication"** means a written, oral, or Pictorial review, performance assessment, or other similar analysis of goods or services, including conduct related to the goods or services.

D. **"Defendants"** means all of the Individual Defendants and the Corporate Defendants, individually, collectively, or in any combination.

1. **"Corporate Defendants"** means DK Automation, LLC, Amz Automation, LLC, THATLifeStyleNinja, LLC, Digital Ninjaz LLC, Zonbase, Inc., and Proficient Supply LLC and their successors and assigns.

2. **"Individual Defendants"** means Kevin David Hulse, a/k/a Kevin David, and David Shawn Arnett.

E. **"Designated Person"** means any person, other than the Seller, whose goods or services the Seller suggests, recommends, or requires that the Purchaser use in establishing or operating a new business.

F. **"Earnings Claim(s)"** means any oral, written, or visual representation to a prospective Purchaser that conveys, expressly or by implication, a specific level or range of actual or potential sales, or gross or net income or profits. Earnings claims include, but are not limited to: (a) any chart, table, or mathematical calculation that demonstrates possible results based upon a combination of variables; and (b) any statements from which a prospective Purchaser can reasonably infer that he or she will earn a minimum level of income (e.g., "earn enough money to buy a Porsche," "earn a six-figure income," or "earn your investment back within one year").

- G. **“EHR”** means Ecom Honors Reinsurance Co. Ltd., a non-party that is one-hundred percent (100%) owned by Individual Defendant David Shawn Arnett. EHR is a signatory to this Order solely for the purpose of stipulating to Sections V.C, VI.A, VI.D, and VI.E below.
- H. **“General Media”** means all print, electronic, internet, social networking, radio and other media outlets.
- I. **“Pictorial”** includes pictures, photographs, video, illustrations, and symbols.
- J. **“Prohibited Contract Provision”** means a contract provision used in the course of selling or leasing goods or services that:
1. prohibits or restricts the ability of a person who is a party to the contract to engage in a Covered Communication;
 2. imposes a penalty or fee against a person who is a party to the contract for engaging in a Covered Communication; or
 3. transfers, or requires a person who is a party to the contract to transfer, to any other person any intellectual property rights in a Covered Communication, with the exception of a non-exclusive license to lawfully use a covered communication about a Defendants’ goods, services, or conduct.
- K. **“Providing locations, outlets, accounts, or customers”** means furnishing the prospective Purchaser with existing or potential locations, outlets, accounts, or customers; requiring, recommending, or suggesting one or more locators or lead generating companies; providing a list of locator or lead generating companies; collecting a fee on behalf of one or more locators or lead generating companies;

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