

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

SAMUEL JAMES SMITH, also d/b/a Weblio,  
a/k/a Weblio Squeeze,

ROBERT WILLIAM SHAFER, also d/b/a Shafer  
MM&I, a/k/a MMI,

CHARLES JOSEPH GARIS, JR., individually  
and as an owner, officer, and/or manager of  
Business Revolution Group Inc., and also d/b/a  
Joe Gaines, and

BUSINESS REVOLUTION GROUP INC., a  
Pennsylvania Corporation, also d/b/a Joe Gaines,

Defendants.

Civil Action No. 23cv4848-GAM

**STIPULATED ORDER FOR PERMANENT INJUNCTION AND  
MONETARY JUDGMENT AGAINST DEFENDANT ROBERT WILLIAM SHAFER**

Plaintiff, the Federal Trade Commission (“FTC”), filed its Complaint for Permanent Injunction, Monetary Relief, and Other Relief (“Complaint”) pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108 (ECF No. 1) on December 8, 2023. The FTC and Defendant Robert William Shafer, also d/b/a Shafer MM&I, a/k/a MMI, stipulate to entry of this Stipulated Order for Permanent Injunction and Monetary Judgment (“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 Robert William Shafer and the other Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, the Telemarketing Act, 15 U.S.C. §§ 6101-6108, and the Telemarketing Sales Rule, 16 C.F.R. Part 310, including by marketing and selling purported business opportunities through the use of false and unsubstantiated claims that consumers who invested in such opportunities would earn substantial amounts of money.
3. Mr. Shafer neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Mr. Shafer admits the facts necessary to establish jurisdiction.
4. Mr. Shafer waives and releases any claims that he may have against the FTC that relate to this action through the date of this Order and agrees to bear his own costs and attorneys fees.
5. Mr. Shafer and the FTC 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. “**Assisting Others**” means providing assistance or support to any Person, including providing any of the following services: (a) performing customer service functions, including receiving or responding to consumer complaints; (b) formulating or providing, or arranging for the formulation or provision of any promotional material; (c) providing names of, or assisting in the

generation of, potential customers; (d) verifying, processing, fulfilling, or arranging for the fulfillment of orders; (e) hiring or recruiting personnel or others; (f) training personnel or others, including on the use of telephone calls that deliver a prerecorded message, including a Ringless Voicemail; (g) performing promotional or marketing services of any kind; (h) processing or arranging for processing of credit cards, debit cards, Automated Clearing House (ACH) debits, remotely-created checks, or payments through any other system; or (i) acting as a Webmaster or an Electronic Data Host.

B. **“Corporate Defendant”** means Business Revolution Group Inc., also d/b/a Joe Gaines.

C. **“Defendants”** means all of the Individual Defendants and the Corporate Defendant, individually, collectively, or in any combination.

D. **“Electronic Data Host”** means any Person in the business of storing, hosting, or otherwise maintaining electronically stored information. This includes any Person hosting a website or server, and any Person providing “cloud based” electronic storage.

E. **“Individual Defendants”** means Samuel J. Smith, also d/b/a Weblio, a/k/a Weblio Squeeze; Robert William Shafer, also d/b/a Shafer MM&I, a/k/a MMI; and Charles Joseph Garis, Jr., also d/b/a Joe Gaines, individually, collectively, or in any combination.

F. **“Investment Opportunity”** means anything, tangible or intangible, that is offered, offered for sale, sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation.

G. **“Money-Making Method”** means any method, process, or technique that is offered, offered for sale, or sold, based wholly or in part on representations, either express or

implied, that such method, process, or technique is non-generic or not generally available to the public, and will generate income for users or prospective purchasers.

H. “**Person**” means a natural person, organization, or other legal entity, including a corporation, limited liability company, partnership, proprietorship, association, cooperative, government or governmental subdivision or agency, or any other group or combination acting as an entity.

I. “**Ringless Voicemails**” means a prerecorded message delivered to consumers by calling their phone numbers in a way that typically does not cause their phones to ring and does not give consumers the opportunity to answer or block the incoming message.

J. “**Telemarketing**” means any plan, program, or campaign that is conducted to induce the purchase of goods or services by use of one or more telephone calls.

K. “**Webmaster**” means any Person who is responsible for the creation or maintenance of a website.

## **ORDER**

### **I. BAN ON THE SALE OF MONEY-MAKING METHODS**

IT IS **ORDERED** that Robert William Shafer is permanently restrained and enjoined from:

A. Creating, advertising, marketing, promoting, offering for sale, or selling or Assisting Others in creating, advertising, marketing, promoting, offering for sale, or selling any Money-Making Method, including by acting as a Webmaster or an Electronic Data Host;

B. (1) Providing the means and instrumentalities to others for creating, advertising, marketing, promoting, offering for sale, or selling or

(2) Assisting Others in providing the means and instrumentalities for creating, advertising, marketing, promoting, offering for sale, or selling any Money-Making Method; and

C. Holding, directly or through a third-Person, any ownership or other financial interest in any business entity

(1) that is creating, advertising, marketing, promoting, offering for sale, or selling or

(2) that Assists Others in creating, advertising, marketing, promoting, offering for sale, or selling any Money-Making Method or any good or service to assist in the creation or development of any Money-Making Method.

## **II. BAN ON THE SALE OF INVESTMENT OPPORTUNITIES**

IT IS FURTHER **ORDERED** that Robert William Shafer is permanently restrained and enjoined from:

A. (1) Creating, advertising, marketing, promoting, offering for sale, or selling or  
(2) Assisting Others in creating, advertising, marketing, promoting, offering for sale, or selling any Investment Opportunity, including by acting as a Webmaster or an Electronic Data Host;

B. (1) Providing the means and instrumentalities to others for creating, advertising, marketing, promoting, offering for sale, or selling or  
(2) Assisting Others in providing the means and instrumentalities for creating, advertising, marketing, promoting, offering for sale, or selling any Investment Opportunity; and

- C. (1) Holding, directly or through an intermediary, any ownership or other financial interest in any business entity that is creating, advertising, marketing, promoting, offering for sale, or selling or
- (2) that Assists Others in creating, advertising, marketing, promoting, offering for sale, or selling any Investment Opportunity or any good or service to assist in the creation or development of an Investment Opportunity. Provided, however, that it is not a violation of this Order for Mr. Shafer to own a non-controlling interest in a publicly-traded company that engages in the conduct proscribed in this Section.

### **III. BAN ON TELEMARKETING**

IT IS FURTHER **ORDERED** that Robert William Shafer is permanently restrained and enjoined from participating in Telemarketing, whether directly or through an intermediary, including by providing the means and instrumentalities to others to participate in Telemarketing. Provided, however, that it is not a violation of this Order for Mr. Shafer to own a non-controlling interest in a publicly-traded company that engages in Telemarketing.

### **IV. PROHIBITION AGAINST MISREPRESENTATIONS OR UNSUBSTANTIATED CLAIMS**

IT IS FURTHER **ORDERED** that Robert William Shafer, his agents, employees, and representatives, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any good or service are permanently restrained and enjoined from misrepresenting, or Assisting Others in misrepresenting, expressly or by implication, any material fact, including (1) through the use of any business, trade, or program name, endorsement, or testimonial, or (2) by providing others with the means and instrumentalities with which to

misrepresent any material fact, including any fact material to consumers concerning any good or service, such as:

- A. the total costs to purchase, receive, or use, and the quantity of any good or service;
- B. any material restriction, limitation, or condition to purchase, receive, or use goods or services subject to a sales offer;
- C. any material aspect of the performance, efficacy, nature, or central characteristics of goods or services subject to a sales offer; and
- D. any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy.

**V. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

IT IS FURTHER **ORDERED** that:

A. Judgment in the amount of \$7,506,218.54 is entered in favor of the FTC and against Robert William Shafer, also d/b/a Shafer MM&I, a/k/a MMI, as monetary relief. This judgment is joint and several with the judgment against Samuel J. Smith, by separate order entered on May 31, 2024, in this action. *See* ECF No. 40.

B. In partial satisfaction of the judgment against him, Mr. Shafer is ordered to pay to the FTC \$10,000, which, Mr. Shafer stipulates, his counsel holds in escrow for no purpose other than payment to the FTC. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of the FTC.

C. In partial satisfaction of the judgment against Mr. Shafer:

- 1. Bank of America, N.A. is ordered to transfer to the FTC all funds held in the following accounts by electronic fund transfer or cashier's check in accordance

with instructions provided by a representative of the FTC. The funds must be transferred within 7 days of the entry of this Order.

- a. Account XXXXXXXXX3812 in the name of Robert W. Shafer d/b/a Shafer MM&I;
- b. Account XXXXXXXXX5800 in the names of Robert W. Shafer and Janice M. Shafer; and
- c. Account XXXXXXXXX9227 in the names of Robert W. Shafer and Rene A. Shafer.

2. Ever \$ Green Federal Credit Union is ordered to transfer to the FTC all funds held in Account XXXX2257 in the name of Robert W. Shafer by electronic fund transfer or cashier's check in accordance with instructions provided by a representative of the FTC. The funds must be transferred within 7 days of the entry of this Order.

3. ESL Federal Credit Union is ordered to transfer to the FTC all funds held in Account XXXXXX8617 in the name of Robert William Shafer by electronic fund transfer or cashier's check in accordance with instructions provided by a representative of the FTC. The funds must be transferred within 7 days of entry of this Order.

D. Upon completion of the payment and transfers identified in Subsections B and C of this Section, the remainder of the judgment against Mr. Shafer is suspended, subject to the Subsections below.

E. The FTC's agreement to the suspension of part of the judgment against Mr. Shafer is expressly premised upon the truthfulness, accuracy, and completeness of Mr. Shafer's sworn



financial statement and related documents (collectively “financial attestations”) submitted to the FTC, namely:

1. The Financial Statement of Individual Defendant Robert William Shafer dated April 1, 2024, including pages 1-3 attached and the Second Updated Addendum to Financial Statement of Individual for Defendant Robert Shafer, dated May 11, 2024;
2. Declaration of Robert Shafer dated December 26, 2023;
3. 2020 U.S. Individual Tax Return (Form 1040) of Robert Shafer, undated, including Schedule 1, Schedule 2, Schedule C, Schedule SE, and Form 8995.
4. 2020 New York Resident Income Tax Return (Form IT-201) of Robert Shafer, undated.
5. 2021 U.S. Individual Tax Return (Form 1040) of Robert Shafer, dated April 9, 2022, including Schedule 1, Schedule 2, Schedule C, Schedule SE, and Form 8995.
6. 2021 New York Resident Income Tax Return (Form IT-201) of Robert Shafer, dated April 9, 2022.
7. 2022 U.S. Individual Tax Return (Form 1040) of Robert Shafer, undated, including Schedule 1, Schedule 2, Schedule C, Schedule SE, and Form 8995.
8. 2021 New York Resident Income Tax Return (Form IT-201) of Robert Shafer, undated.

F. The suspension of the judgment against Mr. Shafer will be lifted if, upon motion by the FTC, the Court finds that (1) Mr. Shafer failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the

financial attestations identified above or (2) Mr. Shafer is in default on any obligation under this Section.

G. If the suspension of the judgment is lifted, the judgment becomes immediately due in the amount specified in Subsection A above (which the parties stipulate only for the purposes of this Section represents the consumer injury alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

H. Mr. Shafer relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

I. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the FTC, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

J. The facts alleged in the Complaint establish all elements necessary to sustain an action by the FTC pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

K. Mr. Shafer acknowledges that his Social Security Number, which he previously submitted to the FTC, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

L. All money received by the FTC pursuant to this Order may be deposited into a fund administered by the FTC or its designee to be used for consumer relief, such as redress and any attendant expenses for the administration of any redress fund. If a representative of the FTC decides that direct redress to consumers is wholly or partially impracticable or money remains

after such redress is completed, the FTC may apply any remaining money for such related relief (including consumer information remedies) as it determines to be reasonably related to Mr. Shafer's practices alleged in the Complaint. Any money not used for relief is to be deposited to the U.S. Treasury. Mr. Shafer has no right to challenge any actions the FTC or its representatives may take pursuant to this Subsection.

M. The freeze of Mr. Shafer's assets imposed under Section IV of the Preliminary Injunction issued on January 30, 2024, (ECF No. 27), is modified to permit the payment and transfers identified in Subsections B and C of this Section. Upon completion of such payments and/or transfers, the asset freeze imposed under the January 30, 2024, Preliminary Injunction (ECF No. 27) is dissolved as to Mr. Shafer.

N. Mr. Shafer must fully cooperate with the FTC as to the asset freeze. Mr. Shafer must take all steps reasonable or necessary to assist in the transfer of each asset identified in Subsection C. If requested to execute appropriate documents to transfer any asset identified in Subsection C of this Section, Mr. Shafer must execute such documents within three days of a written request from a representative of the FTC.

## **VI. BAN ON USE OF CUSTOMER INFORMATION**

IT IS FURTHER **ORDERED** that Robert William Shafer, his agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale any good or service are permanently restrained and enjoined from:

A. Failing to provide sufficient customer information to enable the FTC to efficiently administer consumer redress. Mr. Shafer represents that he has provided this redress information to the FTC, including all information within his possession, custody, or control, whether

maintained by vendors or any other Person. If a representative of the FTC requests in writing any information related to redress, Mr. Shafer must provide it if within his possession, custody, or control, in the form prescribed by the FTC, within 14 days.

B. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order in connection with the marketing or sale of any good or service; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the FTC.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

## **VII. COOPERATION**

IT IS FURTHER **ORDERED** that Robert William Shafer must fully cooperate with representatives of the FTC in this case and in any investigation related to or associated with the transactions or the occurrences that are the subject of the Complaint. Mr. Shafer must provide truthful and complete information, evidence, and testimony. Mr. Shafer must appear for interviews, discovery, hearings, trials, and any other proceedings that an FTC representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as an FTC representative may designate, without the service of a subpoena.

## **VIII. ORDER ACKNOWLEDGMENTS**

IT IS FURTHER ORDERED that Robert William Shafer obtain acknowledgments of receipt of this Order:

A. Mr. Shafer, within 7 days of entry of this Order, must submit to the FTC an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 15 years after entry of this Order, Mr. Shafer for any business that he is the majority owner of or controls directly or indirectly, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of this Order and all agents and representatives who participate in conduct related to the subject matter of this Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which Mr. Shafer delivered a copy of this Order, Mr. Shafer must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

## **IX. COMPLIANCE REPORTING**

IT IS FURTHER **ORDERED** that Robert William Shafer make timely submissions to the FTC:

A. One year after entry of this Order, Mr. Shafer must submit a compliance report, sworn under penalty of perjury:

1. Mr. Shafer must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which he performs services whether as an employee or

otherwise and any entity in which he has any ownership interest; (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership; (d) identify his primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the FTC may use to communicate with him; (e) identify all of his businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (f) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales; (g) describe in detail whether and how he is in compliance with each Section of this Order; and (h) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the FTC.

B. For 15 years after entry of this Order, Mr. Shafer must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Mr. Shafer must report any change in: (a) name, including aliases or fictitious names; (b) any designated point of contact; (c) title or role in any business activity, including any business for which he performs services whether as an employee or otherwise and any entity in which he has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity; or (d) the structure of any entity that Mr. Shafer has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

C. Mr. Shafer must submit to the FTC notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against him within 14 days of its filing.

D. Any submission to the FTC required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by an FTC representative in writing, all submissions to the FTC pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Smith, et al. (Robert William Shafer), No. 23-cv-4848 (X240020).

**X. RECORDKEEPING**

IT IS FURTHER ORDERED that Robert William Shafer must create certain records for 15 years after entry of the Order and retain each such record for 5 years. Specifically, Mr. Shafer for any business that he is majority owner or controls directly or indirectly must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each Person providing services, whether as an employee or otherwise, that Person’s: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each provision of this

Order, including all submissions to the FTC;

E. a copy of each unique advertisement or other marketing material; and

F. customer files obtained after entry of this Order, including those recorded on a customer relationship management database, also known as a “CRM,” showing the names, addresses, telephone numbers, dollar amounts paid, and the quantity of goods or services purchased, to the extent such information is obtained in the ordinary course of business.

#### **XI. COMPLIANCE MONITORING**

IT IS FURTHER ORDERED that, for the purpose of monitoring Robert William Shafer’s compliance with this Order, including the financial attestations upon which part of the judgment was suspended and any failure to transfer any assets as required by this Order:

A. Within 14 days of receipt of a written request from a representative of the FTC, Mr. Shafer must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The FTC is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including depositions by remote means), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the FTC is authorized to communicate directly with Mr. Shafer. The FTC will use reasonable efforts to also communicate with or copy any known counsel. Mr. Shafer must permit representatives of the FTC to interview any employee or other Person affiliated with Mr. Shafer who has agreed to such an interview. The Person interviewed may have counsel present.

C. The FTC may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Mr. Shafer or any



individual or entity affiliated with him, without the necessity of identification or prior notice. Nothing in this Order limits the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the FTC, any consumer reporting agency must furnish consumer reports concerning Mr. Shafer, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

## **XII. RETENTION OF JURISDICTION**

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

**SO ORDERED this 7th day of August, 2024.**

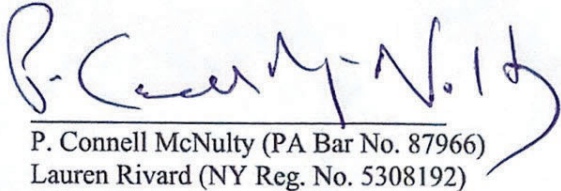
/s/ Gerald Austin McHugh  
HON. GERALD A. McHUGH  
UNITED STATES DISTRICT JUDGE

[The parties' signatures to this Stipulated Order follow on the next page.]

**SO STIPULATED AND AGREED:**

**FOR PLAINTIFF:**

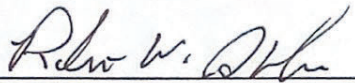
**FEDERAL TRADE COMMISSION**



Date: 8-2-24

P. Connell McNulty (PA Bar No. 87966)  
Lauren Rivard (NY Reg. No. 5308192)  
Federal Trade Commission  
600 Pennsylvania Ave., NW, Mailstop CC-6316  
Washington, DC 20580  
McNulty: (202) 326-2061 / pmcnulty@ftc.gov  
Rivard: (202) 326-2450 / lrivard@ftc.gov

**DEFENDANT ROBERT WILLIAM SHAFER,  
also d/b/a Shafer MM&I, a/k/a MMI**

  
\_\_\_\_\_  
Robert William Shafer

Date: 6/5/24