

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS

Federal Trade Commission, and
State of Ohio ex rel. Attorney General
Dave Yost,

Plaintiffs,

v.

Educare Centre Services, Inc., a New
Jersey corporation, also dba Credit Card
Services, Card Services, Credit Card
Financial Services, Care Net, Tripletel
Inc., Revit Educ Srvc, L.L. Vision, Care
Value Services, and Card Value Services,

Tripletel, Inc., a Delaware
corporation,

Prolink Vision, S.R.L., a
Dominican Republic limited
liability company,

9896988 Canada Inc., a
Canadian company,

Globex Telecom, Inc., a Nevada
corporation,

9506276 Canada, Inc., dba
Globex Telecom, Inc., a Canadian
company,

Sam Madi, individually and as
an owner, officer, member, and/or
manager of Educare Centre
Services, Inc.,

Mohammad Souheil a/k/a
Mohammed Souheil and Mike
Souheil, individually and as an
owner, officer, member, and/or
manager of Educare Centre
Services, Inc., 9896988 Canada,
Inc., Globex Telecom, Inc.,

EP-19-CV-196-KC

[PROPOSED]
STIPULATED ORDER FOR
PERMANENT INJUNCTION AS TO
DEFENDANT CHARLES KHAROUF

1 9506276 Canada, Inc., and
2 Prolink Vision, S.R.L.,

3 **Wissam Abedel Jalil a/k/a Sam**
4 **Jalil**, individually and as an
5 owner, officer, member, and/or
6 manager of Tripletel, Inc., and
7 Prolink Vision, S.R.L.,

8 **Charles Kharouf**, individually
9 and as an owner, officer, member,
10 and/or manager of Educare
11 Centre Services, Inc., and
12 Prolink Vision, S.R.L.,

13 **Defendants.**

14 Plaintiffs, the Federal Trade Commission (“FTC” or “Commission”) and the State
15 of Ohio, (collectively, “Plaintiffs”) filed its First Amended Complaint for Permanent
16 Injunction and Other Equitable Relief (ECF No. 81) pursuant to Section 13(b) of the FTC
17 Act, 15 U.S.C. § 53(b), the Telemarketing and Consumer Fraud and Abuse Prevention
18 Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, the Ohio Consumer Sales Practices
19 Act (“CSPA”), O.R.C. 1345.07, and the Ohio Telephone Solicitation Sales Act
20 (“TSSA”), O.R.C. 4719.01 *et seq.* Plaintiffs and Defendant Charles Kharouf stipulate to
21 the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment
22 (“Order”) to resolve all matters in dispute in this action between them.

23 THEREFORE, IT IS ORDERED as follows:

24 **FINDINGS**

- 25 1. This Court has jurisdiction over this matter.
- 26 2. The First Amended Complaint charges that Kharouf participated in acts or
27 practices that violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Telemarketing
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1 Sales Rule ("TSR"), 16 C.F.R. Part 310, the Ohio CSPA, O.R.C. 1345.01 *et seq.*, and the
2 Ohio TSSA, O.R.C. 4719.01 *et seq.*

3 3. Kharouf neither admits nor denies any of the allegations in the First Amended
4 Complaint, except as specifically stated in this Order. Only for purposes of this action,
5 Kharouf admits the facts necessary to establish jurisdiction.

6 4. Kharouf waives any claim that he may have under the Equal Access to Justice
7 Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this
8 Order, and agree to bear his own costs and attorney fees.

9 5. Kharouf and Plaintiffs waive all rights to appeal or otherwise challenge or contest
10 the validity of this Order.
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12 DEFINITIONS

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

14 A. "**Debt Relief Product or Service**" means any product, service, plan or program
15 represented, expressly or by implication, to renegotiate, settle, or in any way alter the
16 terms of payment or other terms of the debt or obligation between a consumer and one or
17 more creditors or debt collectors, including a reduction in the balance, interest rate, or
18 fees owed by a consumer to a creditor or debt collector.

19 B. "**Defendants**" means Prolink Vision, S.R.L., 9896988 Canada, Inc., Educare
20 Centre Services, Inc., Tripletel, Inc., Mohammad Souheil, Sam Madi, Charles Kharouf,
21 Wissam Jalil, Globex Telecom, Inc., and 9506276 Canada, Inc., individually,
22 collectively, or in any combination.

23 C. "**Document**" is synonymous in meaning and equal in scope to the usage of
24 "document" and "electronically stored information" in Federal Rule of Civil Procedure
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1 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs,
2 sound and video recordings, images, Internet sites, web pages, websites, electronic
3 correspondence, including e-mail and instant messages, contracts, accounting data,
4 advertisements, FTP Logs, Server Access Logs, books, written or printed records,
5 handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and
6 business canceled checks and check registers, bank statements, appointment books,
7 computer records, customer or sales databases and any other electronically stored
8 information, including Documents located on remote servers or cloud computing
9 systems, and other data or data compilations from which information can be obtained
10 directly or, if necessary, after translation into a reasonably usable form. A draft or non-
11 identical copy is a separate Document within the meaning of the term
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14 D. **“Person”** means any natural person or any entity, corporation, partnership, or
15 association of persons.

16 E. **“Seller”** means any Person who, in connection with a Telemarketing transaction,
17 provides, offers to provide, or arranges for others to provide goods or services to a
18 customer in exchange for consideration.

19 F. **“Telemarketer”** means any Person who, in connection with Telemarketing,
20 initiates or receives telephone calls to or from a customer or donor.

21 G. **“Telemarketing”** means any plan, program, or campaign that is conducted to
22 induce the purchase of goods or services or a charitable contribution by use of one or
23 more telephones.
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ORDER

I. DEBT RELIEF PRODUCT OR SERVICE BAN

IT IS THEREFORE ORDERED that Charles Kharouf is permanently restrained and enjoined from advertising, marketing, promoting, or offering for sale, or assisting in the advertising, marketing, promoting, or offering for sale of any Debt Relief Product or Service, including any credit card interest rate reduction service.

II. TELEMARKETING BAN

IT IS FURTHER ORDERED that Charles Kharouf is permanently restrained and enjoined from participating in Telemarketing to the United States, whether directly or through an intermediary.

III. PROHIBITED MISREPRESENTATIONS AND OMISSIONS

IT IS THEREFORE ORDERED that Charles Kharouf, and all other Persons in active concert or participation with him, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or offering for sale of any goods or services, are restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including, but not limited to:

A. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any of the following:

1. Any material aspect of the nature or terms of the Seller's refund, cancellation, exchange, or repurchase policies; or
2. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations or conditions; or any

1 material aspect of its performance, efficacy, nature, or central characteristics;

2 B. Representing, or assisting others in representing, expressly or by implication, the
3 benefits, performance, or efficacy of any good or service, unless the representation is
4 non-misleading, and, at the time such representation is made, Kharouf possesses and
5 relies upon competent and reliable evidence to substantiate that the representation is true.
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7 **IV. PROHIBITIONS ON VIOLATING THE OHIO CSPA AND TSSA**

8 **IT IS FURTHER ORDERED** that Charles Kharouf and all other Persons in
9 active concert or participation with them, who receive actual notice of this Order by
10 personal service or otherwise, whether acting directly or indirectly, are permanently
11 restrained and enjoined from engaging in unfair or deceptive acts or practices in violation
12 of the Ohio CSPA, R.C. 1345.01 *et seq.* and the Ohio TSSA, O.R.C. 4719.01 *et seq.*
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14 **V. EQUITABLE MONETARY JUDGMENT AND SUSPENSION**

15 **IT IS FURTHER ORDERED that:**

16 A. Judgment in the amount of **Seven Million Five Hundred Thousand Dollars**
17 **(\$7,500,000.00)** is entered in favor of Plaintiffs against Charles Kharouf as equitable
18 monetary relief. The judgment is suspended subject to the conditions set forth in
19 Subsections B-D of this Section.
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21 B. Plaintiffs' agreement to the suspension of the judgment as to Charles Kharouf is
22 expressly premised upon the truthfulness, accuracy, and completeness of the sworn
23 financial statement and related documents (collectively, "financial representations")
24 submitted to the Commission by Charles Kharouf, including:

- 25
- 26 1. The Financial Statement of Charles Kharouf as last updated and signed on
27 August 27, 2019;
 - 28 2. The Declaration of Charles Kharouf dated July 17, 2020; and

1 D. Charles Kharouf acknowledges that his Taxpayer Identification Numbers (Social
2 Security Numbers or Employer Identification Numbers) or equivalent, which he
3 previously submitted to the Commission, may be used for collecting and reporting on any
4 delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

5 E. All money paid to the Plaintiffs pursuant to this Order may be deposited into a
6 fund administered by the Commission or its designee on behalf of the Commission and
7 the State of Ohio to be used for equitable relief, including consumer redress and any
8 attendant expenses for the administration of any redress fund. If a representative of the
9 Plaintiffs decides that direct redress to consumers is wholly or partially impracticable or
10 money remains after redress is completed, the Plaintiffs may apply any remaining money
11 for such other equitable relief (including consumer information remedies) as it
12 determines to be reasonably related to Defendants' practices alleged in the First Amended
13 Complaint. Any money not used for such equitable relief shall be divided between the
14 Commission and the State of Ohio to be deposited to the U.S. Treasury as disgorgement
15 and to the Ohio Attorney General's Telemarketing Fraud Enforcement Fund. Charles
16 Kharouf has no right to challenge any actions the Plaintiffs or their representatives may
17 take pursuant to this Subsection.
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21 **VII. CUSTOMER INFORMATION**

22 **IT IS FURTHER ORDERED** that Charles Kharouf and all other Persons in
23 active concert or participation with him, who receive actual notice of this Order by
24 personal service or otherwise, are permanently restrained and enjoined from directly or
25 indirectly:
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27 A. Failing to provide sufficient customer information to enable the Commission to
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1 efficiently administer consumer redress. If Plaintiffs' representative requests in writing
2 any information related to redress, Charles Kharouf must provide it, in the form
3 prescribed by Plaintiffs' representative, within fourteen (14) days; and

4 B. Disclosing, using, or benefitting from customer information, including the name,
5 address, telephone number, email address, Social Security number, other identifying
6 information, or any data that enables access to a customer's account (including a credit
7 card, bank account, or other financial account), that Charles Kharouf obtained prior to
8 entry of this Order in connection with any activity that pertains to marketing credit card
9 interest rate reduction services; and
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11 C. Failing to destroy such customer information in all forms in their possession,
12 custody, or control within thirty (30) days after receipt of written direction to do so from
13 a representative of the Plaintiffs.
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15 Provided, however, that customer information need not be disposed of, and may
16 be disclosed, to the extent requested by a government agency or required by law,
17 regulation, or court order.
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19 VIII. COOPERATION

20 **IT IS FURTHER ORDERED** that Charles Kharouf must fully cooperate with
21 representatives of the Plaintiffs in this case and in any investigation related to or
22 associated with the transactions or the occurrences that are the subject of the First
23 Amended Complaint. Charles Kharouf must provide truthful and complete information,
24 evidence, and testimony. Charles Kharouf must appear in person, telephonically, or via
25 videoconference for interviews, discovery, hearings, trials, and any other proceedings that
26 Plaintiffs' representative may reasonably request upon ten (10) days written notice, or
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1 other reasonable notice, at such places and times as Plaintiffs' representative may
2 designate, without the service of a subpoena.

3 **IX. ORDER ACKNOWLEDGMENTS**

4 IT IS FURTHER ORDERED that Charles Kharouf obtain acknowledgments of
5 receipt of this Order:

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7 A. Charles Kharouf, within seven (7) days of entry of this Order, must submit to the
8 Plaintiffs an acknowledgment of receipt of this Order sworn under penalty of perjury.

9 B. For five (5) years after entry of this Order, Charles Kharouf for any business that
10 he, individually or collectively with any other Defendant, is the majority owner or
11 controls directly or indirectly, must deliver a copy of this Order to: (1) all principals,
12 officers, directors, and LLC managers and members; (2) all employees having managerial
13 responsibilities for conduct related to the subject matter of the Order and all agents and
14 representatives who participate in conduct related to the subject matter of the Order; and
15 (3) any business entity resulting from any change in structure as set forth in the Section
16 titled Compliance Reporting. Delivery must occur within seven (7) days of entry of this
17 Order for current personnel. For all others, delivery must occur before they assume their
18 responsibilities.
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21 C. From each individual or entity to which Kharouf delivered a copy of this Order,
22 Charles Kharouf must obtain, within thirty (30) days, a signed and dated
23 acknowledgment of receipt of this Order.
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25 **X. COMPLIANCE REPORTING**

26 IT IS FURTHER ORDERED that Charles Kharouf make timely submissions to
27 the Plaintiffs:
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1 A. One year after entry of this Order, Charles Kharouf must submit a compliance
2 report, sworn under penalty of perjury:

3 1. Charles Kharouf must: (a) identify the primary physical, postal, and email
4 address and telephone number, as designated points of contact, which
5 representatives of the Plaintiffs may use to communicate with him; (b) identify all
6 his businesses by all of their names, telephone numbers, and physical, postal,
7 email, and Internet addresses; (c) describe the activities of each business,
8 including the goods and services offered, the means of advertising, marketing, and
9 sales, and the involvement of any other Defendant (which Charles Kharouf must
10 describe if he knows or should know due to his own involvement); (d) describe in
11 detail whether and how he is in compliance with each Section of this Order; and
12 (e) provide a copy of each Order Acknowledgment obtained pursuant to this
13 Order, unless previously submitted to the Plaintiffs.
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16 2. Additionally, Charles Kharouf must: (a) identify all telephone numbers
17 and all physical, postal, email and Internet addresses, including all residences; (b)
18 identify all business activities, including any business for which he performs
19 services whether as an employee or otherwise and any entity in which he has any
20 ownership interest; and (c) describe in detail his involvement in each such
21 business, including title, role, responsibilities, participation, authority, control, and
22 any ownership.
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25 B. For ten (10) years after entry of this Order, Charles Kharouf must submit a
26 compliance notice, sworn under penalty of perjury, within fourteen (14) days of any
27 change in the following:
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1 1. Charles Kharouf must report any change in: (a) any designated point of
2 contact; or (b) the structure of any entity that Charles Kharouf has any ownership
3 interest in or controls directly or indirectly that may affect compliance obligations
4 arising under this Order, including: creation, merger, sale, or dissolution of the
5 entity or any subsidiary, parent, or affiliate that engages in any acts or practices
6 subject to this Order.
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8 2. Additionally, Charles Kharouf must report any change in: (a) name,
9 including aliases or fictitious name, or residence address; or (b) title or role in any
10 business activity, including any business for which he performs services whether
11 as an employee or otherwise and any entity in which he has any ownership
12 interest, and identify the name, physical address, and any Internet address of the
13 business or entity.
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15 C. Charles Kharouf must submit to the Plaintiffs notice of the filing of any
16 bankruptcy petition, insolvency proceeding, or similar proceeding by or against him
17 within fourteen (14) days of its filing.
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19 D. Any submission to the Plaintiffs required by this Order to be sworn under penalty
20 of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by
21 concluding: "I declare under penalty of perjury under the laws of the United States of
22 America that the foregoing is true and correct. Executed on: ____" and supplying the
23 date, signatory's full name, title (if applicable), and signature.
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25 E. Unless otherwise directed by a Plaintiffs' representative in writing, all
26 submissions to the Commission pursuant to this Order must be emailed to
27 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate
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1 Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission,
2 600 Pennsylvania Avenue NW, Washington, DC 20580; the subject line must begin:
3 *FTC et al., v. Educare Centre Services, Inc. X190039.*

4 F. Unless otherwise directed by a Plaintiffs' representative in writing, all
5 submissions to the Ohio Attorney General pursuant to this Order must be mailed to: Ohio
6 Attorney General's Office, Consumer Protection Section, Attn: Compliance Unit, 30 East
7 Broad Street, 14th Floor, Columbus, Ohio 43215; the subject line must begin: *FTC/Ohio*
8 *v. Educare Centre Services, Inc.*

10 XI. RECORDKEEPING

11 IT IS FURTHER ORDERED that Charles Kharouf must create certain records for
12 ten (10) years after entry of the Order, and retain each such record for five (5) years.
13 Specifically, Charles Kharouf for any business that he, individually or collectively with
14 any other Defendant, is a majority owner or controls directly or indirectly, must create
15 and retain the following records:

- 17 A. Accounting records showing the revenues from all goods or services sold;
18 B. Personnel records showing, for each Person providing services, whether as an
19 employee or otherwise, that Person's: name; addresses; telephone numbers; job title or
20 position; dates of service; and (if applicable) the reason for termination;
21 C. Records of all consumer complaints and refund requests, whether received
22 directly or indirectly, such as through a third party, and any response; and
23 D. All records necessary to demonstrate full compliance with each provision of this
24 Order, including all submissions to the Plaintiffs.
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XII. COMPLIANCE MONITORING

1 IT IS FURTHER ORDERED that, for the purpose of monitoring Charles
2 Kharouf's compliance with this Order, including the financial representations upon which
3 part of the judgment was suspended and any failure to transfer any assets as required by
4 this Order:
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6 A. Within fourteen (14) days of receipt of a written request from a representative of
7 the Plaintiffs, Charles Kharouf must: submit additional compliance reports or other
8 requested information, which must be sworn under penalty of perjury; appear for
9 depositions; and produce documents for inspection and copying. The Plaintiffs are also
10 authorized to obtain discovery, without further leave of court, using any of the procedures
11 prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions),
12 31, 33, 34, 36, 45, and 69.
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14 B. For matters concerning this Order, the Plaintiffs are authorized to communicate
15 directly with Charles Kharouf. Charles Kharouf must permit representatives of the
16 Plaintiffs to interview any employee or other Person affiliated him who has agreed to
17 such an interviewd. The Person interviewed may have counsel present.
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19 C. The Plaintiffs may use all other lawful means, including posing, through its
20 representatives as consumers, suppliers, or other individuals or entities, to Charles
21 Kharouf or any individual or entity affiliated with him, without the necessity of
22 identification or prior notice. Nothing in this Order limits the Plaintiffs' lawful use of
23 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-
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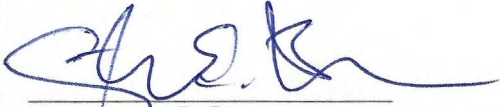
Do Upon written request from a representative of the Plaintiffs, any consumer reporting agency must furnish consumer reports concerning Charles Kharouf, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

XIII. 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 _____, 2020.

KATHLEEN CARDONE
UNITED STATES DISTRICT JUDGE



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STATE OF OHIO



Charles Kharouf

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

XIII. 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 _____ day of _____, 2020.

KATHLEEN CARDONE
UNITED STATES DISTRICT JUDGE

Erin Leahy 9/21/2020

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