2015CI19622 -D166

2015-CI-19622
166TH JUDICIAL DISTRICT COURT
STATE OF TEXAS VS LONE STAR INTRODUCTIO
DATE FILED: 11/24/2015

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|---|---|---|
| **STATE OF TEXAS,** | § | **IN THE DISTRICT COURT** |
| **Plaintiff,** | § | |
| | § | |
| **v.** | § | |
| | § | |
| **LONE STAR INTRODUCTIONS, INC.** | § | |
| **d/b/a ELOVE MATCHMAKING,** | § | **____ JUDICIAL DISTRICT** |
| **INTERNATIONAL DATING** | § | |
| **VENTURES, INC., and** | § | |
| **INTERNATIONAL INTRODUCTIONS,** | § | |
| **INC.,** | § | |
| **Defendants.** | § | **BEXAR COUNTY, TEXAS** |

## AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this _____ day of NOV 24 2015, 2015 came on to be heard the above-entitled and numbered cause wherein the STATE OF TEXAS ("State") is Plaintiff and LONE STAR INTRODUCTIONS, INC. d/b/a ELOVE MATCHMAKING, INTERNATIONAL DATING VENTURES, INC., and INTERNATIONAL INTRODUCTIONS, INC. ("Defendants") are Defendants. The State and Defendants, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction ("AFJPI").

## I. STIPULATIONS

1. Plaintiff is the State of Texas and the Defendants are Lone Star Introductions, Inc. d/b/a eLove Matchmaking, International Dating Ventures, Inc., and International Introductions, Inc. as stated by the State in its Petition in this cause.



11/24/2015 VOL 44811 PG 0409
Case Number: 2015CI19622 Document Type: AGREED FINAL JUDGMENT
Page 1 of 11

2. Defendants stipulate that they have ceased business operations for all dating and/or matchmaking services in Texas including, but not limited to, Lone Star Introductions, Inc. d/b/a eLove Matchmaking, International Dating Ventures, Inc., and International Introductions, Inc., before signing this AFJPI and Defendants have furnished the State documentary evidence to this effect.

3. The State and Defendants agree to and do not contest the entry of this AFJPI and all parties agree that the Court has continuing jurisdiction to enforce this AFJPI.

4. Defendants are aware of the duties placed upon them by the AFJPI and are desirous and capable of carrying out those duties in full.

5. Defendants acknowledge receipt of copies of this AFJPI and have full and actual notice of its terms.

6. All of the parties have compromised and settled all claims alleged by the State in this cause without the necessity of a trial. The parties further acknowledge and agree that this is a compromised settlement of a disputed claim and no actual findings having been made.

7. All parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this AFJPI.

8. Civil penalties payable to and for the benefit of the State are not dischargeable under bankruptcy pursuant to 11 U.S.C. § 523(a)(7).

9. Defendants acknowledge and understand that if they fail to comply with this AFJPI, they may be subject to contempt of court punishment as determined by the Court.

10. The Court has jurisdiction over the subject matter of this action.

11. The Court has jurisdiction over the parties.



11/24/2015 VOL 44811 PG 0410

12. Venue is proper in BEXAR County, Texas.

13. Entry of this judgment is in the public interest.

14. The issuance and service of a writ of injunction are waived.

DISTRICT COURT OF BEXAR COUNTY, TX

## II. DEFINITIONS

15. **IT IS ORDERED, ADJUDGED, AND DECREED** that, as used in this AFJPI, the following terms are defined as follows:

a. "Defendants" means Lone Star Introductions, Inc. d/b/a eLove Matchmaking, International Dating Ventures, Inc., and International Introductions, Inc., their successors, assigns, officers, agents, subcontractors, servants, employees, corporations, and any other persons in active concert or participation with them;

b. "Trade" and "commerce," as defined by section 17.45(6) of the Texas Deceptive Trade Practices-Consumer Protection Act ("DTPA"), means the advertising, offering for sale, sale, lease, or distribution of any good or service, of any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value, wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this state;

c. "Consumer" means an individual, partnership, corporation, this state, or a subdivision or agency of this state who seeks or acquires by purchase or lease, any goods or services;

d. "Person" means an individual, sole proprietorship, firm, partnership, corporation, association, joint venture or other group, or business entity, however organized; and

11/24/2015 VOL 4481 PG 0411

e. "Representing," "selling," "marketing," "promoting," "distributing," or "advertising" means any type of contact with a person or entity for the purpose of requesting, persuading, or seeking any type of contribution, sponsorship, compensation, or anything of value from said person or entity for any reason whatsoever, including use of the Internet;

DISTRICT COURT OF BEXAR COUNTY, TX

## III. PERMANENT INJUNCTION

16. **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendants and any other persons in active concert or participation with them who receive actual notice of this AFJPI by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, entity or other devise, **SHALL BE PERMANENTLY ENJOINED** from engaging in the following acts or practices:

a. Operating Lone Star Introductions, Inc. d/b/a eLove Matchmaking, International Dating Ventures, Inc., International Introductions, Inc., or any other dating and/or matchmaking service in the State of Texas;

b. Operating, forming, founding, establishing, owning, directing, managing, affiliating, partnering, working, advertising, profiting from, or consulting with/for any type of dating and/or matchmaking entity, regardless of the location, which impacts Texas consumers in any way;

c. Forming, founding, establishing, owning, directing, managing, affiliating, partnering, working, advertising, profiting from, or consulting with/for any dating and/or matchmaking entity located in the State of Texas; and

11/24/2015 VOL 4481 PG 0412

d. Failing to include a disclaimer with clear and conspicuous language on Internet websites, advertisements, marketing, promotional materials, or the like, which relate to dating and/or matchmaking goods or services sponsored or controlled by Defendants stating that such goods or services are not available to and cannot be sold by Defendants to consumers in Texas. "Clear and conspicuous" means that all disclosures shall be in bold type and not less than size 12 font. Internet-based disclosures shall not be contained in a hyperlink and shall not be located in a place which requires a consumer to scroll to the bottom of the page to view the disclosure. Disclosures shall be contained on every page for which the disclaimer applies.

## IV. JUDGMENT

17. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State shall have judgment from Defendants, jointly and severally, for civil penalties in the amount of Five Hundred Thousand and 00/100 Dollars ($500,000.00). Of this award, Four Hundred Ninety Five Thousand and 00/100 Dollars ($495,000.00) shall be abated for a period of ten (10) years from entry of the AFJPI, subject to paragraph 18 below. If, after ten (10) years, none of the conditions of default specified in paragraph 18 below has occurred, then the abated amount shall be permanently and unconditionally abated.

18. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants will be in default of this AFJPI if Defendants violate any terms in Section III (Permanent Injunction) above. If the State believes that Defendants are in default of the AFJPI for any reason, the State shall provide Defendants with written notice, by certified mail to Defendants' last known



11/24/2015 VOL 4481 PG 0413

address, of the circumstances that the State believes constitute a default. Defendants shall have ten (10) days to provide the State with written documentation that no such default occurred or to cure such default. If a dispute continues to exist with respect to whether Defendants are in default for any reason, the parties shall submit the dispute to a neutral third party, to be agreed upon by the parties. If the parties cannot agree, a neutral third party will be appointed by the Court. Defendants shall bear the cost of such neutral third party.

19. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that in the event of a finding of default of Section III (Permanent Injunction) of this AFJPI by agreement or by a neutral third party, the State shall be entitled to declare the unpaid principal balance, earned interest, and any other amounts owed on the obligation immediately due. Defendants waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest to the extent permitted by law. In the event that Defendants have not paid the full amount within ten (10) days of the last payment due, interest will accrue on any unpaid portion of this amount at the rate in effect at the time of this judgment pursuant to section 304.003(c) of the Texas Finance Code.

20. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State shall have judgment in the amount of Twenty Thousand and 0/100 dollars ($20,000.00) from and against Defendants, jointly and severally, to be used for restitution and restoration of money or other property taken from consumers by Defendants in accordance with the restitution plan set forth in Exhibit A. Restitution that cannot be disbursed for reasons enumerated in section 402.007 of the Texas Government Code shall be credited to the judicial fund for programs approved by the Supreme Court of Texas.



11/24/2015 V5 - 44814 PG 0414

21. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State shall have judgment from Defendants, jointly and severally, in the amount of Five Thousand and 0/100 Dollars ($5,000.00) for reimbursement of attorneys' fees to the Texas Attorney General, which fees were incurred on behalf of the Plaintiff and do not constitute an antecedent debt with respect to this litigation.

22. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants' indebtedness to the State identified above are for alleged violations of the DTPA, Chapters 106 and 302 of the Texas Business and Commerce Code, and Chapter 392 of the Texas Finance Code and are not compensation for actual pecuniary loss.

23. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants shall pay to the State Thirty Thousand and 0/100 Dollars ($30,000.00) representing civil penalties ($5,000.00), restitution for consumers ($20,000.00), and attorneys' fees ($5,000.00) as ordered in paragraphs 17, 20, and 21. Defendants shall make the first payment of five thousand and 00/100 dollars ($5,000.00) within thirty (30) days of signing the AFJPI. Subsequent payments of five thousand and 00/100 dollars ($5,000.00) shall be paid on or before January 24, 2015, February 24, 2015, March 24, 2016, April 24, 2016, and May 24, 2016, via certified check or wire transfer, payable to the "**STATE OF TEXAS,**" bearing the reference **AG#133395210,** and if not by wire transfer, delivered/mailed to the **Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th Street, MC-003, Austin, TX 78701.** Defendants may make payment owing on the foregoing monetary obligation prior to its due date without penalty. Payments to the State will be allocated in the following order until each is fully paid: (1) restitution; (2) attorney fees' and investigative costs; and (3) civil penalties.

24. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants, by their signatures below, hereby acknowledge notice of this AFJPI and acceptance of the same on behalf of all Defendants. Plaintiff may enforce the AFJPI through any procedure or process available under the laws of the State of Texas.

25. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants shall not represent to the public that this AFJPI constitutes approval by Plaintiff or this Court of any of Defendants' actions or business practices.

26. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that nothing in this judgment shall be construed to limit the right of the State of Texas to conduct undercover investigations without prior notice to Defendants or Defendants' counsel in order to monitor compliance with the AFJPI.

27. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that all costs of court expended or incurred in this cause are adjudged against the party incurring the same.

SIGNED this 24 day of November 2015.

Judge Presiding

**AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:**

Valeria Sartorio

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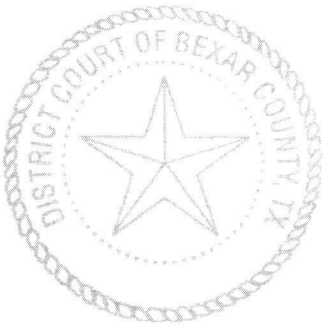


BRADFORD WAYNE MEGAHAN ON BEHALF OF
LONE STAR INTRODUCTIONS, INC. dba ELOVE MATCHMAKING,
DEFENDANT

BRADFORD WAYNE MEGAHAN ON BEHALF OF
INTERNATIONAL DATING VENTURES, INC.,
DEFENDANT

PAUL A. FALZONE, ON BEHALF OF
INTERNATIONAL INTRODUCTIONS, INC.
DEFENDANT

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INTERNATIONAL DATING VENTURES, INC., and
INTERNATIONAL INTRODUCTIONS, INC.



Case Number: 2015CI19622 Document Type: AGREED FINAL JUDGMENT

# Exhibit A

DISTRICT COURT OF BEXAR COUNTY, TX

The twenty thousand dollars ($20,000.00) award for restitution will be distributed in accordance with the following plan:

- The State has identified 168 consumers who may be eligible to receive restitution. Once the State receives all restitution funds for distribution, the State will mail restitution letters to these consumers to provide notice of consumers' potential eligibility to receive restitution and instructions on how to request restitution. Included with the letters will be the necessary forms and self-addressed stamped envelopes that consumers will be instructed to return to the State.

- There will be two versions of the letter to address those consumers for whom the State has receipts and those for whom the State does not. Consumers for whom the State does not have receipts will be instructed to provide documentation of payment.

- Consumers will be allowed forty-five (45) days from the date on the letters to provide the information requested. All letters will be mailed out at the same time to keep deadlines for responses at a minimum.

- The State will inform consumers of their restitution amount, if any, no later than ninety (90) days from the date of the letters. Consumers' entitlement to and the amount of restitution will be determined by the documentation on file with the State of monies consumers' paid to defendants and consumers' timely completion of necessary forms. If the total amount of monies paid by consumers exceeds twenty thousand dollars ($20,000.00), the amount of restitution for each consumer will be prorated based on the number of consumers who are eligible to receive restitution and the amount of money each consumer paid.

- Restitution that cannot be disbursed, for reasons enumerated in section 402.007 of the Texas Government Code, shall be credited to the judicial fund for programs approved by the Supreme Court of Texas.

11/24/2015 VOL 44811 PG 0418

CERTIFIED COPY CERTIFICATE STATE OF TEXAS
I, DONNA KAY McKINNEY, BEXAR COUNTY DISTRICT CLERK, CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD AS INDICATED BY THE VOLUME, PAGE AND COURT ON SAID DOCUMENT. WITNESSED MY OFFICIAL HAND AND SEAL OF OFFICE ON THIS:

*November 24, 2015*

**DONNA KAY McKINNEY**
**BEXAR COUNTY, TEXAS**

**By:** _____
ALEX LEWICKE, Deputy District Clerk
*(NOT VALID WITHOUT THE CLERKS'S ORIGINAL SIGNATURE.)*