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JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

INTERNET TRANSACTION
SERVICES, INC., et al.,

Defendants.

Civil Case No. 21-6582-JFW (KSx)

**FINAL ORDER OF PERMANENT
INJUNCTION AS TO
DEFENDANT GUY BENOIT**

1 On August 13, 2021, the United States of America filed its Complaint for
2 Temporary Restraining Order, Preliminary and Permanent Injunctions, and Other
3 Equitable Relief (the “Complaint”) against Defendant Guy Benoit (“Defendant
4 Benoit” or “Defendant”) and other named Defendants, pursuant to 18 U.S.C. §
5 1345, based on Defendants’ alleged violations of 18 U.S.C. §§ 1343, 1344, and
6 1349. On August 20, 2021, the Court issued its Order granting the United States’
7 Ex Parte Application for a Temporary Restraining Order. On September 2, 2021,
8 the Court issued a Preliminary Injunction.

9 On November 12, 2021, the United States served Defendant Benoit pursuant
10 to Rule 4 of the Federal Rules of Civil Procedure. Under Rule 12, Defendant
11 Benoit’s answer was due on December 3, 2021. To date, Defendant Benoit has
12 failed to appear, answer, or otherwise defend this action. The United States
13 requested entry of default on January 10, 2022, and the clerk entered default on
14 March 10, 2022. On March 25, 2022, the government moved for default judgment
15 and the entry of a permanent injunction.

16 **FINDINGS OF FACT AND STATEMENT OF DECISION**

17 The Court, having considered the Complaint, the United States’ motion for
18 default judgment and other filings, and being otherwise advised, finds that:

19 A. This Court has jurisdiction over the United States’ claims against
20 Defendant Benoit.

21 B. Defendant Benoit has failed to answer or otherwise contest the
22 allegations in the Complaint. As such, for purposes of this litigation, those
23 allegations are taken as true. *See Pepsico, Inc. v. California Sec. Cans*, 238 F.
24 Supp. 2d 1172, 1175 (C.D. Cal. 2002) (citing *TeleVideo Systems, Inc. v.*
25 *Heidenthal*, 826 F.2d 915, 917–18 (9th Cir. 1987)) (“Upon entry of default, the
26 well-pleaded allegations of the complaint relating to a defendant’s liability are
27 taken as true[.]”).

1 C. The Complaint alleges, and Defendant Benoit has not contested, that
2 Defendant Benoit has engaged in and is likely to engage in acts or practices that
3 violate 18 U.S.C. §§ 1343, 1344, and 1349. Further, the evidence submitted in this
4 matter, including the Declaration of Postal Inspector Ashlea Bowens (ECF No. 12-
5 1, the “Bowens Declaration”) and the exhibits thereto, demonstrates that Defendant
6 Benoit has led a multi-year fraud scheme through which Defendants have stolen
7 millions of dollars from American consumers and their federally insured financial
8 institutions by making unauthorized debits against consumers’ bank accounts. *See,*
9 *e.g.*, Bowens Decl. ¶¶ 9, 12, 14–22, 71–73, 80–88. The evidence and pleadings
10 further reflect that he has repeatedly lied to consumer victims, banks, and payment
11 processors in furtherance of the scheme. *See, e.g., id.* ¶¶ 49–69, 80–86. The
12 evidence and pleadings reflect that many of these material misrepresentations in
13 furtherance of the scheme were made *via* interstate or international wire
14 transmission. *See id.*

15 D. The evidence and admitted pleadings also reflect that assets held in
16 accounts registered to the Shell Entity Defendants (as defined below) are the
17 proceeds of bank and wire fraud, which Defendants including Benoit are likely to
18 attempt to alienate. *See, e.g.*, Bowens Decl. ¶¶ 87–92, Exs. 25, 45.

19 E. 18 U.S.C. § 1345 provides this Court with broad power to order
20 injunctive relief designed to prevent future fraud and preclude the alienation of
21 stolen assets. In light of Defendant Benoit’s pattern of fraudulent conduct, the
22 Court finds it likely that absent a permanent injunction, he will resume fraudulent
23 activities. As such, permanent injunctive relief is necessary.

24 DEFINITIONS

25 For the purpose of this Order:

26 A. “Asset” means any legal or equitable interest in, right to, or claim to,
27 any property, wherever located and by whomever held.

1 B. "Corporate Defendants" means Defendants Internet Transaction
2 Services, Inc., Intertrans.com, Inc., and each of the "Shell Entity Defendants"
3 defined below.

4 C. "Payment Processing Services" means handling credit card
5 transactions, debit card transactions, Automated Clearing House (ACH)
6 transactions, check transactions, money orders, or cash transactions.

7 D. "Person" means any individual, corporation, a partnership, or any
8 other entity.

9 E. "Receiver" means Thomas W. McNamara, and any deputy receivers
10 that shall be named by him.

11 F. "Receivership Entities" means the Corporate Defendants, as well as
12 any other corporate entity that has conducted business related to the Corporate
13 Defendants' participation in the scheme that is the subject of the Complaint in this
14 matter, including receipt of Assets derived from any activity that is the subject of
15 the Complaint in this matter, and that the Receiver determines is controlled or
16 owned by one or more of the Defendants.

17 G. "Shell Entity Defendants" means Defendants Be a Kloud LLC; Blue
18 Water LLC; CBX International Inc. (Delaware); CBX International, Inc. (Florida);
19 Delta Cloud LLC; Dollar Web Sales LLC; ECloud Secure LLC; Eastgate View
20 LLC; I-Support Group LLC; My Kloud Box LLC; Newagecloudservices LLC;
21 NRG Support LLC; Silver Safe Box LLC; Silver Safe Box Inc.; Storage VPN
22 LLC; and VPN Me Now LLC.

23 ORDER

24 I. PROHIBITED ACTIVITIES

25 IT IS ORDERED that Defendant, his agents and attorneys, and all other
26 persons in active concert or participation with him, who receive actual notice of
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1 this Order by personal service or otherwise, are permanently restrained and
2 enjoined from:

3 A. Committing or conspiring to commit wire fraud, as defined by 18
4 U.S.C. §§ 1343 and 1349;

5 B. Committing or conspiring to commit bank fraud, as defined by 18
6 U.S.C. §§ 1344 and 1349;

7 C. Offering or purporting to offer, either personally or through a
8 corporate entity, cloud computing services, identity theft protection services, or
9 technology support services;

10 D. Charging or debiting or causing others to charge or debit any person
11 or entity on behalf of any Shell Entity Defendant or for the purported purchase of
12 any Shell Entity Defendant's services;

13 E. Debiting or causing others to debit funds from any person's bank
14 account without their prior authorization;

15 F. Offering to provide or providing Payment Processing Services to any
16 person;

17 G. Making, or assisting others in making any false or misleading
18 statement in order to obtain Payment Processing Services;

19 H. Engaging in any measures to avoid fraud and risk monitoring
20 programs established by any financial institution, payment processors, or the
21 operators of any payment system, including by using sham transactions, such as
22 the "micro transactions" described in the Complaint, to reduce a bank account's
23 return or chargeback rate, or by using shell corporations to open bank accounts or
24 payment processing accounts;

25 I. Incorporating, creating, or causing any other person to incorporate or
26 create any corporate entity for the purpose of debiting funds from any person's
27 bank account without their prior authorization;

1 J. Causing any other person to incorporate or create any corporate entity
2 on Defendant's behalf, with the intention that Defendant will covertly exercise
3 control over such corporate entity;

4 K. Selling, renting, leasing, transferring, or otherwise disclosing, the
5 name, address, birth date, telephone number, email address, credit card number,
6 bank account number, Social Security number, IP address, or other financial or
7 identifying information of any person that any Defendant obtained in connection
8 with any activity that pertains to the subject matter of this Order or the Complaint
9 in this case; and

10 L. Providing any support or substantial assistance to any person that
11 Defendant knows or has reason to know is engaged in any unlawful activity in
12 connection with payment processing.

13 **II. COOPERATION WITH RECEIVER AND ASSET FREEZE**

14 For any Corporate Entities' or Receivership Entities' Assets within the
15 control of Defendant, his agents and attorneys, and/or all other persons in active
16 concert or participation with him, Defendant shall:

17 A. Hold, preserve, and retain within his control and prohibit the
18 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,
19 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of
20 any Asset, as well as all Documents or other property related to such Assets,
21 except by further order of this Court or by direction of the Receiver;

22 B. Fully cooperate with and assist the Receiver in taking and maintaining
23 possession, custody, or control of the Receivership Entities' Assets; and

24 C. To the extent he has not done so already, provide the United States,
25 within seven (7) days after entry of this Order or of obtaining direct or indirect
26 control over the Assets: (1) a list of all accounts, including savings, checking,
27 investment, and merchant accounts held in the name of a Corporate Entity or
28 Receivership Entity, for which the Defendant is an accountholder, signatory,

1 beneficiary, or over which the Defendant otherwise has control; (2) a list of any
2 other Assets held or controlled by the Defendant in the name of a Corporate Entity
3 or Receivership Entity; and (3) the balance of each such account, or a description
4 of the nature and value of each such Asset.

5 **III. DISCLOSURE OBLIGATIONS**

6 Defendant shall clearly, conspicuously, and in writing disclose the existence
7 of this lawsuit (including the case number) and the contents of this Order to:

8 A. Any bank to which Defendant, on behalf of any business, applies for
9 an account or other services; and

10 B. Any merchant or payment processor with whom Defendant enters into
11 a contractual business relationship.

12 **IV. COMPLIANCE MONITORING**

13 For a period of five (5) years after the date of entry of this Order, Defendant
14 must notify the United States if he:

15 A. Creates, operates, is employed by, or otherwise becomes involved in
16 any business or entity that consults or provides advice regarding Payment
17 Processing Services;

18 B. Creates, operates, is employed by, or otherwise becomes involved in
19 any business or entity that monitors return or chargeback rates for any other
20 business or corporate entity; and/or provides advice or consulting on how to lower
21 or manage return or chargeback rates for any business or corporate entity;

22 C. Creates, operates, is employed by, or otherwise becomes involved in
23 any business or entity that purports to offer cloud computing services, identity theft
24 protection services, or technology support services;

25 D. Creates, operates, or exercises control over any business entity,
26 whether newly formed or previously inactive. Defendant must also provide the
27 United States with a written statement disclosing: (1) the name of the business
28 entity; (2) the address and telephone number of the business entity; (3) the names


1 of the business entity's officers, directors, principals, managers, and employees;
2 and (4) a detailed description of the business entity's intended activities.

3 **IV. RETENTION OF JURISDICTION**

4 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
5 matter for all purposes.

6
7 SO ORDERED

8
9 DATED this 19TH day of April, 2022

10
11 
12 United States District Judge