

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

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6 UNITED STATES OF AMERICA,

7 Plaintiff,

8 v.

9 INTERNET TRANSACTION
10 SERVICES, INC., et al.,

11 Defendants.

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

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
FINAL JUDGMENT AS TO
DEFENDANT RANDY GRABEEL**

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 Randy Grabeel
4 (“Defendant”) and other named Defendants, pursuant to 18 U.S.C. § 1345, based
5 on Defendants’ alleged violations of 18 U.S.C. §§ 1343, 1344, and 1349. On
6 August 20, 2021, the Court issued its Order granting the United States’ Ex Parte
7 Application for a Temporary Restraining Order. On September 2, 2021, the Court
8 issued a Preliminary Injunction.

9 The United States and Defendant stipulated to the entry of this Stipulated
10 Order for Permanent Injunction (“Order”). Defendant, *pro se*, entered into the
11 Stipulation freely and without coercion. Defendant further acknowledged that he
12 has read the provisions of the Stipulation and this Order, understands them, and is
13 prepared to abide by them. Per the parties’ agreement, the Stipulation and this
14 Order resolve only the claims against Defendant in the above-captioned civil
15 lawsuit. They do not prevent the United States from pursuing criminal penalties
16 against Defendant in relation to the conduct alleged in the Complaint, nor does
17 Defendant’s Stipulation constitute evidence that Defendant committed the acts
18 alleged in the Complaint, or in any way prejudice Defendant’s ability to contest the
19 allegations in the Complaint in a future proceeding.

20 Accordingly, it is hereby ORDERED, ADJUDGED, AND DECREED that:

21 **FINDINGS**

22 A. This Court has jurisdiction over the subject matter of this case and
23 there is good cause to believe that it will have jurisdiction over all parties hereto
24 and that venue in this district is proper.

25 B. The United States seeks injunctive relief pursuant to 18 U.S.C. §
26 1345.

1 C. Defendant neither admits nor denies any of the allegations in the
2 Complaint. Only for purposes of this action, Mr. Grabeel admits the facts
3 necessary to establish jurisdiction.

4 **DEFINITIONS**

5 For the purpose of this Order:

6 A. "Asset" means any legal or equitable interest in, right to, or claim to,
7 any property, wherever located and by whomever held.

8 B. "Corporate Entities" means Defendants Internet Transaction
9 Services, Inc., Intertrans.com, Inc., and each of the "Shell Entities" defined below.

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

13 D. "Person" means any individual, corporation, a partnership, or any
14 other entity.

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

17 F. "Receivership Entities" means Defendants Internet Transaction
18 Services, Inc.; Intertrans.com, Inc.; as well as any other entity that has conducted
19 any business related to Intertrans' participation in the scheme that is the subject of
20 the Complaint in this matter, including receipt of Assets derived from any activity
21 that is the subject of the Complaint in this matter, and that the Receiver
22 determines is controlled or owned by Intertrans.

23 G. "Shell Entities" means Defendants Be a Kloud LLC; Blue Water
24 LLC; CBX International Inc. (Delaware); CBX International, Inc. (Florida); Delta
25 Cloud LLC; Dollar Web Sales LLC; ECloud Secure LLC; Eastgate View LLC; I-
26 Support Group LLC; My Kloud Box LLC; Newagecloudservices LLC; NRG
27 Support LLC; Silver Safe Box LLC; Silver Safe Box Inc.; Storage VPN LLC; and
28 VPN Me Now LLC.

1 **ORDER**

2 **I. PROHIBITED ACTIVITIES**

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

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

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

11 C. Charging or debiting any person or entity on behalf of any Shell
12 Entities or for the purported purchase of any Shell Entities' services;

13 D. Debiting funds from consumers' bank accounts without their prior
14 authorization;

15 E. Engaging in any tactics to avoid fraud and risk monitoring programs
16 established by any financial institution, payment processors, or the operators of any
17 payment system, including by using sham transactions, such as the "micro
18 transactions" described in the Complaint, to reduce a bank account's return or
19 chargeback rate, or by using shell corporations to open bank accounts;

20 F. Incorporating or creating any corporate entity for the purpose of
21 debiting funds from consumers' bank accounts without their prior authorization;

22 G. Selling, renting, leasing, transferring, or otherwise disclosing, the
23 name, address, birth date, telephone number, email address, credit card number,
24 bank account number, Social Security number, IP address, or other financial or
25 identifying information of any person that any Defendant obtained in connection
26 with any activity that pertains to the subject matter of this Order; and

27 H. Providing any support or substantial assistance to any Person that
28 Defendant knows is engaged in any of the above activities.

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

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

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

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

12 C. To the extent he has not done so already, provide the United States,
13 within seven (7) days after entry of this Order or of obtaining direct or indirect
14 control over the Assets: (1) a list of all accounts, including savings, checking,
15 investment, and merchant accounts held in the name of a Corporate Entity or
16 Receivership Entity, for which the Defendant is an accountholder, signatory,
17 beneficiary, or over which the Defendant otherwise has control; (2) a list of any
18 other Assets held or controlled by the Defendant in the name of a Corporate Entity
19 or Receivership Entity; and (3) the balance of each such account, or a description
20 of the nature and value of each such Asset.

21 **III. COMPLIANCE MONITORING**

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

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

27 B. Creates, operates, is employed by, or otherwise becomes involved in
28 any business or entity that monitors return or chargeback rates for any other

1 business or corporate entity; and/or provides advice or consulting on how to lower
2 or manage return or chargeback rates for any business or corporate entity;

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

6 D. Creates, operates, or exercises control over any business entity,
7 whether newly formed or previously inactive. Defendant must also provide the
8 United States with a written statement disclosing: (1) the name of the business
9 entity; (2) the address and telephone number of the business entity; (3) the names
10 of the business entity's officers, directors, principals, managers, and employees;
11 and (4) a detailed description of the business entity's intended activities.

12 **IV. ORDER ACKNOWLEDGMENTS**

13 It is further ordered that within fifteen (15) days after entry of this Order, the
14 Defendant is ordered to submit to Postal Inspector Ashlea Bowens a written
15 acknowledgement of receipt of this Order sworn under penalty of perjury. The
16 statement shall be addressed to:

17 Postal Inspector Ashlea Bowens
18 U.S. Postal Inspection Service
19 P.O. Box 7404
20 Washington, DC 20044-7404

21 **V. MODIFICATION OF ORDER**

22 This Order shall not be modified except in writing by the United States and
23 Defendant and approved by the Court.

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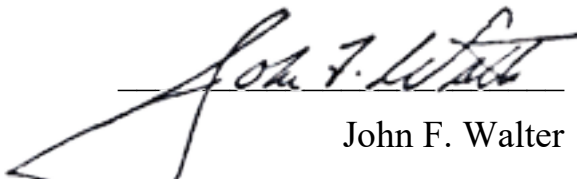
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1 **IV. RETENTION OF JURISDICTION**

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

4 SO ORDERED

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6 DATED this 28th day of September, 2021

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8 
9 John F. Walter
10 United States District Judge

1 **FOR PLAINTIFF UNITED STATES OF AMERICA**

2 BRIAN M. BOYNTON
Acting Assistant Attorney General

3 ARUN G. RAO
4 Deputy Assistant Attorney General

5 GUSTAV W. EYLER
Acting Director
6 Consumer Protection Branch

7 LISA K. HSIAO
Assistant Director

8 /s/ Michael J. Wadden
9 MICHAEL J. WADDEN
AMY P. KAPLAN
10 Trial Attorneys
Consumer Protection Branch
11 United States Department of Justice

Date: September 16, 2021

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13 **FOR DEFENDANT RANDY GRABEEL**

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Date: 9/27/2021

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