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9 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **IN AND FOR THE COUNTY OF MARICOPA**

11 In the Matter of

Case No:

CV 2016-005537

12 **ADVANCED SOCIAL MEDIA, LLC**, an
13 Arizona limited liability company;
14 **MICHAEL PETER DEROSA**, in his
individual capacity as manager of the limited
15 liability company;

ASSURANCE OF DISCONTINUANCE

16 Respondents.

17
18 The Attorney General of the State of Arizona (“the State”) and Respondents, Advanced
19 Social Media, LLC and Michael Peter DeRosa (collectively “Respondents”) agree to the entry of
20 the following Assurance of Discontinuance (“Assurance”) pursuant to Arizona Revised Statutes
21 (“A.R.S.”) § 44-1530 of the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 *et seq.*

22 1. Respondent Advanced Social Media, LLC, (“Respondent ASM”) is an Arizona
23 limited liability company that has operated in Sun City, Arizona since 2012. Respondent’s
24 principal place of business is 17220 N. Boswell Blvd #100B in Sun City, Arizona.

25 2. Respondent Michael Peter DeRosa (“Respondent DeRosa”) is a resident of
26 Maricopa County and the owner of Advanced Social Media, LLC. As such, he directed,

1 managed and controlled the operations of the company.

2 3. The State alleges that from late 2012 to approximately June 2014, Respondents
3 purchased "leads" – names, addresses and phone numbers of consumers – from a lead broker.
4 Respondents hired employees to make and receive telephone calls to and from these leads.
5 Using scripts provided to them by Respondents, these employees represented to consumers that
6 Respondents would generate a marketing and advertisement campaign for consumers' use by
7 creating "custom" profiles on social media websites and providing "followers," "fans," and
8 "likes" for those profiles.

9 4. The State alleges that Respondents charged consumers between \$100.00 and
10 \$6,000.00 for marketing and advertisement campaigns.

11 5. From 2014 to the present, Respondents purchased leads from a lead broker and
12 paid to have postcard advertisements sent to these consumers. Respondents' postcard stated
13 that Respondents are "trying to reach [the named consumer] regarding a dispersal of
14 Government Funding." When contact with leads occurred, Respondents attempted to sell
15 training programs that Respondents represented would enable consumers to apply for money
16 grants from government or private sources. Respondents also represented that they could write
17 grant proposals and submit them on behalf of clients. Respondents claimed that consumers
18 would receive grant money that consumers could spend on debt reduction, house repairs,
19 medical expenses, and business expenses.

20 6. The State alleges that Respondents charge consumers between \$800.00 and
21 \$7,000.00 for grant training and grant writing services.

22 7. The State alleges that between 2012 to approximately June 2014, Respondents'
23 telephone sales presentations contained various false and deceptive statements in violation of the
24 Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*, including but not limited to the
25 following:

26 a. Respondents made deceptive and misleading claims to consumers regarding

1 the effectiveness of their marketing and advertising campaigns and the increased earnings
2 consumers would realize if they purchased said packages. These included statements such as:

- 3 - By the end of this call I am going to have you marketing your business to thousands of
4 people every day! AND I am going to show you how you could pay off all your credit
5 card debt within 12-24 months 100% interest free! So you could be making more money
6 and have NO debt!”
- 7 - “This is the same type of social media advertising that every major company in the U.S.
8 is doing today.”
- 9 - “Wal-Mart has the same type of Facebook business page that we are going to design and
10 create for your business. Now Wal-Mart has almost 18 MILLION fans on their business
11 page. What that means is every time they post a message 18 MILLION see that and it
12 costs them ZERO!”

13 b. The State alleges that these statements were deceptive or false because
14 Respondents misrepresented how many people would see advertising packages and how
15 effective the advertising packages would be at generating business. The State further alleges
16 that the advertising packages Respondents sold were not the same type of advertising done by
17 major companies and that Respondents deceived consumers into believing that Respondents
18 would provide advertising similar to a company such as Wal-Mart.

19 c. Respondents ceased selling advertising and social media in or around June
20 of 2014. Since that time, Respondents only have been selling grant writing services and
21 information about available grants. Respondents, during the relevant period in question, did
22 conduct grant writing training, and assisted many clients with writing grant proposals.

23 d. The State alleges that Respondents also made deceptive and misleading
24 claims to consumers regarding the amount of grant funding available to consumers and the level
25 of expertise Respondents possessed in obtaining grant funding. These included statements or
26 representations such as:

- 1 - Over \$20,000 in government funding was awaiting dispersal in the consumer's name.
2 - Respondents possessed record showing that the consumer "may be eligible to receive a
3 grant" when no such records existed.
4 - "85% of all grants that are awarded are the result[] of work professional firms like ours
5 perform."

6 e. The State alleges that these statements were deceptive and false because
7 Respondents possessed no information or records showing a consumer was entitled or eligible
8 for grants and because Respondents had no basis to claim that "85% of all grants that are
9 awarded" because of grant training services.

10 f. For both advertising and grant training services, the State alleges that
11 Respondents deceptively and unfairly charged some consumers significantly greater amounts for
12 the same services and allowed employees to unfairly alter prices.

13 8. The Arizona Attorney General alleges that Respondents actions, described in ¶¶ 3-
14 7, violate the Arizona Consumer Fraud Act A.R.S § 44-1522 *et seq.*

15 9. The Arizona Attorney General is willing to accept this Assurance pursuant to
16 A.R.S. § 44-1530.

17 NOW, THEREFORE, Respondents and their members, officers, agents, servants,
18 employees, successors, assignees, and all other persons in active concert or participation with
19 them, agree, undertake and assure:

20 10. The parties agree as follows:

21 A. Respondents will refrain from engaging in any conduct that violates the
22 Arizona Consumer Fraud Act, A.R.S. § 44-1522, *et seq.*, the Arizona Telephone Solicitations
23 Act, A.R.S. § 44-1271, *et seq.* or the Federal Trade Regulation Rule Concerning Franchising
24 and Business Opportunities, 16 C.F.R. § 436 as those provisions are currently enacted, or as
25 they are amended in the future;

26 B. Respondents will refrain from receiving remuneration from the sale or

1 advertisement of any business opportunity, social media advertising, or services related to grant
2 funding in the State of Arizona or advertising or selling said services to any resident of Arizona;

3 C. Respondent DeRosa will refrain from holding any ownership interest,
4 share, or stock in, or serving as an officer, director, manager, or trustee of any business entity
5 engaged, in whole or in part, in the advertisement or sale of any business opportunity, social
6 media advertising, or services related to grant funding in the State of Arizona or advertising or
7 selling said services to any resident of Arizona. Respondent DeRosa, however, is not prohibited
8 from conducting services on behalf of a telemarketing entity that performs telemarketing in
9 compliance with state and federal law; is not selling business opportunities, social media
10 advertising, or services related to grant funding; and does not otherwise violate this Assurance.

11 D. Respondents will refrain from selling any products, services, equipment, or
12 supplies that enables a consumer to obtain social media advertising, grant funding, grant funding
13 training, or to start a business opportunity;

14 E. Respondents will refrain from providing the name, contact information, or
15 credit card or bank account number of any consumer who provided such information to or did
16 business with the Respondents, their successors, assigns, agents, employees, officers, servants
17 and persons who acted in concert or participation with them, to any person, including any
18 natural person or his legal representative, any partnership, domestic or foreign corporation, any
19 company, trust, business entity, or association, any agent, employee, salesman, partner, officer,
20 director, member, stockholder, associate, or trustee, other than a law-enforcement agency.

21 F. Respondent DeRosa agrees to dissolve Respondent ASM pursuant to
22 A.R.S. §§ 29-781 and -783 and cease operation of the company within 30 days of this
23 Assurance's entry. Respondent DeRosa further agrees to provide the State with a copy of the
24 signed and submitted Articles of Termination for Respondent ASM within 30 days of this
25 Assurance's entry.

26 11. Respondents, jointly and severally, will pay to the State attorneys' fees and costs

1 in the amount of Three Thousand Dollars (\$3,000.00), payable at the time of entry of this
2 Assurance to be deposited in the Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-
3 1531-4.01 and used for the purposes set forth in the statute.

4 12. This Assurance applies to Respondent ASM and any successor entity or entities,
5 whether by acquisition, merger or otherwise, those entities' current or future officers, directors,
6 managerial or supervisory employees, and to any other employees or agents having
7 responsibilities with respect to the subject matter of this Assurance.

8 13. Respondents may not participate, directly or indirectly, in any activity, or form a
9 separate corporation or entity for the purpose of engaging in acts or practices, in whole or in part
10 within the State, that is prohibited by this Assurance or for any other purpose that would
11 otherwise circumvent any part of this Assurance.

12 14. The State's acceptance of this Assurance is not and cannot be considered approval
13 of or sanction by the State of Respondents' past, present, or future business practices, and
14 Respondents are prohibited from making any representations to the contrary. Further, neither
15 Respondents nor anyone acting on their behalf may state, imply, or cause to be stated or implied
16 that the State, or any other governmental unit, has approved, sanctioned, or authorized any of
17 Respondents' acts or practices.

18 15. Nothing in this Assurance relieves Respondents of their obligation to comply with
19 all applicable state and federal laws, regulations, or rules, or granting it permission to engage in
20 any acts or practices prohibited by such laws, regulations, or rules.

21 16. This Assurance does not affect, restrict, limit, alter, waive, or create any private
22 right of action that a consumer may hold against Respondents, unless expressly set forth in state
23 law.

24 17. This Assurance contains the entire agreement between the Parties. If any clause,
25 provision, or section of this Assurance is held, for any reason, illegal, invalid, or unenforceable,
26 such illegality, invalidity, or unenforceability does not affect any other clause, provision, or

1 section of this Assurance, and this Assurance must be construed and enforced as if such illegal,
2 invalid, or unenforceable clause, section, or other provision was not contained herein.

3 18. No waiver, modification, or amendment of the terms of this Assurance is valid or
4 binding unless made in writing, signed by the Parties, and then only to the extent specifically set
5 forth in such writing. To the extent that a waiver, modification, or amendment of this Assurance
6 must be approved and entered by the Court, the State and Respondents agree to submit such
7 waiver, modification, or amendment to the Court for approval.

8 19. Respondents represent that they have read this Assurance fully and understand the
9 legal consequences involved in signing this Assurance.

10 20. Respondent DeRosa represents that he is the manager and or principal of
11 Advanced Social Media, LLC and that, as such, he is authorized to enter into this Assurance of
12 Discontinuance for and on behalf of Advanced Social Media, LLC.


13 21. This Assurance is entered pursuant and subject to the provisions of A.R.S. § 44-
14 1530, and Respondents acknowledge that a violation of this Assurance within six (6) years of
15 entry constitutes prima facie evidence of a violation of A.R.S. § 44-1522.

16 22. This Assurance's entry date is the date of approval by the Court.


17 23. The State shall file and seek Court approval of this Assurance. This Court retains
18 jurisdiction over the parties and the subject matter for purposes of enabling the parties to apply
19 to the Court at any time for orders and directions as may be necessary or appropriate to enforce
20 compliance with or punish violations of this Assurance. No party will object on the basis of
21 jurisdiction to this Assurance's enforcement under this paragraph.

1 DATED this 28th day of April, 2016.

2 MARK BRNOVICH, ATTORNEY GENERAL

3 BY: 

4 Evan Daniels
5 Assistant Attorney General
6 Office of the Arizona Attorney General
7 Attorneys for State of Arizona


8 By: 
9 Respondent Advanced Social Media,
10 LLC
11 (Michael Peter DeRosa as Managing
12 Member)

Dated: 4-26-16

13 By: 
14 Respondent Michael Peter DeRosa

Dated: 4-26-16

15
16 APPROVED AS TO FORM AND CONTENT:

17 By:  4-28-16
18 Ashley D. Adams
19 Ashley D. Adams, PLC
20 Attorneys for Respondents