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8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, *ex rel.* MARK
BRNOVICH, Attorney General,

Case No.: CV2019-000286

11 Plaintiff,

**STIPULATED CONSENT JUDGMENT
AS TO DEFENDANT CHARLES
RICHARD MONTOYA MAYVILLE**

12 vs.

13 ALTERNATIVE ONLINE DESIGN LLC, an
Arizona corporation, and CHARLES
14 RICHARD MONTOYA MAYVILLE,
individually, and BETHANY L. MONTOYA
15 MAYVILLE, individually,
16

(Assigned to the Hon. Sherry Stephens)

17 Defendants.

18 Plaintiff, the State of Arizona, *ex rel.* Mark Brnovich, Attorney General (the “State”),
19 who is authorized to bring this action, has filed a Complaint alleging violations of the
20 Arizona Consumer Fraud Act, §§ 44-1521 to 44-1534, and the Arizona Telephone
21 Solicitations Act, A.R.S. §§ 44-1271 to 44-1282, against defendants Alternative Online
22 Design LLC (the “Company”), an Arizona corporation, Charles Richard Montoya Mayville
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1 (“Mr. Mayville”), individually, and Bethany L. Montoya Mayville, individually
2 (collectively, “Defendants”).

3 **I. RECITALS AND PARTIES**

4 1. The Company is an Arizona limited liability corporation that is located in
5 Maricopa County, Arizona.

6 2. Mr. Mayville is a member of the Company, and, as such, directed, managed,
7 and controlled the operations of the Company.

8 3. Defendant Bethany L. Montoya Mayville is also a member of the Company.

9 4. Mr. Mayville and Bethany L. Montoya Mayville were previously married and
10 resided in Maricopa County, Arizona. All earnings and debts incurred or acquired by Mr.
11 Mayville relating to the Company or through the Company’s activities were earned,
12 incurred, or acquired by the marital community. Mr. Mayville and Bethany L. Montoya
13 Mayville are now divorced.

14 5. Unless Mr. Mayville specifically and expressly admits to the allegations
15 herein, Mr. Mayville denies each of the State’s allegations in the Complaint, elsewhere in
16 this matter, or herein. Mr. Mayville further denies any liability for the violations alleged by
17 the State in the Complaint or herein, as well as any claim or assertion that he engaged in
18 wrongdoing relating to, arising out of, or in any way connected with the Company, the
19 business activities of the Company, or the allegations contained in the Complaint or set forth
20 herein.

21 6. Despite these denials, Mr. Mayville recognizes the uncertainty, cost,
22 inconvenience, distress, and impact associated with litigation and therefore desires to
23 resolve this lawsuit with the State. Further, both the State and Mr. Mayville agree that
24 settlement of the violations alleged in the Complaint against Mr. Mayville and the Company
25 is in the best interest of the parties and the public, and that entry of this Stipulated Consent
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1 Judgment without further litigation is the most appropriate means of resolving the
2 allegations contained in the Complaint.

3 7. To that end, Mr. Mayville enters into this Stipulated Consent Judgment with
4 the State, intending to be bound to and by the terms herein.

5 8. The State acknowledges by its execution hereof that this Stipulated Consent
6 Judgment constitutes a complete settlement of its allegations against Mr. Mayville and the
7 Company, and it agrees it shall not institute any additional civil action against Mr. Mayville
8 or the Company based on his alleged violations of the Arizona Consumer Fraud Act or the
9 Arizona Telephone Solicitations Act, as described in the State's Complaint.

10 9. The effective date (the "Effective Date") of this Stipulated Consent Judgment
11 is the date it is entered by the Court.

12 10. Nothing in this Stipulated Consent Judgment shall be construed as an approval
13 by the State or this Court of Defendants' past, present, or future conduct, and Mr. Mayville
14 is enjoined from directly or indirectly representing anything to the contrary.

15 11. Mr. Mayville agrees and acknowledges that he has waived service of the
16 Complaint in this action and has been fully advised of his right to trial in this matter and has
17 waived the same. Mr. Mayville admits that this Court has jurisdiction over the subject
18 matter and Mr. Mayville for purposes of entry of this Stipulated Consent Judgment and
19 acknowledges that this Court retains jurisdiction for the purpose of enforcing this Stipulated
20 Consent Judgment.

21 12. Whenever in this Stipulated Consent Judgment reference is made to any act of
22 Defendants, such reference shall be deemed to mean the personal acts of Defendants or acts
23 of Defendants' members, managers, employees, agents, or other representatives, acting
24 within the scope of their employment or authority.

1 **NOW, THEREFORE, IT IS HEREBY AGREED TO, ORDERED,**
2 **ADJUDGED, AND DECREED as follows:**

3 **II. INCORPORATION OF RECITALS AND PARTIES**

4 13. The statements made in the recitals and parties section are material to this
5 Stipulated Consent Judgment and are incorporated herein by reference.

6
7 **III. ORDER**

8 **A. Injunction and Performance**

9 1. Mr. Mayville is prohibited from engaging in any conduct in violation of (i) the
10 Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to 44-1534, and (ii) the Arizona
11 Telephone Solicitations Act, A.R.S. §§ 44-1271 to 44-1282.

12 2. For a period of twenty (20) years following the Effective Date of this
13 Stipulated Consent Judgment, Mr. Mayville is prohibited from serving as an owner (other
14 than through the ownership of publicly traded stock), officer, director, member, manager, or
15 trustee of any business entity engaged, in whole or in part, in the sale of any “business
16 opportunity” (as the phrase is defined in A.R.S. § 44-1271(1)) in the state of Arizona.

17 3. For a period of twenty (20) years following the Effective Date of this
18 Stipulated Consent Judgment, Mr. Mayville is prohibited from engaging in the sale of any
19 “business opportunity” (as the phrase is defined in A.R.S. § 44-1271(1)), in the state of
20 Arizona. The foregoing prohibition is limited and narrow in scope, and it does not prohibit
21 Mr. Mayville from being a “seller” (as the phrase is defined in A.R.S. § 44-1271(1)) or from
22 engaging in telephone or in-person marketing, solicitation, or sales, business-to-business
23 sales, sales consulting, or any other type of sales or marketing employment other than those
24 narrowly defined and constituting Mr. Mayville selling a “business opportunity” in the state
25 of Arizona as the phrase is defined in A.R.S. § 44-1271(1).

1 4. Prior to accepting any remuneration or employment from any company
2 engaged, in whole or in part, in the sale of any “business opportunity” or where Mr.
3 Mayville’s remuneration or employment would involve being a “seller” (as those phrases
4 are defined in A.R.S. §§ 44-1271(1) and (15)) in the state of Arizona, Mr. Mayville shall
5 make good faith efforts to verify that the potential employer has filed a verified registration
6 statement with the Arizona Secretary of State or is exempt from filing a verified registration
7 statement with the Arizona Secretary of State, in compliance with the registration
8 requirements, as necessary, under the Arizona Telephone Solicitations Act, A.R.S. §§ 44-
9 1271 to 44-1282. Mr. Mayville is permanently enjoined and restrained from accepting any
10 such offer of employment from a potential employer who, at the time Mr. Mayville accepts
11 such employment, is not then exempt from or is not then complying with, the registration
12 requirements set forth under the Arizona Telephone Solicitations Act, A.R.S. §§ 44-1271 to
13 44-1282.

14 **B. Civil Penalty Awards**

15 5. Mr. Mayville shall owe the Arizona Attorney General’s Office the amount of
16 Four Hundred and Ten Thousand Dollars (\$410,000) in civil penalties (the “Initial Civil
17 Penalty Award”), to be deposited into the Consumer Protection – Consumer Fraud
18 Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set forth
19 therein.

20 6. If Mr. Mayville timely, fully, and completely complies with the Payment Plan
21 set forth in Section III(D) below, the entire Initial Civil Penalty Award will be deemed fully
22 satisfied. Every dollar that Mr. Mayville pays towards the Restitution Award or the
23 Additional Restitution Award (as described in Section III(C) below) will decrease the
24 amount that Mr. Mayville owes for the Initial Civil Penalty Award by two dollars. If Mr.
25 Mayville fails to timely, fully, or completely comply with the Payment Plan (as described in
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1 Section III(D) below), the remaining portion of the Initial Civil Penalty Award owed,
2 without further action by the State, will become payable, added to the total amount of the
3 Consent Payment (as described in Section III(D) below), and be subject to the Payment Plan
4 (as described in Section III(D) below).

5 7. On November 15, 2018, Mr. Mayville provided a Statement of Personal
6 Financial Condition (the “Financial Statement”), which Mr. Mayville dated and had
7 notarized on November 13, 2018. Mr. Mayville represents, warrants, and agrees that the
8 information provided in the Financial Statement is accurate, complete, and truthful and
9 understands that the State has relied on the information he provided therein in agreeing to
10 enter into this Stipulated Consent Judgment and that the State would not have agreed to the
11 terms set forth in this Stipulated Consent Judgment but for the accuracy, completeness, and
12 truthfulness of that information. The parties agree that, if, upon motion by the State, and by
13 clear and convincing evidence, this Court finds that the information provided by Mr.
14 Mayville in the Financial Statement was materially inaccurate, incomplete, untruthful or
15 misleading, Mr. Mayville shall be liable to the State for an additional civil penalty award in
16 the amount of fifty thousand dollars (\$50,000.00) (“Additional Civil Penalty Award”). The
17 Additional Civil Penalty Award will be added to the total amount of the Consent Payment
18 (as described in Section III(D) below) and be subject to the Payment Plan (as described in
19 Section III(D) below).

20 **C. Restitution Award and Additional Restitution Award**

21 8. Mr. Mayville shall pay restitution to the State in the amount of Two Hundred
22 and Five Thousand Dollars (\$205,000) (the “Restitution Award”) in accordance with the
23 Payment Plan described in Section III(D) below.

24 9. All restitution payments ordered herein shall be deposited by the Attorney
25 General’s Office into an interest-bearing consumer restitution subaccount of the Consumer
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1 Restitution and Remediation Revolving Fund, pursuant to A.R.S. § 44-1531.02(B), and
2 distributed to Eligible Consumers who are listed in Appendix A by the Attorney General’s
3 Office. For purposes of this Stipulated Consent Judgment, “Eligible Consumers” means
4 consumers who either (1) are listed in Appendix A¹ or (2) qualify for a portion of the
5 Additional Restitution Award (as defined in Paragraph 10). In the event that any portion of
6 the Restitution Award ordered herein cannot be distributed to Eligible Consumers, or
7 exceeds the amount of restitution, such portion shall be deposited by the Attorney General’s
8 Office into the Consumer Protection – Consumer Fraud Revolving Fund in accordance with
9 A.R.S. § 44-1531.01, and used for the purposes set forth therein.

10 10. Mr. Mayville shall also be responsible for paying additional amounts of
11 restitution beyond the Restitution Award to the State, for additional consumer complaints
12 submitted to the Attorney General by any Eligible Consumer within sixty (60) days after the
13 Effective Date of this Stipulated Consent Judgment totaling in the aggregate not more than
14 Sixty Thousand Dollars (\$60,000) (the “Additional Restitution Award”). In the event any of
15 the Additional Restitution Award is owed, such amount will be added to the Restitution
16 Award (collectively with the Additional Restitution Award, the “Total Restitution Award”)
17 and the Total Restitution Award shall then be paid pursuant to the Payment Plan (described
18 in Section III(D) below) and distributed to all Eligible Consumers by the State on a pro rata
19 basis. Additional consumer complaints under this paragraph shall not include any consumers
20 listed in Appendix A.

21 11. Whether an additional consumer complaint provides adequate justification for
22 additional restitution shall be left to the sole discretion of the Attorney General. The
23 Attorney General will diligently investigate each and every consumer complaint and will
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25 ¹ The last names of the consumers listed in Appendix A have been redacted for purposes of complying with A.R.S. §
26 44-1525. The State has provided Mr. Mayville with an unredacted version of Appendix A which lists the full name of
each consumer on the list.

1 only request additional restitution if the Attorney General believes in good faith that such
2 consumer has been harmed by Mr. Mayville’s violation of (i) the Arizona Consumer Fraud
3 Act, A.R.S. §§ 44-1521 to 44-1534, or (ii) the Arizona Telephone Solicitations Act, A.R.S.
4 §§ 44-1271 to 44-1282.

5 12. The State represents and warrants that, as of the date of execution of this
6 Stipulated Consent Judgment by the Attorney General’s representative, it has no knowledge
7 of any other consumer complaints that have been brought, raised, or being considered
8 against Mr. Mayville or the Company, other than those consumer complaints already taken
9 into consideration in the amount of the Restitution Award and listed in Appendix A.

10 13. If the amount of the Additional Restitution Award is insufficient to fully
11 refund additional Eligible Consumers, those additional Eligible Consumers shall be paid by
12 the State on a pro rata basis. In the event that the Additional Restitution Award ordered
13 herein cannot be distributed to Eligible Consumers, such portion shall be distributed by the
14 Attorney General’s Office to the Consumer Protection – Consumer Fraud Revolving Fund
15 pursuant to A.R.S. § 44-1531.02(B).

16 **D. Payment Plan**

17 14. The Total Restitution Award, the amount due and owing under the Initial Civil
18 Penalty Award (to the extent the Restitution Award and the Additional Restitution Award
19 are not fully, timely, and completely paid off as described herein), and the Additional Civil
20 Penalty (to the extent the State successfully moves this Court for such an award)
21 (collectively, the “Consent Payment”), shall be paid by Mr. Mayville pursuant to the
22 following payment plan (“Payment Plan”):

23 a. By or before January 17, 2019, Mr. Mayville shall make, or cause to be
24 made, a first payment on the Consent Payment of Fifteen Thousand Dollars (\$15,000.00)
25 (“Initial Payment”).

1 b. Mr. Mayville shall pay, or cause to be paid, the remaining balance of
2 the Consent Payment in monthly increments on or before the Seventeenth (17th) day of each
3 month, as follows:

4 i. Five Hundred Dollars (\$500.00), beginning February 17, 2019
5 through and including January 17, 2020 (“First Year Monthly Payments”);

6 ii. Six Hundred Fifty Dollars (\$650.00), beginning February 17,
7 2020 through and including January 17, 2021 (“Second Year Monthly
8 Payments”); and

9 iii. Seven Hundred Fifty Dollars (\$750.00), beginning February 17,
10 2021 through and including the date on which the entire Consent Payment
11 (including any interest if applicable as set forth below) is paid in full
12 (“Remaining Monthly Payments”). The First Year Monthly Payments, the
13 Second Year Monthly Payments, and the Remaining Monthly Payments are
14 individually referred to as a “Monthly Payment” and collectively referred to as
15 the “Monthly Payments.”

16 15. Should the 17th day of a month fall on a Saturday, Sunday, or legal holiday,
17 the Monthly Payment shall be due on or before the next day that is not a Saturday, Sunday,
18 or legal holiday.

19 16. Mr. Mayville may make additional payments towards the Consent Payment, or
20 pay the Consent Payment in full, earlier than as set forth in the Payment Plan, without being
21 subject to any penalty.

22 17. The Initial Payment and the Monthly Payments required herein shall be paid
23 in the form of cashier’s checks or money orders made payable to “The State of Arizona.”
24 These payments shall be delivered, or mailed and postmarked, to:

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Ms. Stephanie Paine
The Office of the Arizona Attorney General
Consumer Protection and Advocacy Section
2005 N. Central Ave, Suite 100
Phoenix, AZ 85004

18. If the Initial Payment and all of the Monthly Payments are made in a timely fashion, no interest or collections costs shall accrue on the Consent Payment. If the Initial Payment or any of the Monthly Payments are not made within twenty (20) calendar days of the date the payments are due, Mr. Mayville will be deemed in default of his payment obligations. In the event of a default of any payment obligation imposed by this Stipulated Consent Judgment, and in addition to any other relief or remedy elected or pursued by the State, the Consent Payment, plus interest at a rate of ten percent (10%) per annum from the date of the entry of the Stipulated Consent Judgment and costs of collection, less any amount previously paid by or on behalf of Mr. Mayville, shall be accelerated and be immediately due and owing.

19. This Stipulated Consent Judgment resolves all outstanding claims against Mr. Mayville and the Company alleged in the State’s Complaint. As no further matters remain pending in this lawsuit against Mr. Mayville or the Company, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(b).

Dated this _____ day of _____, 2019.

JUDGE OF THE SUPERIOR COURT

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CONSENT TO JUDGMENT

1. Defendant Charles Richard Montoya Mayville states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Stipulated Consent Judgment and that he entered into this Stipulated Consent Judgment voluntarily.

2. Defendant Charles Richard Montoya Mayville has fully read and understands this Stipulated Consent Judgment, understands the legal consequences involved in signing it, and asserts that this is the entire agreement of the parties.

3. Defendant Charles Richard Montoya Mayville acknowledges that he accepts this Stipulated Consent Judgment solely to settle this litigation and is not an admission of wrongdoing or liability in any way.

4. Defendant Charles Richard Montoya Mayville further acknowledges that this litigation does not preclude any other agency or officer of this State or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate.

CHARLES RICHARD MONTOYA MAYVILLE



Charles Richard Montoya Mayville

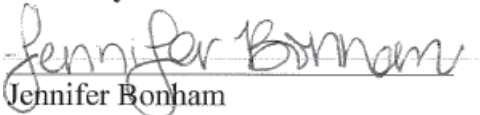
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APPROVED AS TO FORM AND CONTENT:

MARK BRNOVICH
Attorney General


Jennifer Bonham

Assistant Attorney General
Counsel for Plaintiff

January 25, 2019
Date