

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LEGAL AFFAIRS**

In the Matter of:
**FUEL FREEDOM INTERNATIONAL, LLC., d/b/a
FOREVER FREEDOM INTERNATIONAL, and
FONE FREEDOM INTERNATIONAL,**
a Florida corporation

AG Case Numbers: L06-3-1090
L08-3-1028

Respondent
_____ /

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT TO Chapter 501, Part II, "The Florida Deceptive and Unfair Trade Practices Act," and § 817.41, Florida Statutes (2008), the STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS (hereafter the "Department") investigated certain advertising practices of FUEL FREEDOM INTERNATIONAL, LLC., d/b/a FOREVER FREEDOM INTERNATIONAL, and FONE FREEDOM INTERNATIONAL (hereafter "Respondent").

Respondent is prepared to enter into this Assurance of Voluntary Compliance (hereafter "AVC") with the Department without an admission of wrongdoing and for the purpose of resolving this matter only. Pursuant to § 501.207(6), Florida Statutes (2008), the Department, by virtue of the power vested in it by said statute, by and through its undersigned Deputy Attorney General, does accept this AVC in termination of this investigation only.

1. STIPULATED FACTS

1.1 Respondent is a Florida corporation with its principal place of business located at 650 Douglas Avenue, Altamonte Springs, Florida 32714.

1.2 At all times during the course of this investigation Respondent was engaged in commerce by advertising and selling fuel additives, voice over internet protocol service, automotive care products, and nutritional supplements within the state of Florida.

1.3 Respondent markets its voice over internet protocol service under the name "Fone Freedom International."

1.4 Until October 23, 2008, "Fone Freedom International" was not registered with the State of Florida, Department of Corporations as a registered business name or registered fictitious business name.

1.5 At various times during the course of this investigation, Respondent advertised that its additives can increase the average fuel economy of a vehicle using its additives by 7-14%.

1.6 In furtherance of these activities, Respondent created a direct sales program whereby individuals paid for the right to market Respondent's products.

1.7 These individuals are called "distributors" by Respondent.

1.8 Respondent's distributors are entitled to be paid commissions, bonuses, and overrides for selling Respondent's products.

1.9 Distributors can also recruit new distributors.

1.10 New distributors so recruited become a part of the original distributors' downline which entitles the original distributor to earn commissions, bonuses, and overrides from the product sales of all new distributors recruited by the original distributor.

1.11 Respondent provides each of its distributors with their own internet website to assist each distributor with the marketing of products and distributorships.

1.12 In addition, each distributor has access to Respondent's internet-based "back office" where he or she can receive email messages from Respondent, check earnings, and monitor his or her downlines.

1.13 Each distributor must agree to "Policies and Procedures" posted on Respondent's internet website.

1.14 At various times, Respondent's "Policies and Procedures" contained a requirement that each distributor "develop or service at least five customers every month."

1.15 Another requirement sometimes contained in Respondent's "Policies and Procedures" is that each distributor generate a sales receipt for each personal retail sale made by the distributor, and keep a copy of such sales receipt for at least two years.

1.16 Respondent has not enforced either requirement listed in paragraphs 1.14 and 1.15 above.

1.17 At various time throughout the period of this investigation, Respondent has not kept records of all retail sales made in Florida to Florida consumers.

1.18 Respondent offers a "30 day satisfaction guarantee" by refunding a consumer's or distributor's purchase price for an initial product purchase if he or she is not satisfied with Respondent's fuel additive products.

1.19 At various times throughout the period of this investigation, Respondent did not refund the full purchase price paid by consumers seeking refunds, instead refunding only the purchase price less the quantity used.

2. DEFINITIONS

2.1 For the purposes of this AVC, parties are in accordance that the definitions provided in the following paragraphs within this section shall apply.

2.2 **“Advertising” (including “advertisement” and “advertise”)** is any message disseminated to the public in Florida, or any segment thereof, which promotes, or is likely to promote, directly or indirectly, any Fuel Freedom International, LLC., product or distributorship, whether conveyed in writing, visually, or orally:

(a) In a newspaper, magazine, periodical, leaflet, flyer, catalog, brochure, circular, manual, report, poster, picture, illustration, drawing, invoice, estimate, contract, form, application, business card, letterhead, telefacsimile material, direct mail literature, telephone book, or any other written graphic, pictorial illustration, or printed material;

(b) On any recording, radio, television, video, computer, public address system, by telephonic transmission, telefacsimile, internet or telecopier transmission, or during any other transmission;

(c) On any inside or outside sign or display, window display, bumper or window sticker, decal, label, or bulletin board;

(d) In any point-of-sale literature, price tag, sign, or billboard; and

(e) During any in-person appearance or otherwise during any in-person contact with the public or segment thereof.

2.3 **“Clear and Conspicuous” (including “clearly and conspicuously”)** shall mean that a statement, representation, claim or term is readily noticeable and reasonably understandable by the person(s) to whom it is directed. The following shall be considered in determining whether a statement, representation, claim or term is clear and conspicuous:

(a) Whether it is presented in a coherent and meaningful sequence with respect to other statements, representations, claims, or terms being conveyed;

(b) Whether it is in close proximity to the statement, representation, claim or term it clarifies, modifies, explains, or to which it otherwise relates;

(c) Whether it is contradictory to any statement, representation, claim or term it purports to clarify, modify, or explain, or is otherwise contradictory or confusing in relation to any other statement, representation, claim or term being conveyed;

(d) Whether it is conveyed by means of an abbreviation and, if so, whether the abbreviation is commonly understood by the public, or approved by federal or state law;

(e) Whether it is legible;

(f) Whether it is of sufficient prominence in terms of print, size and contrast, as compared with accompanying statements, representations, claims or terms, so as to be readily noticeable and reasonably understandable by the person(s) to whom it is directed;

(g) Whether it is at a decibel level and speed so as to be readily noticeable and reasonably understandable by the person(s) to whom it is directed; and

(h) Whether it appears for duration of time sufficient to allow a listener or viewer to have reasonable opportunity to notice, read, and understand.

2.4 **“Distributor”** shall mean any person authorized by contract or agreement to purchase from Fuel Freedom International, LLC., and sell Fuel Freedom International, LLC., products and/or Sales Aids, and to receive compensation in accordance with Fuel Freedom International, LLC.’s, distribution system, and to offer to sell Fuel Freedom International, LLC., distributorships, or otherwise recruit and sponsor others to become distributors.

2.5 **“Distribution System”** shall mean the specific business practices of Fuel Freedom International, LLC., and its Distributors including, but not limited to, Fuel Freedom

International, LLC's, Policies and Procedures, Compensation Plan, Marketing or Sales Plan, or Distributor agreement.

2.6 **"Retail Sales"** shall mean any sale made by a distributor to another person who is not a distributor, except Retail Sales Distributors (as defined herein). A "Retail Sales Distributor" is a distributor who has not received a Commission Payment or Downline Activity Payment for at least a period of ninety (90) consecutive days. For purposes of this AVC, Retail Sales shall not include any sales made via Fuel Freedom International, LLC's "auto-ship" procedure, unless that sale is made to a person who qualifies as a Retail Sales Distributor or a person who is not currently a Distributor.

2.7 **"Fuel Additive"** or **"Fuel Additives"** shall mean any product marketed by Fuel Freedom International, LLC's., which Respondent purports can result in an increase in the average fuel economy when used in a combustion engine. This includes but is not limited to "MPG-Caps", "MPG-Mega-Crumbs", and "MPG-Boost."

2.8 **"Commission Payment"** is a payment that represents the share owed to the Distributor for Retail Sales attributed to him/her and not to another person in his/her "downline."

2.9 **"Downline Activity Payment"** is a payment that represents the share owed to the Distributor for the Retail Sales attributed to members of that Distributor's downline.

3. JURISDICTION AND VENUE

3.1 The parties agree that the State of Florida has jurisdiction over Respondent for the purposes of entering into to this AVC and for any enforcement actions arising out of this AVC.

3.2 It is further agreed by the parties that venue for any matter relating to or arising out of this AVC shall lie solely in Orange County, Florida.

4. INJUNCTIVE TERMS

4.1 Respondent, in any future distributing, marketing, servicing and promoting of any product and/or Distribution System anywhere within or from the State of Florida, is hereby enjoined from violating any applicable law, rule, and/or regulation, including but not limited to the following:

- (a) The Florida Deceptive and Unfair Trade Practices Act as contained in Florida Statutes, Chapter 501, Part II, (2008)
- (b) Florida Statute § 817.06, (2008) False Advertising;
- (c) Florida Statute § 817.41, (2008) Misleading Advertising;
- (d) Florida Statute § 865.09 (2008) Fictitious Name Act;
- (e) and all Federal Trade Commission (FTC) rules and regulations regarding or relating to advertising.

4.2 Moreover, Respondent is enjoined from violating Florida Statute § 849.091, (2008) Prohibition of Illegal Lotteries, Chain Letters, and Pyramid Clubs, in any future distributing, marketing, servicing and promoting of any product or Distribution System anywhere within or from the State of Florida. As referenced herein, § 849.091 defines a "pyramid sales scheme" as:

...any sales or marketing plan or operation whereby a person pays a consideration of any kind, or makes an investment of any kind, in excess of \$100 and acquires the opportunity to receive a benefit or thing of value which is not primarily contingent on the volume or quantity of goods, services, or other property sold in bona fide sales to consumers, and which is related to the inducement of additional persons, by himself or

herself or others, regardless of number, to participate in the same sales or marketing plan or operation.

4.3 Respondent and its parents, subsidiaries, affiliated entities, partners, successors, assigns, and any person and each of its respective officers, directors, agents, servants, and employees, are hereby permanently restrained and enjoined from:

(a) Failing to record, keep, and maintain adequate records of any and all Retail Sales made within or from the State of Florida.

(b) Requiring any initial investment in excess of \$100 (one-hundred dollars) for the opportunity to become one of Respondent's distributors.

(c) Advertising that any of Respondent's Fuel Additives can increase the average fuel economy of any combustion engine without also Clearly and Conspicuously disclosing that facts such as vehicle condition, road conditions, environmental conditions, and driving habits can decrease the average fuel economy of any combustion engine and decrease the efficacy of Respondent's product.

(d) Distributing, marketing, servicing and/or promoting any Fuel Additive within or from the State of Florida unless the packaging of that Fuel Additive contains the same disclosure as provided for in sub-paragraph 4.3(b).

(e) Advertising or promoting the results of any testing conducted on Respondent's Fuel Additives without Clearly and Conspicuously disclosing the mileage and year model of the vehicles utilized in the testing.

(f) Advertising or promoting the results of any testing conducted on Respondent's Fuel Additives without Clearly and Conspicuously disclosing that results

for each consumer may vary based on age, mileage and condition of vehicle, vehicle condition, road conditions, environmental conditions, and driving habits.

(g) Advertising or promoting a satisfaction guarantee or any other warranty of satisfaction on a consumer's initial purchase of any product without refunding the entire purchase price paid by the consumer for that product or products. For the purposes of this AVC purchase price does not include shipping and handling costs associated with delivering the product or products to the consumer.

(h) Advertising any product or service under a business name other than "Fuel Freedom International, LLC.," unless that name is duly registered with the Florida Department of State as a registered business name or registered fictitious business name.

5. COMPLIANCE TERMS

5.1 In order to show compliance with the requirements of § 849.091, Respondent shall henceforth implement a "System" to record and maintain records regarding the Retail Sales made by Respondent and/or Florida distributors and/or to Florida consumers. The System implemented by Respondent must record and maintain records of Retail Sales:

- (a) To any non-distributor who purchases product directly from Respondent;
- (b) Submitted to Respondent by any distributor reflecting the Retail Sales made by distributor to non-distributors; and
- (c) To Retail Sales Distributors who purchase products directly from Respondent.

5.2 Beginning on the Compliance Date and continuing for two years from that date, Respondent agrees to cooperate with the Department and any third party entity (hereafter "Monitor") selected by the Department to monitor and audit compliance with this AVC. During

this two year period (hereafter "Monitoring Period"), Respondent agrees to submit, upon the Department's request, quarterly reports to the Department and/or its Monitor which shall include the following:

- (a) Records, as described in paragraph 5.1, of all Retail Sales made for the preceding quarter.
- (b) Records showing that no Commission Payments have been paid to any any reported Florida Retail Sales Distributor for the preceding quarter.
- (c) Records showing that no Downline Activity Payments have been paid to any any reported Florida Retail Sales Distributor for the preceding quarter.
- (d) A statement showing the total sum paid to Respondent for Retail Sales for the preceding month. This statement shall include all Retail Sales made to consumers residing within the United States but shall not include Retail Sales made to consumers residing outside the United States.
- (e) A statement showing the total sum paid to Respondent for the purchase of any Distributorship or materials designed to assist with the marketing of any of Respondent's products or distributorships ("Sales Aids") for the preceding quarter. This statement shall include all Distributorships or Sales Aids purchased by consumers within the United States but shall not include Distributorships or Sales Aids purchased by consumers residing outside the United States.

5.3 Respondent also agrees to allow the Department and/or its appointed Monitor, to examine, as the Department or its appointed Monitor deems necessary, all accountings kept by Respondent related to Respondent's Retail Sales and distributorships. These accountings include, but are not limited to, all inventory records, books, ledgers and accounts, including

balance sheets, profit and loss statements, statements of assets and liabilities, income statements, cash flow statements and reports, accounts receivable and accounts payable, sales tax reports, and any other financial record relating to Retail Sales.

5.4 Nothing in this AVC limits the Department's lawful use of compulsory process, pursuant to § 501.206, to investigate whether Respondent has violated any provisions of the Florida Deceptive and Unfair Trade Practices Act, or any other provision of law enforced by the Department. Florida Statutes (2008).

5.5 Respondent shall not represent, directly or indirectly, nor permit any employee or Distributor to directly or indirectly represent, that the Department has approved any of the Respondent's business practices or business structure, nor shall Respondent, including its employees and Distributors, use the existence of this AVC to imply approval.

6. MONETARY TERMS

6.1 The Respondent shall collectively pay the sum of \$100,000 (one-hundred-thousand dollars), pursuant to § 501.2101, Florida Statutes (2008), to the Department for investigative costs, attorney's fees, current monitoring, and future monitoring during the Monitoring Period. Respondent agrees to make installment payments based on the following schedule:

- (a) One payment of \$25,000 (twenty-five thousand dollars) shall be due by Respondent immediately upon the date Respondent signs this AVC;
- (b) A second payment of \$25,000 (twenty-five thousand dollars) shall be due by Respondent before 30 (thirty) days from the date Respondent signs this AVC;
- (c) A third payment of \$25,000 (twenty-five thousand dollars) shall be due by Respondent before 60 (sixty) days from the date Respondent signs this AVC; and

(d) A final payment of \$25,000 (twenty-five thousand dollars) shall be due by Respondent before 90 (ninety) days from the date Respondent signs this AVC;

6.2 All Payments shall be made by Respondent in the form of a cashier's check made payable to the **Department of Legal Affairs Revolving Trust Fund** and be delivered to Assistant Attorney General, Jerrett D. Brock, Office of the Attorney General, Economic Crimes Division, 135 West Central Boulevard, Suite 1000, Orlando, Florida 32801.

6.3 Upon receipt of the partially executed AVC and initial installment payment, Assistant Attorney General, Jerrett D. Brock will sign the AVC and then forward it to the Deputy Attorney General. Should the Deputy Attorney General or authorized designee decline to authorize and execute the AVC, then the initial payment shall be promptly returned to the Respondent.

7. EFFECTIVE UPON ACCEPTANCE

7.1 The Deputy Attorney General, or authorized designee, may refuse to accept this AVC at his or her discretion. The receipt of or deposit by the Department of any monies paid by the Respondent pursuant to the terms of this AVC shall not constitute acceptance by the Department.

7.2 This AVC shall become effective upon its acceptance and execution by all persons whose signature appears below. This AVC may be signed in counterparts.

8. CONSTRUCTION OF AVC

8.1 This AVC is the result of joint negotiations on the part of the Department and the Respondent. This AVC shall not be construed for or against either party owing to one party being more heavily involved in the preparation of this AVC.

9. APPLICABILITY

9.1 This AVC shall apply to and bind the Respondent and its respective subsidiaries, affiliated entities, successors, assigns and each of its officers, directors, agents, servants, and employees, whether acting directly or through any corporation, subsidiary, division, or other entity.

9.2 All provisions in this AVC, with the exception of paragraphs 5.2, 5.3, and 5.4 shall apply to and bind Respondent and all parties identified in paragraph 9.1 of this AVC continuously and shall not cease to bind Respondent upon termination of the two-year Monitoring Period as provided for in paragraph 5.2.

9.3 The provisions in paragraphs 5.2, 5.3, and 5.4 of this AVC shall apply to and bind Respondent and all parties identified in paragraph 9.1 of this AVC for the duration of the three-year Monitoring Period as provided for in paragraph 5.2.

10. CHANGES IN LAW OR BUSINESS PRACTICES

10.1 It is further agreed by the parties that if any statutes change due to amendment, repeal, or disposition by the legislature, an agency, or court so that they would permit any action prohibited by any section of this AVC, that section shall no longer have any force or effect.

10.1 If any clause, provision, or section of the AVC shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AVC, and this AVC shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

11. NO ADMISSION OF LIABILITY OR WAIVER OF DEFENSES

11.1 Notwithstanding its entry into this AVC and acceptance of all terms and conditions contained herein, Respondent and its parents, subsidiaries and affiliated entities, and each of its respective officers, directors, agents, servants, and employees deny any wrongdoing or liability of any kind whatsoever arising from the sale, distribution, marketing, promotion and/or servicing of any product or distributorship.

12. RELEASE OF LIABILITY FOR PAST VIOLATIONS

12.1 In exchange for the consideration set forth above, upon execution of this AVC, the Department agrees to release Respondent, its parent entities, subsidiaries and affiliated entities, and each of its respective officers, directors, members, agents, servants, employees, and attorneys (collectively, "Respondent Parties") from any and all claims, causes of actions, suits and demands, of any kind or character, whether civil, criminal or administrative, to the fullest extent permitted by Florida law, arising from Respondents actions, conduct, or failure to act prior to the effective date of this AVC which the State of Florida and/or the Department could have brought against the Respondent Parties of Florida Statutes, Chapter 501, Part II, (2008), Florida Statute §817.06, (2008) False Advertising, Florida Statute §817.41, (2008) Misleading Advertising, and Florida Statute §849.091 (2008), Prohibition of Illegal Lotteries, Chain Letters, and Pyramid Clubs.

13. FUTURE VIOLATIONS

13.1 IT IS FURTHER AGREED by the parties that any future violations which occur within four years of the execution of this Assurance of Voluntary Compliance are, by statute, *prima facie* evidence of a violation of Chapter 501, Part II, "the Florida Deceptive and Unfair

Trade Practices Act", Florida Statutes (2008) and will subject the Respondent to any and all civil penalties and sanctions provided by law including, but not limited to, attorneys' fees and costs.

IN WITNESS WHEREOF, Respondent has caused this AVC to be executed by an authorized representative, as a true act and deed, in the County and State listed below, as of the date affixed thereon.

BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my authority as C.E.O. of Fuel Freedom International, LLC. and that by my signature the Respondent, its directors, officers, employees, agents, successors and assigns are bound to the terms and conditions of this AVC.

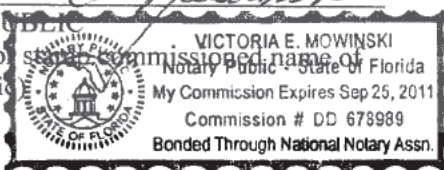
FUEL FREEDOM INTERNATIONAL, LLC.,
d/b/a FOREVER FREEDOM INTERNATIONAL,
and FONE FREEDOM INTERNATIONAL

By: Randy Ray
Randy Ray
Chief Executive Officer and Co-Owner

STATE OF Florida
COUNTY OF Seminole

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida, personally appeared Randy Ray and he acknowledged before me that he executed the foregoing instrument for the purposes therein stated, on this 12 day of February, 2009.

Sworn to and subscribed before me this 12 day of February, 2009.

Victoria E. Mowinski
NOTARY PUBLIC
(print, type of state, full commissioned name of Notary Public)

VICTORIA E. MOWINSKI
Notary Public - State of Florida
My Commission Expires Sep 25, 2011
Commission # DD 678989
Bonded Through National Notary Assn.

Personally known ☒ or
Produced identification _____ (check one)
Type of Identification Produced: _____

Jerrett D. Brock Signed this 13th day of February, 2009.

Jerrett D. Brock
Assistant Attorney General
Office of the Attorney General
Department of Legal Affairs
135 West Central Blvd., Suite 1000
Orlando, Florida 32801
(407) 245-0833 phone, (407) 245-0365 Fax

Accepted this 27 day of February, 2009.

Mary Leontakianakos Signed this 27 day of February, 2009.

Mary Leontakianakos
Director of Economic Crimes
Office of the Attorney General
The Capitol, PL-01
Tallahassee, Florida 32399-1050