

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

**STATE OF IOWA *ex rel.*
THOMAS J. MILLER,
ATTORNEY GENERAL OF IOWA,**

Plaintiff,

v.

**RELIABLE DATA SOLUTIONS, INC.
(DBA “RDS SUCCESS TEAM”),
a New York corporation;**

and

JHON PALACIO, in his
individual capacity and corporate capacities;

Defendants.

EQUITY NO. 05771 EQCE084676

CONSENT JUDGMENT

The Court, having been presented by Assistant Attorney General J. Andrew Cederdahl with this Consent Judgment, finds and orders as follows:

PARTIES

1. Defendant Reliable Data Solutions, Inc. (DBA “RDS Success Team”), is a New York corporation with a principal business address of 2423 S. Orange Ave. Ste. 164, Orlando, FL 32806-4543.

2. Defendant Jhon Palacio is Defendant Reliable Data Solutions’ only employee, principal and sole shareholder. He resides at 7279 Via Luria, Lake Worth, FL 33467-5222.

ALLEGATIONS

3. The Attorney General alleges that, while advertising and making sales of merchandise, the Defendants violated the CFA and OIA by:

- a. Perpetuating a pure pyramid scheme in which the only consumer merchandise the Defendants solicited Iowans to buy was the opportunity to assist the Defendants in mailing deceptive mailer advertisements to more potential victims;
- b. Lying to Iowa consumers that participation in the Defendants mailer pyramid scheme entailed “guaranteed income”; and
- c. Financially harming older Iowa consumers on fixed incomes in particular, who were seeking supplemental incomes through the Defendants’ schemes, by taking over \$51,000 from them.

4. Defendants deny that they, or (as applicable) their agents, owners, officers, directors, or employees engaged in the acted noted above, or are legally responsible for any conduct in violation of the CFA or the OIA, and this Consent Judgment is not an admission of guilt nor liability by those individuals or entities.

5. The Court has jurisdiction of the parties and subject matter.

6. This Consent Judgment, which has been approved by all Defendants, is intended to resolve this litigation pursuant to IOWA CODE § 714.16, the Iowa Consumer Fraud Act (CFA), and IOWA CODE § 714.16A, the Older Iowans Act (OIA). Plaintiff and Defendant stipulate and agree that entry of this Order shall constitute a full, complete and final settlement of this action. For purposes of entry of this Consent Judgment, the above-captioned Defendants agree that any and all service or notice requirements relating to this Consent Judgment may be fully met through Plaintiff’s prompt emailing of a file-stamped copy of this document to Defendant Jhon Palacio’s attorney, Boyd Jentzsch.

7. The Court finds that this Consent Judgment should be entered.

IT IS THEREFORE ORDERED, pursuant to Iowa R. Civ. P. 1.1501 *et seq.*, the CFA,

and the OIA, that Defendant Reliable Data Solutions, Inc. and Defendant Jhon Palacio, in his personal and corporate capacities, acting jointly or separately, (hereinafter “Defendants”), and Defendants’ employees, successors, principles, partners, members, agents, representatives, subsidiaries, assigns, parent or controlling entities, and all other persons, corporations, trusts or other entities acting in concert or participating with one or more Defendants who have actual or constructive knowledge of this Consent Judgment, shall refrain, now and at all times in the future, from engaging in or participating, directly or indirectly, in any form of business operation involving mailing advertisements or solicitations and telemarketing or phone solicitations (a) to Iowa consumers or (b) that are conducted in whole or in part from any location in the State of Iowa.

IT IS FURTHER ORDERED that the Defendant Jhon Palacio shall not participate directly or indirectly in any activity to form or proceed as a separate entity, trust or corporation for the purpose of engaging in, or benefitting from, acts within Iowa or directed at Iowans that are prohibited by this Order or for any other purpose which circumvents any part of this Order. This permanent injunction is entered against Defendant Jhon Palacio pursuant to the authority of Iowa Code § 714.16 (7).

IT IS FURTHER ORDERED, pursuant to the CFA, that the Defendants shall (with exceptions elaborated herein) reimburse every Iowa resident consumer who paid money to Defendant Palacio and/or Reliable Data Solutions, Inc., and who had not already been provided a complete refund and are not deceased. The list of consumers eligible for the refund are consumers the Defendants identified in their response to the State of Iowa’s subpoena number 2828, who are collectively eligible for the total refund sum of \$43,017.50.

To any extent the Defendants assessed fees to Iowa consumers that have not already been paid, the Defendants shall forgive the alleged debt, make no representation to applicable consumers otherwise, shall not turn over said debts to collection agencies, and shall treat all said alleged debts null and void.

To effectuate its reimbursement of Iowa resident consumers, the Defendants shall, on or before July 12, 2019, transfer \$43,017.50 to the Iowa Attorney General. The Iowa Attorney General shall thereafter make refunds directly to each eligible Iowa consumer by contacting the eligible consumers directly to inquire if they wish to receive the refund. If any eligible consumer with whom the Attorney General can reach within six months of the date upon which this Order is entered affirmatively requests that he or she not be provided the refund, the amount the consumer would be eligible to receive under the settlement will be refunded to Defendants. However, if the Attorney General is after good faith efforts unable to contact one or more of the above-referenced eligible Iowa consumers within six months of the entry of this Order, any applicable refund amount for which they are eligible shall be deposited into the consumer education and litigation fund, Iowa Code § 714.16C.

IT IS FURTHER ORDERED that the Defendants, jointly and severally, shall, on or before July 12, 2019, pay to the Attorney General \$5,000.00 in the manner instructed by the Attorney General, such sum to be deposited into the consumer education and litigation fund, Iowa Code § 714.16C.

IT IS FURTHER ORDERED that the Defendants shall refrain from selling, renting, sharing, transferring, making available for use by others, or making any other use whatsoever of the names and/or other identifying or personal information of persons with Iowa addresses who

previously responded to solicitations from Defendants, and shall promptly destroy the identifying or personal information.

IT IS FURTHER ORDERED that the Defendant shall comply with reasonable requests from the Attorney General for information relating to compliance with this Consent Judgment.

IT IS FURTHER ORDERED that nothing contained in this Consent Judgment shall be construed to waive any individual right of action by a consumer or a local, state, federal or other governmental entity.

IT IS FURTHER ORDERED that nothing herein diminishes the requirements, duties, obligations, or powers set forth in the CFA.

IT IS FURTHER ORDERED that the Attorney General's execution of this Consent Judgment and its subsequent entry by the Court constitutes a settlement, and a release of the Defendants from any and all liability for conduct raised by the Attorney General in its investigation of the Defendants that (i) occurred prior to entry of this Consent Judgment; and (ii) would violate the CFA and OIA. The Attorney General may seek to enforce violations of this Consent Judgment.

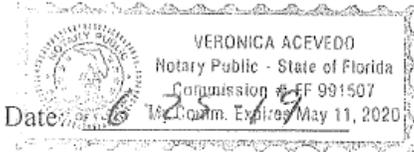
IT IS FURTHER ORDERED that, in addition to whatever other legal remedies may be available, a material violation of this Consent Judgment constitutes a violation of the Consumer Fraud Act, Iowa Code § 714.16 (CFA), and each such violation by any of the Defendants et. al. of this Consent Judgment, if established by a preponderance of the evidence in an enforcement action by the Attorney General, gives rise to all of the remedies provided in the CFA.

IT IS FURTHER ORDERED that the Court retain jurisdiction to enforce this Consent Judgment.

IT IS FURTHER ORDERED that the Defendants pay court costs, if any.

STATE OF Florida)
) ss:
COUNTY OF palm beach

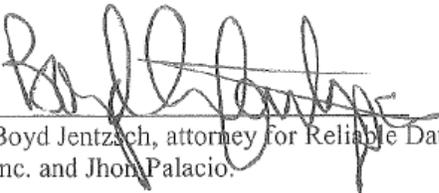
Subscribed and sworn to by John Palacio before the undersigned notary public in and for the state of FL on this 25th day of June, 2019.



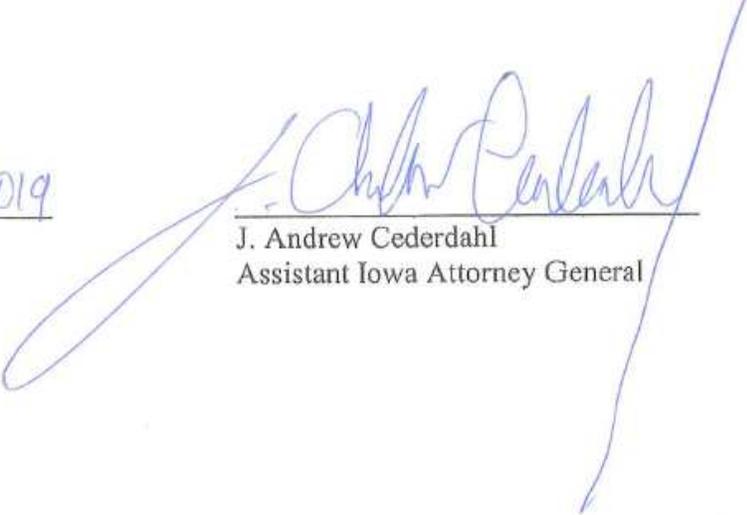
Veronica Acevedo
Notary Public in and for the State of Florida

John Palacio
John Palacio, in his personal capacity

Date: June 25, 2019


Boyd Jentzsch, attorney for Reliable Data Solutions,
Inc. and Jhon Palacio.

Date: June 26, 2019


J. Andrew Cederdahl
Assistant Iowa Attorney General



State of Iowa Courts

Type: OTHER ORDER

Case Number **Case Title**
EQCE084676 STATE OF IOWA VS RELIABLE DATA SOLUTIONS INC ET AL

So Ordered

A handwritten signature in cursive script that reads 'Robert B. Hanson'. The signature is written in black ink and is positioned above a horizontal line.

**Robert B. Hanson, District Court Judge,
Fifth Judicial District of Iowa**