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MICHAEL K. JEANES, Clerk
By *W. Thompson*
W. Thompson, Deputy

1 Thomas C. Horne
Attorney General
2 (Firm State Bar No. 14000)
Rebecca C. Salisbury
3 Assistant Attorney General
State Bar No. 22006
4 Office of the Attorney General
1275 W. Washington Street
5 Phoenix, AZ 85007-2926
Telephone: (602) 542-3725
6 Fax: (602) 542-4377
consumer@azag.gov
7 Attorneys for Plaintiff

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

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

11 STATE OF ARIZONA, *ex rel.* THOMAS C.
HORNE, Attorney General,

12 Plaintiff,

13 vs.

14 SOLID AD SOLUTIONS, LLC; et al.,

15 Defendants.

Case No.: CV2011- 019787

**DEFAULT JUDGMENT AS TO
DEFENDANTS CHRISTOPHER
LEWALLEN; SOLID AD SOLUTIONS,
LLC; SOLID TECH SOLUTIONS, LLC;
FREEDOM BILLING, LLC; AND EWEB
FINANCIAL, LLC**

(Assigned to the Hon. Michael Herrod)

(Default hearing assigned to Commissioner
Michael Barth)

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21 This matter having come before the Court on the State's Motion for Default Judgment,
22 and the Court having reviewed the pleadings of record and having conducted a hearing on
23 December 5, 2012 on the issue of relief to be awarded to the State, and being fully advised in
24 the premises, finds that Defendants Christopher Lewallen; Solid Ad Solutions, LLC; Solid
25 Tech Solutions, LLC; Freedom Billing, LLC, also dba eFirst Financial; and eWeb Financial,
26 LLC were regularly served with process or waived service of process. The Court further finds

1 that Defendants Solid Ad Solutions, LLC; Solid Tech Solutions, LLC and Freedom Billing
2 LLC failed to answer or otherwise defend and default was entered against them on May 22,
3 2012. The Court further finds that Defendant eWeb Financial, LLC filed an Answer, but that
4 Answer was stricken and default was entered on May 22, 2012. The Court further finds that
5 Defendant Christopher Lewallen filed an Answer, but then failed to respond to the Court's
6 Orders re Discovery, and his Answer was stricken, and that the default against Defendant
7 Christopher Lewallen was entered on October 29, 2012. Finally, the Court finds that none of
8 the above-named Defendants is an infant or incompetent, and that the State is entitled to
9 affirmative relief against the above-named Defendants as specified herein. The Court therefore
10 makes the following Findings of Fact and Conclusions of Law and enters the following Orders:

11 **I. FINDINGS OF FACT**

12 **A. EWEB FINANCIAL LLC**

13 1. From May 12, 2008 to June 23, 2010, Defendant EWeb Financial, LLC, marketed
14 a program that would purportedly help consumers create, develop, market and run their own
15 successful internet "webmall" from home.

16 2. The product being sold by eWeb Financial LLC was a website or "webmall" set
17 up for the consumer, which would allow website visitors to make purchases of products through
18 online stores with a link displayed on the website. Consumers were charged anywhere from
19 \$99.00 to \$499.00 for a silver, gold or platinum package and promised the opportunity to make
20 "explosive revenue in just days."

21 3. Nearly all sales of Defendant eWeb Financial LLC's programs were credit card
22 sales, although some consumers sent checks and money orders. During sales calls, consumers
23 were asked to disclose personal financial information, including the limits on their credit cards.
24 Sales representatives encouraged consumers to purchase the program by promising that they
25 would soon be able to use the proceeds of their internet business to pay back the amount charged
26 to their credit cards.

1 4. None of Defendant eWeb Financial LLC's customers earned enough income from
2 their "webmall" to pay back the initial cost of the business.

3 5. From May 12, 2008 to June 23, 2010, employees and/or agents of Defendant
4 eWeb Financial LLC made various deceptive statements to consumers, including but not
5 limited to the following:

6 a. That consumers were likely to establish a successful internet business with
7 the purchase of their services, including individual coaching sessions, and website
8 design and development for a period of one year;

9 b. That they would generate significant income from the program and be able
10 to pay their credit cards back; and

11 c. That consumers could generate from \$1,000 to \$2,000 a
12 month to \$3,000 to \$7,000 per month in commissions, although no consumer generated
13 these amounts.

14 6. Defendant Christopher P. Lewallen also participated in the management and
15 operation of Defendant eWeb Financial LLC by, among other actions:

16 a. Obtaining the lease and paying the rent for the premises used by Defendant
17 eWeb Financial LLC;

18 b. Providing the lists of names and numbers called by Defendant eWeb
19 Financial LLC's telemarketers;

20 c. Placing ads on Craigslist to find employees for Defendant eWeb Financial
21 LLC;

22 d. Maintaining final decision and policy making authority over Defendant
23 eWeb Financial LLC's operations;

24 e. Purchasing and retaining ownership of the desks, computers, phones and
25 office equipment used by Defendant eWeb Financial LLC; and

26 f. Hiring and training the telemarketers used by eWeb Financial LLC.

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2 7. From May 12, 2008 to June 23, 2010, Defendant eWeb Financial LLC operated as
3 a “seller” as defined in the Arizona Telephone Solicitations Act, A.R.S. § 44-1271, *et seq.*

4 **B. SOLID AD SOLUTIONS LLC**

5 8. Defendant Christopher Lewallen was the statutory agent and sole member of Solid
6 Ad Solutions, LLC from November 21, 2008 to its dissolution on March 23, 2011. Between
7 September 15, 2008 and November 21, 2008 Defendant James T. Lewallen, Jr. and Christopher
8 P. Lewallen were joint members of Solid Ad Solutions, LLC.

9 9. From June 23, 2008 until March 23, 2011, Defendant Christopher P. Lewallen’s
10 limited liability company, Defendant Solid Ad Solutions, LLC, marketed additional products
11 and services, such as web traffic, Amazon affiliate accounts, advertising and Google AdSense
12 accounts to customers who had purchased webmails from eWeb Financial LLC, with
13 representations that such products and services were essential to a successful “webmail.” The
14 additional products and services cost purchasers thousands of dollars.

15 10. None of Defendant Solid Ad Solutions LLC’s customers earned enough income
16 from their “webmail” to recoup fees paid to Solid Ad Solutions LLC.

17 11. From June 23, 2008 to March 23, 2011, employees and/or agents of Defendant
18 Solid Ad Solutions LLC made various deceptive statements to consumers, including but not
19 limited to the following:

20 a. That spending thousands of dollars on advertising would increase revenues
21 from their webmail;

22 b. That the webtraffic or hits that would be sent to their webmail would
23 consist of actual people who could or would purchase products from their webmail;

24 c. That a “coach” would assist them with their webmail for a full year; and

25 d. That Google Adsense would pay the webmail owners 5-25 cents per click
26 on ads placed on their webmails.

1 12. From June 23, 2008 to November 21, 2008, Defendant Solid Ad Solutions LLC
2 operated as a “seller” as defined in the Arizona Telephone Solicitations Act, A.R.S. § 44-1271,
3 *et seq.*

4 **C. FREEDOM BILLING LLC**

5 13. Defendant Christopher P. Lewallen was the statutory agent and sole member of
6 Freedom Billing, LLC.

7 14. From June 2010 to May 2011, Defendant Freedom Billing LLC marketed a
8 program that would purportedly help consumers create, develop, market and run their own
9 successful internet “webmall” from home. The “webmall” business opportunity cost purchasers
10 hundreds of dollars.

11 15. The product being sold by Freedom Billing LLC was a website or “webmall” set
12 up for the consumer, which would allow website visitors to make purchases of products through
13 online stores with a link displayed on the website. Consumers were charged anywhere from
14 \$99.00 to \$499.00 for a silver, gold or platinum package and promised the opportunity to make
15 “explosive revenue in just days.”

16 16. Nearly all sales of Defendant Freedom Billing LLC’s programs were credit card
17 sales, although some consumers sent checks and money orders. During sales calls, consumers
18 were asked to disclose personal financial information, including the limits on their credit cards.
19 Sales representatives encouraged consumers to purchase the program by promising that they
20 would soon be able to use the proceeds of their internet business to pay back the amount charged
21 to their credit cards.

22 17. None of Defendant Freedom Billing LLC’s customers earned enough income from
23 their “webmall” to pay back the initial cost of the business.

24 18. From June 2010 to May 2011, employees and/or agents of Defendant Freedom
25 Billing LLC made various deceptive statements to consumers, including but not limited to the
26 following:

1 a. That consumers were likely to establish a successful internet business with
2 the purchase of their services, including individual coaching sessions, and website
3 design and development for a period of one year;

4 b. That they would generate significant income from the program and be able
5 to pay their credit cards back; and

6 c. That consumers could generate from \$1,000 to \$2,000 a month to \$3,000
7 to \$7,000 per month in commissions, although no consumer generated these amounts.

8 d. From June 2010 to May 2011, Defendant Freedom Billing LLC operated
9 as a “seller” as defined in the Arizona Telephone Solicitations Act, A.R.S. § 44-1271, *et*
10 *seq.*

11 **D. SOLID TECH SOLUTIONS LLC**

12 19. Defendant Christopher P. Lewallen was the statutory agent and sole member of
13 Solid Tech Solutions, LLC.

14 20. From June 2010 until May 2011, Defendant Christopher P. Lewallen’s limited
15 liability company, Defendant Solid Tech Solutions, LLC, marketed additional products and
16 services, such as web traffic, Amazon affiliate accounts, advertising and Google AdSense
17 accounts to customers who had purchased webmails from eWeb Financial LLC or Freedom
18 Billing LLC, with representations that such products and services were essential to a successful
19 “webmail.” The additional products and services cost purchasers thousands of dollars.

20 21. None of Defendant Solid Tech Solutions LLC’s customers earned enough income
21 from their “webmail” to recoup fees paid to Solid Tech Solutions LLC.

22 22. From June 2010 until May 2011, employees and/or agents of Defendant Solid
23 Tech Solutions LLC made various deceptive statements to consumers, including but not limited
24 to the following:

25 a. That spending thousands of dollars on advertising would increase revenues
26 from their webmail;

1 b. That the webtraffic or hits that would be sent to their webmall would
2 consist of actual people who could or would purchase products from their webmall;

3 c. That a “coach” would assist them with their webmall for a full year;

4 d. That Google Adsense would pay the webmall owners 5-25 cents per click
5 on ads placed on their webmalls.

6 23. From June 2010 to May 2011, Defendant Solid Tech Solutions LLC operated as
7 a “seller” as defined in the Arizona Telephone Solicitations Act, A.R.S. § 44-1271, *et seq.*

8 **II. CONCLUSIONS OF LAW**

9 24. Defendants Christopher P. Lewallen, eWeb Financial LLC, Solid Ad Solutions
10 LLC, Freedom Billing LLC and Solid Tech Solutions LLC operated as “sellers” as defined in
11 the Arizona Telephone Solicitations Act, A.R.S. § 44-1271, *et seq.*

12 25. The sales made by Defendants Christopher P. Lewallen, eWeb Financial LLC,
13 Solid Ad Solutions LLC, Freedom Billing LLC and Solid Tech Solutions LLC were sales made
14 by unregistered sellers in violation of the Arizona Telephone Solicitations Statute, A.R.S. § 44-
15 1271, *et seq.*

16 26. Defendants Christopher P. Lewallen, eWeb Financial LLC, Solid Ad Solutions
17 LLC, Freedom Billing LLC and Solid Tech Solutions LLC, in connection with the sale and
18 advertisement of merchandise, used or employed deception, deceptive acts or practices, fraud,
19 false pretenses, false promises, misrepresentations or concealment, suppression or omission of
20 material fact with the intent that others rely on such concealment and/or suppression or omission
21 as described in the above Findings of Fact, in violation of A.R.S. § 44-1522(A).

22 27. While engaging in the acts and practices alleged above, Defendants Christopher
23 P. Lewallen, eWeb Financial LLC, Solid Ad Solutions LLC, Freedom Billing LLC and Solid
24 Tech Solutions LLC acted willfully as defined by A.R.S. § 44-1531(B).

25 **III. ORDER**

26 Based on the foregoing findings, and good cause appearing therefore:

1 IT IS ORDERED, ADJUDGED AND DECREED:

2 1. Pursuant to A.R.S. § 44-1528(A), Defendants Christopher Lewallen; Solid Ad
3 Solutions, LLC; Solid Tech Solutions, LLC; Freedom Billing, LLC, also dba eFirst Financial;
4 and eWeb Financial, LLC, their agents, servants, employees, attorneys, successors and assigns,
5 and all persons in active concert or participation with them, are permanently enjoined from
6 engaging in, directly or indirectly, any activities related to telephone sales or sales of business
7 opportunities as defined in A.R.S. § 44-1271 *et seq.*

8 2. Pursuant to A.R.S. § 44-1528(A) Defendants Christopher Lewallen; Solid Ad
9 Solutions, LLC; Solid Tech Solutions, LLC; Freedom Billing, LLC, also dba eFirst Financial;
10 and eWeb Financial, LLC, shall comply with the Arizona Consumer Fraud Act, collectively
11 and individually.

12 3. Pursuant to A.R.S. § 44-1528(A)(2), the State is awarded judgment against
13 Defendants Christopher Lewallen; Solid Ad Solutions, LLC; Solid Tech Solutions, LLC;
14 Freedom Billing, LLC, also dba eFirst Financial; and eWeb Financial, LLC, jointly and
15 severally, in the amount of \$8,157,382.00, with interest thereon at 4.25% (or the statutory rate
16 should it differ) per annum until paid, as restitution.

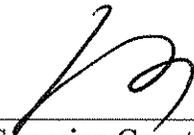
17 4. Pursuant to A.R.S. § 44-1531, the State is awarded judgment against Defendants
18 Christopher Lewallen; Solid Ad Solutions, LLC; Solid Tech Solutions, LLC; Freedom Billing,
19 LLC, also dba eFirst Financial; and eWeb Financial, LLC, jointly and severally, in the amount
20 of \$2,350,000.00 with interest thereon at 4.25% (or the statutory rate should it differ) per
21 annum until paid, as civil penalties.

22 5. Pursuant to A.R.S. § 44-1534, the State is awarded judgment against Defendants
23 Christopher Lewallen; Solid Ad Solutions, LLC; Solid Tech Solutions, LLC; Freedom Billing,
24 LLC, also dba eFirst Financial; and eWeb Financial, LLC, jointly and severally, in the amount
25 of \$67,499.10, with interest thereon at 4.25% (or the statutory rate should it differ) per annum
26 until paid, as attorney's fees and costs.

1 6. The State shall allocate payments received pursuant to this Judgment first to
2 restitution, then to attorney's fees and costs, and then to civil penalties.

3 7. Any amounts received for restitution that cannot be distributed to the consumers
4 identified by the State as clients of Christopher Lewallen; Solid Ad Solutions, LLC; Solid Tech
5 Solutions, LLC; Freedom Billing, LLC, also dba eFirst Financial; and eWeb Financial, LLC
6 shall revert to the Consumer Protection – Consumer Fraud Revolving Fund, established
7 pursuant to A.R.S. § 44-1531.01.

8 DATED this 5 day of December, 2012.

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Superior Court Commissioner

13 **COMMISSIONER MICHAEL BARTH**

14 #2932918

15 The foregoing instrument is a full, true and
16 correct copy of the original document.

17 Attest DEC - 5 2012 20

18 MICHAEL K. JEANES, Clerk of the Superior
19 Court of the State of Arizona, in and for the
20 County of Maricopa.

21 By W. M. Deputy
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