

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

Case No. 1:24-cv-23976-RKA

vs.

ECOM GENIE CONSULTING LLC, *et al.*,

Defendants.

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RECEIVER'S INITIAL REPORT

June 30, 2025

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Mark J. Bernet (the "Receiver"), as receiver for Ecom Genie LLC, Lunar Capital Ventures LLC, Profitable Automation, LLC, Alpine Management Group Inc., Baiz Sales, LLC, Salespreneurs, LLC, and Vicenza Capital Corp. (together the "Receivership Entities"), files his initial report.

I. **PROCEDURAL BACKGROUND**

The Plaintiff, the Federal Trade Commission, filed its Complaint (doc. no. 1) on October 15, 2024, alleging that the Defendants, operating as a "common enterprise," generated more than \$12 million in revenues from consumers by operating a "business opportunity" scam in violation of Section 5(a) of the FTC Act, 15 U.S.C. §45(a) and the FTC's Business Opportunity Rule, 16 CFR Part 437 *et seq.* Specifically, the FTC alleged that the Defendants "used deceptive earnings claims to lure consumers into investing tens of thousands of dollars – at times borrowed against consumers' homes and retirement funds – to purchase what Defendants advertise as a surefire business

opportunity." The FTC alleged that "touting their 'track record of success' and a 'money back guarantee,' Defendants claim that purchasers will earn substantial passive income from e-commerce stores managed by Defendants." However, according to the FTC, "the promised earnings rarely, if ever, materialize, and most consumers lose substantial amounts." The FTC further alleged that the Defendants' businesses operated in violation of various provisions of federal law, including:

- Section 5 of the FTC Act, 15 USC §45(a) (prohibiting unfair or deceptive acts or practices in or affecting commerce); and
- The Business Opportunity Rule, 16 CFR Part 437 as amended (requiring sellers of business opportunities to disclose certain specific information, including substantiation for earnings claims, litigation history, and contact information for prior purchasers).

Named as Defendants in the lawsuit are Stephen J. Mayer, Trevor Duffy Young and Wessam Baiz (the "Individual Defendants"), along with Ecom Genie LLC, Lunar Capital Ventures LLC, and Profitable Automation, LLC, (the "Company Defendants"). All are alleged to have engaged in the same unlawful behavior. Also included in the lawsuit as Relief Defendants are Alpine Management Group Inc., Baiz Sales, LLC, Salespreneurs, LLC, and Vicenza Capital Corp., because each is alleged to have received funds from the unlawful actions of the Defendants.

On October 21, 2024, this Court entered its *Sealed Ex Parte Temporary Restraining Order with Asset Freeze, Appointment of a Receiver, and other Equitable Relief, and Order to Show Cause why a Preliminary Injunction Should not Issue* (doc. no. 13) ("TRO") that, among other things, enjoined all of the Defendants from any business activities that violated the federal statutes and rules mentioned above. The TRO also appointed Mark J. Bernet as a Temporary Receiver to take control of the

Receivership Entities, examine their business practices and suspend their business operations unless he determined that they could be continued legally and profitably. Subsequently, by orders dated November 21, 25 & 26, 2024, the Court converted the TRO into a series of stipulated preliminary injunctions containing essentially the same terms, including confirming the Receiver's appointment.¹ Notably, the Defendants each negotiated and agreed to the preliminary injunctions.

The preliminary injunctions directed the Receiver to:

A. Assume full control of the Receivership Entities by removing, as he deemed necessary or advisable, any director, officer, independent contractor, employee, or agent of the Receivership Entities from control of, management of, or participation in, the affairs of the Receivership Entities;

B. Take exclusive custody, control and possession of all funds, property, premises, accounts, mail, and other assets and documents of, or in the possession, custody, or under the control of, the Receivership Entities, wherever situated, including those located outside of the United States of America;²

C. Conserve, hold and manage all receivership Assets, and perform all acts necessary or advisable in the Receiver's opinion to preserve the value of those Assets; and

D. Take all steps necessary to secure the business premises of the Receivership Entities.

II. MAKING CONTACT WITH THE RECEIVERSHIP ENTITIES

The Court appointed the Receiver in its October 21, 2024 TRO. The Receiver's initial task was to take control of the Receivership Entities. In this regard, the Receiver coordinated with the FTC attorneys and determined that he would take

¹ All Defendants save for Lunar Capital Ventures and Profitable Automation stipulated to preliminary injunctions. Lunar Capital Ventures and Profitable Automation were not represented by counsel, and so did not oppose the entry of the preliminary injunctions.

² See the discussion below concerning Alpine Management Group and Vicenza Capital Corp.

possession of the Receivership Entities' business premises, as understood at the time, on October 22, 2024.

The Receiver understood that the Defendants maintained business premises in Ft. Lauderdale and that the individual defendant Mayer, the supposed "mastermind" of the Defendants, operated out of his home in Houston. The Receiver therefore determined that he personally would travel to Ft. Lauderdale (from Tampa), and he also made arrangements to hire a Deputy Receiver to take possession simultaneously of records thought to be in Mayer's custody in Houston.

- Houston. The Deputy Receiver in Houston met with a process server, whose intention was to serve Mayer with the Complaint, the TRO and various other materials filed in the case. However, while entering his car in front of his house Mayer noticed the process server and deduced that he was attempting to serve him with a lawsuit. In response, Mayer ran from his car back to his house and then refused to open the door despite the process server's repeated knocking.³ The Deputy Receiver was not able to speak to Mayer on October 22, 2024, or take possession of documents and ESI in Mayer's possession.

- Ft. Lauderdale. The Receiver met with the FTC attorneys and forensic IT specialists early on October 22, 2024, to coordinate service of the TRO on the Defendants at the facility in Ft. Lauderdale believed to be their warehouse. Unfortunately, the facility was not the Defendants' warehouse, but instead was a warehouse/storage facility controlled by third parties. The Receiver and the FTC

³ The process server was carrying a large box of documents to serve on Mayer; this gave Mayer a foot-speed advantage.

attorneys, however, noted that the Court's TRO froze all of the Defendants' bank accounts; accordingly, they determined that it was likely the Defendants would contact them shortly. This proved to be the case.

After realizing that the Ft. Lauderdale warehouse was operated by third parties, the Receiver and the FTC attorneys contacted the Defendants and some of the Receivership Entities' known employees with the request/demand that the Defendants contact them. Over the course of the ensuing several days the Receiver and the FTC attorneys were contacted by attorneys potentially representing some of the Defendants, and also by some of the Defendants without counsel.

A. Mayer, Lunar Capital Ventures LLC and Ecom Genie LLC. On October 22, 2024, the Receiver called Richard Gora, an attorney in Connecticut who had represented the Defendants Mayer, Lunar Capital Ventures and Ecom Genie on prior occasions. The Receiver explained that each had been sued by the FTC and inquired whether Gora would represent them and/or accept service of process for them. Gora declined to accept service of process but promised to investigate and report back to the Receiver. Later the same day Gora contacted the Receiver and advised that he would not represent Mayer, Lunar Capital Ventures or Ecom Genie in the case, although he advised that Mayer was in the process of finding litigation counsel.

Thereafter, on October 28, 2024, the Receiver received communications from attorney G. James Christiansen, who advised that he would represent Mayer, Lunar Capital Ventures and Ecom Genie. Christiansen diligently worked with the

three Defendants to comply with the TRO although, as discussed below, Mayer's sworn financial disclosures proved to be problematic.⁴

B. Duffy Young and Profitable Automation. The second group of Defendants in the case were Trevor Duffy Young and his company, Profitable Automation. Unlike Mayer, Duffy Young did not flee from the process server, but instead allowed himself to be served without incident. Duffy Young, who resides in the Cincinnati area, hired the law firm Keating Muething & Klekamp ("KMK"), which promptly contacted the Receiver and the FTC. KMK worked with Duffy Young to complete financial disclosure forms for Duffy Young personally and for his company, Profitable Automation. Duffy Young subsequently hired the law firm Margulis Gelfand DiRuzzo & Lambson to serve as his local counsel in Miami.

C. Relief Defendants Wessam Baiz, Alpine Management Group, Inc., Baiz Sales, LLC, Profitable Automation, LLC, Baiz Sales LLC, Salespreneurs, LLC, and Vicenza Capital Corp. The Relief Defendants can be broken into two groups: the "Baiz Relief Defendants" and the "Mayer Relief Defendants." The Baiz Relief Defendants, consisting of Wessam Baiz and his companies Baiz Sales and Salespreneurs, were served with process without incident. They were represented by attorney Andrew Cove, who promptly contacted the Receiver and the FTC and worked with the Baiz Relief Defendants to complete their financial disclosure forms and otherwise comply with the TRO.

⁴ The Receiver is satisfied that attorney Christiansen worked diligently with Mayer to complete the financial disclosures, and that subsequent issues were entirely the fault of Mayer.

The Mayer Relief Defendants, consisting of Alpine Management Group and Vicenza Capital Corp., were controlled by the Defendant Mayer and his Canadian business partners Justin Preer and Michael Fisher, both from Alberta. Attorney Christiansen, who represented Mayer and Ecom Genie, agreed to accept service of process for Alpine and Vicenza Capital.

III. RECEIVER'S INVESTIGATION

The Receiver reviewed the Defendants' and Relief Defendants' financial disclosures, considered the evidence filed by the FTC in support of its motion for the TRO, interviewed third parties, and spoke with the Defendants and/or their counsel. The Receiver also deposed Mayer and Duffy Young. From all of this, the Receiver learned that the Defendants' business model was to sell Amazon stores to consumers for an up-front fee that ranged from \$20,000 to \$35,000, and then to provide related services in return for a percentage of the sales generated by the stores.

As relevant to this business model, the Amazon marketplace does not operate like a traditional brick-and-mortar store. Instead, Amazon.com is a marketplace, where sellers of goods aggregate their products for consumers to purchase online.⁵ Amazon charges sellers a fee, and in return it provides sellers with access to its website, Amazon.com, where sellers can list their products for sale. Amazon also provides marketing, logistics and other services to sellers.

The Defendants in this case told consumers that in return for the up-front fee, they would set up an Amazon store for them and teach them how to generate passive

⁵ A separate line of business for Amazon involves direct sales of goods by Amazon. This is not implicated in this lawsuit.

income. The Defendants also agreed to provide support services to store owners, including product selection, logistics and accounting. The Defendants utilized false statements to induce consumers to purchase Amazon stores, such as falsely telling consumers they would make substantial income and enlisting spokespersons to claim that they had made millions through their Amazon stores. And while the Defendants told consumers that they would need to provide additional working capital, they also told consumers that they would be able to quickly earn this back by reinvesting the profits they were sure to realize.⁶ Based on the FTC's evidence in the court file, more than 90 percent of store owners never made back their initial investment.

A. Operating Companies controlled by Mayer, Preer and Fisher.

Mayer and his business partners, Justin Preer and Michael Fisher, created and operated a series of companies that sold e-commerce stores to consumers.

1. Valiant Consultants Inc. In September 2019, Mayer, with his partners Preer and Fisher, created a Florida corporation called Valiant Consultants Inc. Valiant's CEO, as reflected with the Florida Secretary of State, was the Defendant/Receivership Entity Alpine Management Group, Inc., which the Receiver discovered is a Canadian corporation registered in Alberta (a more thorough discussion of Alpine is contained below). The FTC correctly alleged that Valiant's purpose was to market e-commerce business opportunities to consumers by, as the FTC put it, claiming that "in exchange for a hefty initial investment, Valiant would

⁶ Frequently, the tens of thousands of dollars needed to purchase inventory to sell on Amazon.com came through consumer's personal credit cards carrying interest rates of 18 to 21 percent. As noted, most never made enough from their stores to pay this back.

set up and manage online stores on e-commerce platforms such as Amazon and Walmart.com." Mayer and Valiant specifically told consumers that they would earn substantial passive income from the sales in the stores that Valiant would set up for them, for a \$30,000 up-front fee.

Mayer testified in his deposition that he was not sure if Valiant ever filed US tax returns (none have been located). He claimed that Valiant had 60 salespersons; he alternated in his testimony whether or not he trained them on how to speak to customers to encourage them to purchase e-commerce stores. He confirmed that both of his partners, Preer and Fisher, actively participated in Valiant; Preer handled financial and accounting matters, while Fisher was involved with marketing and sales. Mayer acknowledged that he was the "public face" of the company.

Unfortunately, Valiant was not able to deliver on its promises to consumers. Of its 238 store purchasers, over 90 percent never made back their initial investment. In fact, 58 percent generated no revenues at all. Mayer testified that a "Steven Rosenberg" was responsible for Valiant's failure to deliver.⁷ Valiant operated from 2020 to mid-2021 when, because of mounting complaints from store owners and lawsuits, Mayer, Preer and Fisher decided to shut it down by walking away. In other words, when it became clear to them that Valiant could not provide the promised

⁷ Mayer likely was referring to Steven Rozenfeld, a New Jersey individual who was sued by the FTC for similar conduct as is described in this case. Mayer claimed that Valiant hired Rozenfeld to manage store owners' operations, but that Rozenfeld did not deliver and stole from them. From the Receiver's perspective, it appears that Rozenfeld may have paid himself more than he deserved to be paid by Valiant, but Mayer, Preer and Fisher did not care because they were also taking money they should not have taken from Valiant.

services and results for store owners, they abandoned the store owners, took the money to Canada and let Valiant die.

2. Defendant/Receivership Entity Lunar Capital Ventures, LLC. Shortly after Mayer, Preer and Fisher determined to shut down Valiant, they decided to start afresh in the same business. To that end, they partnered with an individual named Boba Milic and created a new company known as Lunar Capital Ventures, LLC. Lunar, according to the FTC, sold essentially the same e-commerce business opportunity as Valiant had sold; like Valiant, most of its store purchasers did not make money. Because Mayer had been associated with Valiant, thus making him "damaged goods" in the eye of the public, Mayer, Preer and Fisher determined that Milic would serve as the public face of Lunar.

Like Valiant, however, Lunar failed to deliver for its customers. The FTC provided substantial proof that clients who purchased stores often discovered that it took several months until their stores were operational, if they ever became operational at all. The FTC also provided substantial evidence that even if a store became established and operational, the stores did not sell anywhere near the amount Lunar told them they would sell. Mayer admitted this in his deposition.

Faced with customer complaints and lawsuits, Mayer, Preer and Fisher directed Lunar to close its corporate bank accounts in mid-2023, following which Lunar abandoned its store owners. In other words, just as they had done with Valiant, Mayer, Preer and Fisher again walked away, after taking the money Lunar generated from consumers. At his deposition taken in late November, Mayer blamed

Milic for Lunar's failure, but the Receiver is satisfied that Mayer, Preer and Fisher profited handsomely from Lunar and did little to try to provide the services they promised Lunar's customers.

3. Defendant/Receivership Entity Ecom Genie LLC. Even after Mayer, Preer and Fisher had started and shut down Valiant and Lunar, they were just getting warmed up. In April 2023, right after Mayer, Preer and Fisher closed Lunar, Mayer reappeared as the public face of Ecom Genie Consulting, which sold essentially the same business opportunity as Valiant and Lunar had sold, with the typical price being \$30,000. Ecom Genie was operating as of the commencement of this lawsuit. On its new website, Ecom Genie claimed to be a "premier Amazon wholesale provider since 2019," even though Mayer, Preer and Fisher did not even create Ecom Genie until 2023.

Continuing the pattern from Valiant and Lunar, Mayer and Ecom Genie made statements to potential clients concerning their earnings that were not substantiated, and frankly could not be substantiated. Among other things, Hannah Turnbow (who later married Mayer and became Hannah Mayer) published a video on Facebook, and elsewhere, claiming that "her" Amazon store "has done over \$1.2 million in sales so far in the last 5 months and growing monthly" and that her "profits now are around \$5,000 per month." At his deposition, Mayer admitted that these statements were false and that his spouse did not even own an Amazon store. Additionally, many of Ecom Genie's store owners were suspended by Amazon because Ecom Genie did not, and could not, provide Certificates of Authentication to prove that

goods sold were genuine, and not counterfeit (under federal law, trafficking in counterfeit goods can result in up to ten years' imprisonment).⁸

Part of Ecom Genie's business model provided for operational services by Ecom Genie to store owners after they purchased their stores. Specifically, Ecom Genie agreed that it would perform product research (to identify products that store owners should sell), as well as shipping and accounting services. For these operational services, Ecom Genie charged a fee equal to a percentage of the store owners' sales. The Receiver discovered, however, that the stores were never profitable enough to generate sufficient income for Ecom Genie to provide the services it promised. Instead, when the services were provided, portions of the \$30,000 up-front fee were used to subsidize the operational expenses. In this sense, Ecom Genie operated like a Ponzi scheme because it depended on new revenues from new investors in order to pay for services to existing store owners. This is not a sustainable business model.

B. Defendants Profitable Automation and Trevor Duffy Young.

Shortly after Mayer formed Ecom Genie, he contracted with Trevor Duffy Young and his new company, Profitable Automation. Initially, Profitable Automation was responsible for signing up new customers to purchase Amazon stores. It did this by making essentially the same misstatements concerning earnings, without providing any substantiation for the earnings claims. Moreover, at least at first,

⁸ See 18 U.S.C. § 2320. As a policy matter, Amazon tends to be diligent in requiring its sellers to provide Certificates of Authentication; if sellers cannot provide the COA, Amazon will suspend the seller's account.

Profitable Automation paid 80 percent of the sign-up fees it collected to Mayer and Ecom Genie; in short, Profitable Automation served as a business funnel to obtain new customers for Ecom Genie. Profitable Automation did not tell its customers about its relationship with Mayer or Ecom Genie.

At his deposition in late November 2024, Duffy Young testified that he became suspicious of Mayer and Ecom Genie during the summer of 2024 because he felt that Ecom Genie was not providing the necessary operational support to store owners after they bought their stores. He said he decided that Profitable Automation would continue to seek customers to purchase Amazon stores, but instead of referring them to Ecom Genie (and paying 80 percent of the sign-up fee), Profitable Automation would retain them and provide the operational services itself. According to Duffy Young, this new program for Profitable Automation was implemented only for a brief period of time before the FTC filed its lawsuit.

C. Relief Defendants Alpine Management Group and Vicenza Capital Corp.

The Receivership Entity Alpine Management Group Inc. is a Canadian corporation registered in Alberta. It originally was known as Valiant Consultants Inc. When originally formed, Alpine's three equal shareholders were Mayer, Preer and Fisher, through their Canadian companies Vicenza Capital Corp. f/k/a Steven Mayer Lux Corp. (Mayer), Summit Management Group Inc. (Preer) and Harmony Capital Holdings Ltd. (Fisher). In 2023 Fisher decided to exit from Alpine; after he did so, Mayer (through Vicenza Capital Corp.) owned 62.5 percent of Alpine, while Preer

(through Summit Management Group) owned 37.5 percent. In his deposition, Mayer referred to Alpine as a "holding company," by which he meant the he, Preer and Fisher used it to "hold" the money they collected from their businesses selling e-commerce stores.

The Receivership Entity Vicenza Capital Corp. is a Canadian corporation registered in Alberta. Vicenza Capital Corp. originally was known as Steven Mayer Lux Corp. Mayer was and remains its sole shareholder. As noted above, Vicenza Capital Corp. originally owned one-third of the stock of Alpine Management Group, In 2023 it acquired most of Fisher's one-third share, after which it owned 62.5 percent of Alpine (with Preer's company Summit Management Group owning the remaining 37.5 percent).

Alpine Management Group maintained a bank account with Royal Bank of Canada (RBC). According to Mayer's deposition testimony, Mayer, Preer and Fisher used Alpine to collect the money they derived from their business in the United States, specifically from selling Amazon stores to consumers through Valiant Consultants, Lunar Capital Ventures and Ecom Genie. In other words, when Valiant Consultants, Lunar Capital Ventures or Ecom Genie received money from consumers who were purchasing Amazon stores, those companies transferred their money to Alpine, which then transferred the money to another Alpine account, in Canada, with RBC.

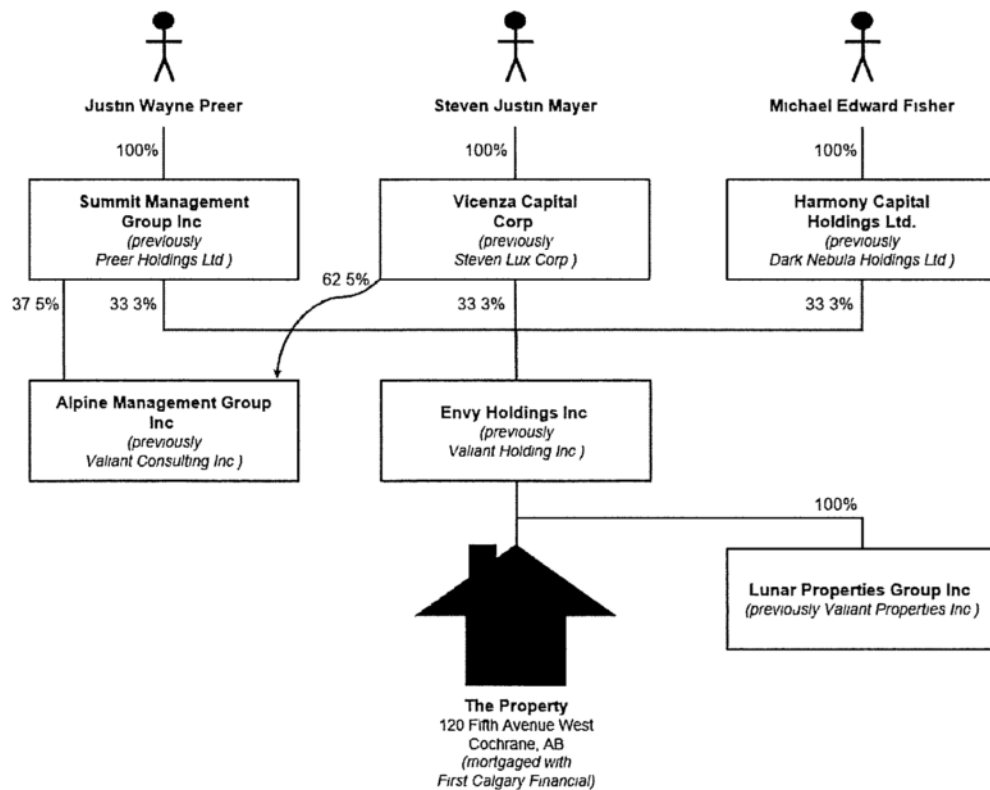
D. Envy Holdings.

Additionally, the Receiver has discovered that Vicenza Capital Corp., Summit Management Group and Harmony Capital Holdings each own one-third of

the stock of Envy Holdings Inc. As discussed in further detail below, in 2022 Envy Holdings, a Canadian corporation registered in Alberta, purchased a strip mall situated at 120 5th Avenue West, Cochrane, Alberta, Canada (the "Property"), for CDN \$22.5 million. Envy Holdings financed the acquisition with a mortgage loan from First Calgary Financial (a division of ConnectFirst Credit Union) for approximately CDN \$14.5 million. Envy paid the remainder of the purchase price, approximately CDN \$8 million, in cash. That CDN \$8 million came from Alpine Management Group, which booked it as a "loan" to Envy Holdings.⁹ None of the "loan" has been repaid.

The inter-relatedness of Mayer, Preer and Fisher and their various companies is depicted in the following chart:

⁹ Working with Alpine Management Group's Chartered Accountant/CPA, Ryan Barrett of Numeris LLP (a Calgary-based accounting firm), the Receiver traced money from Valiant Consulting, Lunar and Ecom Genie to Alpine Management Group in Canada, and then to Envy Holdings. Alpine Management Group carried the CDN \$8 million it transferred to Envy Holdings as a loan on its balance sheet, meaning that Envy Holdings should be required to repay that amount. The Receiver suspects that the reason for this was that, because the money was loaned to Envy, it was not counted as a taxable distribution to Mayer, Preer and Fisher, the owners of Alpine Management Group. The Receiver believes that this arrangement would not survive scrutiny by Canada Revenue Agency, the Canadian equivalent of the IRS, which almost certainly would recognize the "loan" as a taxable distribution to Mayer, Preer and Fisher.



The Property was subject to a mortgage under which Envy owed approximately \$13.5 million in the spring of 2025. The mortgage loan matured in early May 2025, at which time the entire unpaid balance was due and payable. Mayer, Preer and Fisher took steps to try to extend the mortgage loan, but according to them, Mayer's legal problems as expressed in the FTC's lawsuit caused the existing mortgagee, First Calgary Financial, as well as other lenders to refuse to extend the loan or provide alternate financing. According to Mayer, the solution to this problem was for him to exit Envy Holdings, and so in April 2025, with the assistance and participation of Preer and Fisher, he signed a "Share Surrender Agreement" under

which he purported to dispose of Vicenza Capital Corp.'s one-third ownership interest in Envy Holdings for no consideration whatsoever.¹⁰

E. The Contempt Motion.

The FTC and the Receiver discovered that Mayer purported to give away his interest in Envy Holdings' CDN \$22.5+ million Property for no consideration.¹¹ Doing this was a direct violation of the stipulated preliminary injunctions, and accordingly the FTC filed a motion seeking the entry of an order directing Mayer and Vicenza Capital Corp. to appear and show cause why they should not be held in contempt for purporting to dispose of property in violation of the "asset freeze" provisions of the stipulated preliminary injunctions. The Receiver filed a written joinder in the motion. The Court held a show-cause hearing on June 4, 2025. Mayer appeared and tried to explain his actions, but in its June 9, 2025 order, the Court rejected his explanations and found Mayer and Vicenza Capital Corp. in contempt for "their intentional, unjustified violation of the Court's [preliminary injunctions]." The Court ordered Mayer and Vicenza Capital Corp. to purge the contempt finding by causing the Share Surrender Agreement to be rescinded within seven days, failing

¹⁰ The "Share Surrender Agreement" purported to cause Envy Holdings to redeem Vicenza Capital Corp.'s stock for nothing. The effect was that Preer and Fisher, through their companies Summit Management Group and Harmony Capital Holdings, saw their ownership interests in Envy holdings increase from one-third each to 50 percent each.

¹¹ Mayer's original Financial Disclosure Form, which he signed under penalty of perjury, identified that his company Vicenza Capital Corp. owned a one-third interest in one unit of the Property, which he valued at CDN \$22,500. His lawyer, Christiansen, discovered that the Property was (i) more than a single unit, and (ii) cost considerably more than CDN \$22,500. Christiansen compelled Mayer to provide amended financial disclosures. During that process, Mayer also disclosed that he had disposed of Vicenza Capital Corp.'s one-third interest in the Property.

which the Court stated it would consider more extreme sanctions, including possibly incarcerating Mayer.

IV. THE ALBERTA, CANADA LAWSUIT

As noted above, the Receiver discovered that Mayer and Vicenza Capital Corp. had attempted to dispose of their one-third interest in Envy Holdings and its CDN \$22.5+ million retail complex in violation of the Court's stipulated preliminary injunctions. Mayer also violated the stipulated preliminary injunctions on at least two other occasions, when he spent cash he was not entitled to spend and when he sold a car that he was enjoined from selling.

Because of Mayer's incorrigible nature and conduct, and because the Receiver had discovered that Mayer, Preer and Fisher were attempting to place receivership assets beyond the reach of the receivership estate, the Receiver hired the Canadian law firm Blake, Cassels & Graydon LLP ("Blakes") to seek legal remedies in Canada. Working with the Receiver and Alpine Management Group's accountants, Blakes prepared and filed an *Originating Application* in the Court of King's Bench of Alberta, seeking a Mareva injunction¹² to enjoin Mayer, Envy Holdings, Alpine Management Group, Vicenza Capital Corp., Summit Management Group, Harmony Capital Holdings, Preer and Fisher from disposing of any of their assets, including in particular the Property. The *Originating Application*, a copy of which is attached as Exhibit "A," also requested an order (i) recognizing this Court's stipulated preliminary

¹² In Canada, a Mareva injunction is an injunction that restrains a defendant from transferring or disposing of assets pending the resolution of legal proceedings pertaining to the assets. A Mareva is akin to the "asset freeze" aspects of this Court's preliminary injunctions herein.

injunctions and declaring them binding on the respondents in the Alberta case throughout Canada, and (ii) declaring the Share Surrender Agreement null and void, and directing the Respondents to take steps to "undo" Mayer's supposed divestiture of his interest in Envy Holdings.

On June 6, 2025, court in the Alberta case considered the petition and evidence filed in support, along with materials filed by the Respondents. The Alberta court determined that the Receiver was entitled to the relief he requested, and it accordingly entered an *Order* granting the petition. The order, amounting to a Mareva injunction, enjoined the Respondents from seeking to sell or otherwise dispose of any of their assets, including without limitation the Property or the stock in Envy Holdings. The order also recognized and adopted this Court's preliminary injunction and declared it enforceable in Canada. A copy of the Order is attached as Exhibit "B."

Prior to the June 6 hearing in Alberta, the Respondents offered the Receiver CDN \$1 million in satisfaction of his claims. After the hearing they increased their offer to CDN \$1.5 million. The Receiver declined both offers and is pressing forward with obtaining control of the entire Property. The Receiver is traveling to Calgary in early July to meet with the property manager and real estate agents to possibly list the Property for sale.¹³

¹³ The Property is subject to a matured mortgage on which Envy Holdings owes approximately CDN \$13.5 million. Estimates of the value of the Property range from CDN \$22.5 to \$28 million.

V. RECEIVER'S BUSINESS ANALYSIS

The Court's preliminary injunction directs the Receiver to suspend the business operations of the Receivership Entities unless he determines that they can be operated "legally and profitably." Concerning the main part of the Defendants' business operations, the sale of ecommerce stores, the Receiver is concerned that the sales pitches from Mayer and his partners, through their various companies, amounted to false representations concerning the earnings potential and profitability of e-commerce stores. Amazon stores present a particular problem. Various Amazon store owners use Amazon.com to sell their products, but a significant percentage of the available merchandise is the same from numerous merchants. In other words, multiple store owners seek to sell the same items, whether they be buckets, pencils, chairs or other tangible products. There is little a store owner can do to differentiate itself from the other merchants selling the same products, apart from trying to have the lowest price. Low prices, however, mean low margins and hence low profitability. It is therefore not surprising that the vast majority of store owners did not make back the amounts they invested.

Moreover, the Defendants' business model relied on unsubstantiated earnings claims. Mayer freely admitted under oath, in his deposition, that many of the earnings claims the Defendants made were at least unsubstantiated, if not downright false. For example, Mayer posted a video of his wife, Hannah Mayer, on the Ecom Genie website in which she stated that "her" Amazon store had earned over \$1.2 million during the preceding five months. Mayer conceded, under oath, that the statement is false;

Hannah Mayer does not even own an Amazon store. Clearly, the numerous, troublesome false earnings claims were a material part of the business practices of the various e-commerce sales companies engineered and operated by Mayer, Preer and Fisher. The businesses therefore clearly were no historically operated "lawfully."

If the Defendants were to operate their business "lawfully," they would need to start by stopping their reliance on false or unsubstantiated earnings claims. They also would need to change their approach to obtaining new customers by candidly acknowledging that the vast majority of store owners lose money. However, if the Defendants were to operate "lawfully" by accurately telling potential store owners that they were not likely to succeed, it is not possible for the Defendants to operate their business "profitably" because nobody would buy Amazon stores from them.

Based on the foregoing analysis, the Receiver concluded that the Defendants' business of selling ecommerce stores cannot be operated "legally and profitably," and he therefore determined to suspend their business operations. In reaching this conclusion, the Receiver also gave considerable weight to the fact that Mayer, Preer and Fisher started three separate companies selling the same business opportunity, each of which failed to deliver to consumers.¹⁴

The other aspect of the Defendants' business was providing support services for consumers who purchased Amazon stores. This included product development/selection, logistics and accounting services. The Defendants charged

¹⁴ The Receiver reluctantly has concluded that Mayer, Preer and Fisher did not care whether consumers' e-commerce stores ever became profitable; they were focused on generating the up-front sales so that they could take consumers' money to Canada. From all outward appearances, they were intentionally operating a scam.

store owners a percentage of their sales; this revenue was supposed to pay the costs associated with providing the services. Unfortunately, most store owners never turned a profit, which had the ripple effect of generating insufficient revenue for the Defendants to collect to pay the cost associated with providing the ancillary services. As discussed above, the Defendants utilized a portion of the \$30,000 up-front fee to subsidize the portion of the business providing services, but given that the Receiver determined to suspend the sales of new stores, this revenue source has dried up. Providing services to store owners never was a profitable business line, and the Receiver therefore has determined to suspend this part of the business as well.

VI. NEXT STEPS

The Receiver's best prospect for recovering money to refund to defrauded consumers is the Property in Alberta. The Property has, potentially, up to CDN \$10 million in equity. The Property is owned by Envy Holdings, but the money utilized as a downpayment came directly from the Receivership Entity Alpine Management Group; as such, under both US and Canada law, the Receiver has a strong claim that the Property, while it legally owned by Envy Holdings, is subject to a constructive trust in favor of Alpine Management Group. The Receiver is pursuing recovery of the Property, and in that regard has planned a trip to Calgary to meet with the foreclosing mortgagee, the property manager, local realtors and Preer, Fisher and their attorney. The Receiver also is obtaining records from the banks holding accounts for Preer, Fisher, and Envy Holdings.

VII. FUNDS COLLECTED

Attached as Composite Exhibit "C" are spreadsheets showing all funds collected by the Receiver, along with all activity in the receivership bank accounts. As of mid-June, 2025, the Receiver was holding \$9,999.99 in a receivership checking account and \$943,497.49 in a receivership money market account.

VIII. HOURS EXPENDED

Attached as Exhibit "D" is a spreadsheet showing the time recorded on this matter by the Receiver through June 27, 2025. It shows that the Receiver has recorded 329.6 hours on this matter. At his discounted hourly rate of \$480, this would result in fees of \$157,208.00. The Receiver anticipates filing a fee application shortly.

IX. CONCLUSION

The Receiver invites the questions and comments of the parties.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served by CM/ECF and via e-mail to Molly Rucki, Esquire, e-mail mrucki@ftc.gov, and Sarah Tonnesen, Esquire, e-mail stonnesen@ftc.gov; Joseph A. DiRuzzo, III, Esquire, e-mail jd@margulisgelfand.com; Philip L. Martin, Esquire, e-mail philip@vallislegal.com; G. James Christiansen, Esquire, e-mail greg@guardianlaw.com; Andrew N. Cove, Esquire, anc@covelaw.com; and James A. Peterson, Esquire, e-mail James@petersonlegal.com; this 30th day of June, 2025.

/s/ Mark J. Bernet

Mark J. Bernet, Receiver