

1 **KRONENBERGER ROSENFELD, LLP**  
2 Karl S. Kronenberger (Bar No. 226112)  
3 karl@kr.law  
4 Jeffrey M. Rosenfeld (Bar No. 222187)  
5 jeff@kr.law  
6 Virginia Sanderson (Bar No. 240241)  
7 ginny@kr.law  
8 Liana Chen (Bar No. 296965)  
9 liana@kr.law  
10 548 Market Street #85399  
11 San Francisco, CA 94104-5401  
12 Telephone: (415) 955-1155  
13 Facsimile: (415) 955-1158

14 Attorneys for Defendants

15 **UNITED STATES DISTRICT COURT**  
16 **CENTRAL DISTRICT OF CALIFORNIA**

17 **FEDERAL TRADE COMMISSION,**

18 Plaintiff,

19 v.

20 **ASCEND CAPVENTURES INC.,**  
also doing business as Ascend Ecom  
21 LLC, *et al.*

22 Defendants.

Case No. 2:24-cv-07660-SPG(JPRx)

**DECLARATION OF WILLIAM  
BASTA IN SUPPORT OF  
DEFENDANTS' RESPONSE TO  
ORDER TO SHOW CAUSE WHY  
A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE [D.E. 30,  
42, 55]**

Date: October 23, 2024

Time: 3:00 p.m.

Location: First Street Courthouse,  
Courtroom 5C

Judge Sherilyn Peace Garnett

1 I, William Basta, declare as follows:

2 1. I am a Defendant in the above-entitled action and co-owner of  
3 Defendants Ascend Capventures Inc., Ascend Ecommerce Inc., Ascend  
4 Administration Inc., Ascend Ecom LLC, and Ascend Distribution LLC (collectively,  
5 the “Corporate Defendants”). Unless otherwise stated, I have personal knowledge of  
6 the matters stated herein.

7 2. The Corporate Defendants offered business consulting and management  
8 services to their clients, assisting with setting up, supplying, and managing storefronts  
9 on e-commerce marketplaces such as Amazon.com, Walmart.com, and Etsy.com.

10 3. In or around August 2023, Defendant Ascend Capventures Inc. received  
11 and responded to a subpoena issued by the FTC in the case of *FTC v. Automators*  
12 *LLC*, Case No. 3:23-cv-01444-BAS-KSC (S.D. Cal.), which involved allegations of  
13 violations of the FTC’s Business Opportunity Rule (“BOR”) against another  
14 marketplace services platform.

15 4. Although we believed that the services offered by the Corporate  
16 Defendants were different than those at issue in the *Automators* case, were compliant  
17 with all applicable laws, and did not constitute a “business opportunity” subject to the  
18 BOR, the *Automators* case spurred an increased focus on legal compliance for the  
19 Corporate Defendants—including by adhering to the requirements of the BOR out of  
20 an abundance of caution.

21 5. As part of this increased compliance effort, the Corporate Defendants  
22 sought the advice of multiple law firms, revised the client agreement terms, and  
23 prioritized customer communications and disclosure forms, including use of the  
24 FTC’s BOR disclosure form listing ten references.

25 6. A true and correct copy of the revised client agreement used by the  
26 Corporate Defendants is attached hereto as **Exhibit A**.

27 7. Numerous clients have expressed satisfaction with the services of the  
28 Corporate Defendants and have earned profits through their marketplace storefronts.

1 8. Attached hereto as **Exhibit B** are true and correct copies of 2024 sales  
2 records for nearly 60 clients of the Corporate Defendants that demonstrate the net  
3 profits earned by their storefronts on a per-transaction basis.

4 9. I am informed and believe that, since the Temporary Restraining Order  
5 (“TRO”) was issued by this Court, all services of the Corporate Defendants have  
6 ceased, thus bringing these profits to a halt and harming the respective storefront  
7 owners.

8 10. Like all businesses, the Corporate Defendants have dealt with unhappy  
9 customers. In 2024, several former customers filed arbitration claims against myself,  
10 Mr. Leung, and one or more of the Corporate Defendants.

11 11. In the arbitration, these former customers were represented by an  
12 attorney who also represents a main competitor of the Corporate Defendants, Ecom  
13 Authority, and who had made demands to us on behalf of Ecom Authority before.  
14 Jeremy Leung and I believe that this was no coincidence, and suspect that Ecom  
15 Authority formed a Facebook group for the purposes of organizing, encouraging, and  
16 possibly even funding the litigation by the former customers against us.

17 12. I was surprised to see that, after extensive settlement negotiations in the  
18 arbitration actions, these same former customers and their attorney submitted  
19 declarations to the FTC that were used to obtain the TRO.

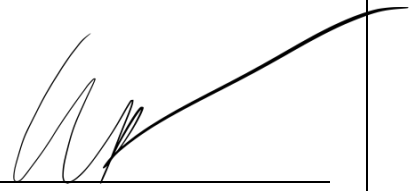
20 13. However, these former customers represent a small sampling of the total  
21 customer base of the Corporate Defendants. Many customers had positive  
22 experiences and have submitted comments to us confirming the same.

23 14. Attached hereto as **Exhibit C** are true and correct copies of examples of  
24 screenshots taken of positive comments the Corporate Defendants have received from  
25 happy customers.

26 15. Needless to say, the issuance of the TRO and freezing of my personal  
27 assets has caused severe financial hardship, the effects of which I will feel for years  
28 as my credit score is plummeting. As a result of the asset freeze, the Corporate

1 Defendants have not paid any employees. I have not been able to make mortgage  
2 payments or pay my personally-guaranteed credit card debt.

3 I declare under penalty of perjury under the laws of the United States of  
4 America that the foregoing is true and correct and that this Declaration was executed  
5 on October 18, 2024, in \_\_\_\_\_.

6  
7 By:   
8 William Basta



9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28