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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

FEDERAL TRADE COMMISSION,)	
)	CV-00--11324 GAF (CWx)
Plaintiff,)	
)	
v.)	STIPULATED FINAL JUDGMENT
)	AND ORDER FOR
WESTERN UNITED SERVICE)	PERMANENT INJUNCTION,
CORPORATION d/b/a)	DISGORGEMENT AND
TITAN BUSINESS SOLUTIONS,)	MONETARY RELIEF AGAINST
and)	DEFENDANT SCOTT FORD
SCOTT FORD,)	
)	
Defendants,)	
_____)	

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), commenced this action by filing a Complaint pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, *et seq.*, charging Defendants Western United Service Corporation d/b/a Titan Business Solutions ("Titan") and Scott Ford ("Ford") with engaging in unfair or deceptive acts or practices in connection with the sale and offering for sale, of a work at home opportunity, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

Now the Commission and defendant Ford have agreed to a settlement of this action

Accordingly, the Commission and defendant Ford consent to entry of this Stipulated Final Judgment and Order ("Order") without trial or adjudication of any issue of law or fact herein.

FINDINGS

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the Federal Trade Commission Act, 15 U.S.C. §§ 53(b), and 57b, *et seq.* The Complaint seeks permanent injunctive relief against defendant Ford in connection with the offer and sale of a work-at-home opportunity involving medical billing.
2. This Court has jurisdiction over the subject matter of this case and over defendant Ford. Venue in the Central District of California is proper.

3. The Complaint states a claim upon which relief may be granted against defendant Ford under Sections 5(a), 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 45(a) 53(b) and 57b.
4. The Commission has the authority under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, to seek the relief it has requested.
5. The defendant, Scott Ford, was properly served with the Complaint and Summons in this matter.
6. The activities of defendant Ford charged in the Complaint are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
7. Defendant Ford waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order. Defendant Ford also waives any claim that he may hold under the Equal Access to Justice Act, 28 U.S.C. § 2412 (as amended), concerning the prosecution of this action to the date of this Order. Defendant Ford shall bear his own costs and attorney's fees.
8. This Order is remedial in nature and shall not be construed as the payment of a fine, penalty, punitive assessment, or forfeiture.
9. Defendant Ford enters into this Order freely and without coercion, and acknowledges that he understands the provisions of this Order and is prepared to abide by its terms. At all times, defendant Ford has been represented by counsel, including the negotiations that led to this Order.
10. Entry of this Order is in the public interest.

ORDER

For purposes of this Final Judgment and Order for Permanent Injunction and Monetary Relief, the following definitions shall apply:

Definitions

1. "**Telemarketing**" means a plan, program or campaign, which is conducted to induce the purchase of goods or services by the use of one or more telephones and which involves more than one interstate telephone call.
2. "**Document**" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.
3. "**Defendant**" means defendant Scott Ford and his agents, servants, employees and all persons or entities directly or indirectly under his control, and all other persons or entities in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each such person.
4. "**Consumer**" means any person, including any individual, group, unincorporated association, limited or general partnership, corporation or other business entity.
5. "**Receivership defendant**" means the business assets and operations of any and every business owned by defendant Ford that has been operated under the name Western United Service Corporation or Western United Service Corporation d/b/a Titan Business Solutions.
6. The terms "**and**" and "**or**" have both conjunctive and disjunctive meanings.
7. "**Business Venture**" means any written or oral business arrangement, however denominated, which consists of the payment of any consideration for:
 - a. the legal right or logistical means to offer, sell or distribute goods or services (whether or not identified by a trademark, service mark, trade name, advertising, or other commercial symbol), including but not limited to the sale of a franchise; and
 - b. assisting others in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business.
8. "**Assisting others**" means knowingly providing any of the following goods or services to another person or entity:
 - a. performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; or
 - b. formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material; or
 - c. providing names of, or assisting in the generation of, potential customers; or

- d. performing marketing services of any kind.
- 9. "**Work-at-home opportunity**" means any program, plan, product, or service that enables a participant or purchaser to earn money while working from home.

**I.
PERMANENT BAN**

IT IS THEREFORE ORDERED that defendant Ford, whether acting directly or through any corporation, limited liability company, subsidiary, division or other device, is hereby permanently restrained and enjoined from engaging in, or receiving any remuneration of any kind whatsoever from, or holding a majority ownership interest, share, or stock in, or serving as an officer, director, trustee, or general manager of, any business entity engaged in whole or in part advertising for sale, marketing for sale, promoting for sale, offering for sale, or sale of:

- a. any business venture;
- b. any employment opportunity; or
- c. any work-at-home opportunity.

**II.
PROHIBITED BUSINESS ACTIVITIES**

IT IS FURTHER ORDERED that defendant Ford, in connection with the advertising for sale, marketing for sale, promoting for sale, offering for sale or sale of any business venture, any employment opportunity or any work-at-home opportunity [collectively "employment program"], is hereby restrained and enjoined from:

- A. Making, or assisting in the making of, expressly or by implication, orally or in writing, any statement or representation of material fact that is false or misleading, including but not limited to, any misrepresentation:
 - 1. that consumers who purchase the employment program from defendant Ford will receive a complete package suitable for a consumer to start his or her own business, or
 - 2. that consumers will be furnished the names and addresses of pre-screened physicians who are likely to use the consumers to process their medical claims; or
 - 3. that consumers, by use of defendant Ford's employment program, will earn specific levels of earnings;or
- B. Making, or assisting in the making of, expressly or by implication, orally or in writing, any statement or representation of material fact that is false or misleading, including but not limited to, any misrepresentation about any other fact material to a consumer's decision to purchase any employment program.

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promoting, telemarketing, offering for sale, or sale of any good or service, defendant Ford, and its agents, employees, and all persons or entities acting directly or indirectly under its control, or in active concert or participation with defendant Ford, whether acting directly or through any corporation, limited liability company, subsidiary, division or other device, who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from misrepresenting, expressly or by implication, any fact material to a consumer's decision to buy or accept the good or service.

**III.
SUSPENDED JUDGMENT**

IT IS FURTHER ORDERED that judgment is hereby entered against defendant Ford in the amount of \$5,600,000.00 (FIVE MILLION SIX HUNDRED THOUSAND DOLLARS); provided, however, that this judgment shall be suspended subject to the conditions set forth in Section IV of this Order.

**IV.
TELEMARKETING BOND REQUIREMENT**

IT IS FURTHER ORDERED that defendant Ford, whether acting directly or indirectly through any persons or entities under such defendant's control, is hereby permanently enjoined and restrained from engaging in or assisting

others engaged in telemarketing or in the advertising, promotion, offering for sale, or sale of services relating to any business venture or any employment opportunity or any work-at-home opportunity unless, prior to engaging in or assisting others engaged in such activities, such defendant first obtains a performance bond ("the Bond") in the principal sum of one million dollars (\$1,000,000). The terms and conditions of the Bond requirement are as follows:

- A. The Bond shall be conditioned upon compliance with Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Telemarketing Sales Rule, 16 C.F.R. Part 310, and with the provisions of this Order. The Bond shall be deemed continuous and remain in full force and effect as long as such defendant Ford is engaging in or assisting others engaged in telemarketing or in the advertising, promotion, offering for sale, or sale of services relating to any business venture, any employment opportunity or any work-at-home opportunity. Defendant Ford shall maintain the Bond for a period of five (5) five years after defendant Ford provides notice to the Commission that he has ceased engaging in or assisting others engaged in telemarketing or in the advertising, promotion, offering for sale, or sale of services relating to any business venture, any employment opportunity or any work-at-home opportunity. The Bond shall cite this Order as the subject matter of the Bond, and shall provide surety thereunder against financial loss resulting from whole or partial failure of performance due, in whole or in part, to any violation of Section 5(a) of the FTC Act, or of the Telemarketing Sales Rule, or the provisions of this Order, or to any other violation of law;
- B. The Bond required pursuant to this Paragraph shall be an insurance agreement providing surety for financial loss issued by a surety company that is admitted to do business in each state in which such defendant, or any entity directly or indirectly under such defendant's control, is doing business and that holds a Federal Certificate of Authority As Acceptable Surety On Federal Bond and Reinsuring. The Bond shall be in favor of both: (1) the Federal Trade Commission for the benefit of any consumer injured as a result of any activities that required obtaining the Bond; and (2) any consumer so injured;
- C. The Bond required pursuant to this Paragraph is in addition to, and not in lieu of, any other bonds required by federal, state, or local law;
- D. At least ten (10) days before commencing in any activity that requires obtaining the Bond, defendant Ford shall provide notice to the Commission describing in reasonable detail said activities, and include in such notice a copy of the Bond obtained;
- E. Defendant Ford shall not disclose the existence of the Bond to any consumer without simultaneously making the following disclosure: "THE BOND IS REQUIRED BY ORDER OF THE U.S. DISTRICT COURT AS PART OF A FINAL ORDER AGAINST SCOTT FORD in FTC v. Western United Service Corporation d/b/a Titan Business Solutions and Scott Ford. The disclosure shall be set forth in a clear and conspicuous manner, separated from all other text, in 100 percent black ink against a light background, in print at least as large as the main text of the sales material or document, and enclosed in a box containing only the required disclosure.

V.

RIGHT TO REOPEN AND TERMINATE SUSPENSION

IT IS FURTHER ORDERED that the Commission's agreement to, and the Court's approval of, this Order is expressly premised upon the truthfulness, accuracy, and completeness of the financial statements provided by defendant Ford to counsel for the Commission on or about October 31, 2000, and the sworn testimony given by defendant Ford on November 21, 2000 which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Order.

IT IS FURTHER ORDERED that if the Commission should have evidence that the above-referenced financial statements and information failed to disclose any material asset with a value in excess of \$1,000, materially misrepresented the value of any asset, or made any other material misrepresentation or omission, the Commission may move that the Court reopen this Order for the sole purpose of allowing the Commission to modify the monetary liability of defendant Ford. If the Court finds that defendant Ford failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation or omission in the above-referenced financial statements and information, the Court shall enter judgment against defendant Ford, in favor of the Commission for benefit of consumers, in the amount of five million six hundred thousand dollars (\$5,600,000), which the Commission has calculated to be the amount of consumer injury in this matter, less any refund amounts previously paid by defendants and less any redress paid by defendant Ford pursuant to Paragraph XVI. Should this judgment be modified as to the monetary liability of defendant Ford, this Order, in all other respects, shall remain in full force. Any proceedings instituted under this Paragraph shall be in addition to and not in lieu of any other proceedings the

Commission may initiate to enforce this Order. Solely for the purposes of reopening this judgment or enforcing this Paragraph, defendant Ford waives any right to contest any of the allegations set forth in the Complaint filed in this matter or the 5.6 million dollar judgment referenced above.

VI. CUSTOMER LISTS

IT IS FURTHER ORDERED that defendant Ford, and his successors, assigns, directors, officers, agents, servants, employees, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, are permanently restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to defendant Ford, Western United Service Corporation or Titan Business Solutions for purchase of a business venture or medical billing software, at any time; *Provided* that defendant Ford may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

VII. CEASE COLLECTIONS, NOTICES TO CONSUMERS

IT IS FURTHER ORDERED that defendant Ford, and his successors, assigns, directors, officers, agents, servants, employees, attorneys, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, shall:

- A. Cease all collection efforts on accounts arising from contracts, agreements, or understandings between defendants and consumers, including but not limited to directing all third parties engaged in collection efforts regarding such accounts to cease all such collection activities and to cease furnishing any negative information to any consumer reporting agencies;
- B. Within twenty (20) days after the date this Order is entered, return to consumers all uncashed checks or other negotiable instruments, if any, in defendant Ford's possession that have been received by defendant Ford, directly or indirectly, on accounts arising from contracts, agreements, or understandings between defendant Ford and consumers. Include with each such returned check or other negotiable instrument a notice to the consumer stating that, as a result of an agreement between defendant Ford and the Federal Trade Commission settling allegations regarding defendant Ford's offer and sale of a work-at-home opportunity involving medical billing, those consumers' contracts are rescinded; and
- C. Within sixty (60) days after the date this Order is entered, provide the names and addresses of those consumers to whom checks or other negotiable instruments were returned pursuant to Subparagraph B above to: Jennifer Larabee, Esq., Federal Trade Commission, 10877 Wilshire Blvd., Suite 700, Los Angeles, California 90024.

VIII. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, defendant Ford, and his successors, assigns, directors, officers, agents, servants, employees, attorneys, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with any business where defendant Ford is the majority owner of the business or directly or indirectly manages or controls the business, and where the business involves the offer and sale of any business venture, any employment opportunity or any work-at-home opportunity, are hereby restrained and enjoined from failing to create, and from failing to retain for a period of five (5) years following the date of such creation, unless otherwise specified:

- A. Books, records and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

- B. Records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable. The businesses subject to this Paragraph shall retain such records for any terminated employee for a period of three (3) years following the date of termination;
- C. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, for all consumers to whom such business has sold, invoiced or shipped any goods or services, or from whom such business accepted money or other items of value;
- D. Records that reflect, for every consumer complaint or refund request, whether received directly or indirectly or through any third party:
 - 1. the consumer's name, address, telephone number and the dollar amount paid by the consumer;
 - 2. the written complaint or refund request, if any, and the date of the complaint or refund request;
 - 3. the basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint;
 - 4. each response and the date of the response;
 - 5. any final resolution and the date of the resolution; and
 - 6. in the event of a denial of a refund request, the reason for the denial; and
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials utilized; *provided* that copies of all sales scripts, training materials, advertisements, or other marketing materials utilized shall be retained for three (3) years after the last date of dissemination of any such materials.

IX.

DISTRIBUTION OF ORDER BY DEFENDANT FORD

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, defendant Ford shall:

- A. Provide a copy of this Order to, and obtain a signed and dated acknowledgment of receipt of same from, each officer or director, each individual serving in a management capacity, all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such persons, for any business involving telemarketing, or any business involving the offer and sale of any business venture, any employment opportunity or any work-at-home opportunity, where defendant Ford is the majority owner of the business or directly or indirectly manages or controls the business.
- B. Maintain for a period of three (3) years after creation, and upon reasonable notice, make available to representatives of the Commission, the original signed and dated acknowledgments of the receipt of copies of this Order, as required in Section A of this Paragraph.

X.

COMPLIANCE REPORTING BY DEFENDANT FORD

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order, defendant Ford shall notify the Commission of the following:
 - 1. Any changes in defendant Ford's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - 2. Any changes in defendant Ford's employment status (including self-employment) within ten (10) days of such change. Such notice shall include the name and address of each business that defendant Ford is affiliated with or employed by, a statement of the nature of the business, and a statement of defendant's duties and responsibilities in connection with the business or employment; and
 - 3. Any proposed change in the structure of any business entity owned or controlled by defendant Ford such as creation, incorporation, dissolution, assignment, sale, merger, creation or dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the corporate name or address, or any other

change that may affect compliance obligations arising out of this Order, thirty (30) days prior to the effective date of any proposed change; *provided*, however, that, with respect to any proposed change in the corporation about which defendant Ford learns less than thirty (30) days prior to the date such action is to take place, defendant Ford shall notify the Commission as soon as is practicable after learning of such proposed change;

- B. One hundred eighty (180) days after the date of entry of this Order, defendant Ford shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which defendant Ford has complied and is complying with this Order. This report shall include but not be limited to:
1. Defendant Ford's then current residence addresses and telephone numbers;
 2. Defendant Ford's then current employment, business addresses and telephone numbers, a description of the business activities of each such employer, and defendant Ford's title and responsibilities for each employer;
 3. A copy of each acknowledgment of receipt of this Order obtained by defendant Ford pursuant to Paragraph IX;
 4. A statement describing the manner in which defendant Ford has complied and is complying with the injunctive provisions in Paragraphs I and II of the Order;
- C. Upon written request by a representative of the Commission, defendant Ford shall submit additional written reports (under oath, if requested) and produce documents on fifteen (15) days' notice with respect to any conduct subject to this Order;
- D. For the purposes of this Order defendant Ford shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Assistant Regional Director
Federal Trade Commission
10877 Wilshire Blvd., Suite 700
Los Angeles, California 90024

Re: FTC v. Western United Service Corporation d/b/a Titan
Business Solutions and Scott Ford
Civ. Act. No. 00-11324 GAF

- E. For the purposes of this Paragraph, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" includes any individual or entity for whom defendant Ford performs services as an employee, consultant, or independent contractor; and
- F. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate directly with defendant Ford.

XI.

COMMISSION'S AUTHORITY TO MONITOR COMPLIANCE

IT IS FURTHER ORDERED that the Commission is authorized to monitor defendant Ford's compliance with this Order by all lawful means, including but not limited to, the following means:

- A. The Commission is authorized, without further leave of court, to obtain discovery from any person in the manner provided by Chapter V of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 26-37, including the use of compulsory process pursuant to Fed. R. Civ. P. 45, for the purpose of monitoring and investigating defendant Ford's compliance with any provision of this Order;
- B. The Commission is authorized to use representatives posing as consumers and suppliers to defendant Ford, defendant Ford's employees, or any other entity managed or controlled in whole or in part by defendant Ford, without the necessity of identification or prior notice; and
- C. Nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. § § 49 and 57b-1, to investigate whether defendant Ford has violated any provision of this Order or Section 5 of the FTC Act, 15 U.S.C. § 45, and
- D. For purposes of the compliance monitoring required by this Paragraph, the Commission, and its agents, are authorized to communicate directly with defendant Ford.

XII.
ACCESS TO BUSINESS PREMISES

IT IS HEREBY ORDERED that, for a period of five (5) years from the date of entry of this Order, for the purpose of further determining compliance with this Order, defendant Ford shall, within three (3) business days of receipt of written notice from the Commission, permit representatives of the Commission:

- A. Access during normal business hours to any office, or facility storing documents, of any business involving telemarketing, or any business involving the offer and sale of any business venture or employment opportunity or work-at-home opportunity, where defendant Ford is the majority owner of the business or directly or indirectly manages or controls the business. In providing such access, defendant Ford shall permit representatives of the Commission to inspect and copy all documents relevant to any matter contained in this Order; and shall permit Commission representatives to remove documents relevant to any matter contained in this Order for a period not to exceed five (5) business days so that the documents may be inspected, inventoried, and copied; and
- B. To interview the officers, directors, and employees, including all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, of any business to which Section A of this Paragraph applies, concerning matters relating to compliance with the terms of this Order. The person interviewed may have counsel present; and
- C. For purposes of the access request permitted by this Paragraph, the Commission is authorized to communicate directly with defendant Ford.

Provided that, upon application of the Commission and for good cause shown, the Court may enter an *ex parte* order granting immediate access to defendant's business premises for the purposes of inspecting and copying all documents relevant to any matter contained in this Order.

XIII.
ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT FORD

IT IS FURTHER ORDERED that, within five (5) business days after receipt by defendant Ford of this Order as entered by the Court, defendant Ford shall submit to the Commission a truthful sworn statement, in the form shown on Appendix A hereto, that shall acknowledge receipt of this Order.

XIV.
DISGORGEMENT BY DEFENDANT FORD TO THE RECEIVERSHIP

IT IS FURTHER ORDERED that defendant Ford's assets, frozen at Washington Mutual Bank, City National Bank and Oak Associates, pursuant to the Preliminary Injunction entered in this proceeding, shall be disgorged and transferred to the Receiver and made part of the Receivership Assets upon the entry of this Final Judgment.

XV.
RECEIVERSHIP

IT IS FURTHER ORDERED that the receivership imposed in the Preliminary Injunction entered in this proceeding shall be continued until such time as the Receiver has taken the necessary steps to wind down the business of the receivership defendant. Such necessary steps shall include, but are not limited to, canceling the receivership defendant's contracts, liquidating the receivership defendant's assets, and taking such other steps as may be necessary to terminate the receivership defendant efficiently. The Receiver shall also seek and carry out the Court's instructions as to disposition of checks received by the receivership defendant on or after the date on which the Receiver took control of the receivership defendant. The Receiver is directed, promptly upon completion of the steps taken to wind down the business of the receivership defendant, to provide a report to the Court which details the steps taken to dissolve the receivership estate. The report shall include an inventory of the receivership estates and an accounting of the receivership estate's finances. Upon completion of the requirements of this Section, the Receiver shall move that this Court order termination of this receivership. At such time, the Receiver shall make a final request for payment of compensation for the performance of duties pursuant to the Preliminary Injunction entered in this proceeding and

pursuant to this Section and for the cost of actual out-of-pocket expenses incurred. Once the Receiver has been compensated in an amount approved by the Court, the Receiver shall transfer all remaining funds of the receivership defendant to the Commission for consumer redress or disgorgement as provided for in Section XVI of this Order. The Receiver shall promptly return all other records of the receivership defendant in his possession relating to its financial operation to defendant Ford so that he may prepare and file all necessary income tax returns.

XVI.
USE OF CONSUMER REDRESS AND DISGORGEMENT FUNDS

IT IS FURTHER ORDERED that:

- A. The Commission shall deposit funds received from the Receiver pursuant to this Order in an interest-bearing account. The funds shall be used to provide redress to injured consumers and to pay expenses of administering the redress fund, or in accordance with Paragraph B of this Section;
- B. If the Commission determines, in its sole discretion, that redress to consumers is wholly or partially impracticable, any funds not so used shall be deposited into the United States Treasury, or may be used to educate consumers affected by the practices set forth in the Commission's Complaint in this matter. Defendant Ford shall have no right to contest the manner of distribution chosen by the Commission;
- C. If the Commission determines that payment of redress to consumers is not impracticable, the Commission shall submit a plan for the disbursement of funds to the Court for review and approval. In establishing this plan, the Commission shall have full and sole discretion to determine the criteria and parameters for participation by allegedly injured consumers in a redress program, and may delegate any and all tasks connected with such redress program to any individuals, partnerships, or corporations, and pay the fees, salaries, and expenses incurred thereby in carrying out said tasks from the funds received pursuant to this Order.

XVII.
COSTS AND ATTORNEYS FEES

IT IS FURTHER ORDERED that each party to this Order bear its own costs and attorneys fees incurred in connection with this action.

XVIII.
CONTINUED JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

XIX.
INDEPENDENCE OF OBLIGATIONS

IT IS FURTHER ORDERED that the expiration of any requirements imposed by this Order shall not affect any other obligation under this Order.

XX.
WAIVER OF CLAIMS

IT IS FURTHER ORDERED that defendant Ford waives all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended* by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and all rights to seek appellate review or otherwise challenge or contest the validity of this Order, or the temporary or preliminary orders entered in this proceeding, and further waives and releases any claim he may have against the FTC, the Receiver, or their employees, agents or representatives.

XXI.
ENTRY BY CLERK

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

SO STIPULATED:

Dated: January 4, 2002

FEDERAL TRADE COMMISSION

/signed/

Jennifer Larabee, Esq.
Amy Brothers, Esq.
Kenneth H. Abbe, Esq.
Attorneys for Plaintiff

Dated: August 27, 2001

/signed/

Scott Ford
Defendant

Dated: August 27, 2001

APPROVED AS TO FORM

/signed/

Mark G. Krum, Esq.
Attorney for Defendant Scott Ford

IT IS SO ORDERED Dated: January 8, 2002

/signed/ GARY FEESS

UNITED STATES DISTRICT COURT JUDGE
