Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

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Equinox International Settles Case with FTC, Eight States Nearly $40 Million in Restitution for Alleged Pyramid Victims

Consumers who lost money investing in a pyramid scheme they thought was a legitimate multi-level marketing business, will share in as much as $40 million dollars under the terms of a settlement between the Federal Trade Commission and law enforcement authorities from eight states, and William Gouldd and Equinox International of Las Vegas, Nevada. The settlement also will bar Gouldd from any future involvement in any multi-level marketing scheme, for life, and requires dissolution of Equinox, Advanced Marketing Seminars, Inc. and BG Management, Inc. Gouldd and Equinox faced charges by the FTC and law enforcement authorities from Hawaii, Maryland, Michigan, Nevada, North Carolina, Pennsylvania, Tennessee, and Virginia.

In a suit filed jointly with the states on August 3, 1999 the FTC alleged that the defendants operated an illegal pyramid scheme, made deceptive earnings claims, and provided distributors with the means and instrumentalities to violate federal law. State law enforcers alleged violations of state securities laws, deceptive trade practices laws, false advertising laws, pyramid laws, and licensing requirements laws. Private class action plaintiffs' lawyers also joined the suit. At the request of the FTC and state law enforcers, a U.S. District Court in Las Vegas halted the allegedly illegal operations of Equinox International Corporation; Advanced Marketing Seminars, Inc.; BG Management, Inc.; and William Gouldd, their principal, froze the defendants' assets, and appointed a receiver, pending trial. The trial began April 3, 2000. The settlement announced today will end the trial process.

The terms of the settlement bar Gouldd, for life, from engaging in any multi-level marketing operations. It also provides that cash and corporate and individual assets will be placed in the hands of the court-appointed receiver for liquidation. The assets have an estimated book value of nearly $50 million, and once liquidated are expected to yield approximately $40 million. Proceeds from the sale of assets will be used for consumer redress and payment of certain court-approved expenses, including the payment of states plaintiffs' fees and costs and fees and costs to defendants' and private class action plaintiffs' lawyers. Redress will be paid by the court-appointed receiver following what likely will be months of accounting and liquidation proceedings. Consumers who believe that they are eligible to participate in the redress distribution may check on the status of these proceedings by visiting the Federal Trade Commission's website, www.ftc.gov, or calling the FTC's Equinox hotline, 202-326-2103.

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The provisional stipulated final judgment and order was filed on April 20, 2000 by Judge Johnnie B. Rawlinson, and the full text of the order and the consent agreement is available on the FTC's website (www.ftc.gov). The court will hold a fairness hearing before entering a final order.

NOTE: This provisional stipulated final judgment and order is for settlement purposes only and does not constitute an admission by the defendant of a law violation. Stipulated final judgments and orders have the force of law when signed by the judge.

Copies of the FTC's complaint, the court's provisional stipulated final judgment and order and the consent agreement are available from the FTC's web site at http://www.ftc.gov and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580; 1-877-FTC-HELP (382-4357); TDD for the hearing impaired 1-866-653-4261. Consent agreements subject to public comment also are available by calling 202-326-3627. To find out the latest news as it is announced, call the FTC NewsPhone recording at 202-326-2710.

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(equinox)