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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

_____)	
FEDERAL TRADE COMMISSION,)	
Plaintiff,)	
v.)	CIVIL ACTION NO.
))	CV-07-4087-JG-AKT
EDGE SOLUTIONS, INC., <i>et al.</i> ,)	
Defendants.)	
_____)	

**[PROPOSED] STIPULATED ORDER AND
JUDGMENT FOR PERMANENT INJUNCTION**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed a Complaint for a permanent injunction and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b) against the Defendants Edge Solutions, Inc., a Delaware Corporation, Edge Solutions, Inc., a New York Corporation (collectively, hereinafter, "Edge"), Money Cares, Inc., all also known as The Debt Settlement Company or The Debt Elimination Center, Pay Help, Inc., Miriam Lovinger and Robert Lovinger, both individually and in their capacities as officers of the corporations (each a "Defendant" and all collectively the "Defendants"). On October 11, 2007, upon stipulation of

the parties, the court entered a Temporary Restraining Order ("TRO"). On November 2, 2007, upon stipulation of the parties, the court entered an Order of Preliminary Injunction ("PI").

The Plaintiff and the Defendants, by and through their respective counsel, have agreed to the entry of this Stipulated Order and Judgment for Permanent Injunction ("Order") by this court without trial or adjudication of any issues of fact or law.

NOW, THEREFORE, the Plaintiff and Defendants have requested the Court to enter this Order.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. The Defendants were served properly with the Complaint and Summons in this matter.
2. The Defendants consented to the entry of the TRO and PI against them and were served properly with the TRO and PI in this matter.
3. This Court has jurisdiction over the subject matter of the case and personal jurisdiction over the Defendants pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345. Venue in the Eastern District of New York is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).
4. The alleged actions of the Defendants are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. The allegations of the Complaint state a claim upon which relief can be granted against Defendants under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).
6. Plaintiff has the authority under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57, to seek the relief it has requested.

terms are defined in the Uniform Commercial Code), accounts, credits, receivables, funds, and all cash, wherever located.

2. **“Person”** means any natural person, including any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.
3. **“Debtor”** means any consumer indebted to a creditor or creditors.
4. **“Debt negotiation” or “Debt settlement”** means:
 - a. the business or practice of receiving, in return for consideration, the scheduled receipt of a debtor’s monies, or evidences thereof, for the purpose of distribution among certain specified creditors in payment, or partial payment, of the debtor’s obligations; or
 - b. the business or practice of acting or offering or attempting to act as an intermediary between a debtor and his creditors for the purpose of settling, negotiating, consolidating, managing, reducing or in any way altering the terms of payment of, any debt of a debtor.
5. **“Defendants”** means Defendants Edge Solutions, Inc., a Delaware corporation, Edge Solutions, Inc., a New York corporation, and Money Cares, Inc., a Florida corporation, each also known as The Debt Settlement Company or as The Debt Elimination Center, Pay Help, Inc., a New York corporation, Miriam Lovinger, and Robert Lovinger, and each of them, by whatever names each might be known.
6. **“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 “document.”

7. **“Individual Defendants”** means Miriam Lovinger and Robert Lovinger.
8. **“Receivership Defendants”** means Edge Solutions, Inc., a Delaware corporation, Edge Solutions, Inc., a New York corporation, and Money Cares, Inc., a Florida corporation, each also known as The Debt Settlement Company, or as The Debt Elimination Center, Pay Help, Inc., and each of them, by whatever names each might be known.
9. **“Corporate Defendants”** means Receivership Defendants.
10. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively as necessary, and to make the applicable phrase or sentence inclusive rather than exclusive.
11. **“Material”** means likely to affect a person’s choice of, or conduct regarding goods or services.
12. **“Clearly and Prominently”** means:
 - a. in print communications, the message shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears;
 - b. in communications disseminated orally, the message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear it and comprehend it;
 - c. in communications made through an electronic medium (such as television, video, radio and interactive media such as the Internet, online services and software), the message shall be presented simultaneously in both the audio and the visual portions of the communication; *provided*

however, that for television, video, and radio communications of sixty (60) seconds duration or less, the message presented simultaneously shall be "*Fees and conditions apply. Ask for details.*"

- d. if any communication is presented solely through oral, written, visual or audio means, the message shall be made through the same means; and
- e. regardless of the medium used to disseminate it, the message shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the message shall be used in any communication.

ORDER

I. BOND REQUIREMENT

IT IS FURTHER ORDERED THAT:

A. The Individual Defendants are each permanently enjoined from engaging or assisting others, whether directly or indirectly, in concert with others, or through any business entity, in the sale, offering for sale, advertising, promotion or marketing of any Debt Negotiation or Debt Settlement service or program to consumers, unless such Defendant first obtains a performance bond in the principal sum of 1,000,000 US dollars (One Million Dollars).

B. The terms and conditions of the bond requirement in Paragraph A, above, shall be as follows:

- 1. The bond is conditioned upon compliance by Defendant Robert Lovinger or Defendant Miriam Lovinger with Section 5(a) of the FTC Act, 15 U.S.C. § 45 and the provisions of this Order. The bond shall be deemed continuous and remain in full force and effect as long as said Defendant continues to engage in the sale, offering for sale, advertising, promotion or marketing of Debt Negotiation or Debt Settlement service or

program to consumers, and for at least three (3) years thereafter. The bond shall cite this Order as the subject matter of the bond, and shall provide surety thereunder against financial loss due, in whole or part, to any violation by said Defendant of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) or the provisions of this Order;

2. The bond shall be an insurance agreement providing surety for financial loss that is issued by a surety company (i) admitted to do business in each state in which said Defendant does business and (ii) that holds a Federal Certificate of Authority as Acceptable Surety on Federal Bond and Reinsuring. Such bond shall be in favor of both (a) the FTC, for the benefit of any party injured as a result of any violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), or the provisions of this Order, made while engaging in the sale, offering for sale, advertising, promotion or marketing of any Debt Negotiation or Debt Settlement service or program to consumers, and (b) any consumer so injured;

3. Said Defendant shall provide a copy of the bond required by this Paragraph to the Regional Director of the Northeast Region of the FTC at least ten (10) days prior to the commencement of the activity for which the bond is required;

4. The bond required by this Order shall be in addition to, and not in lieu of, any bond required by federal, state, or local law, or the order of another court;

5. Said Defendant shall not disclose the existence of any performance bond required by this Paragraph to any consumer, or other purchaser or prospective purchaser of any product or service that is advertised, promoted, offered for sale, sold, or distributed, without also disclosing clearly and prominently, at the same time, "AS
REQUIRED BY ORDER OF THE U.S. DISTRICT COURT, EASTERN DISTRICT OF

NEW YORK, IN SETTLEMENT OF CHARGES OF FALSE AND MISLEADING REPRESENTATIONS IN THE PROMOTION AND SALE OF DEBT NEGOTIATION OR DEBT SETTLEMENT;" and

6. The bond shall be executed in favor of the Commission if the Commission demonstrates to this Court, or a Magistrate thereof, by a preponderance of the evidence that, after the effective date of this Order, said Defendant has, individually or through any other person or entity, violated any condition of the bond.

II. PROHIBITED BUSINESS ACTIVITIES

IT IS HEREBY ORDERED that the Defendants, their successors and assigns whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, and their officers, agents, servants, employees, and attorneys, and any other persons who are in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, in connection with the advertising, promotion, offering, or sale of any Debt Negotiation or Debt Settlement service or program by telephone, on or through the Internet, the World Wide Web, any website, or otherwise in commerce, are hereby permanently restrained and enjoined from:

A. Making 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 that:

1. Consumers who purchase Defendants' Debt Settlement services will be able to pay off all of their debts referred to Defendants' program for a substantially reduced amount;

2. Defendants will contact all of consumers' creditors referred into Defendants' program to negotiate settlements and will begin paying such creditors, within several weeks after consumers join Defendants' program; and

3. Defendants will provide personalized one-on-one financial consulting to assist consumers.

B. Making, expressly or by implication, orally or in writing, any other 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 Debt Negotiation or Debt Settlement service or program.

C. Failing to disclose the following terms clearly and prominently, and contemporaneously, whenever any Defendant represents, expressly or by implication: (1) that consumers who purchase Defendants' Debt Negotiation or Debt Settlement service or program will obtain any specific percentage, range of percentages, or words to the equivalent effect of a specific percentage, including terms such as "60 cents for every dollar that is owed," of reduction of the consumer's total amount of unsecured debt owed at the time the consumer enrolls in such program or service; or (2) that Defendants will begin negotiating with and/or start paying creditors, within a specific time period, including terms such as, "several weeks" after consumers join Defendants' program:

- a. all fees and costs that will be charged for these services, including when and how such fees and costs will be paid by consumers;
- b. the approximate time period before settlements will be achieved on behalf of consumers, based on the prior historical experience of the average

consumer who enrolls in Defendants' Debt Negotiation or Debt Settlement service or program; and

- c. that consumers' balances will typically increase during this time period until settlements for all accounts are actually achieved.
- D. Assisting others who violate any provision of this Paragraph.

III. MONETARY JUDGMENT

A. **IT IS FURTHER ORDERED** that judgment in the amount of 7,000,000 U.S. dollars (Seven Million Dollars) is hereby entered against Defendants, jointly and severally, and their successors and assigns, for equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, and for paying any attendant expenses of administering any redress fund. Based upon Defendants' sworn representations in their financial statements and payment of the amounts referred to in Subparagraphs B and C below, and subject to the provisions in Paragraph IV of this Order, this liability will be suspended;

B. The Temporary Receiver, Richard O'Connell, or his designee shall take all necessary and appropriate steps to consummate the sale of the Individual Defendants' real property located at 13573 Kiltie Court, Delray Beach, Florida 33446 (the "Florida Property"), which was sold at auction on May 14, 2008. The Individual Defendants shall fully cooperate with all reasonable requests from the Temporary Receiver or his designee to consummate the sale of the Florida Property, including but not limited to, providing prompt signatures on sale documents, or access to the premises as requested. The Temporary Receiver shall deposit the net proceeds from said sale into an escrow account separate from the account in which the receivership funds are deposited. For the purpose of this Subparagraph, "net proceeds" shall mean the sale price less the applicable outstanding mortgage and auctioneer or broker fees on the

property and all additional costs, fees, liens, taxes and other transaction costs or incidental or consequential costs;

C. Immediately upon entry of this Order, and completion of Subparagraph B above, the Temporary Receiver, Richard O'Connell, shall wire transfer the frozen funds of the Receivership Defendants that are held by the Temporary Receiver to the Federal Trade Commission in accordance with instructions to be provided by the Commission. The Temporary Receiver shall likewise transfer the net proceeds of the sale of the Florida Property to the Federal Trade Commission upon entry of this Order, or, in the event no sale has been consummated by the time this Order is entered, within fifteen (15) days after the completion of the sale of the Florida Property;

D. Defendants shall not claim any right, title or interest to any assets, including but not limited to those assets described in Subparagraphs B and C above, which are transferred to the Commission, its designee or agent, or the Temporary Receiver, and shall relinquish and waive any such claim;

E. Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true in any subsequent litigation filed by the Commission to enforce its rights pursuant to this Order, including, but not limited to, a nondischargeability complaint filed in any bankruptcy proceeding;

F. All funds paid pursuant to this Paragraph shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including but not limited to consumer redress and any attendant expenses for the administration of any redress fund. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such

other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the U.S. Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph;

G. Defendants expressly waive their rights to litigate the issue of disgorgement. Defendants acknowledge and agree that all money paid pursuant to this Order is irrevocably paid to the Commission for purposes of settlement between Plaintiff and Defendants, and Defendants relinquish all right, title, and interest to assets held by the Temporary Receiver in connection with this case; and

H. The Commission and Defendants acknowledge and agree that no portion of this judgment for equitable monetary relief shall be deemed a fine, penalty, punitive assessment or forfeiture.

IV. RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

A. By agreeing to this Order, Defendants reaffirm and attest to the truthfulness, accuracy, and completeness of all of the financial information they provided to the Plaintiff prior to entry of this Order. The Commission's agreement to, and the Court's approval of, this Order, which requires payment of less than the full amount of restitution, is expressly premised upon the truthfulness, accuracy, and completeness of the financial statements executed on October 11, 2007, provided to counsel for the Commission by Defendants, which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Order;

B. If, upon notice and motion by the Commission, this Court finds that any of the Defendants' Financial Statements failed to disclose any material asset or source of income, or materially misrepresented the value of any asset or source of income, or made any other material misrepresentation or omission of assets, then the suspended judgment amount of \$7,000,000, less all amounts paid pursuant to Paragraphs III.B, III.C and III.D above, plus interest computed at the rate prescribed in 28 U.S.C. § 1961 which shall immediately begin to accrue on the unpaid balance, will be rendered immediately due and payable by all Defendants, jointly and severally, to the extent one or any of them is found to have failed to disclose any material asset or source of income, or materially misrepresented the value of any asset or source of income, or made any other material misrepresentation or omission of assets;

C. Should this Order be modified pursuant to this Paragraph, this Order, in all other respects, shall remain in full force and effect unless otherwise ordered by this Court. Any proceedings instituted under this Paragraph are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings the Commission may institute to enforce this Order; and

D. Unless already provided, the Defendants shall also furnish to the Commission, in accordance with 31 U.S.C. § 7701, their taxpayer identification numbers (social security number, social insurance number, employer identification number, or Revenue Canada identification number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of each Defendant's relationship with the government. The Individual Defendants also agree, if they have not done so already, to provide Plaintiff and the Commission with clear, legible and full-size photocopies of all valid driver's licenses which they possess, which will be used solely for collection, reporting, and compliance purposes.

**V. LIFTING OF THE ASSET FREEZE AND DISSOLUTION
OF THE STIPULATED PRELIMINARY INJUNCTION**

IT IS FURTHER ORDERED that upon entry of this Order and completion of the transfer of funds set forth in Paragraphs III.B, III.C and III.D above, the freeze of Defendants' assets, as ordered in the Stipulated Preliminary Injunction entered by this Court on November 2, 2007 is dissolved.

VI. TRANSFER OF CUSTOMER LISTS

IT IS FURTHER ORDERED that the Defendants, their successors and assigns whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, and their officers, agents, servants, employees, and attorneys, and any other persons who are in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, are permanently enjoined and restrained from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, Social Security number, credit card number, bank account number, date of birth, email address, or other identifying information of any person who purchased or paid for Debt Settlement or Debt Negotiation services, at any time prior to entry of this Order; and

B. Benefitting from or using the name, address, telephone number, Social Security number, credit card number, bank account number, date of birth, email address, or other identifying or financial information of any person who submitted this information to Defendants as a result of, or otherwise related to, the activities alleged in the Complaint.

Provided, however, that Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

VII. USE OF ALIASES

IT IS FURTHER ORDERED that the Individual Defendants are hereby enjoined from using any fictitious, false, or assumed title or name, other than their own proper name, or registered fictitious or trading name, or otherwise misrepresenting their true identities in the course of business dealings or in publicly filed documents, except for the use of a pen name in connection with the authorship of written materials not related to the advertising, promotion, offering for sale, and selling of Debt Negotiation or Debt Settlement services.

VIII. MONITORING COMPLIANCE OF SALES PERSONNEL

IT IS FURTHER ORDERED that Defendants, in connection with any business where any Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where the business is engaged in the sale of any Debt Negotiation or Debt Settlement service or program to consumers, are hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Paragraphs I and II of this Order. Such steps shall include, at a minimum, the following:

- (1) listening to a representative sample of the oral representations made by persons engaged in sales or other customer service functions;
- (2) establishing a procedure for receiving and responding to consumer complaints; and
- (3)

ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

B. Failing promptly to investigate fully any consumer complaint received by any business to which this Paragraph applies; and

C. Failing to take corrective action with respect to any sales person whom any Defendant or representative determines is not complying with this Order, which may include training, disciplining, and/or terminating such sales person;

Provided, however, that this Paragraph VIII does not authorize or require a Defendant to take any action that violates any federal, state, or local law.

IX. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Order,

A. Within ten (10) days of receipt of written notice from a representative of the Commission, each Defendant shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in such Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Order by all other lawful means, including but not limited to the following:

1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;

2. posing as consumers and suppliers to: Defendants, Defendants employees, or any other entity managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice; and

C. Each Defendant shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

Provided, however, that 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, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

X. COMPLIANCE REPORTING BY DEFENDANTS

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,
1. Each Individual Defendant shall notify the Commission of the following:
 - a) Any changes in the Individual's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b) Any changes in employment status (including self-employment) of the Individual Defendant, and any change in the ownership of the Individual Defendant in any business entity, within ten (10) days

of the date of such change. Such notice shall include the name and address of each business that the Individual Defendant is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of the Individual Defendant's duties and responsibilities in connection with the business or employment; and

- c) Any changes in the Individual Defendant's name or use of any aliases or fictitious names; and

2. Each Defendant shall notify the Commission of any changes in corporate structure of the Corporate Defendants or any business entity that an Individual Defendant directly or indirectly control(s), or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about which the Defendant(s) learns less than thirty (30) days prior to the date such action is to take place, Defendant(s) shall notify the Commission as soon as is practicable after obtaining such knowledge;

B. One hundred eighty (180) days after the date of entry of this Order, Defendants each shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in

detail the manner and form in which they have complied and are complying with this Order.

This report shall include, but not be limited to:

1. For each Individual Defendant:
 - a) The then-current residence address, mailing addresses, and telephone numbers of the Individual Defendant;
 - b) The then-current employment and business addresses and telephone numbers of the Individual Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of the Individual Defendant, for each such employer or business; and
 - c) Any other changes required to be reported under Subparagraph A of this Paragraph.
2. For all Defendants:
 - a) A copy of each acknowledgment of receipt of this Order, obtained pursuant to Paragraph XII,
 - b) A list of all names under which any Defendant did or currently does business since the entry of this Order,
 - c) A copy of any Performance Bond obtained pursuant to Paragraph I; and
 - d) Any other changes required to be reported under Subparagraph A of this Paragraph.

C. For the purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, DC 20580
Re: Federal Trade Commission v. Edge Solutions, et al.
Civil Action No. CV-07-4087-JG-AKT

The notifications shall be mailed by certified first class mail, return receipt requested. The return receipt shall be retained by the Individual Defendants for five (5) years from the date of mailing; and;

D. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendants.

XI. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Defendants and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, in connection with any business where any Defendant is the majority owner of the business or directly or indirectly manages or controls the business, are hereby restrained and enjoined from failing to create and retain the following records:

A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

B. Personnel 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;

C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and

F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order, required by Paragraph XII, and all reports submitted to the FTC pursuant to Paragraph X.

XII. DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

A. **Corporate Defendants:** Corporate Defendants must deliver a copy of this Order to all of its principals, officers, directors, and managers. Corporate Defendants also must deliver copies of this Order to all of its employees, agents, independent contractors, and representatives who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within (5) days of service of this Order upon Defendants. For new personnel, delivery shall occur prior to them assuming their responsibilities;

B. **Individual Defendants as Control Persons:** For any business that any Individual Defendant controls, directly or indirectly, or in which any Individual Defendant has a majority ownership interest, such Individual Defendant must deliver a copy of this Order to all

principals, officers, and directors, of that business. The Individual Defendant must also deliver copies of this Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities;

C. **Individual Defendant as Employee or Non-Control Person:** For any business where any Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, such Individual Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct; and

D. Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Paragraph.

XIII. COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that, so long as the Receivership remains in effect, Defendants shall cooperate fully with the Receiver in: (a) pursuing any and all claims by the Receivership against third parties; (b) assisting the Receiver in defending any and all actions or claims brought against the Receivership by third parties; and (c) executing any documents necessary to transfer assets or ownership interests to the Receiver pursuant to the terms of this Order.

XIV. PRIOR RECEIVERSHIP POWERS

IT IS FURTHER ORDERED that, to the extent they are not inconsistent with this Order, all powers granted to the Receiver pursuant to the Stipulated Preliminary Injunction entered November 2, 2007, shall remain in full force and effect.

XV. WINDING UP OF RECEIVERSHIP DEFENDANTS

IT IS FURTHER ORDERED that the Receiver shall liquidate all assets of Receivership Defendants and wind up all activities and operations of Receivership Defendants and their subsidiary and affiliated entities. Upon approval of the Court, and the Court's issuance of an Order for Final Payment, the Receiver shall transfer to the Commission or its agent all funds in the Receivership estate, less fees and expenses as allowed by the Court, toward satisfaction of the judgment entered herein.

XVI. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and those he employs are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the costs of actual out-of-pocket expenses incurred by them, said compensation to come from the Receivership Defendants' assets held by or in the possession or control of, or which may be received by, the Receiver or Receivership Defendants.

XVII. TERMINATION OF RECEIVERSHIP

IT IS FURTHER ORDERED that the Receiver shall, if he has not already done so, file his final report and request for fees and expenses within 60 days of the execution of this Order, unless good cause is shown to extend the Receivership beyond 60 days. The Receiver's final report and request for fees and expenses shall be served upon the parties through counsel. Plaintiff may object within 15 days of receipt, but Defendants shall have no right to object. Upon submission of the Receiver's final report or upon this Court's Order for Final Payment, whichever is later, and subject to the terms set forth in Paragraph V herein, the Receivership shall terminate.

XVIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

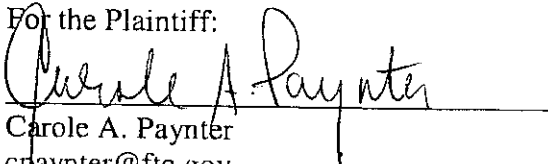
IT IS FURTHER ORDERED that each Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

XIX. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

STIPULATED AND AGREED TO:

For the Plaintiff:



Carole A. Paynter

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Miriam Lovinger 6/11/08
Miriam Lovinger, Individually and as
Officer of the Corporations

Robert Lovinger 6/11/08
Robert Lovinger, Individually and as
Officer of the Corporations

SO ORDERED, this 4th day of August, 2008, at 5:40 pm.

s/John Gleeson 8/4/08

~~UNITED STATES DISTRICT COURT JUDGE~~