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11	UNITED STATES DISTRICT COURT	
12.	DISTRICT OF NEVADA	
13		
14	FEDERAL TRADE COMMISSION,) CV-S-02-0131-LDG (PAL)	
15	Plaintiff,) STIPULATED FINAL JUDGMENT FOR	
16	v.) PERMANENT INJUNCTION AND OTHER	
17) EQUITABLE RELIEF NATIONAL AUDIT DEFENSE NETWORK,) INC., et al.)	
18	Defendants.	
19)	
20		
21	Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed its complaint for	
22	permanent injunction and other relief pursuant to Sections 13(b) and 19 of the Federal Trade	
23	Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Truth In Lending Act ("TILA"),	
· 24	15 U.S.C. §§ 1601 et seq., charging defendant National Audit Defense Network, Inc. ("NADN"),	
25	with violating Section 5 of the FTC Act, 15 U.S.C. § 45, Section 166 of the TILA, 15 U.S.C.	
26	§ 1666(e), and Section 226.12(e) of Regulation Z, 12 C.F.R. § 226.12(e).	
27	Plaintiff FTC and Defendant NADN, by and through its Chapter 7 bankruptcy trustee	
28	William A. Leonard, Jr. ("the Chapter 7 Trustee"), have agreed to the entry of this Stipulated Final	

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Judgment and Order for Permanent Injunction ("Order") by this Court to resolve all matters of dispute between them in this action.

NOW, THEREFORE, Plaintiff Federal Trade Commission and Defendant National Audit Defense Network, Inc., by and through the Chapter 7 Trustee, having requested the Court to enter this Order,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

FINDINGS

- 1. This Court has jurisdiction over the subject matter and the parties.
- 2. Venue is proper as to all parties in the District of Nevada.
- 3. The activities of Defendants are in or affecting commerce, as defined in the FTC Act, 15 U.S.C. § 44.
- 4. The Complaint states a claim upon which relief may be granted against Defendant NADN under §§ 5(a)(1), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a)(1), 53(b), and 57b; and under the TILA, 15 U.S.C. §§ 1601 et seq.
- 5. On June 11, 2003, Defendant National Audit Defense Network, Inc. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq., in the United States Bankruptcy Court for the District of Nevada, Case No. BK-S-03-17306-BAM. On May 27, 2004, the debtor's case was converted to one under Chapter 7. William A. Leonard, Jr., was appointed the Chapter 7 trustee for Defendant National Audit Defense Network, Inc. The Commission's action against Defendant NADN, including the enforcement of a judgment other than a money judgment obtained in this action, is not stayed by 11 U.S.C. § 362(a)(1), (2), (3) or (6) because it is an exercise of the Commission's police or regulatory power as a governmental unit pursuant to 11 U.S.C. § 362(b)(4) and thus falls within an exception to the automatic stay.
- 6. Defendant NADN has waived any and all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).
- 7. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

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- 8. Plaintiff and Defendant NADN waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Defendant NADN further waives and releases any claim it may have against the Commission, its employees, agents, and representatives.
 - 9. Entry of this Order is in the public interest.

T.

CESSATION OF BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Defendant NADN shall not engage in any business and William A. Leonard, Jr., as the Chapter 7 Trustee, shall not seek authority to operate the business of Defendant National Audit Defense Network, Inc. pursuant to Section 721 of the Bankruptcy Code, 11 U.S.C. § 721, or otherwise.

П.

CUSTOMER LISTS

IT IS FURTHER ORDERED that the Defendant NADN, by and through the Chapter 7 Trustee, shall provide notice to the Commission of any intended sale, transfer, or other disposition of any NADN customer list database, or any part thereof, sufficiently in advance of such disposition as to enable the Commission to register any objection it has to such disposition. The Commission specifically reserves its right to object to any disposition of such database.

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ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that the Chapter 7 Trustee, 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.

IV.

WITHDRAWAL OF FTC'S PROOF OF CLAIM

IT IS FURTHER ORDERED that, within ten (10) business days of receipt of this Order as entered by the Court, the FTC shall withdraw its proof of claim filed in Defendant NADN's Chapter 7 liquidation case on December 4, 2003, and assigned claim number 149, and will not participate in any distribution in the case.

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RETENTION OF JURISDICTION

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

IT IS SO ORDERED:

UNITED STATES DISTRICT JUDGE

FOR DEFENDANT NATIONAL AUDIT DEFENSE NETWORK, INC.

Dated: 8 25 06

William A. Leonard, Jr. Chapter 7 Trustee for

National Audit Defense Network, Inc.

FOR THE FEDERAL TRADE COMMISSION

Dated: 8/35/06

Janice L. Charter Jarome M. Steiner, Jr.

Federal Trade Commission

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Blaine T. Welsh

Assistant United States Attorney

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CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of August, 2006, a true and correct copy of Stipulated Final Judgment for Permanent Injunction and Other Equitable Relief has been served on the defendants in this action by causing it to be sent by United States mail, postage prepaid, to:

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