

Blaine T. Welsh
U.S. Attorney's Office
333 Las Vegas Blvd So
Suite 5000
Las Vegas, NV 89101- USA
CV-S-02-0817 MAIL OPEN ACTIVE

RECEIVED
U.S. ATTORNEY
RECEIVED
SERVED ON
COUNSEL'S OFFICE OF RECORD

JUN 23 7 15 AM '03
JUN 17 P 3:04

CLERK US DISTRICT COURT
DISTRICT OF NEVADA
BY _____ DEPUTY

- 1 DANIEL G. BOGDEN
United States Attorney
- 2 BLAINE WELSH
Assistant U.S. Attorney
- 3 Nevada State Bar No. 4790
333 Las Vegas Blvd, South, Suite 5000
- 4 Las Vegas, Nevada 89101
(702)388-6336
- 5 (702)388-6296 (FAX)
- 6 ELIZABETH STEIN
Trial Attorney
- 7 Office of Consumer Litigation
U.S. Department of Justice
- 8 1331 Pennsylvania Ave., NW, Rm. 950N
Washington, D.C. 20004
- 9 (202) 307-0486
(202) 514-8742 (FAX)
- 10 NEIL J. BELLER
Nevada State Bar No.002360
- 11 7408 W. Sahara Ave
Las Vegas, Nevada 89117
- 12 (702) 368-7767
13 (702) 368-7720 (FAX)

BY _____ DEPUTY
2003 JUN 20 A 11:33
CLERK US DISTRICT COURT
DISTRICT OF NEVADA

RECEIVED
SERVED ON
COUNSEL'S OFFICE OF RECORD

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA
SOUTHERN DIVISION

17 UNITED STATES OF AMERICA,
18
19 Plaintiff,
20 v.
21 GLOBAL VENDING SERVICES,
22 INC., a Nevada corporation;
23 NICHOLAS G. CHOMAKOS,
24 A/K/A NICK CHOMA,
25 individually and as an officer
26 of Global Vending Services, Inc., and
MATTHEW A. CAPICCHIONI,
A/K/A MATT CAPI, individually
and as an officer of Global Vending
Services, Inc.,
Defendants.

CV-S-02-0817-PMP-(PAL)

STIPULATED JUDGMENT
AND ORDER FOR
PERMANENT INJUNCTION

cc RF, Fax Stein

15

1 Plaintiff, the United States of America, acting upon notification and authorization
 2 to the Attorney General by the Federal Trade Commission ("FTC" or the "Commission"),
 3 has commenced this action by filing the Complaint herein, and Defendants have been
 4 served with the summons and the complaint. The parties, represented by the attorneys
 5 whose names appear hereafter, have agreed to settlement of this action without
 6 adjudication of any issue of fact or law, and without the Defendants admitting liability for
 7 any of the violations alleged in the Complaint.

8 THEREFORE, on the joint motion of the parties, it is hereby **ORDERED**,
 9 **ADJUDGED AND DECREED** as follows:

10
 11 **FINDINGS**

12 1. This Court has jurisdiction over the subject matter and the parties pursuant
 13 to 28 U.S.C. §§ 1331, 1337(a), 1345 and 1355, and 15 U.S.C. §§ 45(m)(1)(A), 53(b),
 14 56(a), and 57b.

15 2. Venue is proper as to all parties in the District of Nevada.

16 3. The activities of the Defendants are in or affecting commerce, as defined
 17 in Section 4 of the FTC Act, 15 U.S.C. § 44.

18 4. The Complaint states a claim upon which relief may be granted against the
 19 Defendants, under Sections 5(a), 5(m)(1)(A), 9, 13(b) and 19 of the Federal Trade
 20 Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 49, 53(b), and 57b.

21 5. Defendants have entered into this Stipulated Judgment and Order
 22 ("Order") freely and without coercion. Defendants further acknowledge that they have
 23 read the provisions of this Order and are prepared to abide by them.

24 6. Plaintiff and Defendants hereby waive all rights to appeal or otherwise
 25 challenge or contest the validity of this Order.

1 3. "Defendants" means the Corporate Defendant and Individual Defendants.

2 The "Corporate Defendant" is Global Vending Services, Inc., a Nevada corporation. The
3 "Individual Defendants" are Nicholas George Chormakos and Matthew Anthony
4 Cappichioni, individually and as officers of Global.

5 4. The "Franchise Rule" or "Rule" means the FTC Trade Regulation Rule
6 entitled "Disclosure Requirements and Prohibitions concerning Franchising and Business
7 Opportunity Ventures," 16 C.F.R. Part 436.

8 5. "Franchise" and "Franchisor" are defined as those terms are defined in
9 Sections 436.2(a) and (c) of the Franchise Rule, 16 C.F.R. § 436.2(a) and (c), and include
10 "business opportunity ventures" as defined in Sections 436.2(a)(1)(ii) and (2) of the Rule,
11 and discussed in the FTC's Final Interpretive Guide for the Franchise Rule, 44 Fed. Reg.
12 49966-68 (August 24, 1979). The term "franchise" in this Order shall also encompass
13 any successor definition of "franchise," "business opportunity" and "business opportunity
14 venture" in any future trade regulation rule or rules that may be promulgated by the
15 Commission to modify or supersede the Franchise Rule, in whole or part, from the date
16 any such rule takes effect.

17 6. "Franchise broker" is defined as that term is defined in Section 436.2(j) of
18 the Franchise Rule, 16 C.F.R. § 436.2(j). The term "Franchise broker" in this Order shall
19 also encompass any other entity through which the franchisor sells franchises, including,
20 but not limited to, subfranchisors, master franchisees, or regional franchisees.

21 7. "Person" means a natural person, organization or other legal entity,
22 including a corporation, partnership, proprietorship, association, or cooperative, or any
23 other group or combination acting as an entity.

24 8. "Representatives" means the Defendants' successors, assigns, officers,
25 agents, servants, employees and those persons in active concert or participation with them
26

1 who receive actual notice of this Order by personal service or otherwise.

2 9. "Telemarketing" means the advertising, offering for sale, or sale of any
3 good or service to any person by means of telephone sales presentations, either
4 exclusively or in conjunction with the use of other advertising.

5 10. "UFOC format" is defined as the Uniform Franchise Offering Circular
6 disclosure format which has been adopted by the North American Securities
7 Administrators' Association and is now accepted by the Commission for use in lieu of the
8 Franchise Rule's disclosure format.

9
10 **ORDER**

11 **I. BOND REQUIREMENTS**

12 **IT IS ORDERED** that:

13 A. Defendants Nicholas George Chomakos and Matthew Anthony
14 Cappichioni are restrained and enjoined from engaging, whether directly, in
15 concert with others, or through any business, entity, corporation, subsidiary,
16 division or other device, in connection with the advertising, telemarketing,
17 offering for sale, licensing, contracting, sale or other promotion, in or affecting
18 commerce, of a Franchise or Business Venture, unless each first obtains a surety
19 bond in the principal sum of FIVE HUNDRED THOUSAND DOLLARS
20 (\$500,000.00).

21 B. The terms and conditions of the bond required by this Paragraph ("Bond
22 Covered Activity") shall be as follows:

23 I. The bond shall be conditioned upon compliance with the
24 provisions of this Order and with Section 5(a) of the FTC Act, 15 U.S.C.
25 § § 45(a);

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

2. The bond shall be continuous and remain in full force and effect as long as Nicholas George Chomakos or Marthew Anthony Cappichioni engages in any Bond Covered Activity, and it shall remain in effect for each of them for at least three (3) years after either has ceased to engage in Bond Covered Activities;

3. The bond shall cite this Order as the basis of the bond, and shall provide surety thereunder to consumers against financial loss resulting from any violation of the provisions of this Order, or Section 5(a) of the FTC Act;

4. The bond required by this Paragraph shall be issued by a surety company that:

(a) is admitted to do business in each of the states in which Nicholas George Chomakos or Marthew Anthony Cappichioni conducts business; and

(b) holds a Federal Certificate of Authority As Acceptable
On Federal Bond and Reinsuring;

Surety

5. The bond shall be in favor of the Commission for the benefit of any consumer injured as a result of any violation of the provisions of this Order or of Sections 5(a) of the FTC Act, 15 U.S.C. §§ 45(a), by Nicholas George Chomakos or Marthew Anthony Cappichioni, their agents or any other persons acting in concert with any of them or under the authority, supervision or control of any of them, while engaging in any Bond Covered Activity;

6. The bond required pursuant to this Paragraph is in addition to, and not in lieu of, any other bond required by federal, state, or local law. The

bond requirements of this Order shall not be construed to limit or preempt the regulatory powers of any other federal, state, regional, county, local or other government agency or authority; and

7. At least ten (10) days before commencing any Bond Covered Activity, Nicholas George Chomakos and Matthew Anthony Cappichioni shall provide a copy of any bond required by this Section to the Associate Director for Marketing Practices at the address specified in Paragraph VIII of this Order. Nicholas George Chomakos and Matthew Anthony Cappichioni, directly or through their officers, agents, servants, employees, attorneys, or any other persons acting in concert or participation with either of them or under their authority, supervision or control shall not disclose the existence of any surety bond required by this Order to any consumer or prospective customer without simultaneously making the following disclosure: "THIS BOND IS REQUIRED BY ORDER OF THE U.S. DISTRICT COURT IN SETTLEMENT OF CHARGES THAT NICHOLAS G. CHOMAKOS [or MATTHEW ANTHONY CAPPICHIONI] ENGAGED IN FAILING TO MAKE REQUIRED DISCLOSURES IN CONNECTION WITH THE SALE OF FRANCHISES AND BUSINESS VENTURES." Such disclosure shall be made clearly and prominently, and in close proximity to any statement disclosing the existence of the bond. In written material, the required disclosure shall be set forth in a clear and conspicuous manner, separated from all other text, in 100% black 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.

1 None of the other Paragraphs of this Order shall relieve either Nicholas George
2 Chomakos or Matthew Anthony Cappichioni from complying with this Paragraph as a
3 precondition to selling, or assisting others to sell, Franchises or Business Ventures.
4

5 II. COMPLIANCE WITH FRANCHISE RULE

6 IT IS FURTHER ORDERED that in connection with the advertising,
7 telemarketing, offering for sale, licensing, contracting, sale or other promotion, in or
8 affecting commerce, of a Franchise or Business Venture, the Defendants and their
9 Representatives are hereby permanently restrained and enjoined from violating, or
10 assisting others to violate, any provision of the Franchise Rule as promulgated, or as it
11 may hereinafter be amended, including, but not limited to:

12 A. Failing to provide any prospective franchisee with a complete and accurate
13 basic disclosure document containing all the information in the form required by
14 Sections 436.1(a)(1)-(24) of the Franchise Rule, in the manner and within the time
15 frame prescribed by the Rule;

16 B. Failing to provide any prospective franchisee with an earnings claim
17 document as required by Sections 436.1(b)-(e) of the Franchise Rule, in the
18 manner and within the time frame prescribed by the Rule;

19 C. Failing to include in any advertisement that states or suggests a specific
20 level of sales, income or gross or net profits that appears in a newspaper or other
21 medium of general dissemination, including the Internet, the disclosures required
22 by Section 436.1(e) of the Franchise Rule, including a clear and conspicuous
23 disclosure of the number and percentage of prior purchasers known to have earned
24 or made the amount claimed;

25 D. Making any earnings claim, estimate, calculation, or projection without
26

1 having a reasonable basis for the claim, estimate, calculation, or projection at the
 2 time such claim, estimate, calculation, or projection is made, as required by
 3 Sections 436.1(b)-(e) of the Franchise Rule; and

4 E. Engaging in any other act or practice prohibited by the Franchise Rule, 16
 5 C.F.R. Part 436, or failing to fulfill any obligation imposed by the Rule.

6 *Provided, however,* that if the Commission promulgates a trade regulation rule or rules
 7 that modify or supersede the Franchise Rule, in whole or part, Defendants shall comply
 8 fully and completely with all applicable requirements thereof on and after the effective
 9 date of any such rule; and *provided, further,* that Defendants may choose to comply with
 10 the disclosure requirements of the Franchise Rule now in effect by fully and completely
 11 complying with the disclosure requirements set forth in the UFOC format for so long as
 12 the current Rule remains in force.

13
 14 **III. PROHIBITED REPRESENTATIONS**

15 **IT IS FURTHER ORDERED** that in connection with the advertising,
 16 telemarketing, offering for sale, licensing, contracting, sale or other promotion, in or
 17 affecting commerce, of any Franchise, Business Venture, or income-generating product or
 18 service, the Defendants and their Representatives are hereby permanently restrained and
 19 enjoined from making, or assisting in the making of, any statement or representation of
 20 material fact that is fraudulent, false, or misleading, whether directly or by implication,
 21 orally or in writing, including, but not limited to, any or all of the following:

- 22 A. The income, profit, or sales volume that a purchaser is likely to achieve;
- 23 B. The income, profit or sales volume actually achieved by prior purchasers;
- 24 C. The length of time that it is likely to take a purchaser to recoup the entire
 25 purchase price or investment;

1 D. The independence or authenticity of any third-party references, including
2 persons represented to be prior purchasers, that are provided to potential
3 purchasers;

4 E. The amount of competition within, or a purchaser's territorial rights to,
5 any geographic territory;

6 F. The availability or existence of profitable locations in a purchaser's
7 geographic area; and

8 G. The terms and conditions of any assurances, refunds or guarantees of
9 profitability that relate to any location service or company to which a Defendant
10 refers a purchaser.

11 IV. TRANSFER OF CUSTOMER LISTS

12 **IT IS FURTHER ORDERED** that the Defendants and their Representatives are
13 hereby permanently restrained and enjoined from selling, renting, leasing, transferring or
14 otherwise disclosing the name, address, telephone number, credit card number, bank
15 account number, e-mail address, or other identifying information of any person who, in
16 connection with the advertising, promotion, telemarketing, offering for sale or sale of any
17 Franchise, Business Venture or income-generating product or service, paid any money to
18 any Defendant at any time prior to entry of this Order; *provided, however,* that
19 Defendants may disclose such identifying information to a law enforcement agency, or as
20 required by any law, regulation (including the limited disclosures required by the
21 Franchise Rule) or court order.

23 V. ACCURACY OF FINANCIAL INFORMATION

24 **IT IS FURTHER ORDERED** that Plaintiff's and the Commission's agreement
25 to and the Court's approval of this Order is expressly premised upon the truthfulness,
26

1 accuracy, and completeness of the financial statements and information provided by each
2 of the Defendants and their counsel to the Plaintiff, namely, the OBD-500C provided by
3 Global, dated December 5, 2002; OBD-500 provided by Defendant Nicholas George
4 Chomakos, dated November 20, 2002; OBD-500 provided by Defendant Matthew
5 Anthony Cappichioni, dated November 21, 2002. If, upon motion by the Plaintiff, this
6 Court finds that any of the Defendants' financial statements failed to disclose any Asset
7 the value of which exceeds \$1,000, or materially misrepresented the value of any Asset,
8 or made any other material misrepresentations in or omissions of Assets, the Plaintiff may
9 request that this Order be reopened for the purpose of requiring restitution or payment of
10 civil penalties from each Defendant who made such a misrepresentation or omission;
11 *provided however*, that in all other respects this Order shall remain in full force and effect
12 unless otherwise ordered by this Court; and *provided further*, that proceedings instituted
13 under this Paragraph are in addition to, and not in lieu of, any other civil or criminal
14 remedies available by law. Solely for the purposes of reopening or enforcing this
15 Paragraph, Defendants waive any right to contest any of the allegations set forth in the
16 Complaint filed in this matter.

17 In accordance with 31 U.S.C. § 7701, the Defendants are hereby required, unless
18 they have done so already, to furnish to Plaintiff and the FTC their respective taxpayer
19 identifying numbers (social security numbers or employer identification numbers) which
20 shall be used for purposes of collecting and reporting on any delinquent amount arising
21 out of the Defendants' relationship with the government.

22 23 **VI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**

24 **IT IS FURTHER ORDERED** that each Defendant, within five (5) business days
25 of receipt of this Order as entered by the Court, shall submit to Plaintiff and the
26

1 Commission a truthful sworn statement acknowledging receipt of this Order.

2

3 **VII. DISTRIBUTION OF ORDER BY DEFENDANTS**

4 **IT IS FURTHER ORDERED** that for a period of five (5) years from the date of
5 entry of this Order, Defendants Chomakos and Cappichioni shall:

6 A. Provide a copy of this Order to, and obtain a signed and dated
7 acknowledgment of receipt of same from, each officer and director, each
8 individual serving in a management capacity, all personnel involved in responding
9 to consumer complaints or inquiries, and all sales personnel, whether designated
10 as employees, consultants, independent contractors or otherwise, within five (5)
11 business days after receipt of this Order, and thereafter immediately upon
12 employing any such person, for any business that Defendants directly or indirectly
13 manage, control, or have a majority ownership interest in, that is engaged in the
14 sale or distribution of any Franchise, Business Venture, or income-generating
15 product or service, or assisting others engaged in these activities; and

16 B. Maintain for a period of three (3) years after creation, and upon reasonable
17 notice make available to representatives of Plaintiff or the Commission, the
18 original signed and dated acknowledgments of receipt of copies of this Order, as
19 required in Subsection A of this Paragraph.

20

21 **VIII. COMPLIANCE REPORTING BY DEFENDANTS**

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

24 A. For a period of five (5) years after the date of entry of this Order, the
25 Defendants shall notify the FTC in writing of the following:

26

1 1. Any changes in the residence, mailing addresses and telephone
2 numbers of an Individual Defendant, within ten (10) days of the date of
3 such change;

4 2. Any changes in the employment status (including self-
5 employment) of any Individual Defendant, within ten (10) days of such
6 change. Such notice shall include the name and address of each business
7 that the Individual Defendant is affiliated with, employed by, or performs
8 services for, a statement of the nature of the business, and a statement of
9 the Individual Defendant's duties and responsibilities in connection with
10 the business;

11 3. Any proposed changes in corporate structure that may affect
12 compliance obligations arising under this Order, including but not limited
13 to a dissolution, assignment, sale, merger, or other action that would result
14 in the emergence of a successor corporation; the creation or dissolution of
15 a subsidiary, parent, or affiliate that engages in any acts or practices
16 subject to this Order; the filing of a bankruptcy petition; or a change in the
17 corporate name or address, at least thirty (30) days prior to such change.
18 *provided that*, with respect to any proposed change in the corporation
19 about which the Defendant learns less than thirty (30) days prior to the
20 date such action is to take place, such Defendant shall notify the
21 Commission as soon as is practicable after obtaining such knowledge.

22 B. The Individual Defendants further agree, if they have not done so already,
23 to provide the FTC with clear, legible and full-size photocopies of all valid
24 driver's licenses they possess, which will be used for collection, reporting and
25 compliance purposes.

1 C. One hundred eighty (180) days after the date of entry of this Order, each
2 Defendant shall provide a written report to the FTC, sworn to under penalty of
3 perjury, setting forth in detail the manner and form in which each has complied
4 and is complying with this Order. This report shall include, but not be limited to:

- 5 1. Any changes required to be reported pursuant to subparagraph (A)
6 above;
- 7 2. A copy of each acknowledgment of receipt of this Order obtained
8 by Defendant pursuant to this Order; and
- 9 3. A copy of any performance bond obtained pursuant to this Order.

10 D. For the purposes of this Paragraph, "employment" includes the
11 performance of services as an employee, consultant, or independent contractor;
12 and "employers" include any individual or entity for whom any Individual
13 Defendant performs services as an employee, consultant, or independent
14 contractor; and

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

18 Associate Director for Marketing Practices
19 Federal Trade Commission
20 600 Pennsylvania Ave. N.W. - Room 238
Washington, DC 20580
21 Re: United States v. Global Vending Services, Inc.,
22 Civ. No. CV-S-02-0817-PMP-(PAL) (D. Nev.)

23 F. For the purposes of this Order, Defendants shall, unless otherwise directed
24 by a representative of Plaintiff, identify all written notifications to Plaintiff as
25 provided in reference to DJ# 102-3099, and mail them to:

26 Director, Office of Consumer Litigation
U.S. Department of Justice - Civil Division

P.O. Box 386,
Washington, D.C. 20044

1
2
3 G. For purposes of the compliance reporting required by this Order,
4 representatives of Plaintiff and the Commission are authorized to communicate
5 directly with Defendants.
6

7 **IX. MONITORING COMPLIANCE OF SALES PERSONNEL**

8 **IT IS FURTHER ORDERED** that, in connection with any business that any
9 Defendant directly or indirectly manages, controls or has a majority ownership interest in,
10 that is engaged in the sale or distribution of any Franchise, Business Venture, or income-
11 generating product or service, or assisting others engaged in these activities, Defendants
12 and their Representatives are hereby permanently restrained and enjoined from:

13 A. Failing to take reasonable steps sufficient to monitor and ensure that all
14 employees and independent contractors engaged in sales or other customer service
15 functions comply with this Order. Such steps shall include adequate monitoring
16 of sales presentations or other calls with customers, and shall also include, at a
17 minimum, the following:

- 18 1. Listening to the oral representations made by persons engaged in
- 19 sales or other customer service functions;
- 20 2. Establishing a procedure for receiving and responding to consumer
- 21 complaints; and
- 22 3. Ascertaining the number and nature of consumer complaints
- 23 regarding transactions in which each employee or independent contractor
- 24 is involved;

25 B. Failing promptly to investigate fully any consumer complaint received by
26

1 any business to which this Paragraph applies; and

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

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

8 X. RECORD-KEEPING PROVISIONS

9 **IT IS FURTHER ORDERED** that for a period of five (5) years from the date
10 that either Defendants Chomakos and Cappichioni obtains the Bond required by this
11 Order, Defendants and their agents, employees, officers, corporations, successors, and
12 assigns, and those persons in active concert or participation with them who receive actual
13 notice of this Order by personal service or otherwise, are – in connection with any
14 business that either Individual Defendant directly or indirectly manages, controls or has a
15 majority ownership interest in, that is engaged in the sale or distribution of any Franchise,
16 Business Venture, or income-generating product or service – hereby restrained and
17 enjoined from failing to create, and thereafter to maintain for a period of three (3) years
18 following the date of their creation, unless otherwise specified:

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

21 B. Personnel records accurately reflecting the name, address, telephone
22 number and social security number of each person employed in any capacity by
23 such business, including as an independent contractor; that person's job title or
24 position; the date upon which the person commenced work; and the date and
25 reason for the person's termination, if applicable; *provided, however*, that the
26

1 businesses subject to this requirement shall retain such records during the
2 employment of any person, and for a period of two (2) years after the date of their
3 termination;

4 C. Records containing the name, address, telephone number, dollar amounts
5 paid, quantity of goods or services purchased, and description of goods or services
6 purchased, for all consumers to whom the business has sold, invoiced or shipped
7 any Franchise, Business Venture or income-generating product or service;

8 D. Records that reflect, for every written or oral consumer complaint or
9 refund request received by any of the Defendants or their Representatives,
10 whether directly or indirectly or through any third party: (1) the customer's name,
11 address, telephone number; (2) the dollar amount paid by the consumer; (3) the
12 written complaint or refund request, if any; (4) the basis of the complaint or
13 refund request, including the name of any salesperson complained about; (5) the
14 nature and result of any investigation conducted concerning the complaint or
15 refund request; (6) each response and the date of the response to the complaint or
16 refund request; and (7) any final resolution of the complaint or refund request, and
17 the date of the resolution; and (8) in the event of a denial of a refund request, the
18 reason for the denial; and

19 E. Copies of all sales scripts, training materials, advertisements, or other
20 marketing materials utilized, which shall be retained for three (3) years after the
21 last date of their dissemination or use.

22 23 **XI. COMPLIANCE MONITORING**

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

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

7 B. In addition, the Commission and Plaintiff are authorized to monitor
8 compliance with this Order by all other lawful means, including but not limited to
9 the following:

10 1. obtaining discovery from any person, without further leave of
11 court, using the procedures proscribed by Fed. R. Civ. P. 30, 31, 33, 34,
12 36, and 45;

13 2. posing as consumers and suppliers to: one or more of the
14 Defendants, a Defendant's employee, or any other entity managed or
15 controlled in whole or in part by any Defendant, without the necessity of
16 identification or prior notice;

17 *Provided* that nothing in this Order shall limit the Commission's lawful use of
18 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-
19 1, to obtain any documentary material, tangible things, testimony, or information relevant
20 to unfair or deceptive acts or practices in or affecting commerce (within the meaning of
21 15 U.S.C. § 45(a)(1)).

22 C. Each Defendant shall permit representatives of the Commission or
23 Plaintiff to interview any employer, consultant, independent contractor,
24 representative, agent, or employee who has agreed to such an interview, relating in
25 any way to any conduct subject to this Order. The person interviewed may have
26

1 counsel present.

3 **XII. FEES AND COSTS**

4 **IT IS FURTHER ORDERED** that each party to this Order hereby agrees to bear
5 its own costs and attorneys' fees incurred in connection with this action.

7 **XIII. RETENTION OF JURISDICTION**

8 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
9 matter for the purpose of enabling the parties to apply to the Court at any time for such
10 further orders and directives as may be necessary or appropriate for the interpretation or
11 modification of this Order, for the enforcement of compliance therewith, or for the
12 punishment of violations thereof.

14 **XIV. COMPLETE SETTLEMENT**

15 The parties, by their respective counsel, hereby consent to entry of the foregoing
16 Order, which shall constitute a final judgment and order in this matter, without any
17 further action by or on behalf of the parties. The parties further stipulate and agree that
18 the entry of the foregoing Order shall constitute a full, complete and final settlement of
19 this action.

1 FOR THE PLAINTIFF:

2 ROBERT D. MCCALLUM, JR.
3 Assistant Attorney General

4 DANIEL G. BOGDEN
5 United States Attorney

FOR THE DEFENDANTS:

Neil J. Beller
Neil J. Beller
NEIL J. BELLER
Nevada State Bar No. 002360
7408 W. Sahara Ave.
Las Vegas, Nevada 89117
(702) 368-7767
(702) 368-7720 (FAX)

Date: _____, 2003

8 BLAINE T. WELSH
9 Assistant U.S. Attorney
10 Nevada State Bar No. 4790
11 333 Las Vegas Blvd, South, Suite 5000
12 Las Vegas, Nevada 89101
13 (702)388-6316
14 (702)388-6296 (FAX)

Date: _____, 2003

NICHOLAS G. CHOMAKOS
individually and as an officer of
Global Vending Services, Inc.

Date: _____, 2003

14 ELIZABETH STEIN
15 Office of Consumer Litigation
16 Department of Justice
17 1331 Pennsylvania Ave, NW, #950N
18 Washington, D.C. 20004
19 (202) 307-0486
20 (202) 514-8742 (FAX)
21 Elizabeth.Stein2@usdoj.gov

Date: _____, 2003.

Matthew A. Cappichioni
MATTHEW A. CAPPICHIONI
individually and as an officer of
Global Vending Services, Inc.

Date: 5-8, 2003

20 SO ORDERED this 18 day of June 2003.

Philip M. ...
PHILIP M. ...
UNITED STATES DISTRICT JUDGE

1 FOR THE PLAINTIFF:

2 ROBERT D. MCCALLUM, JR.
Assistant Attorney General

3 DANIEL G. BOGDEN
4 United States Attorney

5

6

7 Blaine I. Welsh

8 BLAINE I. WELSH
Assistant U.S. Attorney
9 Nevada State Bar No. 4790
333 Las Vegas Blvd, South, Suite 5000
10 Las Vegas, Nevada 89101
(702)388-6336
11 (702)388-6296 (FAX)

12 Date: June 17, 2003

13 Elizabeth Stein

14 ELIZABETH STEIN
Office of Consumer Litigation
15 Department of Justice
1331 Pennsylvania Ave, NW, #950N
16 Washington, D.C. 20004
(202) 307-0486
17 (202) 514-8742 (FAX)
Elizabeth.Stein2@usdoj.gov

18 Date: June 16, 2003.

19

20

21

22

23

24

25

26

FOR THE DEFENDANTS:

Neil J. Beller
NEIL J. BELLER
Nevada State Bar No. 002360
7408 W. Sahara Ave.
Las Vegas, Nevada 89117
(702) 368-7767
(702) 368-7720 (FAX)

Date: _____, 2003

Nicholas G. Chomakos

NICHOLAS G. CHOMAKOS
individually and as an officer of
Global Vending Services, Inc.

Date: 4-29, 2003

Matthew A. Cappichioni
MATTHEW A. CAPPICHIONI
individually and as an officer of
Global Vending Services, Inc.

Date: _____, 2003

SO ORDERED this ____ day of _____, 2003.

Philip M. Pro
PHILIP M. PRO
UNITED STATES DISTRICT JUDGE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Certificate of Service

I hereby certify that I caused a copy of the Stipulated Judgment and Order of Permanent Injunction to be served by Federal Express this 17 day of June 2003, upon:

Neil J. Beller
7408 W. Sahara Ave.
Las Vegas, NV 89146
(702) 368-7767

[Handwritten signature]