

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION**

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
THOMAS GREGG HOLLOWAY, individually and	)	
as an officer in First Freedom Financial	)	
Corporation and Southern Telmark Inc.,	)	
	)	
FIRST FREEDOM FINANCIAL CORPORATION,	)	CIVIL ACTION NO.
a South Carolina corporation, and	)	
	)	
SOUTHERN TELMARK INC.,	)	3:02-cv-343-J20TEM
a Florida Corp.,	)	
	)	
Defendants.	)	
	)	

**STIPULATED JUDGMENT AND FINAL ORDER  
FOR PERMANENT INJUNCTION AGAINST DEFENDANTS  
THOMAS GREGG HOLLOWAY, FIRST FREEDOM FINANCIAL CORP.  
AND SOUTHERN TELMARK, INC.**

On April 9, 2002, Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed its Complaint For A Permanent Injunction And Other Relief in this matter, pursuant to Sections 13(b) and 19(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b(a), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6105(b), charging Defendants Thomas Gregg Holloway,

First Freedom Financial Corporation, and Southern Telmark, Inc. with violating Section 5 of the FTC Act and the FTC's Trade Regulation Rule entitled the "Telemarketing Sales Rule," 16 C.F.R. Part 310. On April 12, 2002, on motion by the FTC, this Court issued an *Ex Parte* Temporary Restraining Order and on May 7, 2002, this Court granted the parties' Stipulated Preliminary Injunction.

The Commission, by and through its counsel, and Defendants, by and through their counsel, have agreed to the entry of this Stipulated Final Judgment for Permanent Injunction ("Final Judgment") by this Court in order to resolve all matters arising out of the facts alleged in the complaint and in dispute in this action. The Commission and Defendants have consented to entry of this Final Judgment without trial or adjudication of any issue of law or fact herein, and without Defendants admitting liability or wrongdoing for the offenses alleged in the complaint.

Being fully advised in the premises and acting upon the joint motion of the parties, the Commission and Defendants, to enter this Final Judgment, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

#### **FINDINGS OF FACT**

1. This Court has jurisdiction of the subject matter of this action and of the Defendants;
2. The Complaint states a claim upon which relief may be granted against the Defendants under Sections 5, 13(b) and 19(a) of the FTC Act, 15 U.S.C. §§ 45, 53(b) and

57b, and under Section 6(b) of the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6105(b);

3. Venue in this district is proper under 28 U.S.C. § 1391(b) and (c), and 15 U.S.C. § 53(b);

4. Entry of this Final Judgment is in the public interest;

5. The acts and practices of Defendants were in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44;

6. Defendants waive all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, and waive all rights to seek judicial review or otherwise challenge or contest the validity of this Final Judgment, and have further waived and released any claim they may have against the Commission, its employees, and agents; and

7. Except as provided in Paragraph V of this Final Judgment, the Final Judgment does not constitute and shall not be interpreted to constitute either an admission by Defendants or a finding by the Court that Defendants have engaged in violations of the FTC Act, the Telemarketing Sales Rule, or any other law.

### **DEFINITIONS**

For purposes of this Final Judgment, the following definitions shall apply:

1. "Defendants" means Thomas Gregg Holloway, First Freedom Financial Corporation, and Southern Telmark Inc., and each of them and their officers, agents, directors, employees, salespersons, independent contractors, subsidiaries, affiliates, successors, assigns and all other persons or entities in active concert or participation with them who receive actual

notice of this Final Judgment by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device.

2. "Assets" means any legal or equitable interest in, right to, claim to, or expectation to receive, any real and personal property, including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, contracts, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, lines of credit, all cash, funds, and any other thing of value, wherever located.
3. "Telemarketing" shall mean any business activity (including, but not limited to, initiating or receiving telephone calls, managing others who initiate or receive telephone calls, operating an enterprise that initiates or receives telephone calls, or otherwise participating as an officer, director, employee or independent contractor in an enterprise that initiates or receives telephone calls) that involves attempts to induce consumers to purchase any item, good, service, partnership interest, trust interest, or beneficial interest, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of telemarketing.  
*Provided however*, that the term "telemarketing" shall not include transactions that are not completed until after a face-to-face contact between the seller or solicitor and the consumer solicited.
4. "Consumer" means a purchaser, customer, subscriber, or natural person.

5. “Assisting others” means knowingly providing any of the following goods or services to another entity: (1) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints, receiving and identifying financial information from consumers, and communicating with consumers about extensions of credit; (2) formulating or providing, or arranging for the formulation or provision of, any sales script or other marketing material; (3) providing names of, or assisting in the generation of, potential customers; or (4) performing marketing services of any kind.
6. “Advance Fee Credit Cards” means the advertisement, promotion, offering for sale, or sale of any product or service represented to register credit or debit accounts in exchange for a fee or similar payment by the purchaser prior to the issuance of a credit or debit account.
7. “Credit-related goods or services” means any good or service which is advertised, offered for sale, or sold to consumers as a method by which consumers may establish or obtain any credit or credit device, including but not limited to credit cards, loans, or financing; or as a method to restore, repair, or improve derogatory information contained in consumers’ credit reporting files; or as a method to consolidate or liquidate debts.

**I.**

**PERMANENT BAN**

**IT IS THEREFORE ORDERED** that Defendants are hereby permanently restrained and enjoined, through telemarketing, direct mailing, or E-Mail, from advertising, marketing,

offering for sale or selling any advance fee credit card or any credit-related goods or services, or assisting others in the same. Nothing in this Final Judgment shall be read as an exception to this Paragraph I.

## **II.**

### **PROHIBITION AGAINST VIOLATING THE FTC ACT**

IT IS FURTHER ORDERED that Defendants, in connection with the advertising, offering for sale, sale, or distribution of any good or service, are hereby permanently restrained and enjoined from violating, in any manner, Section 5 of the FTC Act, 15 U.S.C. § 45, including but not limited to:

- A. Misrepresenting the total costs to purchase, receive, or use any goods or services that are the subject of a sales offer;
- B. Failing to disclose in a clear and conspicuous manner, the total costs and all material restrictions, limitations, or conditions to purchase, receive, or use any goods or services that are the subject of a sales offer before the customer pays for the goods or services offered; and
- C. Making a false or misleading statement to induce any person to pay for goods or services.

## **III.**

### **PROHIBITION AGAINST VIOLATING THE TELEMARKETING SALES RULE**

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**IT IS FURTHER ORDERED** that Defendants are hereby permanently restrained and enjoined from violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, or as the Telemarketing Sales Rule may hereafter be amended, including but not limited to:

- A. Requesting or receiving payment of any fee or consideration from any person in advance of that person obtaining a loan or other extension of credit while guaranteeing or representing a high likelihood of success in obtaining or arranging a loan or other extension of credit for a person, as prohibited by the Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(4);
- B. Misrepresenting the total costs to purchase, receive, or use any goods or services that are the subject of a sales offer, as prohibited by the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(i);
- C. Failing to disclose in a clear and conspicuous manner, the total costs and all material restrictions, limitations, or conditions to purchase, receive, or use any goods or services that are the subject of a sales offer before the customer pays for the goods or services offered, as prohibited by the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(1)(i) and (ii);
- D. Making a false or misleading statement to induce any person to pay for goods or services, as prohibited by the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(4); and
- E. Providing substantial assistance or support to any seller or telemarketer while knowing or consciously avoiding knowing that the seller or telemarketer is

engaged in any act or practice that violates Sections 310.3(a) or (c), or 310.4 of the Telemarketing Sales Rule, 16 C.F.R. §§ 310.3(a) and (c), and 310.4.

#### IV.

#### CONSUMER REDRESS

**IT IS FURTHER ORDERED** that:

- A. Defendant Holloway shall relinquish any claims to and transfer to the Receiver, his rights, title, and interest in the assets and properties listed on Appendix A, as is and where is, attached hereto. The Receiver shall liquidate the assets and properties and pay the attendant expenses of the estate. Thereafter, the remaining proceeds will be transferred to the Commission. The transfer of assets shall be coordinated through Defendant's counsel.
- B. 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



Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph.

C. No portion of the payment as herein provided shall be deemed payment of any fine, penalty, forfeiture, or punitive assessment.

D. Defendants acknowledge and agree that all money and other remuneration paid pursuant to this Order is irrevocably paid to the Commission for purposes of settlement between Plaintiff and Defendants, and Defendants relinquish all rights, title, and interest to such money or remuneration.

E. Defendants are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the Commission Defendants' taxpayer identifying numbers (social security number or employer identification number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendants' relationship with the government.

**V.**

**RIGHT TO REOPEN**

**IT IS FURTHER ORDERED** that each Defendant shall, within five (5) business days after the date of entry of this Final Judgment, submit to the Commission a truthful sworn statement in the form shown in Appendix B, that shall reaffirm and attest to the truthfulness, accuracy, and completeness of the financial statements that each Defendant provided to the Commission on October 24, 2002. The Commission is authorized to verify any information provided in the financial statements with any appropriate third party,

including but not limited to, any financial institution or credit reporting bureau. The Commission's agreement to, and the Court's approval of, this Final Judgment are expressly premised upon the truthfulness, accuracy, and completeness of Defendants' financial conditions as represented in their financial statements referenced above, which contain material information upon which the Commission relied in negotiating and agreeing to the terms of this Final Judgment.

If, upon motion by the Commission, this Court finds that Defendants failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from the financial statement provided to Plaintiff, Plaintiff may request that the judgment herein be reopened against such Defendant to reflect the entire consumer injury of \$30,000,000 (Thirty Million Dollars) less any payments made pursuant to Paragraph IV of this Final Judgment and such amount shall be rendered immediately due and payable by the Defendants. Interest computed at the rate prescribed in 28 U.S.C. § 1961, shall immediately begin to accrue on the unpaid balance. For purposes of this section, and any subsequent proceedings to enforce payment, including but not limited to a non-dischargeability complaint filed in a bankruptcy proceeding, Defendants agree not to contest any of the allegations in the Commission's Complaint.

*Provided*, however, that in all other respects this Final Judgment shall remain in full force and effect unless otherwise ordered by the Court; and provided further, that 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 initiate to enforce the Final Judgment.

## **VI.**

### **RECEIVERSHIP**

**IT IS FURTHER ORDERED** that the appointment of Brian McDowell as Receiver pursuant the Stipulated Preliminary Injunction entered by the Court on May 8, 2002, is hereby continued as modified by this Section:

- A. The receiver shall receive and secure the monies, assets and properties as identified in Appendix A, and shall liquidate said assets. The proceeds of said liquidation shall be included in the receivership estate.
- B. Upon liquidation of the assets, the Receiver shall submit to the Court a final report and application for fees and expenses, and upon approval of the same, shall pay:
  - 1. To the Receiver the amounts allowed by the Court pursuant to the Receiver's application for fees and expenses; and
  - 2. To the Commission all remaining monies.

## **VII.**

### **LIFTING OF ASSET FREEZE**

**IT IS FURTHER ORDERED** that upon Defendants signing of this Final Order, the freeze placed on the assets of Thomas Gregg Holloway and any other affiliated entities, other than First Freedom Financial Corporation and Southern Telmark, pursuant to the Stipulated

Preliminary Injunction entered by this Court on May 8, 2002, is hereby dissolved, except as to the assets set forth in Appendix A. The freeze placed on the assets of corporate Defendants First Freedom Financial Corporation and Southern Telmark pursuant to the Stipulated Preliminary Injunction entered by this Court on May 8, 2002, as modified, remains in effect until such time as the Receiver, pursuant to Paragraph VI of this Final Judgment, receives payment of all Court-approved fees and expenses, transfers any remaining funds to the Commission, and is discharged by the Court.

### VIII.

#### **PROHIBITION AGAINST DISCLOSING CUSTOMER IDENTIFICATION INFORMATION**

**IT IS FURTHER ORDERED** that Defendants and their partners, officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Final Judgment, by personal service or otherwise, whether acting directly or through any trust, 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 any Defendant in connection with the purchase of any credit card. Provided, however, that Defendants may disclose such identifying information to a law enforcement agency or as required by law, regulation, or court order.

**IX.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, in connection with any business operated by Defendants, or where any of the Defendants is or are a majority owner of the business or directly or indirectly manages or controls the business and where the business is engaged in or assisting others engaged in telemarketing, Defendants are hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps to monitor and ensure that all employees and independent contractors engaged in the sale or offering for sale of any good or service or other customer service functions comply with Paragraphs II and III of this Final Judgment. Such steps shall include adequate monitoring of sales presentations or other communications with customers, and also shall include, at a minimum, the following:

1. Providing employees and independent contractors with scripts guidelines, and other sales material that comply with this Final Judgment;
2. Listening to the oral representations made by persons engaged in sales or other customer service functions;
3. Establishing a procedure for receiving and responding to consumer complaints; and

4. Ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;
- B. Failing to promptly and fully investigate any and all consumer complaints received by any business to which this Paragraph applies; and
- C. Failing to take corrective action with respect to any salesperson whom any such Defendant determines is not complying with this Final Judgment, which may include training, disciplining, and/or terminating such salesperson.

**X.**

**PLAINTIFF'S AUTHORITY TO MONITOR COMPLIANCE**

**IT IS FURTHER ORDERED** that the Commission is authorized to monitor Defendants' compliance with this Final Judgment by all lawful means, including, but not limited to the following:

- 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 Rule 45, Fed. R. Civ. P. 45, for the purpose of monitoring and investigating Defendants' compliance with any provision of this Final Judgment;
- B. The Commission is authorized to use representatives posing as consumers and suppliers to Defendants, Defendants' employees, or any other entity managed

or controlled in whole or in part by Defendants, without the necessity of identification or prior notice; and

- C. Nothing in this Final Judgment 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 Defendants have violated any provision of this Final Judgment or Section 5 of the FTC Act, 15 U.S.C. § 45.

## **XI.**

### **RECORD KEEPING**

**IT IS FURTHER ORDERED** that, for a period of six (6) years from the date of entry of this Final Judgment, in connection with any telemarketing business operated by Defendants, or where any of Defendants is or are a majority owner of the business or directly or indirectly manages or controls a business engaged in telemarketing, 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 Final Judgment by personal service or otherwise, are hereby restrained and enjoined from failing to create, and from failing to retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursements 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 names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and a 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 or indirectly or through any third party) and any responses to those complaints or requests; and
  - E. Copies of all sales scripts, training materials, advertisements, or other marketing materials.

## **XII.**

### **ACCESS TO BUSINESS PREMISES**

**IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Final Judgment, for the purposes of further determining compliance with this Final Judgment, each of Defendants shall permit representatives of the Commission within three (3) business days of receipt of written notice from the Commission:

- A. Access during business hours to any office or facility storing documents of any business where any Defendant is an officer, director, the majority owner or manages or controls any part of the business and the business is engaged in and/or assisting others engaged in telemarketing. In providing such access, each Defendant shall permit representatives of the Commission to inspect and copy any documents relevant to any



matter contained in this Final Judgment; and shall permit Commission representatives to remove documents relevant to any matter contained in this Final Judgment for a period not to exceed five (5) business days so that the documents may be inspected, inventoried, and copied; and

- B. To interview officers, directors, and employees, including any personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, agents, independent contractors or otherwise, of any business to which Subsection (A) of this Paragraph applies, concerning matters relating to compliance with the terms of this Final Judgment. The person interviewed may have counsel present.

*Provided* that upon application of the Commission and for good cause shown, the Court may enter an *Ex Parte* Order granting immediate access to the business premises of any Defendant for the purposes of inspecting and copying all documents relevant to any matter contained in this Final Order.

### **XIII.**

#### **RETENTION OF RECORDS BY REDRESS ADMINISTRATOR**

**IT IS FURTHER ORDERED** that the redress administrator shall destroy all records relating to this matter six (6) years after the transfer of any remaining redress funds to the FTC Treasury account or the closing of the account from which such funds were disbursed, whichever is earlier, provided that no records shall be destroyed unless and until a representative of the Commission has received and approved the administrator's final

accounting report. Records shall be destroyed in accordance with disposal methods and procedures to be specified by the Commission. The Commission may, in its sole discretion, require that such records, in whole or in part be transferred, in lieu of destruction, to the Commission.

#### **XIV.**

##### **REPORTING PROVISIONS**

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

- A. For a period of three (3) years from the date of entry of this Final Judgment, Defendants shall notify the Commission of the following:
1. Any change in the business and residence addresses, mailing addresses, and telephone numbers within ten (10) days of the date of such change;
  2. Any changes in the employment status (including self-employment) of Defendant Thomas Gregg Holloway within ten (10) days of such change. Such notice shall include the name and address of each business that he is affiliated with or employed by, a statement of the nature of the business, and a statement of his duties and responsibilities in connection with the business or employment; and
  3. Any proposed change in the structure of Defendants First Freedom Financial Corporation and Southern Telmark Inc., or any proposed change in the structure of any business entity owned or controlled by any Defendant, such as

creation, incorporation, dissolution, assignment, sale, merger, creation or dissolution of subsidiaries, proposed filing of a bankruptcy petition, change in the corporate name or address, or any other change that affects compliance obligations arising out of this Final Judgment, thirty (30) days prior to the effective date of any proposed change provided, however, that, with respect to any proposed corporate change about which Defendants learns less than thirty (30) days prior to the date such action is to take place, Defendants 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 Final Judgment, Defendants shall provide a written report to the Commission, sworn to under penalty of perjury, setting forth in detail the manner and form in which Defendants have complied and are complying with this Final Judgment. This report shall include, but not be limited to, the following:

1. Defendant Thomas Gregg Holloway's then current residence address and telephone number;
2. Defendant Thomas Gregg Holloway's then current employment, business address and telephone numbers, a description of the business activities of such employer, and Defendant's title and responsibilities for each employer;
3. Defendant First Freedom Financial Corporation's then current business address and telephone numbers, a description of its business activities;

4. Defendant Southern Telmark Inc.'s then current business address and telephone numbers, a description of its business activities;
  5. A copy of each acknowledgment of receipt of this Final Judgment obtained by Defendants pursuant to Paragraph XVI; and
  6. A statement describing the manner in which the Defendants have complied and are complying with this Final Judgment, including the payment of monies and transfer of assets and properties, as required by Paragraph IV.
- C. Upon written request by a representative of the Commission, Defendants shall submit additional written reports (under oath, if requested) and produce documents on fifteen (15) days notice with respect to compliance with the terms of this Final Judgment;
- D. For the purposes of this Final Judgment, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:
- Director  
Southeast Region  
Federal Trade Commission  
Suite 1500  
225 Peachtree Street  
Atlanta, Georgia 30303  
Re: FTC v. Thomas Gregg Holloway
- E. For the purposes of this Paragraph, "employment" includes the performance of services as an employee, consultant, or independent contractor for which payment is received; and "employers" include any individual or entity for whom a Defendant

performs services for which he is paid as an employee, consultant, or independent contractor.

**XV.**

**ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that, within five (5) business days after receipt by Defendants of the Final Judgment as entered by the Court, each Defendant shall submit to the Commission a truthful sworn statement, in the form shown in Appendix C, that shall acknowledge receipt of this Final Judgment.

**XVI.**

**DISTRIBUTION OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Final Judgment, each Defendant shall:

- A. Provide a copy of this Final Judgment to, and obtain a signed and dated acknowledgment of receipt from:
1. Each officer and director;
  2. Each individual serving in a management capacity;
  3. All personnel involved in responding to consumer complaints or inquiries; and
  4. All sales personnel whether designated as employees, consultants, independent contractors or otherwise,

immediately upon employing or retaining any such persons, for 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 telemarketing or assisting other engaged in telemarketing.

- 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 this Order, as required in Subsection (A) of this Paragraph.

## **XVII.**

### **OTHER CIVIL AND CRIMINAL REMEDIES**

**IT IS FURTHER ORDERED** that this action and the relief awarded herein is in addition to, and not in lieu of, other remedies as may be provided by law including administrative, civil, and criminal remedies.

**XVIII.**

**CONTINUING JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, the enforcement of compliance with this Final Judgment, or the punishment of violations thereof.

**SO ORDERED**, this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

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Honorable Harvey E. Schlesinger  
United States District Judge

The parties hereby stipulate and agree to the terms and conditions set forth above and consent to the entry of this Final Judgment, dated this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

**FOR THE PLAINTIFF**

---

RONALD E. LAITSCH  
CINDY A. LIEBES  
FEDERAL TRADE COMMISSION  
Atlanta Regional Office  
225 Peachtree Street NE  
Suite 1500  
Atlanta, Georgia 30303  
(404) 656-1358

**FOR THE DEFENDANTS**

---

Thomas Gregg Holloway, individually  
and as President of  
First Freedom Financial Corp., and  
Southern Telmark, Inc.

**ATTORNEYS FOR DEFENDANTS**

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Michael R. Freed  
Smith Hulsey & Busey  
1800 First Union National Bank Tower  
225 Water Street  
Jacksonville, FL 32201

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Lawrence J. Friedman  
Friedman & Feiger, LLP  
5301 Spring Valley Road  
Suite 200  
Dallas, TX 75254



**Appendix B**

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

_____	)	
FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
THOMAS GREGG HOLLOWAY, individually and	)	
as an officer in First Freedom Financial	)	
Corporation and Southern Telmark Inc.,	)	
	)	
FIRST FREEDOM FINANCIAL CORPORATION,	)	CIVIL ACTION NO.
a South Carolina corporation, and	)	
	)	3:02-cv-343-J20TEM
SOUTHERN TELMARK INC.,	)	
a Florida Corp.,	)	
	)	
Defendants.	)	
_____	)	

I, Thomas Gregg Holloway, hereby state that the information contained in my personal financial disclosure form sworn to on \_\_\_\_\_, 2002, and the information contained in the corporate financial disclosure forms for Defendants First Freedom Financial Corporation and Southern Telmark, Inc., sworn to on \_\_\_\_\_, 2002, are true and accurate, and complete as of the dates on their execution and their submission to the Federal Trade Commission.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the forgoing is true and correct.

\_\_\_\_\_  
Thomas Gregg Holloway, individually  
and as President of Corporate Defendants  
First Freedom Financial Corp. and Southern Telmark, Inc.

**Appendix C**

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

---

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
THOMAS GREGG HOLLOWAY, individually and	)	
as an officer in First Freedom Financial	)	
Corporation and Southern Telmark Inc.,	)	
	)	
FIRST FREEDOM FINANCIAL CORPORATION,	)	CIVIL ACTION NO.
a South Carolina corporation, and	)	
	)	3:02-cv-343-J20TEM
SOUTHERN TELMARK INC.,	)	
a Florida Corp.,	)	
	)	
Defendants.	)	

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Thomas Gregg Holloway, being duly sworn, hereby states and affirms as follows:

1. My name is Thomas Gregg Holloway. My current residence address is \_\_\_\_\_ . I am a citizen of the United States and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.
2. I am a defendant in Federal Trade Commission v. Thomas Gregg Holloway, et al (United States District Court for the Middle District of Florida - Jacksonville Division).
3. On \_\_\_\_\_, I received a copy of the Stipulated Final Judgment for Permanent Injunction Against Defendants, which was signed by the Honorable Harvey E.

Schlesinger and entered by the Court on \_\_\_\_\_. A true and correct copy of the Final Judgment I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on \_\_\_\_\_, at \_\_\_\_\_

\_\_\_\_\_  
Thomas Gregg Holloway

## Appendix A

### **Monies, Assets and Properties to be transferred by Thomas Gregg Holloway to the Receiver for Consumer Redress or Disgorgement:**

1. 50.3 Acres along with house and other barns and/or outbuildings (see attached legal description);
2. 2001 Jaguar XJR (VIN No. SAJDA15B21MF35263);
3. 2001 Recreational Vehicle (VIN No. 4VZBN24901c037093);
4. Lauren Acres Farm Equipment Inventory:
  - 1 tractor
  - 1 disc
  - 1 rake
  - 1 seed spreader
  - 1 manure spreader
  - 1 bush hog
  - 1 deck mower
  - 1 portable generator
  - 1 pressure washer;
5. Barn Office Inventory:
  - 1 couch
  - 1 small desk
  - 1 armoire
  - 2 end tables
  - 1 fax machine
  - 1 cordless telephone
  - 1 television with vcr;
6. 2000 Sundowner Horse Trailer;
7. \$36,000 from the sale of the lease of Beaumonts restaurant;
8. Any additional monies due from the sale of the 1966 Jaguar and 1995 Porsche;
9. Proceeds from the sale of the wine from Beaumonts;
10. Art from Beaumonts;

11. Monies previously obtained from consumers and remaining in the possession of Check Assist (including any monies due Prime National and Mid-South);
12. All monies, as of the date this action was filed, and remaining in First Union Bank Accounts 2000010915688 (Southern Telmark and Prime National);
13. All monies, as of the date this action was filed, and remaining in Defendant Holloway's account No. 101316511 in Wachovia Bank, Charleston, S.C., as of the date this document is fully executed;
14. All monies, as of the date of this action was filed, and remaining in Lauren Acres's account No. 2000002425364 in First Union, Charleston, S.C., as of the date this document is fully executed;
15. Defendant Holloway's, First Freedom's, Southern Telmark's and Sarah Holloway's interest and rights in all other property previously obtained by the Receiver in this action;
16. 1951 La France Aerial Ladder Fire Truck (Serial No. 7J7930); and
17. Any cash proceeds remaining from the sale of the 2002 Lexus 470, the Toyota Camry, the Horse and the Trailer and any other assets sold or monies received during the pendency of this case.

Should for any reason the VIN Numbers, account numbers, serial numbers, or descriptions identified herein be incomplete or inaccurate, the monies, assets or other properties identified herein must nevertheless be transferred by Defendant Holloway to the Receiver in accordance with the terms of the Final Order.