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 CLERK, U.S. DISTRICT COURT
 MAR 14 2003
 CENTRAL DISTRICT OF CALIFORNIA
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 BY

ENTERED
 CLERK, U.S. DISTRICT COURT
 MAR 14 2003
 CENTRAL DISTRICT OF CALIFORNIA
 DEPUTY
 BY

10 Attorneys for Plaintiff
 FEDERAL TRADE COMMISSION

11
 12 UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 13 WESTERN DIVISION

14 FEDERAL TRADE COMMISSION,
 15
 16 Plaintiff,
 17
 18 v.
 19 HEALTHCARE CLAIMS NETWORK, INC.,
 a California corporation, doing
 20 business as MED DATA SOLUTIONS and
 21 SOUTHERN CALIFORNIA BILLING
 SERVICES,
 22
 23 STANFORD MILLER, individually and
 doing business as MEDICAL CLAIMS
 24 NETWORK,
 25
 26 CHARLES G. LLOYD, individually and
 doing business as MED DATA
 27 SOLUTIONS, and as an officer of
 HEALTHCARE CLAIMS NETWORK, INC.,
 a California corporation, and
 28 ANNE MILLER, individually and
 doing business as MED DATA
 SOLUTIONS, and as an officer of
 HEALTHCARE CLAIMS NETWORK, INC.,
 a California corporation,
 Defendants.

Civ. No. 2:02CV4569 MMM(AJWx)

STIPULATED FINAL JUDGMENT AND
 ORDER FOR PERMANENT INJUNCTION
 AND OTHER EQUITABLE RELIEF
 AS TO DEFENDANTS ANNE MILLER
 AND STANFORD MILLER

31

1 Plaintiff, the Federal Trade Commission ("Commission")
2 commenced this action on June 11, 2002 by filing its Complaint for
3 Injunctive and Other Equitable Relief pursuant to Section 13(b) of
4 the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b),
5 charging that Defendants Charles G. Lloyd, Anne Miller, and
6 Healthcare Claims Network, Inc., d/b/a Med Data Solutions, Southern
7 California Billing Services, Medical Claims Network, and Probillers,
8 were engaged in deceptive acts or practices in violation of Section
9 5 of the FTC Act, 15 U.S.C. § 45, in connection with the advertising,
10 telemarketing, offering for sale, and sale of work-at-home medical
11 billing employment opportunities. The Commission amended its
12 complaint to name Stanford Miller, individually and doing business as
13 Medical Claims Network, as a defendant, and to remove Medical Claims
14 Network and Probillers as d/b/a's for defendant Healthcare Claims
15 Network, Inc. ("Amended Complaint").

16 The Commission and Defendants Anne Miller and Stanford Miller
17 ("Defendants" as defined in this Order), hereby stipulate to entry of
18 this Stipulated Final Judgment and Order for Permanent Injunction and
19 Other Equitable Relief as to Defendants Anne Miller and Stanford
20 Miller ("Order").

21 **NOW THEREFORE**, the Commission and Defendants having requested
22 the Court to enter this Order,

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

24 **FINDINGS**

25 1. This is an action by the Commission instituted under
26 Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).
27 The Amended Complaint seeks permanent injunctive relief against
28 Defendants in connection with the advertising, offering for sale,

1 and sale of work-at-home medical billing employment opportunities,
2 and equitable monetary relief in the form of consumer redress
3 and/or disgorgement.

4 2. This Court has jurisdiction over the subject matter of
5 this action and the parties.

6 3. Venue is proper as to all parties in the Central District
7 of California.

8 4. The Commission's Amended Complaint states claims upon
9 which relief may be granted against Defendants under Sections 5(a)
10 and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).

11 5. The Commission has the authority under Section 13(b) of
12 the FTC Act to seek the relief it has requested.

13 6. The activities of Defendants, as alleged in the Amended
14 Complaint, are in or affecting commerce, as defined in Section 4 of
15 the FTC Act, 15 U.S.C. § 44.

16 7. Defendants have entered into this Order freely and
17 without coercion. Defendants further acknowledge that they have
18 read the provisions of this Order and are prepared to abide by
19 them.

20 8. The Commission and Defendants stipulate and agree to this
21 Order, without trial or final adjudication of any issue of fact or
22 law, to settle and resolve all matters in dispute between them
23 arising from the Amended Complaint up to the date of entry of this
24 Order. This Order is for settlement purposes only and does not
25 constitute and shall not be interpreted to constitute an admission
26 by Defendants that they have engaged in violations of any law or
27 regulation, including but not limited to the FTC Act.

28 9. Defendants waive all rights to seek judicial review or

1 otherwise challenge or contest the validity of this Order.
2 Defendants further waive and release any claim that any of them may
3 have against the Federal Trade Commission, its employees, agents or
4 representatives, or against the Receiver, Robb Evans, or his
5 employees, agents or representatives, or against the assets of the
6 receivership estate.

7 10. Defendants have agreed that this Order does not entitle
8 Defendants to seek or to obtain attorneys' fees as a prevailing
9 party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as
10 amended, and Defendants further waive any claim that any of them
11 may have under said provision of law. Each settling party shall
12 bear its own costs and attorneys' fees.

13 11. This Order is in addition to, and not in lieu of, any
14 other civil or criminal remedies that may be provided by law.

15 12. Entry of this Order is in the public interest.

16 13. Pursuant to Federal Rule of Civil Procedure 65(d) the
17 provisions of this Order are binding upon Defendants, their
18 officers, agents, servants, employees, corporations, successors and
19 assigns, and upon those persons or entities in active concert or
20 participation with them who receive actual notice of this Order by
21 personal service or otherwise.

22 DEFINITIONS

23 For purposes of this Order, the following definitions shall
24 apply:

25 1. "Assets" means any legal or equitable interest in, right
26 to, or claim to, any real or personal property, including but not
27 limited to chattels, goods, instruments, money, funds, equipment,
28 fixtures, general intangibles, effects, leaseholds, mail or other

1 deliveries, inventory, checks, notes, accounts, credits,
2 receivables (as those terms are defined in the Uniform Commercial
3 Code), and all cash, wherever located.

4 2. "Assisting others" means providing any of the following
5 goods or services to any person or entity: (a) formulating or
6 providing, or arranging for the formulation or provision of, any
7 good or service related to Medical Billing or any Work-At-Home
8 Opportunity; (b) formulating or providing, or arranging for the
9 formulation or provision of, any telephone sales script or any
10 other marketing material; (c) hiring, recruiting, or training
11 personnel; (d) advising or consulting others on the commencement or
12 management of a business venture; (e) providing names of, or
13 assisting in the generation of, potential customers; (f) performing
14 customer service functions, including but not limited to, receiving
15 or responding to consumer complaints; (g) performing marketing or
16 telemarketing services of any kind; or (h) acting as an officer or
17 director of a business entity.

18 3. "Customer" means any person who is or may be required to
19 pay for goods or services offered through telemarketing.

20 4. "Defendants" means Anne Miller, individually, as an
21 officer of Healthcare Claims Network, Inc., and doing business as
22 Med Data Solutions; and Stanford Miller, individually and doing
23 business as Medical Claims Network, and all of them, by whatever
24 names each might be known, whether acting directly or through any
25 person, corporation, affiliate, division, agent, employee,
26 consultant, independent contractor or other device.

27 5. "Document" is synonymous in meaning and equal in scope to
28 the usage of the term in Federal Rule of Civil Procedure 34(a), and

1 includes writings, drawings, graphs, charts, photographs, audio and
2 video recordings, electronic mail ("e-mail"), computer records, and
3 other data compilations from which information can be obtained and
4 translated, if necessary, through detection devices into reasonably
5 usable form. A draft or non-identical copy is a separate document
6 within the meaning of the term.

7 6. "Material" means likely to affect a person's choice of,
8 or conduct regarding, goods or services.

9 7. "Medical Billing" means any service by which bills or
10 charges for medical services or products or medically-related
11 services or products are sent, directly or indirectly, to a patient
12 or third party payor, including but not limited to, insurance
13 companies, on behalf of the physician, doctor or other provider of
14 a medical service or product or medically-related service or
15 product.

16 8. "Person" means any individual, group, unincorporated
17 association, limited or general partnership, corporation, or other
18 business entity.

19 9. "Telemarketing" means the advertising, offering for sale,
20 or sale of any item, product, good or service to any person by
21 means of telephone sales presentations, either exclusively or in
22 conjunction with the use of other forms or marketing.

23 10. "Work-At-Home Opportunity" means any program, plan,
24 product, or service represented to enable or assist a participant
25 or purchaser to earn money while working at home.

26 //

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1 I. BAN ON CERTAIN ACTIVITIES

2 IT IS ORDERED that Defendants, whether directly or indirectly
3 or through any corporation, business entity, or person under their
4 control, are hereby permanently restrained and enjoined from
5 engaging, participating, or assisting others in the advertising,
6 promoting, telemarketing, offering for sale, or sale of any Work-
7 At-Home Opportunity. Nothing in this Order shall be read as an
8 exception to this Section.

9 II. PROHIBITED BUSINESS ACTIVITIES

10 IT IS FURTHER ORDERED that, in connection with the
11 advertising, promotion, offering for sale, sale or distribution of
12 any item, product, good, service, business opportunity, employment
13 opportunity, or Work-At-Home Opportunity, Defendants and their
14 officers, agents, servants, employees, successors and assigns, and
15 any other person or entity through which any of them does business,
16 and any other person or entity in active concert or participation
17 with them who receives actual notice of this Order by personal
18 service or otherwise, are hereby permanently restrained and
19 enjoined from:

20 A. Misrepresenting, expressly or by implication, that they
21 have job openings or work-at-home positions to fill;

22 B. Misrepresenting, expressly or by implication, that work-
23 at-home positions are available in particular geographic areas;

24 C. Misrepresenting, expressly or by implication, that they
25 will furnish consumers with clients or the names and addresses of
26 doctors who are likely to use consumers to process medical claims
27 from home;

28 D. Misrepresenting, expressly or by implication, that they

1 have established relationships with doctors or any other potential
2 employers;

3 E. Misrepresenting, expressly or by implication, that
4 consumers are likely to earn a specific level of earnings
5 processing medical claims;

6 F. Misrepresenting, expressly or by implication, the wage or
7 salary for any job or work-at-home position;

8 G. Misrepresenting, expressly or by implication, that
9 consumers can readily obtain refunds upon request;

10 H. Misrepresenting, expressly or by implication, the terms
11 and conditions of any refund or guarantee policy;

12 I. Failing to disclose in a clear and conspicuous manner,
13 prior to charging a consumer for any good or service, all material
14 terms, conditions, and limitations of any refund or guarantee
15 policy, or any policy of non-refundability;

16 J. Misrepresenting, expressly or by implication, any
17 material fact regarding any item, product, good, or service sold or
18 offered for sale;

19 K. Violating the Telemarketing Sales Rule ("TSR"), 16 C.F.R.
20 Part 310, including any amendments thereto; and

21 L. Assisting others who violate any provision of Subsections
22 A-K of this Section II.

23 **III. PROHIBITIONS REGARDING CONSUMER INFORMATION**

24 **IT IS FURTHER ORDERED** that Defendants and their officers,
25 agents, servants, employees, corporations, successors and assigns,
26 and any other person or entity through which any of them does
27 business, and any other person or entity in active concert or
28 participation with them who receives actual notice of this Order by

1 have materially misrepresented or omitted the nature, existence or
2 value of any asset;

3 B. Defendant Stanford Miller is liable for payment of
4 equitable monetary relief in the amount of ten thousand dollars
5 (\$10,000.00), which shall be transferred to an escrow account
6 maintained by William Rothbard, Esq. before the entry of this
7 Order. Within seven days after entry of this Order, William
8 Rothbard, Esq. shall transfer the ten thousand dollars (\$10,000) to
9 the Commission by wire transfer, cashier's check, or certified
10 check, as directed by the Commission. The monetary relief ordered
11 herein does not constitute full compensation for the monetary harm
12 alleged in the Amended Complaint in this action, and is not
13 accepted as such;

14 C. Any and all funds paid pursuant to Subsections A or B of
15 this Section IV and/or Subsection A of Section V of this Order
16 shall be deposited into a fund administered by the Commission or
17 its agent to be used for equitable relief, including but not
18 limited to consumer redress and any attendant expenses for the
19 administration of any redress fund. In the event that direct
20 redress to consumers is wholly or partially impracticable or funds
21 remain after redress is completed, the Commission may apply any
22 remaining funds for such other equitable relief (including consumer
23 information remedies) as it determines to be reasonably related to
24 the Defendants' practices alleged in the Amended Complaint. Any
25 funds not used for such equitable relief shall be deposited to the
26 Treasury as disgorgement. Defendants shall have no right to
27 challenge the Commission's choice of remedies under this
28 Subsection;

1 D. Defendants are hereby required, in accordance with 31
2 U.S.C. § 7701, to furnish to the Commission their Social Security
3 numbers and/or taxpayer identification numbers, which shall be used
4 for purposes of collecting and reporting on any delinquent amount
5 arising out of this Order;

6 E. Defendants further agree that the facts as alleged in the
7 Amended Complaint shall be taken as true in the event of any
8 subsequent litigation to enforce this Order or to collect amounts
9 due pursuant to this Order, including but not limited to a
10 nondischargeability complaint in any bankruptcy proceeding; and

11 F. The judgment entered pursuant to Subsection A of this
12 Section IV, the payment required by Subsection B of this Section
13 IV, and all funds paid pursuant to Subsections A of Section V of
14 this Order, are equitable monetary relief, solely remedial in
15 nature, and not a fine, penalty, punitive assessment or forfeiture.

16 **V. RECEIVERSHIP**

17 **IT IS FURTHER ORDERED** that the appointment of Robb Evans
18 as Receiver pursuant to the Stipulated Preliminary Injunction
19 entered by this Court on July 9, 2002, is hereby continued as
20 modified by this Section V.

21 A. The Receiver shall complete the liquidation of all assets
22 of Medical Claims Network, including all furniture, equipment and
23 other contents of Medical Claims Network's premises at 1440 North
24 Harbor Boulevard, Suites 615 and 650, Fullerton, California 92835.
25 The proceeds of said liquidation shall be included in the
26 receivership estate along with all other assets of the Receivership
27 Defendants, including but not limited to all funds in, or
28 transferred to the Receiver from, Cal Fed and Wells Fargo. Upon

1 receivership duties over Medical Claims Network; and

2 C. The freeze against the assets of Healthcare Claims
3 Network, Inc., d/b/a Med Data Solutions, and Southern California
4 Billing Services, pursuant to the Stipulated Preliminary Injunction
5 entered by this Court on July 9, 2002, shall remain in effect and
6 is not modified by this Order.

7 **VII. RIGHT TO REOPEN**

8 **IT IS FURTHER ORDERED** that, within five (5) business days
9 after entry of this Order, Defendants shall submit to the
10 Commission two truthful sworn statements, in the forms shown on
11 Appendices A and B hereto, that shall acknowledge receipt of this
12 Order and shall reaffirm and attest to the truthfulness, accuracy
13 and completeness of the financial statements submitted to the
14 Commission by Defendants, namely: (A) that of Anne Miller dated
15 July 8, 2002, as supplemented by letter from James Victor Kosnett,
16 Esq. dated August 29, 2002; (B) that of Stanford Miller, d/b/a
17 Medical Claims Network, dated August 14, 2002; and (C) that of
18 Stanford Miller, individually, dated October 15, 2002.

19 The Commission's agreement to this Order is expressly premised
20 on the truthfulness, accuracy and completeness of such financial
21 statements. If, upon motion by the Commission, the Court finds
22 that any such financial statement contains any material
23 misrepresentation or omission, the suspended judgment entered in
24 Subsection A of Section IV of this Order shall become immediately
25 due and payable by Defendants, and interest computed at the rate
26 prescribed under 28 U.S.C. § 1961, as amended, shall immediately
27 begin to accrue on the unpaid balance; *provided, however,* that in
28 all other respects this Order shall remain in full force and effect

1 unless otherwise ordered by the Court; and, *provided further*, that
2 proceedings instituted under this provision would be in addition
3 to, and not in lieu of, any other civil or criminal remedies as may
4 be provided by law, including but not limited to contempt
5 proceedings, or any other proceedings that the Commission or the
6 United States may initiate to enforce this Order. For purposes of
7 this Section, Defendants waive any right to contest any of the
8 allegations in the Amended Complaint.

9 **VIII. COOPERATION**

10 **IT IS FURTHER ORDERED** that Defendant Stanford Miller shall
11 cooperate fully and in good faith with the Commission in connection
12 with this action, or any subsequent investigations related to or
13 associated with the transactions that are the subject of the
14 Commission's Amended Complaint in this action. This cooperation
15 shall require Defendant Stanford Miller to: (1) respond truthfully
16 and completely to all questions concerning any matter related to
17 the transactions which are the subject of the Commission's Amended
18 Complaint that may be put to him, whether in written questions,
19 interviews, pursuant to compulsory process, or at any trial or
20 other legal proceeding; (2) attend all interviews, meetings, trials
21 or legal proceedings at which his presence is requested by the
22 Commission or compelled by compulsory process or court order; and
23 (3) produce voluntarily all documents, records, or other tangible
24 evidence relating to matters which the Commission, or its designee,
25 inquires. If requested in writing by the Commission, Defendant
26 Stanford Miller shall appear and provide truthful testimony in any
27 trial, deposition, or other proceeding related to or associated
28 with the transactions that are the subject of the Amended

1 Complaint, without the service of a subpoena. The Commission's
2 agreement to this Order is expressly premised on Defendant Stanford
3 Miller's compliance with the requirements of this Section. If,
4 upon motion by the Commission, the Court finds that Defendant
5 Stanford Miller has not complied with the requirements of this
6 Section, the Commission may request that this Order be reopened to
7 allow the Commission to modify it; *provided*, that proceedings to
8 reopen instituted under this Section are in addition to, and not in
9 lieu of, any other civil or criminal remedies as may be provided by
10 law, including any other proceedings that the Commission may
11 initiate to enforce this Order.

12 **IX. COMPLIANCE MONITORING**

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

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

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

25 1. obtaining discovery from any person, without further
26 leave of Court, using the procedures prescribed by Fed. R. Civ. P.
27 30, 31, 33, 34, 36, and 45; and

28 2. posing as consumers and suppliers to Defendants,

1 their employees, or any other entity managed or controlled in whole
2 or in part by any Defendant, without the necessity of
3 identification or prior notice;

4 *Provided* that nothing in this Order shall limit the
5 Commission's lawful use of compulsory process, pursuant to Sections
6 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any
7 documentary material, tangible things, testimony, or information
8 relevant to unfair or deceptive acts or practices in or affecting
9 commerce (within the meaning of 15 U.S.C. § 45(a)(1)); and

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

15 **X. COMPLIANCE REPORTING BY DEFENDANTS**

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

18 A. For a period of five (5) years from the date of entry of
19 this Order:

20 1. Each Defendant shall notify the Commission of the
21 following:

22 (a) Any changes in Defendant's residence, mailing
23 addresses, and telephone numbers, within ten (10) days of the date
24 of such change;

25 (b) Any changes in Defendant's employment status
26 (including self-employment) within ten (10) days of the date of
27 such change. Such notice shall include the name and address of
28 each business that Defendant is affiliated with, employed by, or

1 performs services for; a statement of the nature of the business;
2 and a statement of Defendant's duties and responsibilities in
3 connection with the business; and

4 (c) Any changes in Defendant's name or use of any
5 aliases or fictitious names; and

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

19 B. One hundred eighty (180) calendar days after the date of
20 entry of this Order, each Defendant shall submit a written report
21 to the Commission, sworn to under penalty of perjury, setting forth
22 in detail the manner and form in which they have complied and are
23 complying with this Order. This report shall include but not be
24 limited to:

25 1. Any changes required to be reported pursuant to
26 Subsection A above; and

27 2. A copy of each acknowledgment of receipt of this
28 Order obtained by Defendant pursuant to Section XII of this Order;

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

4 Regional Director
5 Federal Trade Commission
6 55 East Monroe Street, Suite 1860
7 Chicago, Illinois 60603
8 Re: FTC v. Healthcare Claims Network, Inc., et al.

9 D. For purposes of the compliance reporting required by this
10 Section, the Commission is authorized to communicate directly with
11 Defendants.

12 XI. RECORD KEEPING PROVISIONS

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

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

25 B. Personnel records accurately reflecting: the name,
26 address, and telephone number of each person employed in any
27 capacity by such business, including as an independent contractor;
28 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;

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

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

9 E. Copies of all sales scripts, training materials,
10 advertisements, or other marketing materials.

11 **XII. DISTRIBUTION OF ORDER BY DEFENDANTS**

12 **IT IS FURTHER ORDERED** that, for a period of five (5) years
13 from the date of entry of this Order, Defendants shall deliver a
14 copy of this Order to all principals, officers, directors,
15 managers, and employees under Defendants' control for any business
16 that (1) employs or contracts for personal services from Defendant
17 and (2) has responsibilities with respect to the subject matter of
18 this Order. Defendants shall secure from each such person a signed
19 and dated statement acknowledging receipt of the Order within
20 thirty (30) days after the date of service of the Order or the
21 commencement of the employment relationship.

22 **XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

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

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1 business as Med Data Solutions, and as an officer of Healthcare
2 Claims Network, Inc., and Defendant Stanford Miller, individually
3 and d/b/a Medical Claims Network.

RECEIVED

4 SO STIPULATED:

5 Katherine Romano Schnack Dated: February 21, 2003
6 Katherine Romano Schnack
7 Therese L. Tully
8 FEDERAL TRADE COMMISSION
9 55 East Monroe Street, Suite 1860
10 Chicago, Illinois 60603
11 (312) 960-5634 [Ph.]
12 (312) 960-5600 [Fax]
13 Attorneys for Plaintiff FEDERAL TRADE COMMISSION

10 Anne Miller Dated: 12/7/02
11 Anne Miller

12 _____ Dated: _____
13 Stanford Miller

14 APPROVED AS TO FORM:

15 _____
16 _____ Dated: 12-10-02
17 James Kosnett
18 Kosnett & Durchfort
19 3699 Wilshire Blvd., Suite 1100
20 Los Angeles, California 90010
21 (213) 388-9777 [Ph.]
22 (213) 388-9969 [Fax]
23 Attorney for Defendant ANNE MILLER

21 _____ Dated: _____
22 William Rothbard
23 1541 Ocean Ave., Suite 200
24 Santa Monica, California 90401
25 (310) 393-7760 [Ph.]
26 (310) 393-7753 [Fax]
27 Attorney for Defendant STANFORD MILLER

25 IT IS SO ORDERED.

26
27 Dated: March 7, 2003

Margaret M. Morrow
Margaret M. Morrow
United States District Judge

1 business as Med Data Solutions, and as an officer of Healthcare
2 Claims Network, Inc., and Defendant Stanford Miller, individually
3 and d/b/a Medical Claims Network.

4 **SO STIPULATED:**

5 _____ Dated: _____
6 Katherine Romano Schnack
7 Therese L. Tully
8 FEDERAL TRADE COMMISSION
9 55 East Monroe Street, Suite 1860
10 Chicago, Illinois 60603
11 (312) 960-5634 [Ph.]
12 (312) 960-5600 [Fax]
13 Attorneys for Plaintiff FEDERAL TRADE COMMISSION

14 _____ Dated: _____
15 Anne Miller

16 *Stanford Miller*
17 _____ Dated: 12/10/02
18 Stanford Miller

19 **APPROVED AS TO FORM:**

20 _____ Dated: _____
21 James Kosnett
22 Kosnett & Durchfort
23 3699 Wilshire Blvd., Suite 1100
24 Los Angeles, California 90010
25 (213) 388-9777 [Ph.]
26 (213) 388-9969 [Fax]
27 Attorney for Defendant ANNE MILLER

28 *William Rothbard*
29 _____ Dated: 12/13/02
30 William Rothbard
31 1541 Ocean Ave., Suite 200
32 Santa Monica, California 90401
33 (310) 393-7760 [Ph.]
34 (310) 393-7753 [Fax]
35 Attorney for Defendant STANFORD MILLER

36 **IT IS SO ORDERED.**

37 Dated: _____
38 _____
Margaret M. Morrow
United States District Judge

1 Presented by:

2

Katherine Romano Schnack

3 Katherine Romano Schnack

Therese L. Tully

4 FEDERAL TRADE COMMISSION

55 East Monroe Street, Suite 1860

5 Chicago, Illinois 60603

(312) 960-5634 [Ph.]

6 (312) 960-5600 [Fax]

7 Attorneys for Plaintiff

FEDERAL TRADE COMMISSION

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APPENDIX A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 2:02 CV 4569 MMM (AJWx)

FILED

6	FEDERAL TRADE COMMISSION,)
7	Plaintiff,)
8	v.)
9	HEALTHCARE CLAIMS NETWORK, INC.,)
10	et al.,)
11	Defendants.)

**AFFIDAVIT OF
DEFENDANT ANNE MILLER**

Anne Miller, being duly sworn, hereby states and affirms as follows:

1. My name is Anne Miller. I am a defendant in the above-captioned civil action. 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. My current business address is _____ . My current business telephone number is _____. My current residential address is _____. My current residential telephone number is _____.

3. On _____, I received a copy of the Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief ("Order"), which was signed by the Honorable Margaret M. Morrow and entered by the Court on _____. A true and correct copy of the Order that I received is appended to this Affidavit.

4. I reaffirm and attest to the truthfulness, accuracy and completeness of the Financial Statement of Defendant Anne Miller that I executed on or about _____, 2002 and submitted to the

1 Federal Trade Commission.

2 I declare under penalty of perjury under the laws of the
3 United States that the foregoing is true and correct. Executed on

4 _____, at _____.

5 [Date]

[City, State]

6

7

Anne Miller

8

9 State of _____, City of _____

10

11 Subscribed and sworn to before me
12 this _____ day of _____.

13

14

Notary Public
My Commission Expires:

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APPENDIX B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 2:02 CV 4569 MMM (AJWx)

SCANNED

6	FEDERAL TRADE COMMISSION,)
7	Plaintiff,)
8	v.)
9	HEALTHCARE CLAIMS NETWORK, INC.,)
10	et al.,)
11	Defendants.)

AFFIDAVIT OF
DEFENDANT STANFORD MILLER

Stanford Miller, being duly sworn, hereby states and affirms as follows:

1. My name is Stanford Miller. I am a defendant in the above-captioned civil action. 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. My current business address is _____ . My current business telephone number is _____. My current residential address is _____. My current residential telephone number is _____.

3. On _____, I received a copy of the Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief ("Order"), which was signed by the Honorable Margaret M. Morrow and entered by the Court on _____. A true and correct copy of the Order that I received is appended to this Affidavit.

4. I reaffirm and attest to the truthfulness, accuracy and completeness of the Financial Statement of Defendant Stanford Miller, d/b/a Medical Claims Network (corporate) that I executed on _____.

1 or about _____, 2002, and the Financial Statement of Defendant
2 Stanford Miller (individual) that I executed on or about
3 _____, 2002, and submitted to the Federal Trade Commission.

4 I declare under penalty of perjury under the laws of the
5 United States that the foregoing is true and correct. Executed on
6 _____, at _____.
7 [Date] [City, State]

8 _____
9 Stanford Miller

10
11 State of _____, City of _____

12 Subscribed and sworn to before me
13 this ____ day of _____.

14
15 _____
16 Notary Public
17 My Commission Expires:

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CERTIFICATE OF SERVICE

1
2 I, Katherine Romano Schnack, hereby certify that on this day
3 I caused to be served true copies of the (1) Plaintiff's
4 Application for Leave to File Amended Complaint and Application
5 for Entry of Stipulated Final Judgment, (2) Amended Complaint for
6 Injunctive Relief, and (3) Stipulated Final Judgment and Order for
7 Permanent Injunction and Other Equitable Relief as to Defendants
8 Anne Miller and Stanford Miller, on the following via U.S. mail:

9
10 WILLIAM ROTHBARD, ESQ.
11 1541 Ocean Ave., Suite 200
12 Santa Monica, California 90401
13 (310) 393-7760
14 FAX (310) 393-7753
15 Attorney for MEDICAL CLAIMS NETWORK

16
17 DAVID P. CHRISTIANSON, ESQ.
18 19200 Von Karman Ave., Suite 600
19 Irvine, California 92612
20 (949) 622-5413
21 FAX (949) 622-5414
22 Attorney for CHARLES G. LLOYD and HEALTHCARE CLAIMS NETWORK, INC.

23
24 JAMES KOSNETT, ESQ.
25 Kosnett & Durchfort
26 3699 Wilshire Blvd., Suite 1100
27 Los Angeles, California 90010
28 (213) 388-9777
29 FAX (213) 388-9969
30 Attorney for ANNE MILLER

31
32 BRICK KANE
33 Robb Evans & Associates
34 11450 Sheldon Street
35 Sun Valley, CA 91352
36 Receiver for HEALTHCARE CLAIMS NETWORK, INC., d/b/a MED DATA
37 SOLUTIONS, SOUTHERN CALIFORNIA BILLING SERVICE, MEDICAL CLAIMS
38 NETWORK, AND PROBILLERS

39
40 Dated: February 21, 2003

Katherine Romano Schnack
Katherine Romano Schnack
Attorney for Plaintiff
Federal Trade Commission