

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
Case No. 02-21754-CV- GRAHAM/GARBER

**CLOSED
CIVIL
CASE**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ASSOCIATED RECORD DISTRIBUTORS, INC.,
a Florida corporation;

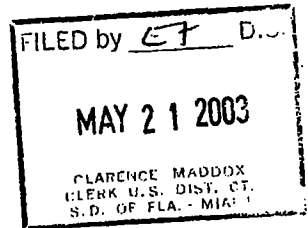
ALFREDO SUSI,
individually and as an officer
or director of the above corporation;

RUSSELL MACARTHUR,
individually and as an officer
or director of the above corporation;

DAVID SIEGEL,
individually and as an officer
or director of the above corporation;

BRIAN MORGENSTERN,
individually and as an officer
or director of the above corporation;

Defendants.



**STIPULATED FINAL JUDGMENT AND ORDER
FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF AS TO
DEFENDANTS ASSOCIATED RECORD DISTRIBUTORS, INC., AND ALFREDO SUSI**

This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission ("FTC" or "Commission"), and Defendants Associated Record Distributors ("ARD") and Alfredo Susi ("Susi"). On June 12, 2002, the Commission filed a Complaint for Injunctive and Other Equitable Relief, including redress to consumers, pursuant to Sections 5(a), 13(b), and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 53(b) and 57b, and the FTC's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning

25/ak

Franchising and Business Opportunity Ventures” (the “Franchise Rule” or the “Rule”), 16 C.F.R. Part 436, and moved *ex parte* for a Temporary Restraining Order (“TRO”) pursuant to Rule 65 of the Federal Rules of Civil Procedure and S.D. Fla. L.R. 7.1.E. That same day, this Court, having considered the Complaint, memorandum of law, declarations, and other exhibits filed in support of Plaintiff’s motion, issued a TRO including an asset freeze and appointment of a temporary receiver. On June 21, 2002, the FTC, and Defendants ARD, Alfredo Susi and Russell MacArthur consented to a Preliminary Injunction that provided for a continuation of essentially all of the relief in the TRO. Now, Plaintiff, the Federal Trade Commission and Defendants ARD and Susi offer the following Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief as to Defendants Associated Record Distributors, Inc., and Alfredo Susi (the “Final Order”).

Upon the joint motion of Plaintiff and defendants ARD and Alfredo Susi, it is hereby **ORDERED, ADJUDGED, and DECREED** as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and the parties hereto.
2. Venue is proper as to all parties in the Southern District of Florida under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).
3. The activities of Defendants ARD and Susi are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The Complaint alleges claims upon which relief may be granted against Defendants ARD and Susi under §§ 5(a)(1), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a)(1), 53(b), and 57b, and under the Franchise Rule.
5. The Federal Trade Commission and Defendants ARD and Susi stipulate and agree to this Final Order to settle and resolve all matters in dispute arising from the Complaint to the

date of entry of this Final Order.

6. Defendants ARD and Susi have waived all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

7. Defendants ARD and Susi acknowledge that they have read the provisions of this Final Order and have agreed to abide by them.

8. Defendants ARD and Susi waive all rights to seek appellate review or otherwise challenge or contest the validity of this Final Order.

9. Defendants ARD and Susi waive and release any claim they may have against the FTC and their employees, representatives or agents.

10. Entry of this Final Order is in the public interest.

DEFINITIONS

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

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad;

2. "Business venture" means any written or oral business arrangement, however denominated, whether or not covered by the Franchise Rule, which consists of the payment of any consideration for:

- a. The right or means to offer, sell, or distribute goods or services (whether or not identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
- b. More than nominal assistance to any person or entity in connection with or

incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business;

3. "Defendants" means (a) ARD; (b) Alfredo Susi; (c) any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee or attorney of ARD or Susi; and (d) any person acting in active concert or participation with any of the foregoing who receives actual notice of this Final Order by personal service or otherwise (Fed. R. Civ. P. 65(d));

4. "Document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term; and

5. "Person" means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

INJUNCTIVE PROVISIONS

VIOLATIONS OF SECTION 5 OF THE FTC ACT PROHIBITED

I.

IT IS THEREFORE ORDERED that, in connection with the offering for sale or selling of any franchise or other business venture, Defendants are hereby restrained and enjoined from making any material misrepresentation, or assisting others in making any material misrepresentation, either expressly or by implication, including but not limited to, the following:

- A. That purchasers of Defendants' business ventures are likely to earn substantial income;
- B. That Defendants provide purchasers of their business ventures with a specific

quantity or quality of product, including, but not limited to, audio cassettes and compact discs of the “hottest-selling” music by today’s “most popular” artists, such as Britney Spears and ‘N Sync;

- C. That Defendants provide significant assistance in the operation of purchasers’ businesses ventures, including but not limited to, claims that Defendants use demographic research to individually select and provide the music that will sell well in each purchaser’s particular locations;
- D. That references have purchased Defendants’ business ventures or will provide reliable descriptions of experiences with the business venture; or
- E. That Defendants have obtained the consent of store owners in the prospective business venture purchaser’s geographic area for the placement of display racks.

VIOLATIONS OF THE FRANCHISE RULE PROHIBITED

II.

IT IS FURTHER ORDERED that, Defendants are hereby restrained and enjoined from violating or assisting others to violate any provisions of the Franchise Rule, 16 C.F.R. Part 436, as currently promulgated or as it may hereafter be amended, by, including but not limited to:

- A. Failing to provide a prospective purchaser with a complete and accurate disclosure document as required by the Franchise Rule, 16 C.F.R. § 436.1(a);
- B. Failing to provide a prospective purchaser with an earnings claim document as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);
- C. Failing to disclose, in immediate conjunction with any generally disseminated (“advertised”) earnings claim, information required by the Franchise Rule including the number and percentage of prior purchasers known by Defendants to have achieved the same or better results, 16 C.F.R. § 436.1(e)(3)-(4);

- D. Failing to have a reasonable basis for any earnings claim at the time such claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);
- E. Failing to disclose, in immediate conjunction with any earnings claim, and in a clear and conspicuous manner, that material which constitutes a reasonable basis for the earnings claim is available to the prospective purchasers;
- F. Failing to provide material which constitutes a reasonable basis for any earnings claim to prospective purchasers, the Commission, or its staff upon reasonable demand; or
- G. Making any claim or representation to prospective purchasers that is contradictory to the information required to be disclosed by Section 436.1 of the Franchise Rule.

MONITORING OF EMPLOYEES & AGENTS

III.

IT IS FURTHER ORDERED that, Defendants, in connection with the advertising, promoting, offering for sale, sale, or distribution of any product, service or Business Venture are permanently enjoined and restrained from:

- A. Failing to take reasonable steps sufficient to monitor and ensure that all Defendants' agents, representatives, employees, or independent contractors comply with Paragraphs I and II of this Order.
- B. Failing to investigate and resolve promptly any consumer complaint or request for refund received by Defendants, their assigns, officers, agents, servants, employees and distributors, and those persons in active concert or participation with them who receive actual notice of this Order, and to notify the consumer of the resolution of the complaint or request and the reason therefore.

RECEIVERSHIP PROVISIONS

IV.

IT IS FURTHER ORDERED that,

A. Michael Tein, Esq., is appointed as the Receiver, with the full power of an equity receiver for ARD and all the funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by ARD, with directions and authority to accomplish the following:

1. Maintain full control of ARD;
2. Maintain exclusive custody, control, and possession of all the funds, property, mail and other assets of, in the possession of, or under the control of ARD, wherever situated. The Receiver shall have full power to sue for, collect, receive and take possession of all goods, chattels, rights, credits, moneys, effects, land, leases, books, records, work papers, and records of accounts, including computer-maintained information, and other papers and documents of ARD, including documents related to customers or clients whose interests are now held by or under the direction, possession, custody or control of ARD;
3. Preserve, hold and manage all receivership assets, and perform all acts necessary to preserve the value of those assets, in order to prevent any loss, damage or injury to customers or clients;
4. Prevent the withdrawal or misapplication of funds entrusted to the ARD, and otherwise protect the interests of customers or clients;
5. Manage and administer ARD by performing all acts incidental thereto that the Receiver deems appropriate, including hiring or dismissing any and all personnel or suspending operations;

6. Collect all money owed to ARD;
 7. Initiate, defend, compromise, adjust, intervene in, dispose of, or become a party to any actions or proceedings in state, federal or foreign court necessary to preserve or increase the assets of ARD or to carry out the Receiver's duties pursuant to this Final Order;
 8. Choose, engage and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Final Order;
 9. Open one or more bank accounts as designated depositories for funds of ARD. The Receiver shall deposit all funds of ARD in such designated accounts and shall make all payments and disbursements from the receivership estate from such;
 10. Make payments and disbursements from ARD that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Final Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by ARD prior to the date of entry of this Final Order, except for payments that the Receiver deems necessary or advisable to secure assets of ARD.
- B. Within 60 days of the entry of this Final Order, the Receiver is directed to:
1. Marshal the records and marshal and liquidate the assets of ARD and dissolve the corporation;
 2. File with the Court, and serve on the parties, a final report describing the wind-down of the business of ARD and the scope of the Receiver's activities;

3. File with the Court, and serve on the parties, a final accounting and request for the payment of reasonable compensation on behalf of the receiver and any personnel retained by the Receiver;
- C. After entry by the Court of an order on the Receiver's final accounting and request for compensation, the Receiver shall transfer any remaining funds of the Corporate Defendant to the FTC in partial satisfaction of the Judgement, pursuant to Paragraph V of this Order, and the receivership shall terminate.

REDRESS AND OTHER EQUITABLE RELIEF

V.

IT IS FURTHER ORDERED that,

- A. Judgement is entered jointly and severally against ARD and Susi in the amount of \$3,406,577.75.
- B. Judgement shall be partially satisfied by:
 1. The release by Susi to the Commission, upon signing of this Final Order, of all dominion, title and control to the assets frozen pursuant to the Preliminary Injunction entered by this Court on June 27, 2002; and
 2. The release by Defendants to the Receiver of all dominion, title and control of all assets or interests remaining in the receivership estate, pursuant to Paragraph IV of this Final Order.
- C. Upon the releases provided in this Paragraph, the remainder of the judgement shall be suspended.
- D. All funds released pursuant to this Final Order 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 pay any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the defendants practices as alleged in the complaint. Any funds not used for such equitable relief shall be deposited into the United States Treasury as disgorgement. ARD and Susi shall have no right to challenge the Commission's choice of remedies under this Paragraph.

RIGHT TO REOPEN

VI.

IT IS FURTHER ORDERED that,

- A. The Commission's agreement to this Final Order is expressly premised upon the financial condition of ARD and Susi as represented in the sworn financial statements provided to the Commission and dated June 20, 2002 and December 5, 2002 which include material information upon which the Commission relied in negotiating and consenting to this Final Order. If, upon motion by the Commission, this Court should find that ARD or Susi made a material misrepresentation or omitted material information concerning their respective financial condition, then the Court shall enter a modified judgment holding that any such defendant is liable to the Commission in the amount of \$3,406,577.75, which ARD, Susi and the Commission stipulate is the amount of consumer injury caused by Defendants. This amount, less the sum of payments made by all defendants to this action, shall become immediately due and payable by any such defendant, and interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance.
- B. Defendants agree that the facts as alleged in the Complaint filed in this action

shall be taken as true in any subsequent litigation filed by the Commission to enforce its rights pursuant to this Order, including, but not limited to, a nondischargeability complaint filed in any bankruptcy proceeding.

- C. Any proceedings instituted under this Section 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 that the FTC may initiate to enforce this Order.

LIFTING OF ASSET FREEZE

VII.

IT IS FURTHER ORDERED that the freeze against the assets of ARD and Susi pursuant to Section II of the Preliminary Injunction entered by this Court on June 27, 2002, shall be lifted for the sole purpose of transferring funds to the FTC and the Receiver pursuant to Paragraph V of this Final Order, and dissolved upon transfer of all such funds.

CUSTOMER LISTS

VIII.

IT IS FURTHER ORDERED that Defendants 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 money to any of the defendants for purchase of a business venture prior to entry of this Final Order; *provided* that Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

RECORD KEEPING

IX.

IT IS FURTHER ORDERED that, for a period of seven (7) years from the date of entry of this Final Order, in connection with any business where Susi is the majority owner of the business or directly or indirectly manages or controls the business, Susi and his agents,

employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this Final Order by personal service or otherwise, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased;
- D. Complaint and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests; and
- E. Copies of sales and customer service scripts, training materials, advertisements, form letter responses, or other marketing or customer service materials.

COMPLIANCE REPORTING

X.

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

- A. For a period of five (5) years from the date of entry of this Final Order, Susi shall notify the Commission of the following:
 - 1. Any changes in Susi's residence, mailing addresses, or telephone numbers,

within thirty (30) days of the date of such change;

2. Any changes in Susi's employment status (including self-employment) within thirty (30) days of such change. Such notice shall include the name and address of each business Susi is affiliated with or employed by, a statement of the nature of the business, and a statement of Susi's duties and responsibilities in connection with the business or employment; and
3. Any proposed change in the structure of any business entity owned or controlled by Susi, such as creation, incorporation, dissolution, assignment, sale, creation or dissolution of subsidiaries, or any other change that may affect compliance obligations arising out of this Final Order, thirty (30) days prior to the effective date of any proposed change;

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

1. Susi's then current residence addresses and telephone numbers;
2. Susi's then current employment, business addresses and telephone numbers, a description of the business activities of each such employer, and Susi's title and responsibilities for each employer;
3. A copy of each acknowledgment of receipt of this Final Order obtained by Susi pursuant to this Final Order; and
4. A statement describing the manner in which the Susi has complied and is complying with the injunctive provisions of this Final Order, including, but not limited to, the monitoring, record keeping, and compliance portions of this Final Order.

- C. Upon written request by a representative of the Commission, Susi shall submit additional written reports (under oath, if requested) and produce documents on fifteen (15) days' notice with respect to any conduct subject to this Final Order.
- D. For the purposes of this Final Order, the Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director for Marketing Practices
Federal Trade Commission
Room 238
600 Pennsylvania Ave, N.W.
Washington, DC 20580
Re: *FTC v. ARD, Inc. et. al.*

- E. For the purposes of this Paragraph, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Susi performs services as an employee, consultant, or independent contractor.
- F. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate with Susi through his counsel at:

Carl A. Schmitt
1666 Kennedy Causeway, Suite 705
North Bay Village, Fl 33141

AUTHORITY TO MONITOR COMPLIANCE

XI.

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

- A. The Commission is authorized, without further leave of the 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 Fed. R. Civ. P. 45, for the purpose of monitoring and

- investigating the Defendants' compliance with any provision of this Final Order;
- B. The Commission is authorized to use representatives posing as consumers and suppliers to Susi or his employees, or any other entity managed or controlled in whole or in part by Susi, without the necessity of identification or prior notice;
 - C. Nothing in this Final Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to investigate whether Susi has violated any provision of this Final Order, Section 5 of the FTC Act, 15 U.S.C. § 45; and
 - D. For purposes of the compliance monitoring authorized by this Section, the Commission, and its agents, are authorized to communicate directly with Susi and any of his employees, or any other entity managed or controlled in whole or in part by Susi.

ACCESS TO BUSINESS PREMISES

XII.

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Final Order, for the purpose of further determining compliance with this Final Order Susi shall permit representatives of the Commission, within three (3) business days of receipt of written notice from the Commission:

- A. Access during normal business hours to any office, or facility storing documents, of any business where Susi owns the majority of the business or directly or indirectly manages or controls the business. In providing such access, Susi shall permit representatives of the Commission to inspect and copy all documents relevant to any matter contained in this Final Order and shall permit Commission representatives to remove documents relevant to any matter contained in this Final Order, for a period not to exceed five (5) business days, so that the documents

may be inspected, inventoried, and copied; and

- B. To interview the officers, directors, and employees, including all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, of any business to which Subparagraph A of this Paragraph applies, concerning matters relating to compliance with the terms of this Final Order. 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 Susi's business premises for the purposes of inspecting and copying all documents relevant to any matter contained in this Final Order.

ACKNOWLEDGMENT OF RECEIPT OF FINAL ORDER

XIII.

IT IS FURTHER ORDERED that, within five (5) business days after receipt by Susi of this Final Order as entered by the Court, Susi, shall submit to the Commission at the address provided in Subparagraph D of Paragraph X, above, a truthful sworn statement, in the form shown in *Appendix A*, that shall acknowledge receipt of this Final Order.

DISTRIBUTION OF FINAL ORDER

XIV.

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Final Order, Susi shall:

- A. Provide a copy of this Final Order to, and obtain a signed and dated acknowledgment of receipt of same from, each officer or director, each individual serving in a management capacity, all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as

employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such persons, for any business where Susi owns the majority of the business or directly or indirectly manages or controls the business.

- B. Maintain for a period of seven (7) years after creation, and upon reasonable notice, make available to representatives of the Commission, the original signed and dated acknowledgments of the receipt of copies of this Final Order, as required in Subparagraph A of this Paragraph.

COSTS

XV.

IT IS FURTHER ORDERED that each party shall bear its own costs and attorney's fees incurred in connection with this action.

DUTY TO COOPERATE

XVI.

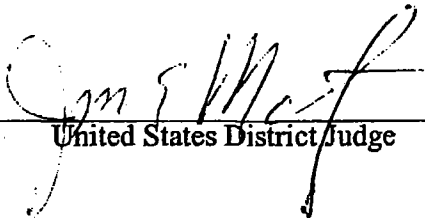
IT IS FURTHER ORDERED that Susi shall cooperate fully, truthfully and completely with Plaintiff, the Federal Trade Commission, in any continuing litigation of this matter. This cooperation includes, but is not limited to, maintaining all documents relevant to this litigation and assisting in the preparation of testimony and testifying fully, truthfully and completely at any trial in this matter, if called upon to do so.

RETENTION OF JURISDICTION

XVII.

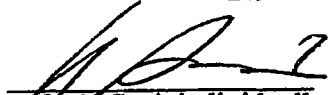
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purpose of enabling the parties to apply to the Court at any time for such further orders and directives as may be necessary or appropriate for the interpretation or modification of this Final Order, for the enforcement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

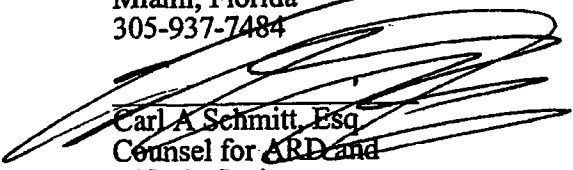
DONE AND ORDERED, this 21 day of May, 2003, in Miami, Florida.


United States District Judge

FOR DEFENDANTS


DATED: January 14, 2003


Alfredo Susi, individually
and as President of ARD
1000 W. Island Blvd. #1612
Miami, Florida
305-937-7484


Carl A. Schmitt, Esq.
Counsel for ARD and
Alfredo Susi
1666 Kennedy Causeway #705
North Bay Village, FL 33141
305-861-7074

FOR PLAINTIFF

April 10,
DATED: January , 2003


Elizabeth A. Hone
Sarah Anne Cutler
Counsel for Federal Trade Commission
600 Pennsylvania Ave, NW #238
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202-326-3207/
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scutler@ftc.gov

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
Case No. 02-21754-CIV-GRAHAM

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ASSOCIATED RECORD DISTRIBUTORS, INC.,
a Florida corporation;

ALFREDO SUSI,
individually and as an officer
or director of the above corporation;

RUSSELL MACARTHUR,
individually and as an officer
or director of the above corporation;

DAVID SIEGEL,
individually and as an officer
or director of the above corporation;

BRIAN MORGENSTERN,
individually and as an officer
or director of the above corporation;

Defendants.

AFFIDAVIT OF ALFREDO SUSI

Alfredo Susi, being duly sworn, hereby states and affirms as follows:

1. My name is Alfredo Susi. I am one of the individual defendants 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 _____, _____, 2002, I received a copy of the Stipulated Judgment And Order For Permanent Injunction And Other Equitable Relief, which was signed and entered by the Court on _____, 2002. A true and correct copy of the Final Order that 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 _____, 2002, at _____.

Alfredo Susi

State of _____, City of _____

Subscribed and sworn to before me this _____ day of _____, 2002.

Notary Public

My Commission Expires: _____

CERTIFICATE OF SERVICE

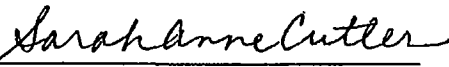
I hereby certify that on this 10th day of April 2003, copies of the attached Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief as to Defendants Associated Record Distributors, Inc., and Alfredo Susi are being served by first class mail on the following:

Carl Schmitt, Esq.
1666 Kennedy Causeway, Suite 705
North Bay Village, FL 33141
Counsel for ARD, Susi and MacArthur

Brian Morgenstern
3000 South Ocean Blvd. Apt. 10B
Hollywood, FL 33019-2809

David Siegel
1600 Polk St, Rear Apartment
Hollywood, FL 33020

Gaye Huxoll
Shook, Hardy & Bacon
Miami Center, Suite 2400
201 South Biscayne Blvd.
Miami, FL 33131-4332
Counsel for the Receiver



Sarah Anne L. Cutler