

DEBRA A. VALENTINE
General Counsel

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Federal Trade Commission
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Washington, DC 20580
202-326-3719
Attorney for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
v.)
)
GOVERNMENT CAREERS NETWORK, INC.,)
a Florida corporation,)
)
GOVERNMENT CAREERS CENTER, INC.)
a Florida corporation,)
)
GOVERNMENT CAREERS CENTER, INC.)
a New York corporation, and)
)
ANTHONY VENZARA,)
individually,)
)
Defendants.)
)

01-CIV- 2286-GEL

STIPULATED FINAL ORDER
FOR PERMANENT INJUNCTION

The Federal Trade Commission ("Commission") commenced this civil action on March 19, 2001. The defendants, as named in the Complaint for Injunction and Other Equitable Relief ("Complaint"), are Government Careers Network, Inc. ("GCN"), a Florida

corporation, Government Careers Center, Inc. (“GCC-FL”), a Florida corporation, Government Careers Center, Inc. (“GCC-NY”), a New York corporation, and Anthony Venzara (the “defendants”). The Commission and the defendants hereby stipulate to this Final Order for Permanent Injunction.

FINDINGS

By stipulation of the parties, the Court finds as follows:

1. The Commission brings this action pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b. The Commission seeks permanent injunctive relief for alleged unfair or deceptive acts or practices in connection with the sale and offering for sale of business opportunities and employment goods and services in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) and the Commission’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures” (“the Franchise Rule”), 16 C.F.R. Part 436.
2. The Commission has the authority under Sections 13(b) and 19 of the FTC Act to seek the relief it has requested.
3. This Court has jurisdiction over the subject matter of this action and has jurisdiction over the defendants. The defendants waive service of a summons. Venue in the Southern District of New York is proper, and the Complaint states a claim upon which relief may be granted against the defendants.
4. The activities of the defendants, as alleged in the Complaint, were in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. The Commission and the defendants stipulate and agree to this Order, without trial or final adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the Complaint to the date of entry of this Order. The defendants do not admit any of the allegations set forth in the Complaint, other than jurisdictional facts. The Commission and the defendants stipulate and agree that this Order constitutes a settlement agreement pursuant to Federal Rule of Evidence 408.

6. The defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order. They also waive any claim that they may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this Order. Each settling party shall bear its own costs and attorneys' fees.

7. Entry of this Order is in the public interest.

8. Pursuant to Federal Rule of Civil Procedure 65(d) the provisions of this Order are binding upon the defendants and their officers, agents, servants, employees and attorneys, and upon those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.

DEFINITIONS

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

1. "Employment good or service" means any item, product, good or service represented to assist consumers in obtaining employment, including preparation or other training for any employment examination.

2. “Franchise” means “franchise” as defined in Section 436.2(a) of the Franchise Rule, 16 C.F.R. § 436.2(a). The term “franchise” in this Order shall also encompass any successor definition in any later trade regulation rule promulgated by the Commission.

3. “Business opportunities” means any written or oral 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) any assistance whatsoever to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry of an existing business into a new line or type of business.

4. “Telemarketing” means any activity that involves attempts to induce consumers to purchase any item, product, good, service, investment, partnership interest, trust interest or other 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 marketing. *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 consumers solicited, and the consumer is not required to pay or authorize payment until after such a presentation.

5. “Assisting others” means providing any of the following goods or services to any person or entity: (A) performing customer service functions, including but not limited to receiving or responding to consumer complaints; (B) formulating or providing, or arranging for the formulation or provision of, any sales script or any other written marketing material; (C)

providing names of, or assisting in the generation of, potential customers; (D) performing marketing services of any kind; or (E) acting as an officer or director of a business entity.

ORDER

I. BAN ON THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES

IT IS THEREFORE ORDERED that each defendant is permanently restrained and enjoined from (A) advertising, promoting, marketing, offering for sale or selling any franchise or business opportunity, and (B) assisting others in advertising, promoting, marketing, offering for sale or selling any franchise or business opportunity. Nothing in this Order shall be read as an exception to this Paragraph I.

II. BAN ON THE SALE OF EMPLOYMENT SERVICES

IT IS FURTHER ORDERED that defendants GCN, GCC-FL, and GCC-NY are each permanently restrained and enjoined from (A) advertising, promoting, marketing, offering for sale or selling any employment good or service, and (B) assisting others in advertising, promoting, marketing, offering for sale or selling any employment good or service. Nothing in this Order shall be read as an exception to this Paragraph II.

III. RESTRICTIONS ON THE SALE OF EMPLOYMENT SERVICES

IT IS FURTHER ORDERED that defendant Anthony Venzara and any entity for which he is an officer, director, manager, or majority owner, or through which he conducts business, whether directly or indirectly, are permanently restrained and enjoined from (A) advertising, promoting, marketing, offering for sale or selling any employment good or service by telemarketing or by Internet, (B) assisting others in advertising, promoting, marketing, offering

for sale or selling any employment good or service by telemarketing or by Internet, (C) offering for sale or selling any employment good or service at any place other than his or such entity's place of business (e.g., defendant Venzara shall not make sales at the buyer's residence or at facilities rented on a temporary or short-term basis, such as hotel or motel rooms, convention centers, fairgrounds and restaurants), and (D) assisting others in offering for sale or selling any employment good or service at any place other than his or such entity's place of business.

IV. PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that the defendants and any entity through which they do business, and their successors, assigns, officers, agents, servants, employees, and those other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, in connection with the advertising, promotion, offering for sale, or sale of any item, product, good or service, are hereby permanently restrained and enjoined from:

- A. Misrepresenting, directly or by implication, the income, earnings, profits or sales volume that can be achieved, or has been achieved, through the use of any franchise or business opportunity;
- B. Misrepresenting, directly or by implication, that employment positions are available in particular geographic areas;
- C. Misrepresenting, directly or by implication, that consumers who purchase any employment good or service are likely to obtain employment positions;

- D. Misrepresenting, directly or by implication, that consumers can apply for employment positions through purchasing any employment good or service;
- E. Misrepresenting, directly or by implication, the qualifications for any employment position;
- F. Misrepresenting, directly or by implication, the procedures or testing requirements to apply for any employment position;
- G. Misrepresenting, directly or by implication, any material fact regarding any good or service;
- H. Violating the Franchise Rule, 16 C.F.R. Part 436, including any amendments thereto;
- I. Violating the Commission's Trade Regulation Rule entitled "Telemarketing Sales Rule", 16 C.F.R. Part 310, including any amendments thereto; and
- J. Assisting others who violate any provision of subsections A- I of this Paragraph IV.

V. CONSUMER LISTS

IT IS FURTHER ORDERED that the defendants and any entity through which they do business, and their successors, assigns, officers, agents, servants, employees, and those other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from hereafter selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, email address, or other identifying

information of any person who paid money to any defendant, at any time prior to entry of this Order; *provided, however*, that a defendant may disclose such identifying information (i) with the express written consent of the person who information is disclosed, (ii) to a law enforcement agency, or (iii) as required by any law, regulation, or court order.

VI. MONETARY RELIEF

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered against the defendants, jointly and severally, in the amount of TWO MILLION DOLLARS (\$2,000,000); *provided, however*, that this judgment shall be suspended as long as the Court makes no finding, as provided in Paragraph VII of this Order, that any defendant has materially misrepresented or omitted the nature, existence or value of any asset;

B. Any funds received by the Commission pursuant to this Paragraph VI shall be deposited into an account to be maintained by the Commission or its agent. Upon the final disposition of this action, such funds shall be either (1) distributed as redress to consumers, or (2) paid to the U.S. Treasury as equitable disgorgement (if such distribution is deemed impractical). If the Commission in its sole discretion determines that redress is practical, it shall submit a plan for the disbursement of funds to the Court for review and approval;

C. Defendant Anthony Venzara is hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the Commission his social security number, which shall be used for purposes of collecting and reporting on any delinquent amount arising out of this Order; and

D. The defendants further agree that the facts as alleged in the Complaint shall be taken as true in the event of any subsequent litigation to collect amounts due pursuant to this Order, including but not limited to a nondischargeability complaint in any bankruptcy proceeding.

E. The judgment entered pursuant to this Paragraph VI is equitable monetary relief, solely remedial in nature, and not a fine, penalty, punitive assessment or forfeiture.

VII. RIGHT TO REOPEN

IT IS FURTHER ORDERED that, within fifteen days after entry of this Order, each defendant shall submit to the Commission a truthful sworn statement, in the form shown on Appendix A, that shall acknowledge receipt of this Order and shall reaffirm and attest to the truth, accuracy and completeness of the financial statements previously submitted to the Commission. The Commission's agreement to this Order is expressly premised on the truthfulness, accuracy and completeness of the defendants' financial condition as previously represented to the Commission. If, upon motion by the Commission, the Court finds that any defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation or omission, the suspended judgment entered in Paragraph VI of this Order shall become immediately due and payable as to the responsible defendant; *provided, however*, that in all other respect this Order shall remain in full force and effect unless otherwise ordered by the Court; and, *provided further*, that proceedings instituted under this provision would be 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 Commission may

initiate to enforce this Order. For purposes of this Paragraph VII, the defendants waive any right to contest any of the allegations in the Complaint.

VIII. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that for a period of ten years from the date of entry of this Order, each defendant, in connection with any business where such defendant is an officer, director, manager or majority owner, is hereby restrained and enjoined from failing to have such business create, and from failing to have such business retain for a period of three years following the date of such creation, unless otherwise specified:

A. Books, records and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

B. 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; *provided* that the business subject to this subparagraph B shall retain such records for a period of two years following the date of each such person's termination;

C. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of goods or services purchased, and description of goods or services purchased, for all consumers to whom such business has sold, invoiced or shipped any goods or services,

D. Records that reflect, for every consumer complaint or refund request, whether received directly or indirectly or through any third party: (1) the consumer's name, address,

telephone number and the dollar amount paid by the consumer; (2) the written complaint or refund request, if any, and the date of the complaint or refund request; (3) the basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint; (4) each response and the date of the response; (5) any final resolution and the date of the resolution; and (6) in the event of a denial of a refund request, the reason for the denial; and

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials utilized; *provided* that copies of all sales scripts, training materials, advertisements, or other marketing materials utilized shall be retained for three years after the last date of dissemination of any such materials.

IX. ACCESS TO BUSINESS PREMISES

IT IS FURTHER ORDERED that, for a period of ten years from the date of entry of this Order, for the purpose of further determining compliance with this Order, each defendant shall permit representatives of the Commission, within five 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 such defendant is an officer, director, manager or majority owner. In providing such access, each defendant shall permit representatives of the Commission to inspect and copy all documents relevant to any matter contained in this Order; and shall permit Commission representatives to remove documents relevant to any matter contained in this Order

for a period not to exceed five 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 sub-paragraph A of this Paragraph IX applies, concerning matters relating to compliance with the terms of this Order. The person interviewed may have counsel present.

Provided, however, that, upon application of the Commission for good cause shown, the Court may enter an *ex parte* order granting immediate access to defendants' business premises for the purposes of inspecting and copying all documents relevant to any matter contained in this Order.

X. AUTHORITY TO MONITOR COMPLIANCE

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

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 Fed. R. Civ. P. 45, for the purpose of monitoring the defendants' compliance with any provision of this Order;

B. The Commission is authorized to use representatives posing as consumers and suppliers to the defendants, their employees, or any other entity managed or controlled in whole or in part by any defendant, without the necessity of identification or prior notice; and

C. Nothing in this 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 any defendant has violated any provision of this Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

XI. SERVICE OF ORDER BY DEFENDANT

IT IS FURTHER ORDERED that, for a period of ten years from the date of entry of this Order:

A. Defendant Anthony Venzara shall provide a copy of this 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 he is an officer, director, manager or majority owner;

B. Defendants GCN, GCC-FL, and GCC-NY shall each provide a copy of this 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 employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such persons.

C. Each defendant shall maintain for a period of three 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 Order, as required in sub-paragraphs A and B above.

XII. COOPERATION WITH COMMISSION

IT IS FURTHER ORDERED that the defendants shall cooperate fully with the Commission and, as directed by the Commission, any other federal, state, or local law enforcement agency. This cooperation shall require the defendants to (1) respond truthfully and completely to all questions that may be put to such defendant, whether in interviews, pursuant to compulsory process, or at any trial or other legal proceeding; (2) attend all meetings, trials or other legal proceedings at which such defendant's presence is requested by the Commission or compelled by compulsory process or court order; and (3) produce voluntarily all documents, records, or other tangible evidence relating to matters about which the Commission, or its designee, inquires.

XIII. REPORTS BY DEFENDANT

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

- A. For a period of ten years from the date of entry of this Order, defendant Anthony Venzara shall notify the Commission in writing within 30 days of the following:
1. Any changes in his residence, mailing addresses, and telephone numbers within 30 days of such change;
 2. Any changes in his employment status (including self-employment) within 30 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 any business entity owned or controlled by him, such as creation, incorporation, dissolution, assignment, sale, merger, creation, dissolution of subsidiaries, proposed filing of bankruptcy petition, or change in the corporate name or address, or any change that may affect compliance obligations arising out of this Order, thirty (30) days prior to the effective date of any proposed change; *provided*, however, that, with respect to any proposed change in the corporation about which he learns less than thirty (30) days prior to the date such action is to take place, he 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 Order, defendant Anthony Venzara shall provide a written report to the Commission, sworn under penalty of perjury, setting forth in detail the manner and form in which he has complied and is complying with this Order. This report shall include but not be limited to:

1. The defendant's then current residence and telephone number;
2. The defendant's then current employment, business addresses and telephone numbers, a description of the business activities of each such employer, and the defendant's title and responsibilities for each employer;
3. A copy of each acknowledgment of receipt of this Order obtained by the defendant pursuant to Paragraph XI of this Order; and

4. A statement describing the manner in which the defendant has complied and is complying with each Paragraph of this Order;

C. Upon written request by a representative of the Commission, defendant Anthony Venzara 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 Order;

D. For the purposes of this Order, the defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, NW, Room S-4302
Washington, D.C. 20580

Re: FTC v. Government Careers Network

E. For the purposes of this Paragraph XIII, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom any defendant performs services as an employee, consultant, or independent contractor.

F. For purposes of the compliance reporting required by this Paragraph XIII, the Commission is authorized to communicate directly with each defendant.

XIV. RETENTION OF JURISDICTION

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

XV. ENTRY OF THIS FINAL JUDGMENT

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 54(b), that there is no just reason for delay and the Clerk of Court immediately shall enter this Order as a final judgment as to defendants Government Careers Network, Inc., Government Careers Center, Inc., a Florida corporation, Government Careers Center, Inc., a New York corporation, and Anthony Venzara.

SO STIPULATED:

Anthony Venzara PRES
GOVERNMENT CAREERS NETWORK, INC.,
a Florida corporation, Defendant
By: Anthony Venzara

Dated: 11-12-09

Anthony Venzara PRES.
GOVERNMENT CAREERS CENTER, INC.,
a Florida corporation, Defendant
By: Anthony Venzara

Dated: 11-12-09

Anthony Venzara PRES
GOVERNMENT CAREERS CENTER, INC.,
a New York corporation, Defendant
By: Anthony Venzara

Dated: 11-12-09

Anthony Venzara
ANTHONY VENZARA, Defendant

Dated: 11-12-09

Gregory A. Ashe
GREGORY A. ASHE
Federal Trade Commission
600 Pennsylvania Ave., N.W., Room S-4302
Washington, D.C. 20580
202-326-3719 (telephone)
202-326-2558 (facsimile)

Dated: 3/19/01

Attorney for Plaintiff

IT IS SO ORDERED.

This _____ day of _____, 2006.

UNITED STATES DISTRICT JUDGE

APPENDIX A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	00-CIV-_____
v.)	
)	AFFIDAVIT OF [Defendant]
GOVERNMENT CAREERS NETWORK, INC., et al.,)	
)	
Defendants.)	
)	

[Insert Name], being duly sworn, hereby states and affirms as follows:

1. My name 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.

[for corporate defendants]

2. I am the _____ of [corporate defendant], which is a defendant in FTC v. Government Careers Network, Inc., et al. (S.D.N.Y.). My current business address is _____. My current business telephone number is _____ and facsimile number is _____.

3. The current business address of [corporate defendant] is _____. The current business telephone of [corporate defendant] is _____ and facsimile number is _____.

[for individual defendant]

2. I am a defendant in the above-captioned civil action. My current business address is _____. My current business telephone number is _____ and facsimile number is _____. My current residential address is _____. My current residential telephone number is _____.

[for all defendants]

4. On [date], [corporate defendant][I] received a copy of the Stipulated Final Order for Permanent Injunction, which was signed by the Honorable [judge] and entered by the Court on [date of entry of Order]. A true and correct copy of the Order that [corporate defendant][I] received is appended to this Affidavit.

5. I reaffirm and attest to the truthfulness, accuracy, and completeness of the financial statement that [*corporate defendant*][I] submitted to the Federal Trade Commission on or about _____.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on [*date*], at [*city and state*].

[*Defendant*]

State of _____, City of _____

Subscribed and sworn to before me
this _____ day of _____, 200__.

Notary Public
My Commission Expires: