

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

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| FEDERAL TRADE COMMISSION, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | |
| |) | CIVIL ACTION |
| WILLIAM SCOTT DION, individually and dba PT |) | NO. 03-40005-NMG |
| RESOURCE CENTER and PTRC, |) | |
| |) | |
| DONALD LOCKWOOD, individually and dba PT |) | |
| RESOURCE CENTER and PTRC, aka |) | |
| DON GLESSNER, and |) | |
| |) | |
| VIVIAN LOCKWOOD, individually and dba PT |) | |
| RESOURCE CENTER and PTRC, |) | |
| |) | |
| Defendants. |) | |
| |) | |

**(PROPOSED) STIPULATED FINAL ORDER FOR PERMANENT INJUNCTION
AS TO DEFENDANT WILLIAM SCOTT DION**

The Federal Trade Commission (“FTC”) commenced this civil action on January 7, 2003, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The FTC seeks both permanent injunctive relief and consumer redress for alleged unfair or deceptive acts or practices by Defendants in connection with the marketing of international driving permits and other identification documents. The defendants, as named in the Amended Complaint for Injunction and Other Equitable Relief (“Amended Complaint”), are Donald Lockwood, also known as Don Glessner, Vivian Lockwood, and William Scott Dion, individually and doing business as PT Resource Center and PTRC. The FTC and Defendant Dion (hereinafter “Defendant”) hereby stipulate to this Final Order for Permanent Injunction (“Order”).

FINDINGS

By stipulation of the FTC and Dion, the Court finds as follows:

1. The FTC has the authority under Section 13(b) of the FTC Act to seek the relief it has requested, and the Amended Complaint states a claim upon which relief may be granted against Defendant.

3. This Court has jurisdiction over the subject matter of this action and has jurisdiction over Defendant. Venue in the District of Massachusetts is proper.

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

5. The FTC and Defendant 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 Amended Complaint to the date of entry of this Order. Defendant does not admit any of the allegations set forth in the Amended Complaint, other than jurisdictional facts.

6. Defendant waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order. He also waives any claim that he 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.

DEFINITIONS

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

A. "International Driving Permit" means any document called an international driving permit, international driver's license or any variation thereof.

B. “Identification Document” means a document made or issued by or under the authority of the United States Government, a State, political subdivision of a State, a foreign government, political subdivision of a foreign government, an international governmental or international quasi governmental organization which, when completed with information concerning a particular individual, is of a type intended or commonly accepted for the purpose of identification of individuals, including, but not limited to, driver’s licenses, birth certificates, social security cards, work permits, diplomas, school transcripts, identification cards, and passports.

C. “False Identification Document” means any document that could reasonably be confused for an identification document.

D. “Identification Template” means any implement, impression, electronic device or computer hardware or software that is specifically configured or primarily used for making an identification document or false identification document.

E. “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 telephone sales script or any other written marketing material, including, but not limited to, the text of any Internet website, email or other electronic communication; (c) providing names of, or assisting in the generation of, potential customers; (d) performing marketing services of any kind; (e) acting as an officer or director of a business entity; or (f) supplying an international driving permit, identification document, false identification document, identification template, or related material or information, whether

denoted as a real or novelty item.

F. “The subject matter of this Order” means the marketing, advertising, promoting, offering for sale, distributing, or selling of any international driving permit, or any other identification document, false identification document, identification template or related material or information, whether denoted as a real or novelty item, or assisting others therein.

ORDER

BAN ON CERTAIN ACTIVITIES

I. IT IS THEREFORE ORDERED that Defendant, whether acting directly or through any person or entity, is permanently restrained and enjoined from (A) marketing, advertising, promoting, offering for sale, distributing, or selling any international driving permit, or any other identification document, false identification document, identification template or related material or information, whether denoted as a real or novelty item; and (B) assisting others who Defendant knows or consciously avoids knowing are engaged in the marketing, advertising, promotion, offering for sale, distributing, or selling of any international driving permit, or any other identification document, false identification document, identification template or related material or information, whether denoted as a real or novelty item. Nothing in this Order shall be read as an exception to this paragraph.

PROHIBITED BUSINESS ACTIVITIES

II. IT IS FURTHER ORDERED that, in connection with the advertising, promotion, offer for sale, or sale of any item, product, good, service, investment opportunity, business opportunity, partnership interest, trust interest or other beneficial interest, Defendant and any entity through which he does business, and his successors, assigns, officers, agents, servants,

employees, attorneys, and those other persons or entities in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from:

A. Misrepresenting or assisting others in misrepresenting, directly or by implication, that any international driving permit or other identification document authorizes consumers to drive legally in the United States or any other country;

B. Misrepresenting or assisting others in misrepresenting, directly or by implication, that consumers who purchase any international driving permit or other identification document may use it to avoid points for traffic violations;

C. Misrepresenting or assisting others in misrepresenting, directly or by implication, that consumers who purchase any international driving permit or other identification document may use it to avoid sanctions for driving with a suspended or revoked government-issued driver's license;

D. Misrepresenting or assisting others in misrepresenting, directly or by implication, that any international driving permit or other identification document can be used in the United States or any other country as an identification document in the same ways a person can use a government-issued photo identification document;

E. Misrepresenting or assisting others in misrepresenting, directly or by implication, that any international driving permit or other identification document has been issued by or under the authority of the United States Government, a State, political subdivision of a State, a foreign government, political subdivision of a foreign government, an international governmental or international quasi governmental organization;

F. Misrepresenting or assisting others in misrepresenting, directly or by implication, any information relating to any holder of any international driving permit or other identification document, including, but not limited to, the identity, name, address, nationality, citizenship, or vital statistic of the holder;

G. Misrepresenting or assisting others in misrepresenting, directly or by implication, any other fact material to a consumer's decision to purchase any international driving permit or any other identification document, false identification document, identification template or related material or information, whether denoted as a real or novelty item; and

H. Misrepresenting or assisting others in misrepresenting, directly or by implication, any material fact regarding any item, product, good, or service sold or offered for sale.

CONSUMER LISTS

III. IT IS FURTHER ORDERED that Defendant and his officers, agents, servants, employees, and attorneys, and all persons or entities in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from hereafter using, 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 in his possession, custody, or control, of any person who paid any money to any Defendant in connection with the purchase of any International Driving Permit, Identification Document, or False Identification Document, at any time prior to entry of this Order, and shall turn over the originals and copies of any such consumer information to the Plaintiff within five (5) business days of entry of this Order; *provided, however,* that Defendant may disclose such identifying information (i) with the express

written consent of the person whose information is disclosed, (ii) to a law enforcement agency, or (iii) as required or authorized by any law, regulation, or court order.

ASSET FREEZE

IV. IT IS FURTHER ORDERED that, upon notice of entry of this Order, the freeze of Defendant's assets shall be dissolved.

RETURN OF MAIL ADDRESSED TO DEFENDANTS

V. IT IS FURTHER ORDERED that any agent of the United States Postal Service which is detaining mail addressed to any Defendant or to any entity connected with Defendant, may deliver such mail to Defendant or return to sender, subject to the following conditions:

A. United States Postal Inspectors and other law enforcement personnel were previously authorized by this Court, pursuant to the Preliminary Injunction entered in this matter on February 6, 2003, to collect mail, unopened, that was addressed to PTRC, PT Resource Center, or any other purported driver's license or identification document company, program or service, including but not limited to such mail at the following addresses: 44 Depot Street and 44 Depot Street #5, Uxbridge, MA 01569; 15 Granite Street, Uxbridge, MA 01569; 18 Wendy Lane, Uxbridge, MA 01569; and Post Office Box 9, Mendon, MA 01756, but not mail addressed solely to William Scott Dion at 15 Granite Street, Uxbridge, MA 01569 or 18 Wendy Lane, Uxbridge, MA 01569, until further order of the Court; such detained mail is referred to hereinafter as the "detained mail."

B. Within thirty (30) days of entry of this Order, Defendant may examine the wrapper of all detained mail then in the possession of the Postal Service. Should Defendant elect to examine the detained mail, such examination shall take place in the presence of one or more

U.S. Postal Inspectors at the U.S. Post Offices in Uxbridge, Massachusetts and Mendon, Massachusetts, or at any other such location to which such parties agree. Portions of the detained mail that Defendant claims are not from sellers or purchasers of International Driving Permits, Identification Documents, or False Identification Documents, and are not connected with the allegations in the Amended Complaint, shall be opened in the presence of Defendant and the Postal Inspectors or their designees. To the extent these parties agree that such mail is clearly not from such sellers or purchasers and not connected with the allegations in the Amended Complaint, such mail shall be delivered to Defendant. To the extent these parties dispute whether such mail is from such sellers or purchasers or so connected, such mail shall be retained by the Postal Service, and Defendant may move the Court for release of such mail.

C. To the extent the Postal Service detains any mail after the initial examination of detained mail provided for in the preceding paragraph, Defendant may examine such mail at times mutually agreed upon by him and the aforesaid U.S. Postal Inspectors, but in no event after sixty (60) days after the entry of this Order. The place and manner of such examination shall be as described in the preceding paragraph.

D. After sixty (60) days after the entry of this Order, the Postal Service, at its expense, shall promptly return to sender all detained mail, other than the disputed mail and mail previously released to Defendant.

E. The Postal Service shall stamp all mail returned to sender as “Returned to Sender Pursuant to Court Order” or like description. In addition, the Postal Service may stamp mail returned to sender with a Postal Inspection Service and/or FTC name and/or address to which consumers may direct inquiries concerning the return of their mail.

RECORD KEEPING PROVISIONS

VI. IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Defendant and any business where he is an officer, director, manager, partner or majority owner, to the extent that any of them engage in conduct with respect to the subject matter of this Order, and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons and entities in active concert or participation with them who receive actual notice of this 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, to the extent such information is obtained in the ordinary course of business;

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

E. Copies of any and all sales scripts, training materials, advertisements, or other marketing materials.

COMPLIANCE MONITORING

VII. IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating whether Defendant is engaged in conduct with respect to the subject matter of this Order,

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

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

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

2. posing as consumers and suppliers to: Defendant, his employees, or any other entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice;

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

C. Defendant shall permit representatives of the FTC to interview any employer, consultant,

contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

COMPLIANCE REPORTING BY DEFENDANT

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

- A. For a period of three (3) years from the date of entry of this Order,
 1. Defendant, shall notify the FTC of the following:
 - a. Any changes in Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in Defendant's employment status (including self-employment) within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Defendant is affiliated with, employed by, or performs services for; a statement of the nature of the business; and a statement of Defendant's duties and responsibilities in connection with the business;
 - c. Any changes in Defendant's name or use of any aliases or fictitious names; and
 2. Defendant shall notify the FTC of any formation or change in corporate structure that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in acts or practices relating to the subject matter of this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to

such change, *provided* that, with respect to any proposed change in the corporation about which Defendant learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the FTC as soon as is practicable after obtaining such knowledge.

B. Within one hundred eighty (180) days after the date of entry of this Order, Defendant 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 Order. This report shall include, but not be limited to:

1. Any changes required to be reported pursuant to subparagraph (A) above;
- and
2. A copy of each acknowledgment of receipt of this Order obtained by Defendant pursuant to Paragraph IX;

C. For the purposes of this Order, Defendant shall, unless otherwise directed by the FTC's authorized representatives, mail all written notifications to the FTC to:

Northeast Regional Director
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
Re: FTC v. PTRC, Case No. 03-40005-NMG (D.Mass.).

D. For purposes of the compliance reporting required by this Paragraph, the FTC is authorized to communicate directly with Defendant.

DISTRIBUTION OF ORDER BY DEFENDANT

IX. IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order:

- A. Defendant shall deliver a copy of this Order to any and all principals, officers,

directors, managers, employees, agents, and representatives having responsibilities with respect to the subject matter of this Order, and shall secure from each such person a signed and dated statement acknowledging receipt of the Order. Defendant shall deliver this Order to any current personnel having responsibilities with respect to the subject matter of this Order, within thirty (30) days after the date of service of this Order, and to any new personnel having responsibilities with respect to the subject matter of this Order, within thirty (30) days after the person assumes such position or responsibilities.

B. Defendant shall deliver a copy of this Order to the principals, officers, directors, managers and employees under his control for any business that (a) employs or contracts for personal services from him and (b) has responsibilities with respect to the subject matter of this Order. Defendant shall secure from each such person a signed and dated statement acknowledging receipt of the Order within thirty (30) days after the date of service of the Order or the commencement of the employment relationship.

COOPERATION WITH PLAINTIFF

X. IT IS FURTHER ORDERED that Defendant shall cooperate fully, truthfully, and completely with the Plaintiff, Federal Trade Commission, in the continuing litigation of this matter or other related matters in the future. This cooperation includes, but is not limited to, meeting Commission agents and attorneys, attending interviews, executing declarations, assisting in the preparation for testimony, and testifying fully, truthfully, and completely at any deposition or trial in this or any other related matter if called to do so without need for a subpoena.

Provided however, that nothing in this Paragraph shall be construed as a waiver of Defendant's Fifth Amendment privilege against self-incrimination.

STIPULATION OF SETTLEMENT

XI. IT IS FURTHER ORDERED that, in settlement of the claims and assertions recited herein, Defendant and the FTC stipulate and agree as follows:

A. Defendant enters into this Order freely and without coercion, and he acknowledges that he understands the provisions of this Order and is prepared to abide by them.

B. Effective upon signing of this Order by Defendant, Defendant, on behalf of himself individually, and his respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby releases and discharges the FTC and its employees, commissioners, attorneys, officers, agents, representatives, successors and assigns, from any and all claims, demands, obligations, security interests, liens, damages, actions and causes of action, direct or indirect, in law or in equity, arising from this action.

RETENTION OF JURISDICTION

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

SO STIPULATED:

/s/
WILLIAM SCOTT DION, Defendant
18 Wendy Lane
Uxbridge, MA 01569

WILLIAM E. KOVACIC
General Counsel

/s/ _____
BARBARA ANTHONY
Regional Director

/s/ _____
THOMAS A. COHN (BBO#546083)
CAROLE A. PAYNTER
ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION
Northeast Region
One Bowling Green, Suite 318
New York, NY 10004
Telephone (212) 607-2829

IT IS SO ORDERED, this _____ day of _____, 2004.

United States District Judge