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9 Attorneys for Plaintiff
10 FEDERAL TRADE COMMISSION

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

13 _____)
14 FEDERAL TRADE COMMISSION,) No. 2:02 CV 4569 MMM(AJWx)
15 Plaintiff,)
16 v.)

17 HEALTHCARE CLAIMS NETWORK, INC.,) **STIPULATED FINAL JUDGMENT AND**
a California corporation, doing) **ORDER FOR PERMANENT INJUNCTION**
18 business as MED DATA SOLUTIONS and) **AND OTHER EQUITABLE RELIEF**
SOUTHERN CALIFORNIA BILLING) **AS TO DEFENDANTS HEALTHCARE**
19 SERVICES,) **CLAIMS NETWORK, INC. AND**
20) **CHARLES G. LLOYD**

20 STANFORD MILLER, individually and)
doing business as MEDICAL CLAIMS)
21 NETWORK,)

22 CHARLES G. LLOYD, individually and)
doing business as MED DATA)
23 SOLUTIONS, and as an officer of)
HEALTHCARE CLAIMS NETWORK, INC.,)
24 a California corporation, and)

25 ANNE MILLER, individually and)
doing business as MED DATA)
26 SOLUTIONS, and as an officer of)
HEALTHCARE CLAIMS NETWORK, INC.,)
27 a California corporation,)

28 Defendants.)

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 on February 24, 2003 to name Stanford Miller, individually
13 and doing business as Medical Claims Network, as a defendant, and to
14 remove Medical Claims Network and Probillers as d/b/a's for defendant
15 Healthcare Claims Network, Inc. ("Amended Complaint").

16 The Commission and Defendants Healthcare Claims Network, Inc.
17 and Charles G. Lloyd ("Defendants" as defined in this Order), hereby
18 stipulate to entry of this Stipulated Final Judgment and Order for
19 Permanent Injunction and Other Equitable Relief as to Defendants
20 Healthcare Claims Network, Inc. and Charles G. Lloyd ("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.

25 9. Defendants waive all rights to seek judicial review or
26 otherwise challenge or contest the validity of this Order.
27 Defendants further waive and release any claim that any of them may
28 have against the Federal Trade Commission, its employees, agents or

1 representatives, or against the Receiver, Robb Evans, or his
2 employees, agents or representatives, or against the assets of the
3 receivership estate.

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

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

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

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

19 **DEFINITIONS**

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

22 1. "Assets" means any legal or equitable interest in, right
23 to, or claim to, any real or personal property, including but not
24 limited to chattels, goods, instruments, money, funds, equipment,
25 fixtures, general intangibles, effects, leaseholds, mail or other
26 deliveries, inventory, checks, notes, accounts, credits,
27 receivables (as those terms are defined in the Uniform Commercial
28 Code), and all cash, wherever located.

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

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

17 4. "Defendants" means (1) Charles G. Lloyd, individually, as
18 an officer of Healthcare Claims Network, Inc., and doing business
19 as Med Data Solutions; and (2) Healthcare Claims Network, Inc.,
20 doing business as Med Data Solutions and Southern California
21 Billing Services, and all of them, by whatever names each might be
22 known, whether acting directly or through any person, corporation,
23 affiliate, division, agent, employee, consultant, independent
24 contractor or other device.

25 5. "Document" is synonymous in meaning and equal in scope to
26 the usage of the term in Federal Rule of Civil Procedure 34(a), and
27 includes writings, drawings, graphs, charts, photographs, audio and
28 video recordings, electronic mail ("e-mail"), computer records, and

1 other data compilations from which information can be obtained and
2 translated, if necessary, through detection devices into reasonably
3 usable form. A draft or non-identical copy is a separate document
4 within the meaning of the term.

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

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

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

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

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

24 11. "Healthcare Claims Network" means Healthcare Claims
25 Network, Inc., doing business as Med Data Solutions and Southern
26 California Billing Services.

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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 personal service or otherwise, are hereby permanently restrained
2 and enjoined from:

3 A. Selling, renting, leasing, transferring, or otherwise
4 disclosing the name, address, telephone number, Social Security
5 number, credit card number, bank account number, e-mail address, or
6 other identifying information of any person who paid any money to
7 any Defendant, at any time prior to entry of this Order, for any
8 Work-At-Home Opportunity or any good or service related to Medical
9 Billing; *provided, however,* that Defendants may disclose such
10 identifying information to a law enforcement agency or as required
11 by any law, regulation, or court order; and

12 B. Seeking to collect, collecting, or assigning any right to
13 collect payment, directly or through any third party, for any Work-
14 At-Home Opportunity or any good or service related to Medical
15 Billing, from any customer of Healthcare Claims Network, Inc., Med
16 Data Solutions, or Southern California Billing Services.

17 **IV. MONETARY RELIEF**

18 **IT IS FURTHER ORDERED** that:

19 A. Judgment is hereby entered against Defendants Healthcare
20 Claims Network and Charles G. Lloyd, jointly and severally, in the
21 amount of two million seven hundred thousand dollars
22 (\$2,700,000.00); *provided, however,* that this judgment shall be
23 suspended (1) subject to the liquidation and disposition of the
24 assets of Healthcare Claims Network as set forth in Subsection A of
25 Section V of this Order; (2) subject to Defendant Lloyd's
26 compliance with Section IV.B. of this Order; and (3) as long as the
27 Court makes no finding, as provided in Section VII of this Order,
28 that Defendants have materially misrepresented or omitted the

1 nature, existence or value of any asset;

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

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

28 D. Defendants are hereby required, in accordance with 31

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

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

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

15 **V. RECEIVERSHIP**

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

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

1 Receiver shall submit a report and application for fees and
2 expenses, and upon approval of the same shall pay:

3 1. To the Receiver the amounts allowed by the Court
4 pursuant to the Receiver's application for fees and expenses; and

5 2. Any remaining funds to the Commission pursuant to
6 Subsection C of Section IV of this Order.

7 B. Upon the filing of the Receiver's report, the Court's
8 approval of the same, and the Receiver's fulfillment of his payment
9 obligations under this Section V, the Receivership over Healthcare
10 Claims Network pursuant to the Stipulated Preliminary Injunction
11 entered by this Court on July 9, 2002, shall be terminated.

12 **VI. ASSET FREEZE**

13 **IT IS FURTHER ORDERED** that:

14 A. The freeze against the assets of Charles G. Lloyd,
15 pursuant to the Stipulated Preliminary Injunction entered by this
16 Court on July 9, 2002, shall be lifted upon entry of this Order;
17 and

18 B. The freeze against the assets of Healthcare Claims
19 Network, pursuant to the Stipulated Preliminary Injunction entered
20 by this Court on July 9, 2002, shall remain in effect until such
21 time as the receivership is terminated and the Receiver receives
22 payment of all Court-approved fees and expenses, transfers any
23 remaining funds to the Commission, and is discharged by the Court
24 from his receivership duties over Healthcare Claims Network.

25 **VII. RIGHT TO REOPEN**

26 **IT IS FURTHER ORDERED** that, within five (5) business days
27 after entry of this Order, Defendants shall submit to the
28 Commission two truthful sworn statements, in the forms shown on

1 Appendices A and B hereto, that shall acknowledge receipt of this
2 Order and shall reaffirm and attest to the truthfulness, accuracy
3 and completeness of the financial statements submitted to the
4 Commission by Defendants, including that of Charles G. Lloyd dated
5 May 28, 2003.

6 The Commission's agreement to this Order is expressly premised
7 on the truthfulness, accuracy and completeness of such financial
8 statements. If, upon motion by the Commission, the Court finds
9 that any such financial statement contains any material
10 misrepresentation or omission, the suspended judgment entered in
11 Subsection A of Section IV of this Order shall become immediately
12 due and payable by Defendants, and interest computed at the rate
13 prescribed under 28 U.S.C. § 1961, as amended, shall immediately
14 begin to accrue on the unpaid balance; *provided, however,* that in
15 all other respects this Order shall remain in full force and effect
16 unless otherwise ordered by the Court; and, *provided further,* that
17 proceedings instituted under this provision would be in addition
18 to, and not in lieu of, any other civil or criminal remedies as may
19 be provided by law, including but not limited to contempt
20 proceedings, or any other proceedings that the Commission or the
21 United States may initiate to enforce this Order. For purposes of
22 this Section, Defendants waive any right to contest any of the
23 allegations in the Amended Complaint.

24 **VIII. COMPLIANCE MONITORING**

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

27 A. Within ten (10) days of receipt of written notice from a
28 representative of the Commission, Defendants shall submit

1 additional written reports, sworn to under penalty of perjury;
2 produce documents for inspection and copying; appear for
3 deposition; and/or provide entry during normal business hours to
4 any business location in such Defendant's possession or direct or
5 indirect control to inspect the business operation;

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

9 1. obtaining discovery from any person, without further
10 leave of Court, using the procedures prescribed by Fed. R. Civ. P.
11 30, 31, 33, 34, 36, and 45; and

12 2. posing as consumers and suppliers to Defendants,
13 their employees, or any other entity managed or controlled in whole
14 or in part by any Defendant, without the necessity of
15 identification or prior notice;

16 *Provided* that nothing in this Order shall limit the
17 Commission's lawful use of compulsory process, pursuant to Sections
18 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any
19 documentary material, tangible things, testimony, or information
20 relevant to unfair or deceptive acts or practices in or affecting
21 commerce (within the meaning of 15 U.S.C. § 45(a)(1)); and

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

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1 **IX. COMPLIANCE REPORTING BY DEFENDANTS**

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

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

6 1. Each Defendant shall notify the Commission of the
7 following:

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

11 (b) Any changes in Defendant's employment status
12 (including self-employment) within ten (10) days of the date of
13 such change. Such notice shall include the name and address of
14 each business that Defendant is affiliated with, employed by, or
15 performs services for; a statement of the nature of the business;
16 and a statement of Defendant's duties and responsibilities in
17 connection with the business; and

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

20 2. Defendants shall notify the Commission of any
21 changes in corporate structure that may affect compliance
22 obligations arising under this Order, including but not limited to
23 a dissolution, assignment, sale, merger, or other action that would
24 result in the emergence of a successor corporation; the creation or
25 dissolution of a subsidiary, parent, or affiliate that engages in
26 any acts or practices subject to this Order; the filing of a
27 bankruptcy petition; or a change in the corporate name or address,
28 at least thirty (30) days prior to such change, *provided that*, with

1 respect to any proposed change in the corporation about which
2 Defendant learns less than thirty (30) days prior to the date such
3 action is to take place, Defendant shall notify the Commission as
4 soon as is practicable after obtaining such knowledge;

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

11 1. Any changes required to be reported pursuant to
12 Subsection A above; and

13 2. A copy of each acknowledgment of receipt of this
14 Order obtained by Defendant pursuant to Section XI of this Order;

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

18 Regional Director
19 Federal Trade Commission
20 55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
Re: FTC v. Healthcare Claims Network, Inc., et al.

21 D. For purposes of the compliance reporting required by this
22 Section, the Commission is authorized to communicate directly with
23 Defendants.

24 **X. RECORD KEEPING PROVISIONS**

25 **IT IS FURTHER ORDERED** that, for a period of eight (8) years
26 from the date of entry of this Order, in connection with any
27 business where any Defendant is the majority owner of the business
28 or directly or indirectly manages or controls the business,

1 Defendants and their agents, employees, officers, corporations,
2 successors, and assigns, and those persons in active concert or
3 participation with them who receive actual notice of this Order by
4 personal service or otherwise, are hereby restrained and enjoined
5 from failing to create and retain the following records:

6 A. Accounting records that reflect the cost of goods or
7 services sold, revenues generated, and the disbursement of such
8 revenues;

9 B. Personnel records accurately reflecting: the name,
10 address, and telephone number of each person employed in any
11 capacity by such business, including as an independent contractor;
12 that person's job title or position; the date upon which the person
13 commenced work; and the date and reason for the person's
14 termination, if applicable;

15 C. Customer files containing the names, addresses, phone
16 numbers, dollar amounts paid, quantity of items or services
17 purchased, and description of items or services purchased, to the
18 extent such information is obtained in the ordinary course of
19 business;

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

23 E. Copies of all sales scripts, training materials,
24 advertisements, or other marketing materials.

25 **XI. DISTRIBUTION OF ORDER BY DEFENDANTS**

26 **IT IS FURTHER ORDERED** that, for a period of five (5) years
27 from the date of entry of this Order, Defendants shall deliver a
28 copy of this Order to all principals, officers, directors,

1 managers, and employees under Defendants' control for any business
2 that (1) employs or contracts for personal services from Defendant
3 and (2) has responsibilities with respect to the subject matter of
4 this Order. Defendants shall secure from each such person a signed
5 and dated statement acknowledging receipt of the Order within
6 thirty (30) days after the date of service of the Order or the
7 commencement of the employment relationship.

8 **XII. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

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

13 **XIII. RETENTION OF JURISDICTION**

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

17 **XIV. ENTRY OF THIS FINAL JUDGMENT**

18 **IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil
19 Procedure 54(b), that there is no just reason for delay and the
20 Clerk of Court immediately shall enter this Order as a final
21 judgment as to Defendant Charles G. Lloyd, individually and doing
22 business as Med Data Solutions, and as an officer of Healthcare

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1 Claims Network, Inc., and Healthcare Claims Network, Inc., doing
2 business as Med Data Solutions and Southern California Billing
3 Services.

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5 **SO STIPULATED:**

6

7 _____ Dated: _____ .
8 KATHERINE ROMANO SCHNACK
9 FEDERAL TRADE COMMISSION
10 55 East Monroe Street, Suite 1860
11 Chicago, Illinois 60603
12 (312) 960-5634 [Ph.]
13 (312) 960-5600 [Fax]
14 Attorney for Plaintiff FEDERAL TRADE COMMISSION

11

12 _____ Dated: _____ .
13 CHARLES G. LLOYD
14 DEFENDANT

13

14 _____ Dated: _____ .
15 HEALTHCARE CLAIMS NETWORK, INC.
16 DEFENDANT
17 By: Charles G. Lloyd
18 President, CEO, and Owner

16

17 **APPROVED AS TO FORM:**

18

19 _____ Dated: _____ .
20 DAVID P. CHRISTIANSON, ESQ.
21 19200 Von Karman Ave., Suite 600
22 Irvine, California 92612
23 (949) 622-5413
24 FAX (949) 622-5414
25 Attorney for Defendants CHARLES G. LLOYD and HEALTHCARE CLAIMS
26 NETWORK, INC.

23

24

25 **IT IS SO ORDERED.**

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27 Dated: _____

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Honorable Margaret M. Morrow
United States District Judge

1 Presented by:

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3 _____
Katherine Romano Schnack
FEDERAL TRADE COMMISSION
4 55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
5 (312) 960-5634 [Ph.]
(312) 960-5600 [Fax]

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Attorney for Plaintiff
7 FEDERAL TRADE COMMISSION

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1 **APPENDIX A**

2 UNITED STATES DISTRICT COURT
3 CENTRAL DISTRICT OF CALIFORNIA

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

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

**AFFIDAVIT OF
DEFENDANT CHARLES G. LLOYD**

12 Charles G. Lloyd, being duly sworn, hereby states and affirms
13 as follows:

14 1. My name is Charles G. Lloyd. I am a defendant in the
15 above-captioned civil action. I am a citizen of the United States
16 and am over the age of eighteen. I have personal knowledge of the
17 facts set forth in this Affidavit.

18 2. My current business address is
19 _____ . My current
20 business telephone number is _____. My current
21 residential address is _____ .
22 My current residential telephone number is _____ .

23 3. On _____ , I received a copy of the
24 Stipulated Final Judgment and Order for Permanent Injunction and
25 Other Equitable Relief as to Defendants Healthcare Claims Network,
26 Inc. and Charles G. Lloyd ("Order"), which was signed by the
27 Honorable Margaret M. Morrow and entered by the Court on

1 _____ . A true and correct copy of the Order that I
2 received is appended to this Affidavit.

3 4. I reaffirm and attest to the truthfulness, accuracy and
4 completeness of the Financial Statement of Defendant Charles G.
5 Lloyd that I executed on or about _____ [date] _____, submitted to the
6 Federal Trade Commission.

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

11 _____
12 Charles G. Lloyd

13 State of _____, City of _____

14 Subscribed and sworn to before me
15 this _____ day of _____.

16 _____
17 Notary Public
18 My Commission Expires:
19 _____
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1 **APPENDIX B**

2 UNITED STATES DISTRICT COURT
3 CENTRAL DISTRICT OF CALIFORNIA

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

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

**AFFIDAVIT OF DEFENDANT
HEALTHCARE CLAIMS NETWORK, INC.**

13 Charles G. Lloyd, being duly sworn, hereby states and affirms
14 as follows:

15 1. My name is Charles G. Lloyd. I am a citizen of the
16 United States and am over the age of eighteen. I am the president,
17 CEO, and 100 percent owner of Healthcare Claims Network, Inc., a
18 California corporation, which is a defendant in the above-captioned
19 civil action. I have personal knowledge of the facts set forth in
20 this Affidavit.

21 2. My current business address is _____.
22 My current
23 business telephone number is _____. My current
24 residential address is _____.
25 My current residential telephone number is _____.

26 3. On _____, I received a copy of the
27 Stipulated Final Judgment and Order for Permanent Injunction and
28

1 Other Equitable Relief as to Defendants Healthcare Claims Network,
2 Inc. and Charles G. Lloyd ("Order"), which was signed by the
3 Honorable Margaret M. Morrow and entered by the Court on
4 _____ . A true and correct copy of the Order that I
5 received is appended to this Affidavit.

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

10 _____
11 Healthcare Claims Network, Inc., a
12 California corporation, by
13 Charles G. Lloyd,
14 President, CEO, and Owner

15 State of _____, City of _____

16 Subscribed and sworn to before me
17 this _____ day of _____.

18 _____
19 Notary Public
20 My Commission Expires:
21 _____
22
23
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25
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27
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