

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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FEDERAL TRADE COMMISSION and THE :
PEOPLE OF THE STATE OF NEW YORK, :

Plaintiffs, :

v. :

00 Civ. 6315 (LAK)

THE CRESCENT PUBLISHING GROUP, INC., :
et al., :

Defendants. :
----- X

PRELIMINARY INJUNCTION

Plaintiffs, the Federal Trade Commission ("Commission" or "FTC") and the People of the State of New York ("New York"), having filed their Complaint for a permanent injunction and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b), and pursuant to New York's Executive Law (NY Executive Law) § 63(12) and General Business Law (NY GBL) Article 22-A, and the Court having considered the pleadings, declarations, exhibits, memoranda of law and argument of counsel of the parties, and made findings of fact and conclusions of law in its Memorandum Opinion dated January 24, 2001, and finding further that:

1. This Court has jurisdiction of the subject matter of this case and there is good cause to believe it will have jurisdiction of all parties hereto, pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a) and 1345, and this Court has supplemental jurisdiction over the New York state law claims pursuant to 28 U.S.C. § 1367. The Complaint states a claim upon

which relief may be granted under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45, 53(b) and under NY Executive Law § 63(12) and NY GBL Article 22-A.

2. There is good cause to believe that Defendants have engaged and are likely to engage in acts or practices constituting violations of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45(a) and NY Executive Law § 63(12) and NY GBL Article 22-A, and that the Plaintiffs have therefore demonstrated a likelihood of prevailing on the merits of this action;

3. There is a substantial likelihood that, absent the relief set forth herein, Defendants will conceal, dissipate, or otherwise divert their assets, thereby defeating the possibility of effective final relief in the form of equitable monetary relief for consumers;

4. Weighing the equities and considering the Plaintiffs' probable success on the merits, issuance of the relief set forth herein is in the public interest; and

5. No security is required of any agency of the United States for the issuance of a preliminary injunction. Fed. R. Civ. P. 65(c).

Definitions

For the purpose of this preliminary injunction order, the following definitions shall apply:

A. "Defendant" means any or all and "Defendants" means all of the Individual Defendants and the Corporate Defendants.

B. "Corporate Defendants" means Crescent Publishing Group, Inc., Multimedia Forum, Inc., Arachne, Inc., Back Break, Inc., Base Stealer, Inc., Bird N Bee, Inc., Bird of Paradise, Inc., Black Crow, Inc., Blast High, Inc., By Coastal, Inc., Casey Baby, Inc., Cheri, Inc., Crack Back,

Inc., Daedalus, Inc., Daphne, Inc., Doric, Inc., Frau, Inc., Goldfinch, Inc., Green Parrot, Inc., Grey Dove, Inc., Grisette, Inc., Hades, Inc., Hoot Owl, Inc., ICSE, Inc., Kick Over, Inc., Kick Turn, Inc., Kishkus, Inc., Klept, Inc., Knock Knee, Inc., Lackadaisical, Inc., Left Fielder, Inc., Lemon Zing, Inc., Lsthya, Inc., Marius, Inc., Maxmann, Inc., Menelaus, Inc., Muck-a-Muck, Inc., Multiline Media, Inc., Multiple Factor, Inc., Nerve Wracking, Inc., Net-TV, Inc., Off Year, Inc., Online Forum, Inc., Palantine, Inc., Persephone, Inc., PGTV1, Inc., PGTV2, Inc., Phocas, Inc., Pink Flamingo, Inc., Pliny, Inc., Right Fielder, Inc., Romulus, Inc., Scarecrow, Inc., Senora, Inc., Sisyphus, Inc., Speckled Sparrow, Inc., Split Back, Inc., Spruce, Inc., Stray Back, Inc., Trajan, Inc., TXA, Inc., Vespasian, Inc., Vestals, Inc., Wacky Back, Inc., and White Cedar, Inc., their subsidiaries, affiliates (including but not limited to Luna, S.A.), successors, assigns, officers, directors, agents, servants, employees, whether acting directly or through any entity, corporation, subsidiary, division, or other device, unless specified otherwise.

C. "Individual Defendants" means Bruce A. Chew, David Bernstein, and their successors, assigns, agents, servants, employees, whether acting directly or through any entity, corporation, subsidiary, division, or other device, unless specified otherwise.

D. "In or affecting commerce" shall mean as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

E. "Document" is equal in scope and synonymous in meaning to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, charts, graphs, photographs, audio and video recordings, computer records, and any other data compilations from which information can be obtained.

F. "Assets" means all real and personal property of any Defendant, or held for the benefit of any Defendant, including, but not limited to, "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes" (as these terms are defined in the Uniform Commercial Code), and all cash, wherever located.

G. "World Wide Web" means a system used on the Internet for cross-referencing and retrieving information. A "Web site" is a set of electronic documents, usually a home page and subordinate pages, readily viewable on computer by anyone with access to the Web, standard software, and knowledge of the Web site's location or address.

H. "Internet" refers to the global information system that is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions/follow-ons; is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent extensions/follow-ons, and/or other IP-compatible protocols; and provides, uses or makes accessible, either publicly or privately, high level services layered on the communications and related infrastructure described herein, including, but not limited to, the following forms of electronic communication: electronic mail and email mailing lists, the World Wide Web, USENET newsgroups, Internet Relay Chat, instant messaging, wireless data messaging, FTP/file transfer protocol, and remote computer access from anywhere in the world thereto.

I. "Clearly and conspicuously" means as follows:

1. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet, any Web site, or online services), if the disclosure is given

orally, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend. For a disclosure given in the video portion of an advertisement, the disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read, or obtain access to, and comprehend.

2. Disclosures in interactive media are required to provide consumers material information about a transaction. Whether a disclosure meets this standard is measured by its performance—that is, how a reasonable consumer actually perceives and understands the disclosure within the context of the entire ad. The key is the overall net impression of the disclosure—that is, whether the claims consumers take from the disclosure are truthful and substantiated.
3. The disclosure must assume that consumers do not read an entire Web site, just as they do not read every word on a printed page.
3. In addition to the foregoing, in interactive media such as the Internet, any Web site, or online services, the disclosure shall be unavoidable and shall be presented prior to the consumer incurring any financial obligation.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or that otherwise interferes with a consumer's understanding of the disclosure shall be used in any advertisement. Further, a subsequent disclosure only limits or qualifies a prior disclosure and

cannot cure a false claim.

Conduct Prohibitions

I.

IT IS THEREFORE ORDERED that in connection with the advertising, promotion, offering or sale of goods or services in commerce, on or through the Internet, the World Wide Web, any Web site, or otherwise, Defendants are hereby preliminarily restrained and enjoined from:

- A. Making or assisting others in making, directly or by implication, orally or in writing, any misrepresentation of material fact, including, but not limited to:
 1. That Defendants will not bill consumers who visit Defendants' Web sites; or
 2. That Defendants will use consumers' credit card account information for age verification purposes only.
- B. Misrepresenting that accessing or viewing any of Defendants Web services does not entail a cost.
- C. Misrepresenting any material fact about the terms of membership of any program or about any charges to be made for any goods or services.
- D. Misrepresenting any fact material to a consumer's decision to purchase Defendants' products or services.

II.

IT IS THEREFORE ORDERED that in connection with the advertising, promotion, offering or sale of goods or services in commerce, on or through the Internet, the World Wide Web, any Web site, or otherwise, Defendants are hereby preliminarily restrained and enjoined from failing to disclose clearly and conspicuously, directly or by implication, orally or in writing, any material fact, including, but not limited to:

- A. the conditions under which a free tour or preview of Defendants' Web sites ends;
- B. the conditions under which Defendants will enroll consumers as paying members to Defendants' Web sites, including whether the consumers will be subject to recurring billing;
- C. the conditions under which Defendants will treat consumers as having authorized Defendants to bill consumers' credit or debit card accounts;
- D. the conditions under which Defendants will bill consumers' credit or debit card accounts; and
- E. the conditions under which, and mechanisms by which, consumers may cancel memberships.

III.

IT IS FURTHER ORDERED that in connection with the advertising, promotion, offering for sale, or selling of adult entertainment products or services in commerce, on or through the Internet, Defendants are hereby preliminarily restrained and enjoined from failing to disclose

clearly and conspicuously, directly or by implication, orally or in writing, any material fact relating to a consumer's decision to purchase Defendants' adult entertainment products or services, including but not limited to:

A. The conditions under which Defendants will bill consumer's credit or debit card accounts, including whether the consumer will be subject to recurring billing.

B. The complete terms and conditions of Defendants' offer, including the procedures for cancellation and when cancellation will be effective.

Asset Freeze

IV.

IT IS FURTHER ORDERED that Defendants, and all other persons or entities in active concert or participation with them, are hereby restrained and enjoined, absent approval of the Plaintiffs or of the Court, from distributing or lending, directly or indirectly, any money to defendants' officers, directors and shareholders or entities in which those persons have interests. As used herein, money includes any funds, property, accounts, contracts, shares of stock, lists of consumer names, or other assets, wherever located, including outside the United States, that are (1) owned or controlled, directly or indirectly, by any Defendant, in whole or in part; (2) in the actual or constructive possession of any Defendant; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant, including, but not limited to, any assets held by, for, or under the name of any Defendant at any bank, savings and loan institution, or correspondent bank, or with any broker-dealer, escrow agent, title company,

commodity trading company, precious metal dealer, international business corporation ("IBC"), trust or other financial institution or depository of any kind;

Provided, however, that Corporate Defendants may continue to pay salaries, including those paid to Individual Defendants, at the rate being paid on January 24, 2001, and

Provided, further, that Defendants may transfer overseas funds for the sole purpose of repatriating them to the United States and depositing them into a designated domestic account, as set forth in Paragraph IX of this Order.

**Reporting By Banks
And Other Third Parties**

V.

IT IS FURTHER ORDERED that any financial or brokerage institution, escrow agent, title company, commodity trading company, precious metal dealer, international business corporation ("IBC"), trust, business entity, or person that holds, controls or maintains accounts or assets of any Defendant, or has held, controlled or maintained any account or asset of any Defendant at any time since January 1, 1996, upon service with a copy of this Order, shall:

A. Provide counsel for the plaintiffs, within five (5) business days of entry of this Order, a statement setting forth:

1. the identification of each account or asset titled in the name, individually or jointly, of any Defendant, or held on behalf of, or for the benefit of, any Defendant;

2. the balance of each such account, or a description and appraisal of the value of such asset, as of the close of business on January 24, 2001;
3. the identification of any safe deposit box that either is titled in the name, individually or jointly, of any Defendant, or is otherwise subject to access by any Defendant;
4. if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, the balance on such date, and the manner in which such account or asset was closed or removed; and

B. The Plaintiffs are granted leave to subpoena documents immediately from any such financial institution, account custodian, or other aforementioned entity concerning the nature, location, status, and extent of Defendants' assets, and compliance with this Order, by serving a copy of this Order.

Financial Statements

VI.

IT IS FURTHER ORDERED that each Defendant, within forty-eight (48) hours of entry of this Order, prepare and deliver to counsel for Plaintiffs completed financial statements on the forms attached to this Order as Attachments A and B, for themselves and for any business entity under which they conduct business, or of which they are an officer. The financial statements shall be accurate as of the date of entry of this Order, and shall account for any difference between any balance stated therein and the balance as of January 24, 2001.

Accounting of Corporate Revenue and Expenditures**VII.****IT IS FURTHER ORDERED that:**

A. The Corporate Defendants shall make and keep accurate records reflecting any and all funds or assets received from any source after January 24, 2001, and any and all expenditures after the effective date of this Order totaling \$500 or more, including without limitation expenditures for salaries as permitted by Paragraph IV.

B. Beginning 30 days after the date this Order is signed, and continuing on a quarterly basis thereafter, no later than the first day of the first month of each quarter, the Corporate Defendants shall provide the plaintiffs with a true and accurate statement reflecting:

1. All funds or assets received from any source after January 24, 2001, including without limitation funds received by payment, loan or gift;
2. The name, address, and telephone number of the source of all funds or assets received from any source after the effective date of this Order, including without limitation funds received by payment, loan, or gift;
3. The amount of each expenditure totaling \$500 or more; and
4. The name, address, and telephone number of each recipient of any expenditure totaling \$500 or more.

C. The reports described in this section shall be supplied to the addresses listed in Paragraph XIII.

Bond**VIII.****IT IS FURTHER ORDERED THAT:**

A. Each Defendant is enjoined from engaging, whether directly, in concert with others, or through any business, entity, corporation, subsidiary, division or other device, in the advertising, marketing, or sale of any product or service in commerce, on or through the Internet, the World Wide Web, or any Web site, that involves charging, debiting or billing consumers unless Defendants first obtain, pursuant to Local Civil Rule 65.1.1, a bond in the amount of \$10 million to satisfy any judgment entered against Defendants, file such bond with the Clerk and obtain the Clerk's approval for such bond.

B. The terms and conditions of the bond requirement in Subparagraph A, above, shall be as follows:

1. The bond is conditioned upon compliance by each such Defendant with this preliminary injunction and upon satisfaction of any money judgment entered herein;
2. The bond shall remain in full force and effect pending the final determination of this action or until further order of the Court;
3. The bond shall be an insurance agreement that cites this Order as the subject matter of the bond, and shall provide surety for financial loss that is issued by a surety as defined by Local Civil Rule 65.1.1;
4. The bond shall be in favor of the Federal Trade Commission and the Attorney General for the State of New York for the benefit of any consumer injured as

a result of any deceptive misrepresentation or violation of this Order;

5. Each such Defendant shall provide written notice and proof of the bond to the Federal Trade Commission and the Attorney General for the State of New York at least ten (10) days before the commencement of the activity for which the bond is required;
6. The bond required by this Order shall be in addition to, and not in lieu of, any bond required by federal, state, or local law, or the order of another court;
7. Defendants shall not disclose the existence of any bond to any consumer or other purchaser or prospective purchaser of goods or services in commerce without simultaneously making the following disclosure: THIS BOND IS REQUIRED BY PRELIMINARY INJUNCTION ORDER OF THE U.S. DISTRICT COURT THAT THERE IS GOOD CAUSE TO BELIEVE THE DEFENDANTS HAVE ENGAGED IN ACTS CONSTITUTING VIOLATIONS OF SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT AND VIOLATIONS OF NEW YORK EXECUTIVE LAW § 63(12) and NEW YORK GENERAL BUSINESS LAW Article 22-A.

Repatriation of Assets

IX.

IT IS FURTHER ORDERED that Defendants shall have a duty to immediately:

- A. Provide the plaintiffs with a full accounting of all funds, documents and assets either held outside of the territory of the United States or in banks or other financial

institutions not organized under U.S. law which are held either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control, jointly or singly;

B. Transfer to the territory of the United States all funds, documents and assets in foreign countries held either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control, jointly or singly. In the case of any liquid funds or assets held in foreign countries, each Defendant shall transfer such funds or assets to domestic accounts in the New York state branch of a bank organized under U.S. law titled in that Defendant's name and designated prior to any transfer by written notice to counsel for Plaintiffs, such written notice to state the amount of the transfer and identify the domestic account by financial institution, title holder, and account number. *Provided, however,* that Defendants may maintain foreign accounts with limited funds if and to the extent that this is demonstrated to be necessary to the efficient operation of the business;

C. Hold and retain all such repatriated funds, documents and assets and prevent any transfer, disposition, or dissipation whatsoever of any such assets or funds, except as permitted in Paragraph IV; and

D. Provide plaintiffs with access to Defendants' records and documents held by financial institutions outside the territorial United States, by signing the Consent to Release of Financial Records attached hereto as Attachment C.

Record Keeping

X.

IT IS FURTHER ORDERED that Defendants, or any persons served with a copy of this Order, are hereby restrained and enjoined from:

A. Failing to create and maintain books, records, accounts, and data which, in reasonable detail, accurately, fairly, and completely reflect their incomes, disbursements, transactions, and use of monies, in any way relevant to this action;

B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, computer tapes, discs, or other computerized records, books, written or printed records, handwritten notes, telephone logs, telephone scripts receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state or local business or personal income or property tax returns, and other documents or records of any kind that are in any way relevant to this action, from January 1, 1996 to the present; and

C. Failing to notify counsel for the Plaintiffs of the receipt of any funds by any Defendant subsequent to the date of entry of this order, identifying each such receipt by the name, address, and telephone number of the payer.

Credit Reports**XI.**

IT IS FURTHER ORDERED that pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish a consumer report concerning any of the Defendants to the Plaintiffs.

Service of this Order**XII.**

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of the Defendants, or that may be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

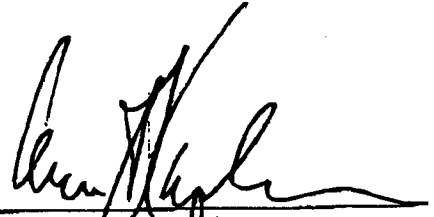
Service Upon Plaintiffs**XIII.**

IT IS FURTHER ORDERED, with regard to any correspondence or pleadings related to this Order, service on the Commission shall be performed by delivery to the attention of Douglas V. Wolfe at the Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room H-238, Washington, DC 20580, (202) 326-3113, or by facsimile transmission to (202) 326-3395, and service on New York shall be performed by delivery to the attention of Stephen L. Kline at the Office of the Attorney General, Internet Bureau, 120 Broadway, New York, NY 10271, (212) 416-6250, or by

facsimile transmission to (212) 416-8369.

Dated: February 16, 2001

Issued at: 8:35 A.M.



Lewis A. Kaplan
United States District Judge

2/16/01
Chambers of Judge Kaplan
LM

EXHIBIT A

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
3. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
5. Type or print legibly.
6. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

<u>Name & Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____

Item 5. Board Members

List all members of the corporation's Board of Directors.

<u>Name & Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name & Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>

State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>

State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>

Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
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_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

_____	_____	_____
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FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	

Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 17 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____	[REDACTED]		
<u>Receivables</u>	\$ _____	[REDACTED]		

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation's Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Item 22. Continued

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____
 Other Loan(s) (describe) _____ Current Balance \$ _____
 Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____
Court's Name & Address _____ Docket No. _____
Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____
Court's Name & Address _____ Docket No. _____
Nature of Lawsuit _____ Date _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____
Address _____ Telephone No. _____
Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

<u>Name of Credit Card or Store</u>	<u>Names of Authorized Users and Positions Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. "Dependents" include your live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.
4. Attach continuation pages as needed. On the financial statement, state next to the item number that the item is being continued. On the continuation page(s), identify the item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "In any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "In any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "In any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. Information About You

Your Full Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____ Drivers License No. _____

Current Address _____ From (Date) _____

Rent or Own? _____ Telephone No. _____ Facsimile No. _____

E-Mail Address _____ Internet Home Page _____

Previous Addresses for past five years:

Address _____ Rent or Own? _____ From/Until _____

Address _____ Rent or Own? _____ From/Until _____

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used _____

Item 2. Information About Your Spouse or Live-In Companion

Spouse/Companion's Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used _____

Address (if different from yours) _____

From (Date) _____ Rent or Own? _____ Telephone No. _____

Employer's Name and Address _____

Job Title _____ Years in Present Job _____ Annual Gross Salary/Wages \$ _____

Item 3. Information About Your Previous Spouse

Previous Spouse's Name & Address _____

_____ Social Security No. _____ Date of Birth _____

Item 4. Contact Information

Name & Address of Nearest Living Relative or Friend _____

Telephone No. _____

Item 5. Information About Dependents Who Live With You

>Name _____ Date of Birth _____
Relationship _____ Social Security No. _____
>Name _____ Date of Birth _____
Relationship _____ Social Security No. _____
>Name _____ Date of Birth _____
Relationship _____ Social Security No. _____

Item 6. Information About Dependents Who Do Not Live With You

>Name & Address _____
Date of Birth _____ Relationship _____ Social Security No. _____
>Name Address _____
Date of Birth _____ Relationship _____ Social Security No. _____
>Name & Address _____
Date of Birth _____ Relationship _____ Social Security No. _____

Item 7. Employment Information

Provide the following information for this year-to-date and for each of the previous five full years, for each company of which you were a director, officer, employee, agent, or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, draws, consulting fees, loans, loan payments, dividends, royalties or other benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

>Company Name & Address _____
Dates Employed: From (Month/Year) _____ To (Month/Year) _____
Positions Held with Beginning and Ending Dates _____

Item 7, continued

Income Received: This year-to-date: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____

-Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____

-Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____
19____: \$ _____ 19____: \$ _____

Item 8. Pending Lawsuits Filed by You or Your Spouse

List all pending lawsuits that have been filed by you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 9. Pending Lawsuits Filed Against You or Your Spouse

List all pending lawsuits that have been filed against you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 10. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. On a separate page, describe the contents of each box.

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 11. Business Interests

List all businesses for which you, your spouse, or your dependents are an officer or director.

>Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

>Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

>Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

FINANCIAL INFORMATION: ASSETS AND LIABILITIES

REMINDER: "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.

Item 12. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held For Your Benefit \$ _____

<u>Name on Account</u>	<u>Name & Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 13. U.S. Government Securities

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

Item 14. Publicly Traded Securities and Loans Secured by Them

List all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

> Issuer _____ Type of Security _____ No. of Units Owned _____

Name of Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

> Issuer _____ Type of Security _____ No. of Units Owned _____

Name of Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

Item 15. Other Business Interests

List all other business interests, including but not limited to, non-public corporations, subchapter-S corporations, limited liability corporations ("LLCs"), general or limited partnership interests, sole proprietorships, and oil and mineral leases, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

> Business Format _____ Business' Name & Address _____

Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

> Business Format _____ Business' Name & Address _____

Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

Item 16. Monetary Judgments or Settlements Owed to You, Your Spouse, or Your Dependents

List all monetary judgments or settlements owed to you, your spouse, or your dependents.

> Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

> Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 17. Other Amounts Owed to You, Your Spouse, or Your Dependents

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. _____

Original Amount Owed \$ _____ Current Amount Owed \$ _____ Monthly Payment \$ _____

Item 18. Life Insurance Policies

List all life insurance policies held by you, your spouse, or your dependents.

Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

Item 19. Deferred Income Arrangements

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, and other retirement accounts, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

Item 20. Personal Property

List all personal property, by category, whether held for personal use or for investment, including but not limited to, furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Property Category</u> (e.g., artwork, jewelry)	<u>Name of Owner</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

Item 21. Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

> Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

> Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 21. Continued

> Vehicle Type _____ Make _____ Model _____ Year _____
Registered Owner's Name _____ Registration State & No. _____
Address of Vehicle's Location _____
Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____
Lender's Name and Address _____
Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 22. Real Property.

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

> Type of Property _____ Property's Location _____
Name(s) on Title and Ownership Percentages _____
Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____
Basis of Valuation _____ Loan or Account No. _____
Lender's Name and Address _____
Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____
Other Loan(s) (describe) _____ Current Balance \$ _____
Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____
> Type of Property _____ Property's Location _____
Name(s) on Title and Ownership Percentages _____
Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____
Basis of Valuation _____ Loan or Account No. _____
Lender's Name and Address _____
Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____
Other Loan(s) (describe) _____ Current Balance \$ _____
Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Credit Cards

List each credit card held by you, your spouse, or your dependents. Also list any other credit cards that you, your spouse, or your dependents use.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____
			\$ _____	\$ _____

Item 24. Taxes Payable

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	

Item 25. Judgments or Settlements Owed

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Item 26. Other Loans and Liabilities

List all other loans or liabilities in your, your spouse's, or your dependents' names.

Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

OTHER FINANCIAL INFORMATION

Item 27. Tax Returns

List all federal tax returns that were filed during the last three years by or on behalf of you, your spouse, or your dependents. Provide a copy of each signed tax return that was filed during the last three years.

<u>Tax Year</u>	<u>Name(s) on Return</u>	<u>Refund Expected</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 28. Applications for Credit

List all applications for bank loans or other extensions of credit that you, your spouse, or your dependents have submitted within the last two years. Provide a copy of each application, including all attachments.

<u>Name(s) on Application</u>	<u>Name & Address of Lender</u>
_____	_____
_____	_____
_____	_____

Item 29. Trusts and Escrows

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity. Provide copies of all executed trust documents.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
				\$ _____
				\$ _____
				\$ _____
				\$ _____
				\$ _____

Item 30. Transfers of Assets

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

SUMMARY FINANCIAL SCHEDULES

Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____		
Deferred Income Arrangements (Item 19)	\$ _____	<u>Other Liabilities (Itemize)</u>	
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Assets	\$ _____	Total Liabilities	\$ _____

Item 32.

Combined Average Monthly Income and Expenses for You, Your Spouse, and Your Dependents for the Last 6 Months

Provide the average monthly income and expenses for you, your spouse, and your dependents for the last 6 months. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

<u>INCOME</u>		<u>EXPENSES</u>	
Salary - After Taxes	\$ _____	Mortgage Payments for Residence(s)	\$ _____
Fees, Commissions, and Royalties	\$ _____	Property Taxes for Residence(s)	\$ _____
Interest	\$ _____	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$ _____
Dividends and Capital Gains	\$ _____	Car or Other Vehicle Lease or Loan Payments	\$ _____
Gross Rental Income	\$ _____	Food Expenses	\$ _____
Profits from Sole Proprietorships	\$ _____	Clothing Expenses	\$ _____
Distributions from Partnerships, S-Corporations, and LLCs	\$ _____	Utilities	\$ _____
Distributions from Trusts and Estates	\$ _____	Medical Expenses, Including Insurance	\$ _____
Distributions from Deferred Income Arrangements	\$ _____	Other Insurance Premiums	\$ _____
Social Security Payments	\$ _____	Other Transportation Expenses	\$ _____
Alimony/Child Support Received	\$ _____	Other Household Expenses	\$ _____
Gambling Income	\$ _____	<u>Other Expenses (Itemize)</u>	
<u>Other Income (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Income	\$ _____	Total Expenses	\$ _____

ATTACHMENTS

Item 33. Documents Attached to this Financial Statement

List all documents that are being submitted with this financial statement.

<u>Item No. Document Relates To</u>	<u>Description of Document</u>

I am submitting this financial statement voluntarily and with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date) Signature

Initials _____

EXHIBIT C

FORM 412 410 0000 01 1701 1.04

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, of the State of _____ in the United States of America, do hereby direct any bank or trust company at which I have an account of any kind or at which a corporation has an account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control, which relate to said accounts, to any attorney of the Federal Trade Commission or the State of New York Office of the Attorney General, and to give evidence relevant thereto, in the matter of Federal Trade Commission and the People of the State of New York v. The Crescent Publishing Group, et al., now pending in the United States District Court for the Southern District of New York, and this shall be irrevocable authority for so doing. This direction has been executed pursuant to a certain order of the United States District Court for the Southern District of New York in connection with that aforementioned matter. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder or beneficial owner of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: _____, 2001.
