

1 WILLIAM E. KOVACIC
General Counsel
2 Federal Trade Commission

3 **Trial Counsel:**

4 BRINLEY H. WILLIAMS
BRENDA W. DOUBRAVA
5 GERALD C. ZEMAN
Federal Trade Commission
Eaton Center - Suite 200
6 1111 Superior Avenue
Cleveland, Ohio 44114-2507
7 Phone (216) 263-3414
Fax (216) 263-3426
8

9 **Local Counsel:**

10 BARBARA Y.K. CHUN (CA Bar No. 186907)
Federal Trade Commission
10877 Wilshire Blvd. - Suite 700
Los Angeles, California 90024
11 Phone (310) 824-4312
Fax (310) 824-4380
12

13 Attorneys for Plaintiff

14 IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
15

16 **FEDERAL TRADE COMMISSION,**

17 Plaintiff,

18 v.

19 **PACIFIC OFFICE SYSTEMS, INC.,**
a corporation, and

20 **SUZETTE OPPENHEIM,**
21 individually and as an
officer of the corporation,
22 and

23 **LESLIE OPPENHEIM,**
24 individually and as an
employee and manager of
the corporation,
25

26 Defendants.

Case No. 00-10293 DDP (CTx)

Judge Dean D. Pregerson

Magistrate Judge Carolyn Turchin

**STIPULATED FINAL JUDGMENT
AND ORDER**

1 Plaintiff, the Federal Trade Commission ("FTC" or
2 "Commission"), commenced this action by filing a Complaint
3 pursuant to Sections 13(b) and 19 of the Federal Trade
4 Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the
5 Telemarketing and Consumer Fraud and Abuse Prevention Act,
6 15 U.S.C. § 6101 *et seq.*, charging defendants PACIFIC OFFICE
7 SYSTEMS, INC., and SUZETTE OPPENHEIM with engaging in unfair or
8 deceptive acts or practices in connection with the sale,
9 offering for sale, or distribution of nondurable office
10 supplies, including photocopier toner, in violation of
11 Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC's
12 Telemarketing Sales Rule, 16 C.F.R. Part 310.

13 LESLIE OPPENHEIM, an employee and manager of defendant
14 PACIFIC OFFICE SYSTEMS, INC., has stipulated to being a
15 defendant in this proceeding and has waived certain procedural
16 rights. The STIPULATION OF THE PARTIES ADDING LESLIE OPPENHEIM AS A PARTY
17 DEFENDANT and an AMENDED COMPLAINT naming LESLIE OPPENHEIM as a
18 defendant are being filed contemporaneously with this STIPULATED
19 FINAL JUDGMENT AND ORDER.

20 Now the Commission and defendants PACIFIC OFFICE SYSTEMS,
21 INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM agree to a
22 settlement of this action without trial or adjudication of any
23 issue of law or fact herein and without defendants PACIFIC
24 OFFICE SYSTEMS, INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM
25 admitting liability for any of the violations alleged in the
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1 Complaint or for any wrongdoing whatsoever. The Commission and
2 defendants PACIFIC OFFICE SYSTEMS, INC., SUZETTE OPPENHEIM and
3 LESLIE OPPENHEIM consent to entry of this STIPULATED FINAL JUDGMENT
4 AND ORDER ("Order") without trial or adjudication of any issue
5 of law or fact herein.

6 **FINDINGS**

7 1. This is an action by the Commission instituted under
8 Sections 13(b) and 19 of the Federal Trade Commission Act, 15
9 U.S.C. §§ 53(b), and 57b, and the Telemarketing and Consumer
10 Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.* The
11 Complaint seeks permanent injunctive relief against defendants
12 PACIFIC OFFICE SYSTEMS, INC., SUZETTE OPPENHEIM and LESLIE
13 OPPENHEIM in connection with the sale of nondurable office
14 supplies.

15 2. This Court has jurisdiction over the subject matter
16 of this case and over defendants PACIFIC OFFICE SYSTEMS, INC.,
17 SUZETTE OPPENHEIM and LESLIE OPPENHEIM. Venue in the Central
18 District of California is proper.

19 3. The Complaint states a claim upon which relief may be
20 granted against defendants PACIFIC OFFICE SYSTEMS, INC.,
21 SUZETTE OPPENHEIM and LESLIE OPPENHEIM under Sections 5(a),
22 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and
23 the Commission's Telemarketing Sales Rule, 16 C.F.R. Part 310.

24 4. The Commission has the authority under Sections 13(b)
25 and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the
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1 Telemarketing and Consumer Fraud and Abuse Prevention Act,
2 15 U.S.C. § 6101 *et seq.*, to seek the relief it has requested.

3 5. The activities of defendants PACIFIC OFFICE SYSTEMS,
4 INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM charged in the
5 Complaint are in or affecting commerce, as defined in Section 4
6 of the FTC Act, 15 U.S.C. § 44.

7 6. By stipulating and consenting to the entry of this
8 Order, defendants PACIFIC OFFICE SYSTEMS, INC., SUZETTE
9 OPPENHEIM and LESLIE OPPENHEIM do not admit any of the
10 allegations in the Complaint, except those contained in
11 **Paragraphs 1 through 5** herein. Likewise, by executing this Order,
12 the FTC does not admit that any defense to the Complaint is
13 valid.

14 7. This action and the relief awarded herein is in
15 addition to, and not in lieu of, other remedies as may be
16 provided by law, including both civil and criminal remedies.

17 8. Defendants PACIFIC OFFICE SYSTEMS, INC., SUZETTE
18 OPPENHEIM and LESLIE OPPENHEIM enter into this Order freely and
19 without coercion, and acknowledge that they understand the
20 provisions of this Order and are prepared to abide by its
21 terms. At all times, defendants PACIFIC OFFICE SYSTEMS, INC.,
22 SUZETTE OPPENHEIM and LESLIE OPPENHEIM have been represented by
23 counsel, including the negotiations that led to this Order.

24 9. Any voluntary bankruptcy petition filed by defendant
25 PACIFIC OFFICE SYSTEMS, INC., defendant SUZETTE OPPENHEIM or
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1 defendant LESLIE OPPENHEIM does not automatically stay this
2 action, which the Court finds is the "commencement or
3 continuation of an action or proceeding by a governmental unit
4 to enforce such governmental unit's police or regulatory
5 power," as set forth in 11 U.S.C. § 362(b)(4).

6 10. Any voluntary bankruptcy petition filed by any
7 defendant does not divest this Court of jurisdiction to enter
8 this final judgment against defendants PACIFIC OFFICE SYSTEMS,
9 INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM.

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

11
12 **ORDER**

13 **Definitions**

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

22 2. "**Defendants**" means defendants PACIFIC OFFICE SYSTEMS,
23 INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM.

24 3. "**Individual defendants**" means defendants SUZETTE
25 OPPENHEIM and LESLIE OPPENHEIM.

1 4. "**Consumer**" means any person, including any
2 individual, group, unincorporated association, limited or
3 general partnership, corporation or other business entity.

4 5. "**Receivership defendant**" means defendant PACIFIC
5 OFFICE SYSTEMS, INC.

6 6. "**Assisting others**" means knowingly providing any of
7 the following goods or services to another entity:
8 (1) performing customer service functions, including, but not
9 limited to, receiving or responding to consumer complaints;
10 (2) formulating or providing, or arranging for the formulation
11 or provision of, any telephone sales script or any other
12 marketing material; (3) providing names of, or assisting in the
13 generation of, potential customers; or (4) performing marketing
14 services of any kind.

15 7. The terms "**and**" and "**or**" have both conjunctive and
16 disjunctive meanings.

17 **I.**

18 **RESTRICTIONS ON SALE OF**
19 **OFFICE SUPPLIES AND TELEMARKETING**

20 **IT IS HEREBY ORDERED** that the individual defendants,
21 whether acting directly or through any corporation, limited
22 liability company, subsidiary, division or other device, are
23 hereby permanently restrained and enjoined from:

24 A. Engaging or participating in the advertising,
25 offering for sale, sale or distribution of nondurable office
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1 supplies, or assisting others who are engaging or participating
2 in the advertising, offering for sale, sale or distribution of
3 nondurable office supplies, unless the transactions are
4 completed after a face-to-face contact between the seller or
5 solicitor and the consumers solicited.

6 B. Engaging or participating, or assisting others who
7 are engaging or participating, in any business activity
8 (including, but not limited to, (i) initiating or receiving
9 telephone calls; (ii) managing others who initiate or receive
10 telephone calls; (iii) operating an enterprise that initiates
11 or receives telephone calls; (iv) owning or serving as an
12 officer or director of an enterprise that initiates or receives
13 telephone calls; or (v) otherwise working as an employee or
14 independent contractor with a unit or division of an enterprise
15 that initiates or receives telephone calls) that involves
16 attempts to induce consumers to purchase any item, good,
17 service, partnership interest, trust interest or other
18 beneficial interest, or to enter a contest for a prize, by
19 means of telephone sales presentations, either exclusively or
20 in conjunction with the use of other forms of marketing, unless
21 such transaction is not completed until after a face-to-face
22 contact between the seller or solicitor and the consumers
23 solicited.

1 II.

2 PROHIBITED BUSINESS ACTIVITIES

3 A. IT IS FURTHER ORDERED that, in connection with the
4 advertising, marketing, promoting, offering for sale or sale of
5 any good or service, defendants and each of their agents,
6 servants, employees, attorneys, and all persons or entities
7 directly or indirectly under their control, and all other
8 persons or entities in active concert or participation with
9 them who receive actual notice of this Order by personal
10 service or otherwise, and each such person, whether acting
11 directly or through any corporation, limited liability company,
12 subsidiary, division or other device, are hereby permanently
13 restrained and enjoined from:

14 1. Misrepresenting, expressly or by implication,
15 that any consumer, or any consumer's employee or other
16 representative, ordered any good or service that was shipped
17 and/or billed to the consumer by any defendant;

18 2. Misrepresenting, expressly or by implication,
19 that any defendant is associated with a consumer's regular
20 supplier or provider of the good or service, or associated with
21 the manufacturer of any product or equipment used by the
22 consumer in conjunction with the good or service;

23 3. Misrepresenting to any consumer, or any
24 consumer's employee or representative, expressly or by
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1 implication, that defendants have previously transacted
2 business with the consumer;

3 4. Making any misrepresentation, expressly or by
4 implication, regarding a consumer's obligation to make payment;

5 5. Making any misrepresentation, expressly or by
6 implication, regarding the price of the product or service.

7 6. Making any misrepresentation regarding the
8 distribution or availability of any good or service.

9 **B. IT IS FURTHER ORDERED** that, in connection with the
10 advertising, marketing, promoting, offering for sale, or sale
11 of any good or services, defendants and their agents, servants,
12 employees, attorneys, and all persons or entities directly or
13 indirectly under their control, and all other persons or
14 entities in active concert or participation with them who
15 receive actual notice of this Order by personal service or
16 otherwise, and each such person, whether acting directly or
17 through any corporation, limited liability company, subsidiary,
18 division or other device, are hereby permanently restrained and
19 enjoined from misrepresenting, expressly or by implication, any
20 other fact material to a consumer's decision to buy or accept
21 the good or service from defendants.

22 **C. IT IS FURTHER ORDERED** that defendants and their
23 agents, servants, employees, attorneys, and all persons or
24 entities directly or indirectly under their control, and all
25 other persons or entities in active concert or participation
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1 with them who receive actual notice of this Order by personal
2 service or otherwise, and each such person, whether acting
3 directly or through any corporation, limited liability company,
4 subsidiary, division or other device, are hereby permanently
5 restrained and enjoined from violating the Telemarketing Sales
6 Rule – specifically including, but not limited to:

7 1. Violating Section 310.3(a)(4) of the
8 Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(4), by making
9 false or misleading statements to induce a consumer to pay for
10 any product or service, including, but not limited to,
11 misrepresenting directly or by implication that (a) defendants
12 are associated with a consumer's regular supplier or provider
13 of the good or service, or are associated with the manufacturer
14 of any product or equipment used by the consumer in conjunction
15 with the good or service, or (b) the consumer ordered any good
16 or service that was shipped, provided, and/or billed to the
17 consumer by defendants;

18 2. Violating Section 310.4(d)(2) of the
19 Telemarketing Sales Rule, 16 C.F.R. § 310.4(d)(2), by failing
20 to disclose promptly and in a clear and conspicuous manner to
21 the person receiving the call, in "outbound telephone calls,"
22 as that term is defined in the Telemarketing Sales Rule,
23 16 C.F.R. § 310.2(n), that the purpose of the call is to sell
24 goods;

1 3. Violating Section 310.4(d)(1) of the
2 Telemarketing Sales Rule, 16 C.F.R. § 310.4(d)(1), by failing
3 to disclose the identity of the seller to the person receiving
4 the call, promptly and in a clear and conspicuous manner, in
5 "outbound telephone calls," as that term is defined in the
6 Telemarketing Sales Rule, 16 C.F.R. § 310.2(n);

7 4. Violating Section 310.3(b) of the Telemarketing
8 Sales Rule, 16 C.F.R. § 310.3(b), by providing substantial
9 assistance or support to any seller or telemarketer when that
10 person knows or consciously avoids knowing that the seller or
11 telemarketer is engaged in any act or practice that violates
12 Section 310.3(a), 310.3(c), or Section 310.4, of the
13 Telemarketing Sales Rule, 16 C.F.R. §§ 310.3(a), 310.3(c) or
14 310.4; or

15 5. Violating or assisting others in violating any
16 other provision of the Telemarketing Sales Rule, 16 C.F.R. Part
17 310.

18
19 **Provided, however,** that nothing in this Section shall be
20 construed to nullify the prohibitions set forth in Section I,
21 above.

22
23 A copy of the Telemarketing Sales Rule is appended to this
24 Order as Attachment A and is incorporated herein as if fully
25 rewritten. In the event that the Telemarketing Sales Rule is
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1 amended by the Commission in a manner which would create a new
2 or different standard applicable to defendants' obligations
3 under this Order, defendants' compliance with the Telemarketing
4 Sales Rule as so amended shall not be deemed a violation of
5 this Order.

6 **III.**

7 **PROHIBITIONS AGAINST DISTRIBUTION OF CUSTOMER LISTS**

8 **IT IS FURTHER ORDERED** that defendants and their agents,
9 servants, employees, attorneys, and all persons or entities
10 directly or indirectly under their control, and all other
11 persons or entities in active concert or participation with
12 them who receive actual notice of this Order by personal
13 service or otherwise, and each such person, whether acting
14 directly or through any corporation, limited liability company,
15 subsidiary, division or other device, are permanently
16 restrained and enjoined from selling, renting, leasing,
17 transferring or otherwise disclosing the name, address,
18 telephone number, credit card number, bank account number or
19 other identifying information of any person who paid any money
20 to defendant PACIFIC OFFICE SYSTEMS, INC., at any time, in
21 connection with the offering for sale or sale of any good or
22 service; **provided, however,** that any defendant may disclose
23 such identifying information to a law enforcement agency or as
24 required by any law, regulation or court order, and shall
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1 disclose such identifying information to the Commission
2 pursuant to this Order.

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4 **IV.**

5 **PROHIBITION ON TRANSFERRING BUSINESS INFORMATION**

6 **IT IS FURTHER ORDERED** that defendants and their agents,
7 servants, employees, attorneys, and all persons or entities
8 directly or indirectly under their control, and all other
9 persons or entities in active concert or participation with
10 them who receive actual notice of this Order by personal
11 service or otherwise, and each such person, whether acting
12 directly or through any corporation, limited liability company,
13 subsidiary, division or other device, are hereby restrained and
14 enjoined from transferring or in any other way providing to any
15 person (other than a federal, state or local law enforcement
16 agency or pursuant to a court order), directly or indirectly,
17 any books, records, tapes, disks, accounting data, manuals,
18 electronically stored data, banking records, invoices,
19 telephone records, ledgers, payroll records, or other documents
20 of any kind, including information stored in computer-
21 maintained form, in the possession, custody or control of
22 defendants, or any trade secrets or knowledge, whether recorded
23 or otherwise, that are in any way related to defendant PACIFIC
24 OFFICE SYSTEMS, INC.

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V.

SUSPENDED JUDGMENT

IT IS FURTHER ORDERED that judgment is hereby entered against defendants PACIFIC OFFICE SYSTEMS, INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM, jointly and individually, in the amount of FIVE MILLION DOLLARS (\$5 Million); *provided, however,* that upon the fulfillment by defendants of the requirements of **Section VI** of this Order, this judgment shall be suspended as to the individual defendants until further order of the Court, *and provided further* that this judgment shall be subject to the conditions set forth in **Sections VII and VIII** of this Order.

VI.

MONETARY RELIEF

IT IS FURTHER ORDERED that individual defendants SUZETTE OPPENHEIM and LESLIE OPPENHEIM, jointly and individually, are liable for payment of equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, and for paying any attendant expenses of administration of any redress fund, in the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000). Such payment shall be remitted to the **Federal Trade Commission, East Central Region, Eaton Center - Suite 200, 1111 Superior Avenue, Cleveland, Ohio 44114-2507**, by certified or cashier's check within five (5) days of the entry of this Order. The

1 monetary relief ordered herein does not constitute full
2 compensation for the monetary harm alleged in the Complaint in
3 this action, and is not accepted as such. Defendants
4 acknowledge and agree that all money paid pursuant to this
5 Order is irrevocably paid to the Commission for purposes of
6 settlement between the Commission and defendants of the
7 Commission's claims in this action. Defendants acknowledge and
8 agree that they will execute and file any and all documents
9 necessary to transfer their frozen individual assets to the
10 Commission to satisfy, in whole or in part, the \$100,000
11 consumer redress/disgorgement amount provided for in this
12 Section.

13 **VII.**

14 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

15 **IT IS FURTHER ORDERED** that, within five (5) business days
16 after entry of this Order, individual defendants SUZETTE
17 OPPENHEIM and LESLIE OPPENHEIM shall each submit to the
18 Commission a truthful sworn and notarized statement, in the
19 form shown on Appendix 1, *infra pp. 31-32*, that shall acknowledge
20 receipt of this Order as entered.

21 **VIII.**

22 **RIGHT TO REOPEN AND TERMINATE SUSPENSION**

23 **IT IS FURTHER ORDERED** that the Commission's agreement to
24 this Order is expressly premised upon the truthfulness,
25 accuracy and completeness of defendant SUZETTE OPPENHEIM's
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1 financial statement, and upon her testimony provided in her
2 deposition of January 30, 2001. Said financial statement and
3 testimony contain material information upon which the FTC has
4 relied in negotiating and agreeing to the terms of this Order.
5 If, upon motion by the Commission to the Court, the Court finds
6 that defendant SUZETTE OPPENHEIM failed to submit to the
7 Commission the sworn statement required by **Section VII** of this
8 Order, or failed to disclose any material asset with a value
9 exceeding One Thousand Dollars (\$1,000), or materially
10 misrepresented the value of any asset, or made any other
11 material misrepresentation in or omission from her financial
12 statement or deposition testimony, the suspension of the
13 monetary judgment will be terminated and the entire judgment
14 amount of **Five Million Dollars (\$5,000,000)**, less any amounts paid to
15 the Commission by defendants pursuant to **Section VI** of this Order
16 and any amounts paid to the Commission by the Receiver pursuant
17 to **Section X** of this Order, will be immediately due and payable.
18 For purposes of this Section, and any subsequent proceedings to
19 enforce payment, including, but not limited to, a
20 non-dischargeability complaint filed in a bankruptcy
21 proceeding, individual defendants SUZETTE OPPENHEIM and LESLIE
22 OPPENHEIM stipulate to all of the allegations in the
23 Commission's Complaint.
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1 IX.

2 LIFT OF ASSET FREEZE

3 IT IS FURTHER ORDERED that the freeze of defendant SUZETTE
4 OPPENHEIM's assets, imposed in the Preliminary Injunction
5 entered in this proceeding, shall be lifted upon the entry of
6 this Order.

7 X.

8 RECEIVERSHIP

9 IT IS FURTHER ORDERED that the receivership imposed in the
10 Preliminary Injunction entered in this proceeding shall be
11 continued until such time as the Receiver has taken the
12 necessary steps to wind down the business of the receivership
13 defendant. The individual defendants renounce any and all
14 claims to any funds transferred to the receivership estate, and
15 all such funds shall be treated as corporate funds subject to
16 the provision of this Section. Steps taken by the Receiver to
17 wind down the business shall include canceling the receivership
18 defendant's contracts, liquidating the receivership defendant's
19 assets and taking such other steps as may be necessary to
20 terminate the receivership defendant efficiently. The Receiver
21 is directed to provide a report to the Court which details the
22 steps taken to dissolve the receivership estate. The report
23 shall include an inventory of the receivership estate and an
24 accounting of the receivership estate's finances. Upon
25 completion of the requirements of this Section, the Receiver
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1 shall move that this Court order termination of this
2 receivership. At such time, the Receiver shall make a final
3 request for payment of compensation for the performance of
4 duties pursuant to the Preliminary Injunction entered in this
5 proceeding and the cost of actual out-of-pocket expenses
6 incurred. Once the Receiver has been compensated in an amount
7 approved by the Court, the Receiver shall transfer all
8 remaining funds of the receivership defendant to the Commission
9 for consumer redress or disgorgement as provided for in
10 **Section XI** of this Order. The Receiver shall promptly return all
11 other records of the receivership defendant in her possession
12 relating to its financial operation to individual defendants
13 SUZETTE OPPENHEIM and LESLIE OPPENHEIM so that they may prepare
14 and file all necessary income tax returns.

15 **XI.**

16 **USE OF CONSUMER REDRESS AND DISGORGEMENT FUNDS**

17 **IT IS FURTHER ORDERED** that:

18 A. The Commission shall deposit funds received from the
19 individual defendants and the Receiver pursuant to this Order
20 in an interest-bearing account pending final disposition of
21 this action as to all parties. Upon such final disposition,
22 the funds shall be used to provide redress to injured consumers
23 and to pay expenses of administering the redress fund;

24 B. If the Commission determines, in its sole discretion,
25 that redress to consumers is wholly or partially impracticable,
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1 any funds not so used shall be deposited into the United States
2 Treasury. Defendants shall have no right to contest the manner
3 of distribution chosen by the Commission;

4 C. If the Commission determines that payment of redress
5 to consumers is not impracticable, the Commission shall have
6 full and sole discretion to determine the criteria and
7 parameters for participation by injured consumers in a redress
8 program, and may delegate any and all tasks connected with such
9 redress program to any individuals, partnerships, or
10 corporations, and pay the fees, salaries, and expenses incurred
11 thereby in carrying out said tasks from the funds received
12 pursuant to this Order.

13 **XII.**

14 **RECORD KEEPING PROVISIONS**

15 **IT IS FURTHER ORDERED** that, for a period of five (5) years
16 from the date of entry of this Order, the individual
17 defendants, in connection with any and every business entity of
18 which he or she is a majority owner, or which he or she
19 otherwise manages or controls, is hereby restrained and
20 enjoined from failing to retain, in a location under his or her
21 control, for a period of three (3) years following the date of
22 such creation, unless otherwise specified:

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

5 B. Records accurately reflecting: the name, address,
6 and telephone number of each person employed in any capacity by
7 such business, including as an independent contractor; that
8 person's job title or position; the date upon which the person
9 commenced work; and the date and reason for the person's
10 termination, if applicable. The businesses subject to this
11 Section of the Order shall retain such records for any
12 terminated employee for a period of three (3) years following
13 the date of termination;

14 C. Records containing the names, addresses, phone
15 numbers, dollar amounts paid, quantity of items or services
16 purchased, and description of items or services purchased, for
17 all consumers to whom such business has sold, invoiced or
18 shipped any goods or services, or from whom such business
19 accepted money or other items of value;

20 D. Records that reflect, for every consumer complaint or
21 refund request, whether received directly or indirectly or
22 through any third party:

23 1. the consumer's name, address, telephone number
24 and the dollar amount paid by the consumer;

1 2. the written complaint or refund request, if any,
2 and the date of the complaint or refund request;

3 3. the basis of the complaint, including the name
4 of any salesperson complained against, and the nature and
5 result of any investigation conducted concerning any complaint;

6 4. each response and the date of the response;

7 5. any final resolution and the date of the
8 resolution; and

9 6. in the event of a denial of a refund request,
10 the reason for the denial; and

11 E. Copies of all sales scripts, training materials,
12 advertisements, or other marketing materials utilized; *provided*
13 that copies of all sales scripts, training materials,
14 advertisements, or other marketing materials utilized shall be
15 retained for three (3) years after the last date of
16 dissemination of any such materials.

17 **XIII.**

18 **COMPLIANCE REPORTING**

19 **IT IS FURTHER ORDERED** that, in order that compliance with
20 the provisions of this Order may be monitored, for a period of
21 five (5) years commencing with the date of entry of this Order,
22 individual defendants shall notify the Commission of the
23 following:

24 A. Any change of residence, mailing address or telephone
25 number, within ten (10) days of the date of such change;
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1 B. Any change in employment status, self-employment,
2 within ten (10) business days of such change; such notice shall
3 include the name and address of each business with which he or
4 she is affiliated or employed, a statement of the nature of the
5 business, and a statement of his or her duties and
6 responsibilities in connection with the business; and

7 C. Any proposed change in the structure of any business
8 entity owned or controlled by him or her, such as creation,
9 incorporation, dissolution, assignment, sale, creation or
10 dissolution of subsidiaries, or any other changes that may
11 affect compliance obligations arising out of this Order, within
12 thirty (30) days prior to the effective date of any proposed
13 change; *provided, however,* that with respect to any proposed
14 change in structure of such business about which individual
15 defendants learn, less than thirty (30) days prior to the date
16 such action is to take place, he or she shall notify the
17 Commission as soon as practicable after learning of such
18 proposed change.

19 **XIV.**

20 **ACCESS TO BUSINESS PREMISES**

21 **IT IS FURTHER ORDERED** that, for a period of five (5) years
22 from the date of entry of this Order, for the purpose of
23 further determining compliance with this Order, individual
24 defendants shall permit representatives of the Commission,
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1 within three (3) business days of receipt of written notice
2 from the Commission:

3 A. Access during normal business hours to any office, or
4 facility storing documents, of any business where he or she is
5 the majority owner of the business or directly or indirectly
6 manages or controls the business. In providing such access, he
7 or she shall permit representatives of the Commission to
8 inspect and copy all documents relevant to any matter contained
9 in this Order; and shall permit Commission representatives to
10 remove documents relevant to any matter contained in this Order
11 for a period not to exceed five (5) business days so that the
12 documents may be inspected, inventoried, and copied; and

13 B. To interview the officers, directors, and employees,
14 including all personnel involved in responding to consumer
15 complaints or inquiries, and all sales personnel, whether
16 designated as employees, consultants, independent contractors
17 or otherwise, of any business to which Paragraph A of this
18 Section applies, concerning matters relating to compliance with
19 the terms of this Order. The person interviewed may have
20 counsel present. **Provided** that, upon application of the
21 Commission and for good cause shown, the Court may enter an
22 *ex parte* order granting immediate access to all premises at
23 which individual defendants conduct business or store
24 documents, for the purposes of inspecting and copying all
25 documents relevant to any matter contained in this Order.

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XV.

FTC'S AUTHORITY TO MONITOR COMPLIANCE

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

A. The Commission is authorized, without further leave of this Court, but on notice to counsel for defendants as required by the Federal Rules of Civil Procedure, to obtain discovery from any person in the manner provided by Chapter V of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 26-37, including the use of compulsory process pursuant to Federal R. Civ. P. 45, for the purpose of investigating compliance with any provision of this Order;

B. The Commission is authorized, without the necessity of prior notice, to use representatives posing as consumers to individual defendants and each of his or her employees, or any other entity managed or controlled in whole or in part by him or her;

C. Nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, for the purpose of investigation compliance with this Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

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XVI.

ORDER DISTRIBUTION

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

A. Immediately provide a copy of this Order to, and obtain a signed and dated acknowledgment of receipt of the same from, each officer, director and managing agent in any company or other business entity directly or indirectly owned, operated or controlled by the individual defendant; and

B. Maintain, and upon reasonable notice make available to the FTC's representatives, the original and dated acknowledgments of the receipts required by this Section of this Order.

XVII.

NOTICES

IT IS FURTHER ORDERED that for purposes of this Order, individual defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

REGIONAL DIRECTOR
Federal Trade Commission
East Central Region
(FTC v. Pacific Office Systems, Inc., et al.)
Eaton Center - Suite 200
1111 Superior Avenue
Cleveland, Ohio 44114-2507

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XVIII.

WAIVER OF CLAIMS

Defendants PACIFIC OFFICE SYSTEMS, INC., SUZETTE OPPENHEIM and LESLIE OPPENHEIM waive all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and all rights to seek appellate review or otherwise challenge or contest the validity of this Order, or the temporary or preliminary orders entered in this proceeding, and further waive and release any claim they may have against the FTC, the Receiver, or their employees, agents, or representatives, and the Receiver waives all claims she may have against the individual defendants.

XIX.

INDEPENDENCE OF OBLIGATIONS

IT IS FURTHER ORDERED that the expiration of any requirements imposed by this Order shall not affect any other obligation arising under this Order.

XX.

COSTS AND ATTORNEYS FEES

IT IS FURTHER ORDERED that each party to this Order bear its own costs and attorneys fees incurred in connection with this action.

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XXI.

CONTINUED JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

XXII.

ENTRY BY CLERK

THERE BEING NO JUST REASON FOR DELAY, the Clerk of Court is hereby directed to enter this Order.

SO ORDERED, this _____ day of _____.

Judge Dean D. Pregerson
United States District Judge

1 STIPULATED TO:

2 BY PLAINTIFF
3 Federal Trade Commission

4 BRINLEY H. WILLIAMS
5 BRENDA W. DOUBRAVA
6 GERALD C. ZEMAN
7 Trial Counsel

8
9 BARBARA Y.K. CHUN, Local Counsel
10 Attorneys for Plaintiff FTC

11 *Date* _____

12
13 BY CORPORATE DEFENDANT
14 Pacific Office Systems, Inc.

15 *BY:*

16 _____
17 SUZETTE OPPENHEIM
18 *Owner and Officer of*
19 *Defendant Corporation*
20 *Pacific Office Systems, Inc.*

21 *Date* _____

22 BY INDIVIDUAL DEFENDANTS

23 _____
24 SUZETTE OPPENHEIM,
25 *individually and as an officer*
26 *of defendant corporation*
Pacific Office Systems, Inc.

Date _____

27 _____
28 LESLIE OPPENHEIM,
29 *individually and as an employee*
30 *and manager of defendant*
31 *corporation Pacific Office*
32 *Systems, Inc.*

Date _____

33 BY THE COURT-APPOINTED RECEIVER

1 for Corporate Defendant
2 Pacific Office Systems, Inc.

3

RITA M. HAEUSLER, ESQ.
4 Hughes Hubbard & Reed LLP
5 350 South Grand Avenue, Suite 3600
6 Los Angeles, California 90071-3442
7 Phone: 213-613-2800
8 Fax: 213-613-2950

9
10
11 *Date* _____

12 **BY COUNSEL FOR DEFENDANTS**
13 Pacific Office Systems, Inc.
14 Suzette Oppenheim and
15 Leslie Oppenheim

16

LEONARD J. COMDEN, ESQ.
17 Wasserman, Comden & Casselman LLP
18 5567 Reseda Boulevard, Suite 330
19 Tarzana, California 91357-7033
20 Phone: 818-705-6800; 213-872-0995
21 Fax: 818-345-0162; 996-8266

22
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26 *Date* _____

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APPENDIX 1

Form of Affidavit Re:

Acknowledgement of Service of
Stipulated Final Judgment and Order

1 [APPENDIX 1]

2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE CENTRAL DISTRICT OF CALIFORNIA

4 **FEDERAL TRADE COMMISSION,**

5 Plaintiff,

6 v.

7 **PACIFIC OFFICE SYSTEMS, INC.,**
8 a corporation, and

9 **SUZETTE OPPENHEIM,**
10 individually and as an
11 officer of the corporation,
12 and

13 **LESLIE OPPENHEIM,**
14 individually and as an
15 employee and manager of
16 the corporation,

17 Defendants.

Case No. 00-10293 DDP (CTx)

Judge Dean D. Pregerson

Magistrate Judge Carolyn Turchin

**DEFENDANT [Name]'s
AFFIDAVIT RE:**

**ACKNOWLEDGMENT OF SERVICE
OF STIPULATED FINAL
JUDGMENT AND ORDER**

18 I, [Name], hereby declare as follows:

19 1. I am a defendant in the action *Federal Trade*
20 *Commission v. Pacific Office Systems, Inc., Suzette Oppenheim*
21 *and Leslie Oppenheim*, United States District Court, Central
22 District of California, Case No. 00-10293 DDP (CTx). My
23 current residence address is _____. I am a citizen of the
24 United States and over the age of eighteen. I have personal
25 knowledge of the facts set forth in this Affidavit.

26 2. I agreed to entry of a STIPULATED FINAL JUDGMENT AND ORDER
("Stipulated Order") against me to settle the charges in the
Commission's Complaint. I read the provisions of the

1 [APPENDIX 1]

2 Stipulated Order before signing it. I understand all the
3 provisions of the Stipulated Order. By signing the Stipulated
4 Order, I agreed to be bound by those provisions.

5 3. On Date , I received a copy of the Stipulated
6 Order, which had been signed by a United States District Judge
7 and was entered on Date . A true and correct copy of the
8 Stipulated Order I received is appended to this affidavit.
9 After receiving the entered Stipulated Order, I reviewed it and
10 confirmed it was the document I had previously signed.

11 I declare under penalty of perjury under the laws of the
12 United States that the foregoing is true and correct. Executed
13 on Date , at _____, California.

14
15 _____
16 **[Name]**

17
18 State of _____, City of _____

19
20 Subscribed and sworn to before me this _____ day of

21 _____, _____.

22
23 _____
24 Notary Public

25 My Commission Expires _____