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DISTRICT OF NEVADA
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14 UNITED STATES DISTRICT COURT
15 DISTRICT OF NEVADA

16 Federal Trade Commission,
17 Plaintiff,
18 v.
19 Global Net Solutions, Inc., et al.,
20 Defendants.

21 Civil Action No.
22 CV-S-05-0002-PMP (LRL)

23 STIPULATED ORDER FOR
24 PERMANENT INJUNCTION AND
25 MONETARY JUDGMENT

26 Plaintiff, the Federal Trade Commission ("Commission" or "FTC") filed its Complaint
27 for a permanent injunction and other relief in this matter pursuant to Sections 13(b) and 19 of the
28 Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) & 57b, and Section 7(a) of the
Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-
SPAM" or the "CAN-SPAM Act"), 15 U.S.C. § 7706(a). The Commission and the Defendants,
as hereinafter defined, hereby stipulate to the entry of this Stipulated Order for Permanent
Injunction and Monetary Judgment ("Order") to resolve all matters of dispute between them in
this action.

THEREFORE, on the joint motion of the parties, it is hereby ORDERED,
ADJUDGED AND DECREED as follows:

1 FINDINGS

2 1. This Court has jurisdiction over the subject matter of this case and the parties
3 pursuant to 15 U.S.C. §§ 45(a), 53(b), 57b, and 7706(a), and 28 U.S.C. §§ 1331, 1337(a), and
4 1345.

5 2. Venue in this District is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b)
6 and (c).

7 3. The activities of Defendants are in or affecting “commerce,” as that term is
8 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

9 4. The Complaint states a claim upon which relief may be granted against
10 Defendants under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and
11 57(b), Sections 5(a) and (d) of the CAN-SPAM Act, 15 U.S.C. §§ 7704(a) and (d), and the
12 FTC’s Adult Labeling Rule, 16 C.F.R. Part 316.4.

13 5. Defendants have entered into this Order freely and without coercion. Defendants
14 further acknowledge that they have read the provisions of this Order and are prepared to abide by
15 them.

16 6. The undersigned, individually and by and through their counsel, have agreed that
17 the entry of this Order resolves all matters of dispute between them arising from the Complaint in
18 this action, up to the date of entry of this Order.

19 7. Defendants waive all rights to seek appellate review or otherwise challenge or
20 contest the validity of this Order. Defendants further waive and release any claim they may have
21 against the Commission, its employees, representatives, or agents.

22 8. Defendants agree that this Order does not entitle Defendants to seek or to obtain
23 attorneys’ fees as a prevailing parties under the Equal Access to Justice Act, 28 U.S.C. § 2412, as
24 amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and Defendants further waive any
25 right to attorneys’ fees that may arise under said provision of law.

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

1 10. No provision of this Order shall be construed as an admission or denial that
2 Defendants have engaged in violations of the FTC Act, CAN-SPAM, or the Adult Labeling Rule.

3 11. Entry of this Order is in the public interest, and there being no just reason for
4 delay, the Clerk is directed to enter judgment immediately.

5
6 **ORDER**
7 **Definitions**

8
9 1. **"Affiliate Program"** means any arrangement whereby any person through hyperlinks
10 on the World Wide Web, hyperlinks in commercial email messages, or any other Internet-based
11 mechanism, provides Defendants with, or refers to Defendants, potential or actual customers.

12 2. **"Affirmative consent"** to receipt of a commercial email message means that:

- 13 a. the recipient expressly consented to receive the message, either in response
14 to a clear and conspicuous request for such consent or at the recipient's
15 own initiative, and
16 b. if the message is from a party other than the party to which the recipient
17 communicated such consent, the recipient was given clear and
18 conspicuous notice at the time the consent was communicated that the
19 recipient's electronic mail address could be transferred to such other party
20 for the purpose of initiating commercial electronic mail messages.

21 15 U.S.C. § 7702(1).

22 3. **"Commercial electronic mail message"** (or **"commercial email"**) means any
23 electronic mail message the primary purpose of which is the commercial advertisement or
24 promotion of a commercial product or service (including the content on an Internet website
25 operated for commercial purposes) and that further satisfies the requirements of 16 C.F.R. 316.1
26 et seq.

27 4. **"Defendants"** means Global Net Solutions, Inc., Global Net Ventures, Ltd., Wedlake,
28 Ltd., Open Space Enterprises, Inc., Southlake Group, Inc., WTFRC, Inc., doing business as

1 Reflected Networks, Inc., Dustin Hamilton, Tobin Banks, Gregory Hamilton, and Philip Doroff,
2 or each of them.

3 5. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in
4 Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
5 photographs, audio and video recordings, computer records including email, ICQ, or other
6 electronic communications, and other data compilations from which information can be obtained
7 and translated, if necessary, through detection devices into reasonably usable form. A draft or
8 non-identical copy is a separate document within the meaning of the term. Any document
9 provided by one party to another pursuant to this Order shall be provided in a format that is
10 accessible to the receiving party.

11 6. **“Electronic mail address”** (or **“email address”**) means a destination, commonly
12 expressed as a string of characters, consisting of a unique user name or mailbox (commonly
13 referred to as the **“local part”**) and a reference to an Internet domain (commonly referred to as the
14 **“domain part”**), whether or not displayed, to which an electronic mail message can be sent or
15 delivered.

16 7. **“Electronic mail message”** (or **“email”**) means a message sent to a unique electronic
17 mail address.

18 8. **“Header information”** means the source, destination, and routing information
19 attached to an electronic mail message, including the originating domain name and originating
20 electronic mail address, and any other information that appears in the line identifying, or
21 purporting to identify, a person initiating the message.

22 9. **“Initiate,”** when used with respect to a commercial email message, means to originate
23 or transmit such message or to procure the origination or transmission of such message.

24 10. **“Procure,”** when used with respect to the initiation of a commercial email message,
25 means intentionally to pay or provide other consideration to, or induce, another person to initiate
26 such a message on one’s behalf.

27 11. **“Sender”** means a person who initiates a commercial electronic mail message and
28 whose product, service, or Internet website is advertised or promoted by the message.

1 12. "Sexually oriented material" means any material that depicts sexually-explicit
2 conduct as that term is defined in 18 U.S.C. § 2256, unless the depiction constitutes a small and
3 insignificant part of the whole, the remainder of which is not primarily devoted to sexual matters.

4 13. "Valid physical postal address" means a sender's current street address, a Post
5 Office box a sender has registered with the United States Postal Service, or a private mailbox a
6 sender has registered with a commercial mail receiving agency that is established pursuant to
7 United States Postal Service regulations.

8 9 Prohibition Against Violating the CAN-SPAM Act

10 I.

11 **IT IS THEREFORE ORDERED** that Defendants and their officers, agents, servants,
12 employees, and attorneys, and those persons in active concert or participation with them who
13 receive actual notice of this Order by personal service or otherwise, are hereby permanently
14 restrained and enjoined from violating the CAN-SPAM Act, 15 U.S.C. §§ 7701 et seq., including
15 but not limited to initiating the transmission of a commercial email message:

- 16 A. That does not contain a functioning return email address or other Internet-based
17 mechanism, clearly and conspicuously displayed, that (i) a recipient may use to
18 submit, in a manner specified in the message, a reply email message or other form
19 of Internet-based communication requesting not to receive future commercial
20 email messages from that sender at the email address where the message was
21 received; and (ii) that remains capable of receiving such messages or
22 communications for no less than 30 days after the transmission of the original
23 message;
- 24 B. That does not provide clear and conspicuous identification that the message is an
25 advertisement or solicitation;
- 26 C. That does not contain a clear and conspicuous notice of a recipient's opportunity
27 to decline to receive further commercial email messages from Defendants; and
28

- 1 D. That does not contain a clear and conspicuous display of an accurate, valid,
2 physical postal address of the sender of the message.

3
4 **Prohibition Against Violating the Adult Labeling Rule**
5 **II.**

6 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
7 employees, and attorneys, and those persons in active concert or participation with them who
8 receive actual notice of this Order by personal service or otherwise, are permanently restrained
9 and enjoined from violating the Adult Labeling Rule, 16 C.F.R. Part 316.4, including, but not
10 limited to, initiating the transmission of commercial email that includes sexually oriented
11 material:

- 12 A. That does not contain the phrase "SEXUALLY-EXPLICIT: " as the first nineteen
13 (19) characters at the beginning of the subject line of the message;
14 B. That includes sexually oriented materials within the subject line of the message;
15 or
16 C. That includes sexually oriented materials within the content of the message that is
17 initially viewable by the recipient, when the message is opened by the recipient
18 and absent any further action by the recipient.

19 **Provided, however,** that the requirements of this Part do not apply to commercial emails
20 transmitted only to persons who have given prior affirmative consent to receipt of such messages.

21
22 **Prohibition Against Misrepresentations**
23 **III.**

24 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
25 employees, and attorneys, and those persons in active concert or participation with them who
26 receive actual notice of this Order by personal service or otherwise, are permanently restrained
27 and enjoined from initiating the transmission of commercial email that is false or misleading,
28 including but not limited to commercial email:

- 1 A. That contains, or is accompanied by, header information that includes a
2 nonexistent email address or domain name, an email address or domain name
3 used without the permission of its owner, or an email address or domain name
4 obtained by means of false or fraudulent representations, or header information
5 that is otherwise false or misleading;
- 6 B. That contains, or is accompanied by, a subject header that is false or misleading;
7 or
- 8 C. That misrepresents that any product, service, or Internet website is free.
- 9

10 **Monitoring by Defendants for Compliance**

11 **IV.**

12 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
13 employees, and attorneys, and those persons in active concert or participation with them who
14 receive actual notice of this Order by personal service or otherwise, are hereby permanently
15 restrained and enjoined from failing to immediately take the following steps to ensure
16 compliance with Parts I, II, and III of this Order:

- 17 A. Prior to a person's participation in Defendants' affiliate program, Defendants shall
18 require each prospective participant to provide identifying information to the
19 Defendants, including, but not be limited to:
- 20 1. the name, physical address, and a working telephone number for each
21 prospective participant. In the event that the prospective participant is not
22 a natural person, but is a corporation, partnership, proprietorship, limited
23 liability company, or other organization or legal entity, including an
24 association, cooperative, agency, or other group or combination acting as
25 an entity, Defendants shall also require from that prospective participant
26 the name(s), address(es), and working telephone number(s) of the natural
27 person(s) who owns, manages, or controls that prospective participant;
- 28

- 1 2. if the natural person(s) listed in Paragraph A.1 of this Part resides in the
2 United States, a photocopy of that person's driver's license or other State-
3 issued identification card; and
4 3. if the natural person(s) listed in Paragraph A.1 of this Part resides outside
5 of the United States, a photocopy of a government-issued identification for
6 such person;

7 B. Defendant shall require each person who participates in Defendants' affiliate
8 programs to provide identifying information to the Defendants concerning that
9 participant's sub-affiliates, employees, agents, or sub-contractors who initiate
10 commercial email messages on Defendants' behalf. Such identifying information
11 shall include the same types of information as required by Paragraph III.A and
12 shall be required prior to that person's participation in Defendants' affiliate
13 program or immediately after any change to that participant's sub-affiliates,
14 employees, agents, or sub-contractors;

15 C. Prior to a person's participation in Defendants' affiliate program, Defendants shall
16 provide each prospective participant with a copy of this Order;

17 D. Prior to a person's participation in Defendants' affiliate program, Defendants shall
18 obtain from each prospective participant an express written agreement to comply
19 with this Order, the CAN-SPAM Act, and the Adult Labeling Rule, and an
20 acknowledgment of receipt of this Order;

21 E. Defendants shall require each person who initiates commercial email messages on
22 Defendants' behalf to follow the requirements of the Adult Labeling Rule, even if
23 the person who is initiating commercial email messages on Defendants' behalf
24 claims to have the recipient's prior affirmative consent to receipt of such a
25 message;

26 F. Defendants shall require each person who initiates commercial email messages on
27 Defendants' behalf to submit to Defendants, at least seven (7) days prior to the
28 start of an email campaign on Defendants' behalf, the following information:

- 1 1. a certification as to how that person obtained each email address that the
- 2 person intends to use in such email campaign;
- 3 2. the subject line, body, and source code for each email message in the
- 4 proposed email campaign;
- 5 3. the email address(es) from which each proposed campaign will be sent;
- 6 and
- 7 4. the proposed dates that the email messages in the campaign will be sent;

8 G. At least three (3) days prior to the start of an email campaign that has been
9 submitted to Defendants under Paragraph F of this Part, Defendants shall review
10 that email campaign for compliance with the CAN-SPAM Act, the Adult Labeling
11 Rule, and this Order. If, after reviewing such email campaign, Defendants
12 determine that the campaign is in compliance with the CAN-SPAM Act, the Adult
13 Labeling Rule, and this Order, Defendants shall provide to the person who
14 submitted that email campaign a written acknowledgment of Defendants'
15 approval of such email campaign. If, after reviewing such email campaign,
16 Defendants determine that the campaign is not in compliance with the CAN-
17 SPAM Act, the Adult Labeling Rule, or this Order, Defendants shall take
18 immediate steps to ensure that such email campaign is not initiated on the
19 Defendants' behalf;

20 H. Defendants shall establish, implement, and maintain a functioning email address
21 or other Internet-based mechanism that recipients of commercial email messages
22 initiated on Defendants' behalf may use to submit directly to Defendants a reply
23 email message or other form of Internet-based communication requesting not to
24 receive future commercial email messages from the sender of that message at the
25 electronic mail address where the message was received;

26 I. Defendants shall require each person who initiates commercial email messages on
27 Defendants' behalf to include in each email message that is initiated on
28 Defendants' behalf a functioning hyperlink or other Internet-based mechanism,

1 clearly and conspicuously disclosed, that recipients can use to access the email
2 address or other Internet-based mechanism established by Defendants in

3 Paragraph H of this Part;

4 J. Within ten (10) business days of receiving a reply email message or other form of
5 Internet-based communication from a recipient pursuant to the procedures
6 established under Paragraph H of this Part, Defendants shall require each person
7 who initiates commercial email messages on Defendants' behalf to stop initiating
8 commercial email messages on Defendants' behalf to such recipient;

9 K. Defendants shall require every tenth new subscriber to identify, prior to that
10 subscriber first accessing the content of Defendants' web sites and prior to that
11 subscriber submitting any payment information, whether or not the subscriber had
12 been directed to Defendants' web site by a commercial email message. If a
13 subscriber indicates that he or she was referred to Defendants' web site through a
14 commercial email message, Defendants shall ensure that email message complies
15 with Paragraph G of this Part and effectively monitor the person who sent such
16 message to ensure that person's continued compliance with the CAN-SPAM Act,
17 the Adult Labeling Rule, and this Order;

18 L. Defendants shall establish, implement, and maintain an email address, other
19 Internet-based mechanism, or toll-free telephone number for receiving and
20 responding to consumer complaints, whether received directly by Defendants or
21 through an intermediary, concerning violations of the CAN-SPAM Act, the Adult
22 Labeling Rule, and this Order;

23 M. Defendants shall require each person who initiates commercial email messages on
24 Defendants' behalf to include in each email message that is initiated on
25 Defendants' behalf a functioning hyperlink or other Internet-based mechanism,
26 clearly and conspicuously disclosed, that recipients can use to access the email
27 address or other Internet-based mechanism established by Defendants pursuant to
28 Paragraph L of this Part;

1 N. Defendants shall establish, implement, and maintain a procedure to ascertain the
2 number and nature of consumer complaints received each month for each affiliate;

3 O. Defendants shall promptly and fully investigate, in accordance with the best
4 practices of the industry, any complaint received by Defendants regarding a
5 commercial email message that was initiated by Defendants;

6 P. Defendants shall require each person who participates in Defendants' affiliate
7 programs to create, maintain, and retain the records and documents necessary to
8 demonstrate each person's full compliance with each provision of this Order; and

9 Q. Defendants shall immediately terminate from Defendants' affiliate program and
10 cease payment to any person who has initiated commercial email messages on
11 Defendants' behalf that violate the CAN-SPAM Act, the Adult Labeling Rule, or
12 any provision of this Order.

13 *Provided, however,* that this Part does not authorize or require Defendants to take any
14 action that violates any federal, state, or local law.

15
16 **Disgorgement**
17 V.

18 **IT IS FURTHER ORDERED** that Defendants, their successors and assigns, by July 1,
19 2005, or within five (5) days of entry of this Order, whichever is later, shall pay to the
20 Commission disgorgement in the amount of Six Hundred Twenty-One Thousand Dollars
21 (\$621,000).

22 A. Payment to the FTC shall be made by wire transfer to the account of the Federal
23 Trade Commission, Treasury ABA number: 021030004, ALC number: 29000001,
24 Reference information: FTC v. Global Net Solutions, Matter Number X050018,
25 or by certified check to the FTC, Financial Management Office, 600 Pennsylvania
26 Ave, N.W., Washington, DC 20580;

27 B. In the event of any default in payment, which default continues for ten (10) days
28 beyond the due date of payment, the entire unpaid disgorgement amount, together

1 with interest, as computed pursuant to 28 U.S.C. § 1961 from the date of default
2 to the date of payment, shall immediately become due and payable, and Plaintiff is
3 hereby authorized to enter judgment for such amount against defendants Global
4 Net Solutions, Inc., Global Net Ventures, Ltd., Wedlake, Ltd., Open Space
5 Enterprises, Inc., Southlake Group, Inc., WTFRC, Inc., doing business as
6 Reflected Networks, Inc., Dustin Hamilton, Tobin Banks, and Gregory Hamilton,
7 or any of them;

8 C. The Commission's agreement to this Order is expressly premised upon the
9 truthfulness, accuracy, and completeness of the financial statements signed by
10 Defendants, the financial estimates provided to the Commission by Defendants on
11 February 15, 2005, and the Affidavit of Dustin Hamilton dated July 6, 2005,
12 attesting that Defendants paid to defendant Paul Rose \$79,018 in commissions
13 during 2004. These documents contain material information upon which the
14 Commission has relied in negotiating and agreeing to this Order. If, upon motion
15 by the Commission, this Court finds that Defendants have materially understated
16 the revenues derived by Defendants during 2004 as a result of email solicitations
17 or overstated the amount paid to defendant Paul Rose as commissions, the Court
18 shall enter judgment against Defendants for the amounts by which revenues have
19 been understated or payments to Rose have been overstated; and

20 D. Proceedings instituted under this Part are in addition to, and not in lieu of, any
21 other civil or criminal remedies that may be provided by law, including any other
22 proceedings the Commission may initiate to enforce this Order.
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1 **Lifting of the Asset Freeze**
2 **VI.**

3 **IT IS FURTHER ORDERED** that the freeze of the Defendants' assets pursuant to the
4 Preliminary Injunction Orders entered by this Court on January 11, 2005, shall be lifted to the
5 extent necessary to turn over assets for disgorgement as required by Part V of this Order, and
6 upon completion of that transfer, shall be lifted permanently.

7 **Compliance Monitoring**
8 **VII.**

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

- 11 A. Within ten (10) days of receipt of written notice from a representative of the
12 Commission, Defendants shall submit additional written reports, sworn to under
13 penalty of perjury; produce documents for inspection and copying; appear for
14 deposition; and/or provide entry during normal business hours to any business
15 location in Defendants' possession, or direct or indirect control, to inspect the
16 business operation;
- 17 B. In addition, the Commission is authorized to monitor compliance with this Order
18 by all other lawful means, including but not limited to the following:
- 19 1. obtaining discovery from any person, without further leave of court, using
20 the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;
21 and
22 2. posing as consumers and suppliers to Defendants, to any of Defendants'
23 employees, or to any other entity managed or controlled in whole or in part
24 by Defendants, without the necessity of identification or prior notice; and
- 25 C. Defendants shall permit representatives of the Commission to interview any
26 employer, consultant, independent contractor, representative, agent, or employee
27 who has agreed to such an interview, relating in any way to any conduct subject to
28 this Order. The person interviewed may have counsel present.

1 *Provided, however,* that nothing in this Order shall limit the Commission's lawful use of
2 compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and
3 57b-1, to obtain any documentary material, tangible things, testimony, or information
4 relevant to unfair or deceptive acts or practices in or affecting commerce (within the
5 meaning of 15 U.S.C. § 45(a)(1)).
6

7 **Compliance Reporting By Defendants**
8 **VIII.**

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

- 11 A. Each individual Defendant shall notify the Commission in writing of any of the
12 following:
- 13 1. any changes in residence, mailing addresses and telephone numbers of the
14 Defendant, within thirty (30) days of the date of such change;
 - 15 2. any change in employment status (including self-employment) of the
16 Defendant, and any change in the ownership interest of the Defendant in
17 any business entity engaged in commercial email, within thirty (30) days
18 of such change. Such notice shall include the name and address of each
19 business that the Defendant is affiliated with, employed by, or performs
20 services for, a statement of the nature of the business, and a statement of
21 the Defendant's duties and responsibilities in connection with the business
22 or employment; and
 - 23 3. any changes in the Defendant's name or use of any aliases or fictitious
24 names;
- 25 B. Each corporate Defendant shall notify the Commission of any changes in the
26 structure of any business entity that the Defendant directly or indirectly controls,
27 or has an ownership interest in, that may affect compliance obligations arising
28 under this Order, including but not limited to a dissolution, assignment, sale,

1 merger, or other action that would result in the emergence of a successor
2 corporation; the creation or dissolution of a subsidiary, parent, or affiliate that
3 engages in any acts or practices subject to this Order; the filing of a bankruptcy
4 petition; or a change in the corporate name or address, at least thirty (30) days
5 prior to such change, *provided that*, with respect to any proposed change in the
6 business entity about which the Defendant learns less than thirty (30) days prior to
7 the date such action is to take place, the Defendant shall notify the Commission as
8 soon as is practicable after obtaining such knowledge;

9 C. One hundred and eighty (180) days after the date of entry of this Order,
10 Defendants shall provide a written report to the FTC, sworn to under penalty of
11 perjury, setting forth in detail the manner and form in which they have complied
12 and are complying with this Order. This report shall include, but not be limited
13 to:

- 14 1. a copy of each acknowledgment of receipt of this Order, obtained
15 pursuant to Parts IV.D and X of this Order;
- 16 2. any changes required to be reported pursuant to Paragraph A or B of this
17 Part;
- 18 3. a list that identifies every person who is marketing or promoting, through
19 commercial email messages, any goods or services of Defendants since
20 entry of this Order;
- 21 4. a list of all names under which Defendants did or currently do business
22 since entry of this Order; and
- 23 5. a list of all domain names and web page addresses Defendants have
24 registered or used since entry of the Order;

25 D. For the purposes of this Order, Defendants shall, unless otherwise directed by a
26 representative of the Commission, identify all written notifications to the FTC as
27 being in reference to FTC v. Global Net Solutions, Inc., et. al, United States
28

1 District Court, District of Nevada, Case No. CV-S-05-0002-PMP (LRL), and mail
2 them to:

3 Associate Director
4 Division of Marketing Practices
5 Federal Trade Commission
6 600 Pennsylvania Ave., NW, Rm. 238
7 Washington, DC 20580;

- 8 E. For purposes of the compliance reporting and monitoring required by this Order,
9 representatives of the Commission are authorized to communicate directly with
10 Defendants and their officers and managers.

11 Record Keeping Provisions

12 IX.

13 **IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry
14 of this Order, Defendants are hereby restrained and enjoined from failing to create and retain the
15 following records in connection with the marketing, advertising, promotion, offering for sale, or
16 sale of goods or services via commercial email messages or other Internet-based mechanisms:

- 17 A. Accounting records that reflect the cost of goods or services sold, revenues
18 generated, and the disbursement of such revenues;
- 19 B. Records accurately reflecting: the name, physical address, and telephone number
20 of each person employed in any capacity by such business, including as an
21 independent contractor or affiliate; that person's job title or position; the date
22 upon which the person commenced work; and the date and reason for the person's
23 termination, if applicable;
- 24 C. Customer files containing the names, addresses, phone numbers, dollar amounts
25 paid, quantity of items or services purchased, and description of items or services
26 purchased, to the extent such information is obtained in the ordinary course of
27 business;
- 28 D. Records that reflect, for every written or oral consumer complaint received by
Defendants, whether directly or indirectly or through any third party, including

1 affiliates: (1) the consumer's name, address, and telephone number; (2) the
2 written complaint or request, if any; (3) the basis of the complaint or request;
3 (4) the nature and result of any investigation conducted concerning the complaint
4 or request; (5) each response and the date of such response to the complaint or
5 request; (6) any final resolution of the complaint or request, and the date of such
6 resolution; and (7) in the event of a denial of any resolution, the reason for the
7 denial;

8 E. Copies of all information obtained, pursuant to Part IV, from each person who
9 participates in Defendants' affiliate programs; and

10 F. All other records and documents necessary to demonstrate full compliance with
11 each provision of this Order, including but not limited to, all documents obtained,
12 created, generated or which in any way relate to the requirements, provisions or
13 terms of this Order, copies of signed and dated acknowledgments of receipt of this
14 Order, required by Parts IV.D and X of this Order, and all reports submitted to the
15 FTC pursuant to this Order.

16
17 **Distribution of Order by Defendants**

18 **X.**

19 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the date of entry
20 of this Order, Defendants shall deliver copies of this Order as directed below:

21 A. Defendants must deliver a copy of this Order to all of their officers, directors, and
22 managers. Defendants must also deliver copies of this Order to all of their
23 employees, agents, independent contractors, and persons who engage in conduct
24 related to the subject matter of this Order. For current personnel, delivery shall be
25 within five (5) days of service of this Order. For new personnel, delivery shall
26 occur prior to them assuming their responsibilities; and

27 B. Defendants must secure a signed and dated written or electronic statement (which
28 signature may be obtained electronically provided that the signature would

1 comply with the signature requirements of the Electronic Signatures in Global and
2 National Commerce Act, 15 U.S.C. § 7001 et seq.), acknowledging receipt of this
3 Order, within thirty (30) days of delivery, from all persons receiving a copy of this
4 Order pursuant to this Part.

5
6 **Acknowledgment of Receipt of Order by Defendants**
7 **XI.**

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

11 **Fees and Costs**
12 **XII.**

13 **IT IS FURTHER ORDERED** that each party to this Order hereby agrees to bear his or
14 its own costs and attorneys' fees incurred in connection with this action.

15 **Severability**
16 **XIII.**

17 **IT IS FURTHER ORDERED** that the provisions of this Order are separate and
18 severable from one another. If any provision is stayed or determined to be invalid, the remaining
19 provisions shall remain in full force and effect.

20 **Retention of Jurisdiction**
21 **XIV.**

22 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for
23 purposes of construction, modification and enforcement of this Order.
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25
26
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1 **JUDGMENT IS THEREFORE ENTERED** in favor of Plaintiff and against

2 Defendants, pursuant to all the terms and conditions recited above.

3
4 **IT IS SO ORDERED.**

5 
6 UNITED STATES DISTRICT JUDGE
7 DISTRICT OF NEVADA

8 DATED: 8-4-05

9 The parties, through their counsel's signature below, consent to the entry of this Stipulated
10 Judgment and Order for Permanent Injunction:

11 DATED: 8/1/05

12
13 **FOR DEFENDANTS**

14 Global Net Solutions, Inc.
15 Global Net Ventures, Inc.
16 Wedlake, Ltd.
17 WTFRC, Inc.

18 BY: 

19 Open Space Enterprises, Inc.

20 BY: 

21 Southlake Group, Inc.

22 BY: 

23 
24 Dustin Hamilton

25 
26 Tobin Banks

27 
28 Gregory Hamilton



1
2 Attorney for Defendants
Frank Cremen, Esq.
3 715 S. 4th St.
Las Vegas, NV 89101
4 Ph. 702-385-7475; fax (702) 385-9703

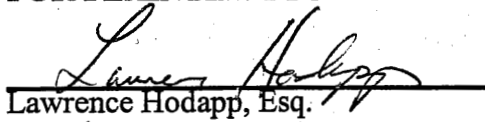
5 

6 Philip Doroff

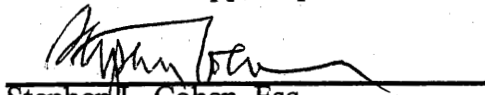
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8 Attorney for Defendant Doroff
9 David Paul Steiner (S.B. #064638) Admitted *Pro Hac Vice*
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12
13 **FOR PLAINTIFF FTC**

14 

15 Lawrence Hodapp, Esq.

16 

17 Stephen L. Cohen, Esq.
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Washington, DC 20580
19 Ph. (202) 326-3105; 326-3222; fax (202) 326-3395