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FEDERAL TRADE COMMISSION

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12 **UNITED STATES DISTRICT COURT**
CENTRAL DISTRICT OF CALIFORNIA
13 **WESTERN DIVISION**

14 _____)
FEDERAL TRADE COMMISSION,)
15) EDCV. 03-0030 VAP (SGLx)
Plaintiff,)
16)
v.)
17) STIPULATED FINAL ORDER
YAD ABRAHAM, also known as) FOR PERMANENT INJUNCTION
18 TIM THORN and TIMOTHY THORN,) AND SETTLEMENT OF ALL
individually and doing business as) CLAIMS AS TO DEFENDANT
19 SHARPTHORN INTERNET SOLUTIONS; and) YAD ABRAHAM
INTERNEX, LLC,)
20)
Defendants.)
21 _____)

22 The Federal Trade Commission ("FTC") commenced this civil
23 action on January 11, 2003, pursuant to Section 13(b) of the
24 Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b). The
25 FTC seeks permanent injunctive relief, consumer redress in the
26 form of restitution and rescission of contracts, and disgorgement
27 of unjust enrichment for alleged unfair or deceptive acts or
28 practices by Defendants in connection with the marketing of

1 international driving permits and other identification documents.
2 The FTC and Defendant Yad Abraham hereby stipulate to this
3 Stipulated Final Order for Permanent Injunction and Settlement of
4 All Claims As To Defendant Yad Abraham ("Order").

5 **FINDINGS**

6 By stipulation of the parties, the Court finds as follows:

7 1. The FTC has the authority under Sections 5(a) and 13(b)
8 of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b), to seek the relief
9 it has requested, and the Complaint states a claim upon which
10 relief may be granted against Abraham.

11 3. This Court has jurisdiction over the subject matter of
12 this action and has jurisdiction over Abraham. Venue in the
13 Central District of California is proper.

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

17 5. The FTC and Abraham stipulate and agree to this Order,
18 without trial or final adjudication of any issue of fact or law,
19 to settle and resolve all matters in dispute arising from the
20 Complaint to the date of entry of this Order. Abraham does not
21 admit any of the allegations set forth in the Complaint, other
22 than jurisdictional facts.

23 6. Abraham waives all rights to seek judicial review or
24 otherwise challenge or contest the validity of this Order.
25 Abraham also waives any claim that he may have held under the
26 Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the
27 prosecution of this action to the date of this Order. Each
28 settling party shall bear its own costs and attorneys' fees.

1 or providing, or arranging for the formulation or provision of,
2 any telephone sales script or any other written marketing
3 material, including, but not limited to, the text of any Internet
4 website, email or other electronic communication; (c) providing
5 names of, or assisting in the generation of, potential customers;
6 (d) performing marketing services of any kind; (e) acting as an
7 officer or director of a business entity; or (f) supplying an
8 international driving permit, identification document, false
9 identification document, identification template, or related
10 material or information, whether denoted as a real or novelty
11 item.

12 **ORDER**

13 **I. BAN ON CERTAIN ACTIVITIES**

14 IT IS THEREFORE ORDERED that Abraham, whether acting
15 directly or through any person or entity, is permanently
16 restrained and enjoined from (A) marketing, advertising,
17 promoting, offering for sale, distributing, or selling any
18 international driving permit, or any other identification
19 document, false identification document, identification template
20 or related material or information, whether denoted as a real or
21 novelty item; and (B) assisting others who Abraham knows or
22 consciously avoids knowing are engaged in the marketing,
23 advertising, promotion, offering for sale, distributing, or
24 selling of any international driving permit, or any other
25 identification document, false identification document,
26 identification template or related material or information,
27 whether denoted as a real or novelty item. Nothing in this Order
28 shall be read as an exception to this Paragraph.

1 ways a person can use a government-issued photo identification
2 document;

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

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

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

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

25 III. CONSUMER LISTS

26 IT IS FURTHER ORDERED that Abraham and his officers, agents,
27 servants, employees, and attorneys, and all persons or entities
28 in active concert or participation with him who receive actual

1 notice of this Order by personal service or otherwise, are
2 permanently restrained and enjoined from hereafter selling,
3 renting, leasing, transferring, or otherwise disclosing the name,
4 address, telephone number, credit card number, bank account
5 number, e-mail address, or other identifying information of any
6 person who paid any money to Abraham for any international
7 driving permit, identification document, or false identification
8 document, at any time prior to entry of this Order; *provided,*
9 *however,* that Abraham may disclose such identifying information
10 (i) with the express written consent of the person whose
11 information is disclosed, (ii) to a law enforcement agency, or
12 (iii) as required or authorized by any law, regulation, or court
13 order.

14 **IV. MONETARY RELIEF**

15 IT IS FURTHER ORDERED that:

16 A. Judgment is hereby entered against Abraham in the
17 amount of \$2.1 million; *provided, however,* that this judgment
18 shall be suspended as long as the Court makes no finding, as
19 provided in Paragraph VI of this Order, that Abraham has
20 materially misrepresented or omitted the nature, existence or
21 value of any asset;

22 B. Any funds received by the FTC pursuant to this
23 Paragraph IV shall be deposited into a fund administered by the
24 FTC or its agent to be used for equitable relief, including but
25 not limited to consumer redress and any attendant expenses for
26 the administration of any redress funds. In the event that
27 direct redress to consumers is wholly or partially impracticable
28 or funds remain after redress is completed, the FTC may apply any

1 remaining funds for such other equitable relief (including
2 consumer information remedies) as it determines to be reasonably
3 related to Abraham's practices alleged in the Complaint. Any
4 funds not used for such equitable relief shall be deposited to
5 the U.S. Treasury as equitable disgorgement. Abraham shall have
6 no right to challenge the FTC's choice of remedies or the manner
7 of distribution under this Paragraph IV;

8 C. Abraham further agrees that the facts as alleged in the
9 Complaint shall be taken as true in the event of any subsequent
10 litigation to collect amounts due pursuant to this Order,
11 including but not limited to a nondischargeability complaint in
12 any bankruptcy proceeding;

13 D. The judgment entered pursuant to this Paragraph IV is
14 equitable monetary relief, solely remedial in nature, and not a
15 fine, penalty, punitive assessment or forfeiture;

16 E. Abraham acknowledges and agrees that any money paid
17 pursuant to this Order is irrevocably paid to the FTC for
18 purposes of settlement between the FTC and Abraham, and Abraham
19 relinquishes all rights, title, and interest to such money; and

20 F. Abraham is hereby required, in accordance with 31
21 U.S.C. § 7701, to furnish to the FTC his Social Security number
22 and/or tax identification number, which shall be used for
23 purposes of collecting and reporting on any delinquent amount
24 arising out of this Order.

25 **V. ASSET FREEZE**

26 IT IS FURTHER ORDERED that, upon entry of the judgment, the
27 freeze of Abraham's assets shall be dissolved. Any Commercial
28 Mail Receiving Agency retaining and forwarding to the FTC mail

1 addressed to Abraham may resume forwarding mail directly to
2 Abraham.

3 **VI. RIGHT TO REOPEN**

4 IT IS FURTHER ORDERED that, within five business days after
5 entry of this Order, Abraham shall submit to the FTC a truthful
6 sworn statement that shall acknowledge receipt of this Order and
7 shall reaffirm and attest to the truthfulness, accuracy and
8 completeness of the financial statements submitted by Defendant
9 Abraham (Jan. 16, 2003, Individual Statement, and Jan. 16, 2003,
10 Business Statement) to the FTC, and the deposition testimony he
11 gave on March 11, 2003. The FTC's agreement to this Order is
12 expressly premised on the truthfulness, accuracy and completeness
13 of those financial statements and said deposition testimony. If,
14 upon motion by the FTC, the Court finds that Abraham's financial
15 statements or said deposition testimony contain any material
16 misrepresentation or omission, the suspended judgment entered in
17 Paragraph IV of this Order shall become immediately due and
18 payable; *provided, however,* that in all other respect this Order
19 shall remain in full force and effect unless otherwise ordered by
20 the Court; and, *provided further,* that proceedings instituted
21 under this provision would be in addition to, and not in lieu of,
22 any other civil or criminal remedies as may be provided by law,
23 including any other proceedings that the FTC may initiate to
24 enforce this Order. For purposes of this Paragraph VI, Abraham
25 waives any right to contest any of the allegations in the
26 Complaint.

1 advertisements, or other marketing materials.

2 **VIII. COMPLIANCE MONITORING**

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

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

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

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

18 2. posing as consumers and suppliers to: Abraham, his
19 employees, or any other entity managed or controlled in whole or
20 in part by Abraham, without the necessity of identification or
21 prior notice; *provided* that nothing in this Order shall limit the
22 FTC's lawful use of compulsory process, pursuant to Sections 9
23 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any
24 documentary material, tangible things, testimony, or information
25 relevant to unfair or deceptive acts or practices in or affecting
26 commerce (within the meaning of 15 U.S.C. § 45(a)(1)); and

27 C. Abraham shall permit representatives of the FTC to
28 interview any employer, consultant, independent contractor,

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

4 **IX. COMPLIANCE REPORTING BY DEFENDANT**

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

7 A. For a period of five (5) years from the date of entry
8 of this Order,

9 1. Abraham shall notify the FTC of the following:

10 a. Any changes in Abraham's residence, mailing
11 addresses, and telephone numbers, within ten (10) days of the
12 date of such change;

13 b. Any changes in Abraham's employment status
14 (including self-employment) within ten (10) days of the date of
15 such change. Such notice shall include the name and address of
16 each business that Abraham is affiliated with, employed by, or
17 hired by as an independent contractor or consultant; a statement
18 of the nature of the business; and a statement of Abraham's
19 duties and responsibilities in connection with the business;

20 c. Any changes in Abraham's name or use of any
21 aliases or fictitious names; and

22 B. One hundred eighty (180) days after the date of entry
23 of this Order, Abraham shall provide a written report to the FTC,
24 sworn to under penalty of perjury, setting forth in detail the
25 manner and form in which he has complied and is complying with
26 this Order. This report shall include, but not be limited to:

27 1. Any changes required to be reported pursuant to
28 subparagraph (A) above; and

1 2. A copy of each acknowledgment of receipt of this
2 Order obtained by Abraham pursuant to Paragraph X;

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

6 Associate Director for Enforcement
7 Federal Trade Commission
8 600 Pennsylvania Avenue, NW, Room NJ-2122
9 Washington, DC 20580
10 Re: FTC v. Abraham, Case No. EDCV. 03-0030 VAP (SGLx)
11 (C.D. Cal).

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

15 **X. DISTRIBUTION OF ORDER BY DEFENDANT**

16 IT IS FURTHER ORDERED that, for a period of five (5) years
17 from the date of entry of this Order, Abraham shall deliver a
18 copy of this Order to the principals, officers, directors,
19 managers and employees under his control for any business that
20 (a) employs or contracts for services from him and (b) is engaged
21 in any activity relating to the advertising, marketing, or sale
22 of international driving permits, false identification documents
23 or identification templates. Abraham shall secure from each such
24 person a signed and dated statement acknowledging receipt of the
25 Order within thirty (30) days after the date of service of the
26 Order or the commencement of the employment relationship.

27 **XI. RETENTION OF JURISDICTION**

28 IT IS FURTHER ORDERED that this Court shall retain

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1 jurisdiction of this matter for purposes of construction,
2 modification and enforcement of this Order.

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4 **SO STIPULATED:**

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6 YAD ABRAHAM, also known as Tim Thorn and
7 Timothy Thorn, individually and doing
8 business as Sharpthorn Internet Solutions

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10 RAYMOND E. McKOWN
11 LEMUEL W. DOWDY
12 VICTOR F. DeFRANCIS
13 Federal Trade Commission
14 Attorneys for Plaintiff

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14 **IT IS SO ORDERED**, this _____ day of _____, 2003.

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UNITED STATES DISTRICT JUDGE

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