

WILLIAM E. KOVACIC
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2003)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,	)	CIVIL ACTION NO.
	)	98 Civ. 5881 (JES)
v.)	
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

STIPULATED FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), commenced this action by filing its Complaint for a permanent injunction and other relief in this matter on August 18, 1998, and on

October 21, 1998, filing its first amended Complaint, pursuant to Sections 13(b) and 19(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b. The Complaint charges Defendants Hi Tech Mint Systems, Inc. (“Hi Tech”), Ron DePung (a/k/a Thomas DePung and Ron Depuond), and Lawrence Lind with violations of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Federal Trade Commission Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures” (the “Franchise Rule”), 16 C.F.R. Part 436.

The Commission, by and through its counsel, and Defendants, by and through their counsel, have agreed to the entry of this Stipulated Final Judgment and Order of Permanent Injunction (“Final Judgment”) by this Court in order to resolve all matters of dispute between them in this action. The Commission and Defendants have consented to entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without Defendants admitting liability or wrongdoing for the offenses alleged in the Complaint.

NOW, THEREFORE, the Commission and Defendants having requested this Court to enter this Final Judgment, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and the parties agreeing and stipulating hereto. Venue in the Southern District of New York is proper.
2. This is an action instituted by Plaintiff under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the Franchise Rule, 16 C.F.R. Part 436, and Plaintiff has the authority to seek the relief it has requested.

3. On August 18, 1998, Plaintiff filed its Complaint for permanent injunction and equitable relief in this matter, and moved for an *Ex Parte* Temporary Restraining Order (“TRO”) pursuant to Rule 65 of the Federal Rules of Civil Procedure. A TRO was entered on September 3, 1998, an amended Complaint was filed on October 21, 1998, and a Stipulation and Order of Preliminary Injunction was entered on November 30, 1998.

4. The Complaint states a claim upon which relief may be granted against Defendants under Sections 5 and 19 of the FTC Act, 15 U.S.C. § 45 and 57(b).

5. Entry of this Final Judgment is in the public interest.

6. Defendants have waived all rights to seek appellate review or otherwise challenge or contest the validity of this Final Judgment.

7. Defendants have waived all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412.

8. This Final Judgment does not constitute and shall not be interpreted to constitute either an admission by Defendants or a finding by the Court that Defendants have engaged in violations of the FTC Act or the Franchise Rule.

ORDER

Definitions

For purposes of this Final Judgment, the following definitions shall apply:

1. “Franchise” and “Franchisee” are defined in Section 436.2(a) of the Franchise Rule, 16 C.F.R. § 436.2(a), a copy of which is attached hereto as Attachment A and incorporated herein as if fully set forth verbatim.

2. “Business venture” means any written or oral business arrangement, however denominated, whether or not covered by the Franchise Rule, which consists of the payment of any consideration for:

- a. the right or means to offer, sell, or distribute goods or services (whether or not identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
- b. significant assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business.

3. “Material” means likely to affect a person’s choice of, or conduct regarding, goods or services;

4. “Assets” mean any legal or equitable interest in, right to, or claim to, any real or personal property of any Defendant, or held for the benefit of any Defendant, including, but not limited to, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables, and all cash, wherever located; and

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

I.

IT IS THEREFORE ORDERED that the Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them, and all other persons or entities in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise, in connection with the advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any item, product, good, service, franchise, business opportunity, business venture, or investment interest of any kind, are hereby permanently restrained and enjoined from:

A. Falsely representing, directly or indirectly, the income, profits, or sales volume of any franchise, business opportunity, business venture, or investment interest likely to be achieved;

B. Falsely representing, directly or indirectly, the income, profits, or sales volume achieved by any other franchise, business opportunity, business venture, or investment purchaser(s);

C. Falsely representing, directly or indirectly, the past success of any person or entity in assisting its customers to start, plan, locate, organize, or operate a franchise, business opportunity, or business venture;

D. Falsely representing, directly or indirectly, any fact material to a consumer's decision to purchase any item, product, good, service, franchise, business opportunity, business venture, or investment interest of any kind.

II.

IT IS FURTHER ORDERED that the Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them, and all other persons or entities in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise, in connection with the advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any franchise, business opportunity, or business venture, are hereby permanently restrained and enjoined from violating or assisting others to violate any provision of the Franchise Rule, 16 C.F.R. Part 436, including, but not limited to:

- A. Failing to provide any potential franchisee with a complete and accurate disclosure document within the times stated in the Franchise Rule, 16 C.F.R. § 436.1(a), or as it may be amended;
- B. Failing to have a reasonable basis for any earnings claim at the time such claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e), or as it may be amended;
- C. Failing to provide any potential franchisee with an earnings claim document when any earnings claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e), or as it may be amended; and
- D. Failing to include, in immediate conjunction with any advertised claim, the disclosures required by Section 436.1 (e) of the Franchise Rule, 16 C.F.R. § 436.1(e), or as it may be amended.

III.

IT IS FURTHER ORDERED that judgment in the amount of TWO MILLION DOLLARS (\$2,000,000) is entered jointly and severally against Defendants Lind, DePung, and Hi Tech, and their successors and assigns. Based upon the sworn representations of Defendants Lind, Depung, and Hi Tech in their financial disclosure statements dated April 12, 2000, April 13, 2000, and October 19, 1998 respectively, and individual affidavits dated May 10, 2001, and the Hi Tech affidavit dated May 10, 2001, and subject to the reopening conditions set forth in Paragraph IV, this liability will be suspended upon payment by Defendants of \$230,416.78 held in Fleet Bank Boston account # 55246853 and the total cash proceeds from the sale of 560 shares of Level III Communications, Inc. held in Prudential Securities account # AXQ958261 and any other stocks or cash held in the account, for the purpose of paying equitable monetary relief, including but not limited to, consumer redress and/or disgorgement and for paying attendant expenses of administering any redress fund. If the Commission determines, in its sole discretion, that redress to purchasers is wholly or partially impracticable, any funds not so used shall be deposited into the United States Treasury. The Commission in its sole discretion may use a designated agent to administer consumer redress. No portion of this Judgment for equitable monetary relief shall be deemed a fine, penalty or punitive assessment, or forfeiture.

A. Payment by Defendants shall be made as follows:

1. Within five (5) business days after receiving notice of the entry of this Final Judgment, Defendants shall direct Fleet Bank Boston to make a wire transfer of the \$230,416.78 held in Fleet Bank Boston account # 55246853 to the

Federal Trade Commission. Fleet Bank Boston shall make said wire transfer in accordance with instructions given by Federal Trade Commission staff; and

2. Within five (5) business days after receiving notice of the entry of this Final Judgment, Defendants shall direct Prudential Securities to sell all stocks held in Prudential Securities account # AXQ958261, including but not limited to 560 shares of Level III Communications, Inc. The sale of said stock shall be in the form of a sell order at the market price. Subsequent to the sale, Defendants shall direct Prudential Securities within three (3) business days to make a wire transfer of the entire cash value of account # AXQ958261 to the Federal Trade Commission. Prudential Securities shall make said wire transfer in accordance with instructions given by Federal Trade Commission staff.

IV.

IT IS FURTHER ORDERED that this Court's approval of the Judgment against the Defendants contained in Paragraph III is expressly premised upon the truthfulness, accuracy, and completeness of the financial statements and affidavits executed and provided to counsel for the Commission and as described in Paragraph III. If, upon motion by the Commission, this Court finds that any of the Defendants' financial statements or affidavits failed to disclose any material asset or source of income, or materially misrepresented the value of any asset or source of income, or made any other material misrepresentation or omission of assets, the entire remaining amount of the Judgment set forth in Paragraph III of two million dollars (\$2,000,000) and interest computed at the rate prescribed

in 28 U.S.C. § 1961, shall immediately begin to accrue on the unpaid balance and will be rendered immediately due and payable by the Defendants;

provided, however, that in all other respects this Final Judgment shall remain in full force and effect unless otherwise ordered by this Court, and provided further, that proceedings instituted under this Paragraph are in addition to, and not in lieu of, any other proceedings the Commission may institute to enforce this Final Judgment. Solely for the purpose of reopening or enforcing this Paragraph of the Final Judgment, Defendants waive any right to contest any of the allegations in the Complaint filed in this matter.

V.

IT IS FURTHER ORDERED that Defendant Lind is permanently restrained and enjoined from engaging in, or assisting others engaged in, the advertising, promotion, licensing, contracting, offering for sale, or sale of any franchise, business opportunity, or business venture unless he first obtains a performance bond in the principal amount of not less than Two Hundred Fifty Thousand Dollars (\$250,000).

A. The bond shall be conditioned upon compliance by Defendant Lind with Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Franchise Rule, 16 C.F.R. Part 436, and the provisions of this Order. The bond shall be deemed continuous and remain in full force and effect as long as Defendant Lind continues to engage in the advertising, promotion, licensing, contracting, offering for sale, or sale of any franchise, business opportunity, or business venture, and for at least three (3) years thereafter. The bond shall cite this Order as the subject matter of the bond, and shall provide surety thereunder against

financial loss due, in whole or part, to any violation by Defendant Lind of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Franchise Rule, 16 C.F.R. Part 436, or the provisions of this Order.

B. The bond shall be an insurance agreement providing surety for financial loss issued by a surety company that is admitted to do business in each of the states in which Defendant Lind is doing business and that holds a Federal Certificate of Authority as Acceptable Surety on Federal Bond and Reinsuring. Such bond shall be in favor of both (1) the Commission, for the benefit of any consumer injured as a result of any violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Franchise Rule, 16 C.F.R. Part 436, or the provisions of this Order, made while engaging in the advertising, promotion, licensing, contracting, offering for sale, or sale of any item, product, good, service, franchise, business opportunity, business venture, or investment interest of any kind, and (2) any consumer so injured.

C. The bond required by this Paragraph shall be in addition to and not in lieu of any other bond required by law.

D. Defendant Lind shall provide a copy of the bond required by this Paragraph to the Regional Director of the Northeast Region of the Federal Trade Commission at least ten (10) days prior to the commencement of any activity or business for which the bond is required.

E. Defendant Lind shall not disclose the existence of the performance bond to any consumer, or other purchaser or prospective purchaser of any franchise, business opportunity, or business venture product or service that is advertised, promoted, offered for sale, sold, or distributed without also disclosing clearly and prominently, at the same time,

"AS REQUIRED BY ORDER OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN SETTLEMENT OF CHARGES THAT HI TECH MINT SYSTEMS, INC., RON DEPUNG, AND LAWRENCE LIND ENGAGED IN FALSE AND MISLEADING REPRESENTATIONS IN THE PROMOTION AND SALE OF FRANCHISES AND BUSINESS OPPORTUNITIES."

F. The bond shall be executed in favor of the Commission if the Commission demonstrates to this Court, or to a Magistrate thereof, by a preponderance of the evidence that, after the effective date of this Order, Defendant Lind has, individually or through any other person or entity, violated any condition of the bond.

G. Proceedings instituted under this Paragraph shall be in addition to and not in lieu of any other civil or criminal remedies as may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

VI.

IT IS FURTHER ORDERED that Defendants, their officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with any of them, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from using, selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to any Defendant, at any time prior to entry of this order, in connection with the promotion and sale of vending machine business opportunities; provided, however, that

Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

VII.

IT IS FURTHER ORDERED that Defendants Lind, DePung, and Hi Tech are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the FTC their respective taxpayer identifying numbers (Social Security Number or Employer Identification Number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of such person's relationship with the government.

VIII.

IT IS FURTHER ORDERED that the redress administrator shall destroy all records relating to this matter six (6) years after the transfer of any remaining redress funds to the FTC Treasury account or the closing of the account from which such funds were disbursed, whichever is earlier, provided that no records shall be destroyed unless and until a representative of the Commission has received and approved the redress administrator's final accounting report. Records shall be destroyed in accordance with disposal methods and procedures to be specified by the Commission. The Commission may, in its sole discretion, require that such records, in whole or in part, be transferred, in lieu of destruction, to the Commission.

IX.

IT IS FURTHER ORDERED that within three (3) business days from the date of entry of this Final Judgment, Defendants Lind, DePung, and Hi Tech shall submit to the Commission, in the form

shown in Appendix A, a truthful sworn statement that shall reaffirm and attest to the truth, accuracy, and completeness of the financial statements and affidavits previously submitted to the Commission by Defendants.

X.

IT IS FURTHER ORDERED that, within five (5) business days after receipt by Defendants of this Final Judgment as entered by this Court, Defendants Lind, DePung, and Hi Tech shall submit to the Commission truthful sworn statements, in the form shown on Appendix B, that shall acknowledge receipt of this Final Judgment.

XI.

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Final Judgment, Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them who receive notice of this Order by personal service or otherwise, shall:

- A. Provide a copy of this Final Judgment to, and obtain a signed and dated acknowledgment of receipt of same from, each officer or director, each individual serving in a management capacity, all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such persons, for Hi Tech or any business where (1) any Defendant is

the majority owner of the business or directly or indirectly manages or controls the business; and where (2) the business is engaged in advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any franchise, business opportunity, business venture, or investment interest, and

- B. Maintain for a period of three (3) years after creation, and upon reasonable notice, make available to representatives of the Commission, the original signed and dated acknowledgments of the receipt of copies of this Final Judgment, as required in Subsection A of this Paragraph.

XII.

IT IS FURTHER ORDERED that Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise, in connection with Hi Tech and any business where (1) any Defendant is the majority owner of the business or directly or indirectly manages or controls the business; and where (2) the business is engaged in advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any franchise, business opportunity, business venture, or investment interest, are hereby permanently restrained and enjoined from:

- A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Paragraphs I, II, and VI of this Final Judgment. Such steps shall include adequate

monitoring of sales presentations or other calls with customers, and shall also include, at a minimum, the following:

1. Listening to the oral representations made by persons engaged in sales or other customer service functions;
2. Establishing a procedure for receiving and responding to consumer complaints; and
3. Ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

provided that this Paragraph does not authorize or require Defendants to take any steps that violate any federal, state, or local laws;

- B. Failing promptly to investigate fully any consumer complaint received by any business to which this Paragraph applies; and
- C. Failing to take corrective action with respect to any sales person whom any Defendant determines is not complying with this Final Judgment, which may include training, disciplining, and/or terminating such sales person.

XIII.

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Final Judgment, Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them, and all other persons or entities in active concert or participation with any of them who receive notice of this Final Judgment by personal service or

otherwise, in connection with Hi Tech and any business where (1) any Defendant is the majority owner of the business or directly or indirectly manages or controls the business; and where (2) the business is engaged in advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any franchise, business opportunity, business venture, or investment interest, are hereby restrained and enjoined from failing to create, and from failing to retain for a period of three (3) years following the date of such creation, unless otherwise specified:

- A. Books, records, and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including employment as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable. The businesses subject to this Paragraph shall retain such records for any terminated employee for a period of two (2) years following the date of termination;
- C. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, for all consumers to whom such business has sold, invoiced, or shipped any goods or services;
- D. Records that reflect, for every consumer complaint or refund request, whether received directly or indirectly, or through any third party:

1. the consumer's name, address, telephone number, and the dollar amount paid by the consumer;
 2. the written complaint or refund request, if any, and the date of the complaint or refund request;
 3. the basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint;
 4. each response and the date of the response;
 5. any final resolution and the date of the resolution; and
 6. in the event of a denial of a refund request, the reason for the denial;
- and

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

XIV.

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Final Judgment may be monitored:

- A. For a period of three (3) years from the date of entry of this Final Judgment, Defendants Lind and DePung shall notify the Commission of the following:

1. Any changes in Defendant DePung's or Lind's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 2. Any changes in Defendant DePung's or Lind's employment status (including self-employment) within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Defendant DePung or Lind is affiliated with or employed by in any capacity, a statement of the nature of the business, and a statement of Defendant DePung's or Lind's duties and responsibilities in connection with the business or employment; and
 3. Any proposed change in the structure of any business entity owned or controlled by any Defendant, such as creation, incorporation, dissolution, assignment, sale, merger, creation, dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the corporate name or address, or any other change that may affect compliance obligations arising out of this Final Judgment, thirty (30) days prior to the effective date of any proposed change; *provided, however,* that, with respect to any proposed change in the corporation about which Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants shall notify the Commission as soon as is practicable after learning of such proposed change;
- B. One hundred eighty (180) days after the date of entry of this Final Judgment, Defendants Lind, DePung, and Hi Tech shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which

Defendants have complied and are complying with this Final Judgment. This report shall include, but not be limited to:

1. Defendants DePung's and Lind's then current residence addresses and telephone numbers;
 2. Defendants DePung's and Lind's then current employment, business addresses and telephone numbers, a description of the business activities of each such employer, and Defendants DePung's and Lind's titles and responsibilities for each employer;
 3. A copy of each acknowledgment of receipt of this Final Judgment obtained by Defendants pursuant to Paragraph XI;
 4. A statement describing the manner in which Defendants have complied and are complying with Paragraphs I, II, III, and VI of this Final Judgment; and
- C. Upon written request by a representative of the Commission, Defendants Lind, DePung, and Hi Tech shall submit additional written reports (under oath, if requested) and produce documents on fifteen (15) days notice with respect to any conduct subject to this Final Judgment;
- D. For the purposes of this Final Judgment, Defendants Lind, DePung, and Hi Tech shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Regional Director
Northeast Region
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004

Re: *FTC v. Hi Tech Mint Systems, Inc., et al.*

- E. For the purposes of this Paragraph, “employment” includes the performance of services as an employee, consultant, or independent contractor; and “employers” include any individual or entity for whom Defendants perform services as an employee, consultant, or independent contractor.
- F. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate directly with Defendants.

XV.

IT IS FURTHER ORDERED that the Commission is authorized to monitor Defendants Lind, DePung, and Hi Tech ’s compliance with this Final Judgment by all lawful means, including, but not limited to, the following:

- A. The Commission is authorized, without further leave of Court, 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 Fed. R. Civ. P. 45, for the purpose of monitoring and investigating any Defendant’s compliance with any provision of this Final Judgment;
- B. The Commission is authorized to use representatives posing as consumers and suppliers to Defendants, Defendants’ employees, or any other entity managed or controlled in

whole or in part by any Defendant, without the necessity of identification or prior notice;
and

- C. Nothing in this Final Judgment 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, to investigate whether any Defendant has violated any provision of this Final Judgment or Section 5 of the FTC Act, 15 U.S.C. § 45.

XVI.

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Final Judgment, for the purpose of further determining compliance with this Final Judgment, the Defendants Lind, DePung, and Hi Tech, and their agents, servants, employees, attorneys, corporations, subsidiaries, successors, assigns, and all other persons or entities in active concert or participation with any of them, and all other persons or entities in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise, shall permit representatives of the Commission, within three (3) business days of receipt of written notice from the Commission:

- A. Access during normal business hours to any office, or facility storing documents, of Hi Tech and any business where (1) any Defendant is the majority owner of the business, or directly or indirectly manages or controls the business, and where (2) the business is engaged in advertising, promotion, licensing, contracting, offering for sale, or sale, in or affecting commerce, of any franchise, business opportunity, business venture, or investment interest.

In providing such access, Defendants shall permit representatives of the Commission to inspect and copy all documents relevant to any matter contained in this Final Judgment; and shall permit Commission representatives to remove documents relevant to any matter contained in this Final Judgment for a period not to exceed five (5) business days so that the documents may be inspected, inventoried, and copied; *provided* that, upon application of the Commission and for good cause shown, the Court may enter an *ex parte* order granting immediate access to Defendants' business premises for the purposes of inspecting and copying all documents relevant to any matter contained in this Final Judgment; and

- B. To interview the officers, directors, and employees, including all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, of any business to which Subsection A of this Paragraph applies, concerning matters relating to compliance with the terms of this Final Judgment. The person interviewed may have counsel present.

XVII.

IT IS FURTHER ORDERED that the freeze of Defendant Hi Tech's assets shall be lifted upon entry of this Final Judgment.

XVIII.

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for the purposes of construction, modification, and enforcement of this Final Judgment or the punishment of violations thereof.

The parties listed below hereby stipulate and agree to entry of the foregoing Final Judgment, which shall constitute the Final Judgment in this action as to the undersigned. This Final Judgment may be executed on separate pages.

STIPULATED AND AGREED TO:

**FOR THE PLAINTIFF
THE FEDERAL TRADE COMMISSION:**

RONALD L. WALDMAN (RW 2003)
ANN F. WEINTRAUB (AW 3080)
MICHAEL J. BLOOM (MB 7732)
Northeast Region
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814 (telephone)
(212) 607-2822 (facsimile)

DATED: _____

FOR THE DEFENDANTS:

LAWRENCE LIND

DATED: _____

RONALD DEPUNG

DATED: _____

HI TECH MINT SYSTEMS, INC.
LAWRENCE LIND, President

DATED: _____

Stephen Hill (SH3207)
on behalf of Defendants Hi Tech Mint
Systems, Inc., Lawrence Lind, and
Ron DePung (a/k/a Thomas DePung
and Ron Depuond)
Hill & Associates
363 Seventh Avenue
New York, NY 10022
(212) 736-0509

DATED: _____

SO ORDERED, this _____ day of _____, 2001, at _____.

UNITED STATES DISTRICT JUDGE

WILLIAM E. KOVACIC
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2003)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,	)	CIVIL ACTION NO.
	)	98-Civ. 5881 (JES)
v.)	
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

Lawrence Lind, being duly sworn, hereby states and affirms as follows:

1. My name is Lawrence Lind. I am president of Hi Tech Mint Systems, Inc. My current residence address is _____. I am a citizen of the United States and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant in *FTC v. Hi Tech Mint Systems, Inc., et al.* (United States District Court for the Southern District of New York).

3. On _____, and on behalf of Hi Tech Mint and myself, I received a copy of the Stipulated Final Judgment and Order of Permanent Injunction, which was signed by the Honorable John E. Sprizzo, and entered by the Court on _____, 2001. A true and correct copy of the Final Judgment I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on _____, 2001, at _____.
[city and state]

Lawrence Lind

State of _____, City of _____

Subscribed and sworn to before me
this _____ day of _____, 2001.

Notary Public
My Commission Expires:

DEBRA A. VALENTINE
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2003)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,	)	CIVIL ACTION NO.
	)	98-Civ. 5881 (JES)
v.)	
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

Ronald DePung, being duly sworn, hereby states and affirms as follows:

1. My name is Ronald DePung. My current residence address is _____ I am a citizen of the United States and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant in *FTC v. Hi Tech Mint Systems, Inc., et al.* (United States District Court for the Southern District of New York).

3. On _____, 2001, I received a copy of the Stipulated Final Judgment and Order of Permanent Injunction, which was signed by the Honorable John E. Sprizzo, and entered by the Court on _____, 2001. A true and correct copy of the Final Judgment I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on _____, 2001, at _____.
[city and state]

Ronald DePung

Ronald DePung
President
Hi Tech Mint Systems, Inc.

State of _____, City of _____

Subscribed and sworn to before me
this _____ day of _____, 2001.

Notary Public
My Commission Expires:

WILLIAM E. KOVACIC
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2005)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
	)	CIVIL ACTION NO.
v.	)	98-Civ. 5881 (JES)
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

Declaration of Lawrence Lind

I, Lawrence Lind, hereby state that the information contained in the financial statement and related papers provided to the Federal Trade Commission on April 12, 2000 and in my affidavit of May 10, 2001 was true, accurate and complete at such time. A copy of the aforementioned financial statement and affidavit are attached hereto as Attachment 1.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2001.

Lawrence Lind

WILLIAM E. KOVACIC
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2005)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
	)	CIVIL ACTION NO.
	)	98-Civ. 5881 (JES)
v.)	
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

Declaration of Ronald DePung

I, Ronald DePung, hereby state that the information contained in the financial statement provided to the Federal Trade Commission on April 13, 2000 and in my affidavit of May 10, 2001 was true, accurate and complete at such time. A copy of the aforementioned financial statement and affidavit are attached hereto as Attachment 1.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2001.

Ronald DePung

WILLIAM E. KOVACIC
General Counsel

ANN F. WEINTRAUB (AW 3080)
RONALD L. WALDMAN (RW 2005)
MICHAEL J. BLOOM (MB 7732)
Federal Trade Commission
1 Bowling Green, Suite 318
New York, NY 10004
(212) 607-2814

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
	)	CIVIL ACTION NO.
	)	98-Civ. 5881 (JES)
v.)	
)	
HI TECH MINT SYSTEMS, INC.,)	
a New York corporation,)	
RON DEPUNG (a/k/a THOMAS DEPUNG and)	
RON DEPUOND),)	
individually and as an officer of HI TECH)	
MINT SYSTEMS, INC., and)	
LAWRENCE LIND, individually and)	
as an officer of HI TECH MINT SYSTEMS, INC.,)	
)	
Defendants.)	

Declaration of Hi Tech Mint

I, Ronald DePung, president of Hi Tech Mint, hereby state that the information contained in the financial statement and related papers provided to the Federal Trade Commission on October 18, 1998 and in my affidavit of May 10, 2001 was true, accurate and complete at such time. A copy of the aforementioned financial statement and affidavit are attached hereto as Attachment 1.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2001.

HI TECH MINT SYSTEMS, INC.
RONALD DEPUNG, President