

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	Case No. 04C 6901
v.)	
)	Judge William J. Hibbler
INTERNATIONAL RESEARCH AND DEVELOPMENT CORPORATION OF NEVADA, <i>et al.</i> ,)	Magistrate Judge Nan R. Nolan
)	
Defendants.)	

**STIPULATED ORDER FOR PERMANENT INJUNCTION AND
FINAL JUDGMENT AS TO DEFENDANTS INTERNATIONAL RESEARCH
AND DEVELOPMENT CORPORATION OF NEVADA AND ANTHONY RENDA**

WHEREAS Plaintiff Federal Trade Commission ("Commission" or "FTC") filed a Complaint for Injunctive and Other Equitable Relief (the "Complaint") on October 27, 2004 against Defendants International Research and Development Corporation of Nevada and Anthony Renda, pursuant to Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) and 53(b):

WHEREAS the FTC and Defendants International Research and Development Corporation of Nevada and Anthony Renda have consented to the entry of this Stipulated Order for Permanent Injunction and Final Judgment ("Order") without a trial or adjudication of any issue of law or fact herein;

NOW, THEREFORE, the Commission and Defendants, having requested the Court to enter this Stipulated Order, and the Court having considered the Stipulated Order reached among

the parties and for other cause appearing, it is **ORDERED, ADJUDGED, AND DECREED** as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter and the parties pursuant to 28 U.S.C. §§ 1331 and 1337(a), and 15 U.S.C. § 53(b).
2. The Complaint states a claim upon which relief may be granted against Defendants under Sections 5 and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45 and 53(b).
3. Defendants have entered into this Order freely and without coercion. Defendants further acknowledge that they have read the provisions of this Order and are able to abide by them.
4. This Order resolves all claims that arose prior to the date of entry of this Order against Defendants with respect to any allegations that Defendants have violated the Federal Trade Commission Act and the regulations promulgated thereunder.
5. The parties waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Defendants further waive and release any claims they may have against the Commission, its employees, representatives, or agents.
6. Defendants agree that this Order does not entitle them to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and Defendants further waive any right to attorneys' fees that may arise under said provision of law.
7. This Order is remedial in nature and shall not be construed as the payment of a fine, penalty, punitive assessment, or forfeiture.

8. Defendants' stipulation is for settlement purposes only, does not constitute an admission of facts, other than jurisdictional facts, or violations of law as alleged in the Complaint and, in fact, Defendants deny same; and may not be used against Defendants in any other proceeding, except in such proceedings as may be necessary to enforce provisions of this Order, including, but not limited to, a bankruptcy proceeding; and

9. Entry of this Order is in the public interest.

DEFINITIONS

1. "Advertising" means any written or verbal statement, illustration or depiction that is designed to effect a sale or create interest in the purchasing of goods or services, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, packaging, package insert, label, film, slide, radio, television or cable television, audio program transmitted over a telephone system, program-length commercial ("infomercial"), Internet, or in any other medium.

2. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to, any real and/or personal property, including, but not limited to, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, funds, monies, shares of stock, and all cash, wherever located, and shall include both existing assets and assets acquired after the date of entry of this Order.

3. "Assisting others" means providing any of the following goods or services to any person or entity: (a) performing customer service functions including, but not limited to,

outbound or inbound telemarketing, upselling, cross-selling, handling consumer complaints (other than returns), credit card or debit account processing, Web design and marketing, or designing or preparing or assisting in the preparation of product labeling or packaging; (b) formulating or providing, or arranging for the formulation or provision of, any sales script or any other advertising or marketing material for any person or entity; (c) providing or arranging for the provision of, names of potential customers; or (d) performing advertising or marketing services or consulting services of any kind.

4. **“Competent and reliable scientific evidence”** means tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

5. **“Covered Product”** for purposes of Section IX of this Order, the term “covered product” means any fuel savings or emissions reducing product, and any MAX product, including but not limited to HeatMAX, AromaMAX, FishMAX, BatteryMAX, SoapMAX or PowerMAX, and any substantially similar product.

6. **“Customer”** means any person who has paid, or may be required to pay, for goods or services offered for sale or sold by Defendants.

7. **“Defendant” or “Defendants.”** for purposes of this Order, means Defendants International Research and Development Corporation of Nevada, also d/b/a International Research & Development and/or IRD, and Anthony Renda, individually and as an officer and director of the corporate defendant, and each of them, by whatever names each may be known.

8. **“Document”** is synonymous in meaning and equal in scope to the term, as defined 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 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 this term.

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

10. **“Person”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

11. **“Plaintiff”** means the Federal Trade Commission (“Commission” or “FTC”).

I. BAN ON SALE OF FUEL SAVING AND EMISSIONS DECREASING PRODUCTS

IT IS THEREFORE ORDERED that Defendants are permanently restrained and enjoined from the manufacturing, advertising, promotion, offering for sale, sale, or distribution of FuelMAX and Super FuelMAX, or any substantially similar purported fuel saving or emissions decreasing product employing magnets, whether directly or through any entity, corporation, subsidiary, division, or other device.

II. PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that Defendants, and their officers, directors, agents, servants, employees, salespersons, independent contractors, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, are hereby permanently restrained and enjoined from:

- A. Misrepresenting that a product causes a substantial increase in gas mileage;
- B. Misrepresenting that a product causes a substantial reduction in emissions;
- C. Misrepresenting the contents, validity, results, conclusions, or interpretations of any test or study;
- D. Making any material representation, directly or by implication, about the performance or efficacy of any product, including, but not limited to, HeatMAX, AromaMAX, FishMAX, BatteryMAX, SoapMAX or PowerMAX, unless, at the time of making such representation, Defendants possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation;
- E. Making any material misrepresentation, directly or by implication, about the performance or efficacy of any product, including, but not limited to, HeatMAX, AromaMAX, FishMAX, BatteryMAX, SoapMAX or PowerMAX; and
- F. Assisting others or providing to any person or entity the means and instrumentalities to violate any provision of this Section. For purposes of this Section, "means

and instrumentalities” shall mean any information, including but not necessarily limited to any advertising, labeling, or promotional materials, for use by customers in their marketing or sale of any product covered by this Section.

Provided, however, that nothing in this Section or in any other Section of this Order shall void the ban provision set forth in Section I of this Order.

III. MONETARY JUDGMENT AND CONSUMER REDRESS

IT IS FURTHER ORDERED that

A. Judgment is hereby entered in favor of Plaintiff, and against Defendants, jointly and severally, in the amount of four million two hundred thousand dollars (\$4,200,000.00 USD); *provided, however,* that this amount shall be subject to the conditions set forth in Paragraph B of this Part and subject to the Right to Reopen provision contained at Section IV.

B. The money shall be paid as follows:

1. Upon the signing of this Order, Defendants shall deposit the sum of four hundred thousand dollars (\$400,000.00 USD) into an escrow account to be established and held by an escrow agent approved by FTC counsel;
2. Within seven (7) days after entry of this Order, the Defendants shall instruct the escrow agent to pay to the FTC, or such agent as the FTC may direct, the sum of \$400,000 within three business days of such instruction; and

3. Within three hundred sixty five (365) days from the date of entry of this Order, Defendants shall pay to the FTC the remaining balance of three million eight hundred thousand dollars (\$3,800,000.00 USD).

All payments shall be made by certified check or other guaranteed funds payable to and delivered to the Commission, or by wire transfer in accord with directions provided by the Commission.

C. As security for the payment required by Section III.B.3, Defendants IRD and Anthony Renda, individually and on behalf of their respective successors, heirs, and assigns, hereby grant to the FTC a lien on and security interest in the real property, together with dwelling houses, other structures, improvements, appurtenances, hereditaments, and other rights appertaining or belonging thereto, described in a list agreed upon by the parties, in the amount of \$3,800,000.00; Defendants IRD and Anthony Renda represent and acknowledge that the FTC is relying on the material representations that Anthony Renda is the sole owner of the property; that title to the Property is marketable; and that the Property is not encumbered by any lien, mortgage, deed of trust, security interest, or other interest except for the mortgages or liens described therein. Defendants agree that, as of the date on which they sign this Order, they shall refrain from transferring, converting, encumbering, selling, or assigning, or otherwise disposing of the property, except with the express prior written permission of counsel for the FTC. Defendants shall release and waive in favor of the FTC any statutory, common law, or other exemption that may apply to the Property.

D. Defendants shall cooperate fully with the FTC and be responsible for preparing, executing, and recording the necessary documents and doing whatever else the FTC reasonably

deems necessary or desirable to perfect, evidence, and effectuate its liens, security interests, pledges, and assignments granted herein. No later than five (5) days after the date on which the FTC authorizes staff to sign this Order, Defendants shall prepare, execute, and deliver (at their expense) to the FTC mortgages or deeds of trust, security agreements, assignment agreements, UCC-1 Financing Statements, pledge agreements, and other documents in form and substance satisfactory to the FTC (the "Security Documents") and take such other steps as the FTC may reasonably require to perfect, evidence, and effectuate its liens, security interests, pledges, and assignments, and to carry out the purposes of this Order. The FTC shall refrain from recording the Security Documents until after the Court's entry of this Order. In the event that the Court does not enter this Order, within five (5) days after receipt of the Court's denial of this Order, the FTC shall return the Security Documents to Defendants. Defendants shall be responsible for paying all fees and costs (including attorneys' fees and filing fees) required in connection with the liens, security interests, pledges, and assignments granted herein, including all fees and costs related to the preparation, execution, delivery, filing, continuation, and termination of such liens, security interests, pledges, and assignments, and to carry out the purposes of this Order.

E. If Defendants fully comply with those provisions set forth in this Section III, the monetary judgment established by this Order shall be deemed fully satisfied and the liens, security interests, pledges, and assignments granted to the FTC by Defendants shall be released; *Provided, however,* that, in the event that Defendants do not fulfill, or only partially fulfill, the conditions set forth in this Section III, the FTC shall be entitled to exercise immediately any and all rights and remedies, including, but not limited to, enforcing the liens, security interests, pledges, and

assignments and terminating the interests of Defendants, individually and on behalf of their respective, successors, heirs, affiliates, and assigns in the Property.

F. All funds paid by Defendants pursuant to this Order shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. Defendants shall cooperate fully to assist the Commission in identifying consumers who may be entitled to redress pursuant to this Order. In the event that direct redress is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph. Defendants shall have no right to contest the manner of distribution chosen by the Commission.

G. Within twenty (20) calendar days after the date of entry of this Order, Defendants shall provide the Commission with the full names, addresses, and telephone numbers of all purchasers of FuelMAX or Super FuelMAX who purchased FuelMAX or Super FuelMAX prior to November 10, 2004, and received such FuelMAX or Super FuelMAX from Defendants or any of Defendants' customers, to the extent that such purchaser is known to the Defendants through a diligent search of their records, including, but not limited to, computer files, sales records, and inventory lists, and, for each such purchaser, the quantity and the amount paid, including shipping and handling charges and taxes. The Defendants shall take all reasonable steps to provide this

data in a form that is the most recent and accurate available to the Defendants, and in an electronic format usable and compatible with the Commission's information system (to be determined after consultation with the Commission).

H. All money paid pursuant to this Order is irrevocably paid to the Commission for purposes of settlement between the Commission and Defendants, and Defendants relinquish all right, title, and interest to assets held by the Commission, in connection with this case.

I. If, upon motion by the Commission after written notice and a five (5) business day opportunity to cure, the Court finds that Defendants failed to fulfill, or only partially fulfilled the payment obligations set forth in Section III, Defendants shall be immediately liable for a judgment in the amount of four million two hundred thousand dollars (\$4,200,000.00), in United States currency, plus interest from the date of default computed pursuant to 28 U.S.C. § 1961(a), as amended, less any payments already made.

J. Defendants agree that, if they fail to timely and completely fulfill the payment and other obligations set forth in this Order, the facts as alleged in the Complaint filed in this matter shall be taken as true in any subsequent litigation filed by the Commission to enforce its rights pursuant to this Section, including, but not limited to, a nondischargeability complaint in any bankruptcy case.

K. Defendants are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the Commission Defendants' taxpayer identification 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 Defendants' relationship with the government.

IV. RIGHT TO REOPEN

IT IS FURTHER ORDERED that, within five (5) business days after the date of entry of this Order, Defendants shall submit to the Commission a truthful sworn statement that shall reaffirm and attest to the truthfulness, accuracy, and completeness of the Financial Statement of Individual Defendant executed by Defendant Anthony Renda on November 30, 2004, and the Financial Statement of Corporate Defendant concerning Defendant IRD executed by Anthony Renda on November 30, 2004. The Commission's agreement to this Order is expressly premised upon the financial condition of Defendants, as represented in the above referenced financial statements, which contain material information upon which the Commission relied in negotiating and agreeing upon this Order.

If, upon notice and motion of the Commission, the Court finds that a Defendant failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from the financial statements, the Court shall enter a judgment against the Defendants, in favor of the Commission, in the amount of fifteen million four hundred eighty three thousand six hundred fifty three dollars and fifty eight cents (\$15,483,653.58 USD) and the entire amount of the judgment shall become immediately due and payable by such Defendants, less any amount already paid, and interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance; *provided, however*, that in all other respects, this judgment shall remain in full force and effect, unless otherwise ordered by the Court; *provided further*, that proceedings to reopen instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings that the Commission may

initiate to enforce this Order. For purposes of this Section, and any subsequent proceedings to enforce payment, including, but not limited to, a non-dischargeability complaint filed in a bankruptcy proceeding, Defendants agree not to contest any of the allegations in the Commission's Complaint.

V. MONITORING REQUIREMENTS

IT IS FURTHER ORDERED that:

- A. Defendants shall not disseminate to any customer any advertisement containing any representations prohibited by this Order.
- B. Defendants shall not, directly or indirectly, authorize or encourage any customer to make any representations prohibited under the Order.
- C. Within thirty (30) days after the date of entry of this Order, Defendant IRD shall send by first-class mail, postage prepaid, a copy of the notice attached hereto as Attachment A to each customer to whom it previously sold a FuelMax or Super FuelMax, to the extent that such customer is known to IRD through a diligent search of their records, including, but not limited to, computer files, sales records, and inventory lists. The mailing shall not include any other document. The cost of this mailing shall be borne by IRD. Within five (5) days after the date this mailing is completed, IRD shall provide to the FTC a list of all persons to whom Attachment A was sent, together with the address to which it was mailed.
- D. For a period of three (3) years following the date of entry of this Order, IRD shall send by first-class mail, postage prepaid, a copy of the notice attached hereto as Attachment A to each customer of any MAX product, including HeatMAX, AromaMAX, FishMAX, BatteryMAX,

SoapMAX or PowerMAX, or any substantially similar product, with whom they do business after the date of entry of this Order who has not previously received the notice. IRD shall send such notice to any such customer prior to any sale or distribution of such product. The mailing shall not include any other documents. The costs of this mailing shall be borne by IRD.

E. Defendants may, as an alternative to first-class mailing required in Sections V.C or D of this Order, send the notice attached hereto as Attachment A by email to any customer for whom Defendants have a valid email address.

F. IRD shall maintain records acknowledging the sending of the notice pursuant to Section V.C, D or E. Defendants shall maintain such records for a period of six (6) years following the date of entry of this Order.

G. IRD shall monitor such customers' advertising and promotional activities, including representations made through electronic communications. In the event that Defendants receive any information that, subsequent to receipt of Attachment A pursuant to Section V.C through E, any customer is using or disseminating any advertisement or promotional material or making any statement that contains any representation prohibited by this Order, IRD shall immediately terminate said customer's right to market Defendants' products, and shall immediately provide, by certified mail, all relevant information, including name, address, and telephone number of the company or individual making such representations, to the Federal Trade Commission at the address provided in Section VIII.C of this Order. With respect to any customer whose right to market has been terminated pursuant to the terms of this Subsection, IRD shall not sell or distribute any product covered by Sections I or II of this Order to any such

customer or accept any orders for any product covered by Sections I or II of this Order submitted by or on behalf of any such customer.

H. IRD shall not authorize customers to disseminate any marketing or advertising materials or claims unless such materials and claims are in compliance with this Order.

VI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

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

VII. COMPLIANCE MONITORING

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

A. Within ten (10) business days of receipt of written notice from a representative of the Commission, Defendants each shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in such defendant's possession or direct or indirect control to inspect the business operation. Defendants shall have the right to have counsel present;

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

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

2. posing as consumers and suppliers to Defendants. Defendant's 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. Defendants shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

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

VIII. COMPLIANCE REPORTING BY DEFENDANTS

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

- A. For a period of three (3) years from the date of entry of this Order,
 1. Defendant Anthony Renda shall notify the Commission of the following:
 - (a) Any changes in residence, mailing addresses and telephone numbers, within ten (10) days of the date of such change;
 - (b) Any changes in employment status (including self-employment) within ten (10) days of such change. Such notice shall include the name and address of each business the Defendant is affiliated with

or employed by, or performs services for; a statement of the nature of the business, and a statement of the Defendant's duties and responsibilities in connection with the business or employment; and

(c) Any changes in the Defendant's name or use of any aliases or fictitious names; and

2. Defendants shall notify the Commission of any changes in corporate structure of IRD or any business that Defendant Anthony Renda directly or indirectly controls, or has a greater than ten (10) percent ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about what the Defendant learns 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 obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, Defendants IRD and Anthony Renda shall provide a written report to the Commission, sworn to under penalty

of perjury, setting forth in detail the manner and form in which each Defendant has complied and is complying with this Order. This report shall include, but not be limited to:

1. For Defendant Anthony Renda:

- (a) The then-current residence address, mailing address, and telephone numbers of Defendant;
- (b) The then-current employment and business addresses and telephone numbers of Defendant Anthony Renda, a description of the business activities of each such employer or business, and the title and responsibilities of Anthony Renda, for each such employer or business; and
- (c) Any other changes required to be reported under subparagraph A of this Section.

2. For all Defendants:

- (a) A copy of each acknowledgment of receipt of this Order obtained by Defendants pursuant to Section IX; and
- (b) Any other changes required to be reported under subparagraph A of this Section.

C. For the purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director for Enforcement
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20580

Re: FTC v. International Research and Development Corporation, et al., Civil Action No. 04C 6901.

D. For purposes of the compliance reporting required by this Section, the Commission is authorized to communicate directly with Defendants, unless Defendants indicate that they are represented by counsel and provide the name and address of such counsel to the Commission.

IX. DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order, Defendants shall deliver a copy of this Order as directed below:

A. **Corporate Defendant:** Defendant IRD must deliver a copy of this Order to all of its principals, officers, directors and managers. For current personnel, delivery shall be within five (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

B. **Individual Defendant as Control Person:** For any business that Defendant Anthony Renda controls, directly or indirectly, or in which he has majority ownership interest, that engages in the manufacturing, advertising, promotion, offering for sale, sale, or distribution of any covered product, Anthony Renda must deliver a copy of this Order to all principals, officers, directors, and managers of that business. Defendant Anthony Renda must also deliver copies of this Order to all employees, agents, and representatives of that business who engage in the manufacturing, advertising, promotion, offering for sale, sale, or distribution of any covered product. For current personnel, delivery shall be within five (5) days of service of this Order upon the Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

C. **Individual Defendant as employee or non-control person:** For any business where Defendant Anthony Renda is not a controlling person of a business but otherwise engages in the manufacturing, advertising, promotion, offering for sale, sale, or distribution of any covered product, Defendant Anthony Renda must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants must employ reasonable efforts to secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

X. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of six (6) years from the date of entry of this Order, in connection with any business involved in the advertising, marketing, promotion, offer for sale, distribution, or sale of any product covered by Sections I or II of this Order, operated by any Defendant, or where any Defendant is a majority owner of the business or directly or indirectly manages or controls the business. Defendants and their officers, directors, agents, servants, employees, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from failing to create and retain the following records:

A. Accounting records that 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 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:

C. Customer files containing the names, addresses, telephone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaint and refund requests (whether received directly, indirectly or through any third party), and any responses to those complaints or refund requests:

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials;

F. All materials that were relied upon in making any representations contained in the materials identified in Section X.E, including all documents evidencing or referring to the accuracy of any claim therein or to the efficacy of any product covered by Section I or II of this Order, including but not limited to all tests, reports, studies, demonstrations, or other evidence that confirm, contradict, qualify, or call into question the accuracy of any claim about a product covered by Sections I or II of this Order or the efficacy of such product, including complaints and other communications with consumers or with governmental or consumer protection agencies; and

G. All records and documents necessary to demonstrate full compliance with each provision of this Order, including, but not limited to, copies of acknowledgments of receipt of this Order, required by Paragraph D of Section IX and all reports submitted to the Commission pursuant to Section VIII.

XI. FEES AND COSTS

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

XII. DISSOLUTION OF PRELIMINARY INJUNCTION

Upon entry of this Order, the Stipulated Preliminary Injunction, docketed December 1, 2004, is dissolved.

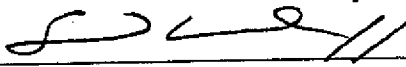
XIII. RETENTION OF JURISDICTION

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

STIPULATED AND AGREED TO BY:

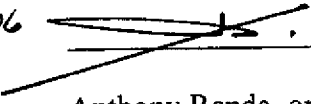
FOR THE PLAINTIFF:

FOR THE DEFENDANTS:

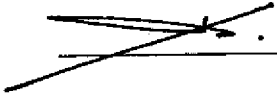

Dated Aug. 7, 2006

Steven M. Wernikoff
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
(312) 960-5630 [Telephone]
(312) 960-5600 [Facsimile]

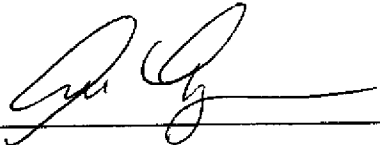
Attorney for Plaintiff
FEDERAL TRADE COMMISSION


Dated 4-18-06

Anthony Renda, on behalf of Defendant
IRD


Dated 4-18-06

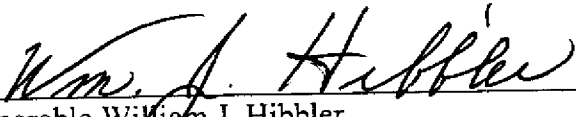
Anthony Renda, individually


Dated 4-24-06

Andrew B. Lustigman
149 Madison Avenue, Suite 805
New York, NY 10016
(212) 683-9180 [Telephone]
(212) 683-9181 [Facsimile]

Attorneys for DEFENDANTS

IT IS SO ORDERED, this 9th day of AUGUST, 2006


Honorable William J. Hibbler
United States District Judge

**ATTACHMENT A
NOTICE TO CUSTOMERS**

[To be printed on letterhead of IRD]

[Name and address of recipient]

[Date]

Dear [customer's name]:

On _____, International Research and Development Corp. of Nevada ("IRD" or "MAXProducts") and its president, Anthony Renda, entered into a court settlement with the U.S. Federal Trade Commission ("FTC") regarding advertising claims for the FuelMAX and Super FuelMAX. The agreement does not constitute an admission that any of the defendants have violated the law. As part of the settlement, however, we have agreed to provide the following message to IRD's customers, in order to put you on notice concerning the terms of the Final Judgment.

Previously, we claimed that FuelMAX and Super FuelMAX could cause a substantial increase in gas mileage and a substantial reduction in emissions. The FTC has taken the position that no scientific studies support these claims. We disagree. However, as part of the FTC settlement, we have agreed to stop manufacturing or distributing FuelMAX and Super FuelMAX and all other similar purported fuel saving or emission decreasing products.

Additionally, we have agreed not to make any material representation about the performance or efficacy of any product unless, at the time of making such representation, we possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence that substantiates the representation. "Competent and reliable scientific evidence" means tests, analyses, research, studies, or other evidence based on the experience of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results. **Anecdotal evidence and consumer testimonials are not considered competent and reliable scientific evidence.**

A copy of the stipulated Final Judgment is available upon your request. Read it carefully. **Failure to comply with any of the provisions of the Final Judgment that may apply to you could subject you to civil or criminal sanctions.**

Furthermore, if you resell any of our MAX products, including HeatMAX, AromaMAX, FishMAX, BatteryMAX, SoapMAX or PowerMAX, or any substantially similar products, you may only utilize the claims, advertising, and promotional materials that are based on competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence. Failure to comply with these requirements will result in termination.

This letter has been provided for your files. If you have any questions, please contact _____.

Sincerely,