

X960114

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

[Handwritten signature]
[] [] [] [] []

Plaintiff,

v.

GLOBAL PATENT RESEARCH SERVICES, INC.,
dba GLOBAL DEVELOPMENT SERVICES, INC.,
a corporation ("Global"),

and

KENNETH A. ROGERS, Individually,

Defendants.

C.A. No.: 96676A
(J. Bryan)

of law on fact basis and without the defendants admitting

and the Commission have requested the Court to enter this Final

Consent Judgment.

I. JURISDICTION AND VENUE

Being advised of the premises, the Court accordingly finds:

A. This Court has jurisdiction over the subject matter of this case and has jurisdiction over defendants. Venue in the Eastern District of Virginia is proper, and the Complaint states a claim upon which relief may be granted against defendants under Sections 5 and 13(b) of the FTC Act;

B. The Commission has the authority under Section 13(b) of the FTC Act to seek the relief it has requested:

F. Defendants have agreed to waive all rights to seek judicial review or otherwise challenge or contest the validity of this Final Consent Judgment. Defendants also have agreed to waive ~~any claim that they may have held under the Equal Access to Justice~~

Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of the entry of this Final Consent Judgment;

G. This action and the relief awarded herein are in addition to, and not in lieu of, other remedies as may be provided by law, including both civil and criminal remedies; and

H. Entry of this Final Consent Judgment is in the public interest.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED as follows:

II. DEFINITIONS

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

A. "Client" shall mean any party that has entered into, or has been or is being solicited to enter into, an agreement with defendants for "invention promotion services."

~~"Initial contact" shall mean the first contact between~~

Inc., dba Global Development Services, Inc., and Kenneth A. Rogers, or any combination of the foregoing, unless otherwise specified.

D. "Invention promotion services" shall mean review.

connection with an invention or idea, or any other contribution to the success or development of an

IT IS HEREBY ORDERED that defendants and their agents, employees, officers, independent contractors, attorneys, and those

otherwise, shall furnish two copies of the Affirmative Disclosure Statement set forth in Appendix B ("Disclosure Statement") during the initial contact with prospective clients for the solicitation

be furnished as a separate document that contains no other information, and the disclosures therein must be made in a clear and conspicuous manner. In the initial contact with prospective

clients, defendants shall request that each prospective client read, date, and sign both copies of the Disclosure Statement. Defendants shall not contract to provide invention promotion services to any client who does not sign and date both copies of

V. MONITORING AND RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Final Consent Judgment, defendants and their agents, employees, officers, independent contractors...

972 records for any such person who was terminated for a period of

two years following the date of termination:

C. Records containing the names, addresses, phone numbers, dollar amounts paid, and quantity and description of services purchased for all consumers to whom any of the above-referenced

F. Records reflecting all contracts, agreements or correspondence with any sales company, advertising company, or customer lead provider.

VI.

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Final Consent Judgment, defendant Rogers shall:

A. Provide a copy of this Final Consent Judgment to, and obtain a signed and dated acknowledgment of receipt of same from;

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 such persons, for any business where

- (1) defendant Rogers is the majority owner of the business, or otherwise directly or indirectly manages or controls the business, and where
- (2) the business engages in, or assists others who are engaged in, the business of selling invention promotion services; and

VII.

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Consent Judgment, for purposes of determining or securing compliance with this Final Consent Judgment, defendants, their successors, and assigns shall permit representatives of the Commission, within seven business days of receipt of written notice from the Commission to the Law Offices of Martin McMahon:

~~Access during normal office hours to any office or~~

facility storing documents, of Global Development Services or any business where:

- (1) defendant Rogers is the majority owner of the business, or otherwise directly or indirectly manages or controls the business, and where
- (2) the business engages in, or assists others who are engaged in, the business of selling invention promotion services.

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 Consent Judgment.

VIII. EMPLOYMENT NOTIFICATION

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Consent Judgment:

~~Defendant Rogers shall notify the Commission by~~

names, business addresses, and telephone numbers of any current

registered mail of any changes in his employment status within 30 days of such changes, in order that compliance with the provisions of this Final Consent Judgment can be monitored;

B. In the event that defendant Rogers is or becomes affiliated in any capacity with any business that engages in, or assists others who are engaged in, the business of selling invention promotion services, defendant Rogers shall notify the Commission by registered mail of the business's address and telephone number, the nature of its activities, and the nature of his own duties, management authority, and ownership interest in connection with the business. Defendant Rogers shall comply with the requirements imposed in this subsection (a) within 30 days of

entry of this Final Consent Judgment, if defendant Rogers is affiliated with a business to which this subsection applies on the date that this Final Consent Judgment is entered; and (b) within 30

notifications to the defendants shall be mailed to:

Law Offices of Martin McMahon
Attn: Martin McMahon

Washington, D.C. 20036

E. For the purposes of this Paragraph VIII, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or

Judgment, defendants shall assign and transfer to the FTC or its designated agent, all of their rights, title, and interest in the sum of nine hundred fifty thousand dollars (\$950,000) of the funds in the following accounts at the institutions indicated:

	<u>Name/Institution</u>	<u>Account #</u>	<u>Approximate Amount</u>
1.	Global Development Services (Fairfax Bank & Trust Company)	#8100764	\$16,962.03

2. Global Development

3. Global Development Services (Fairfax Bank & Trust Company) #571090174 \$233,790.92

4. Kenneth A. Rogers Certificate of Deposit (Fairfax Bank & Trust Company) #8335 \$101,240.43

5. Kenneth A. Rogers

Certificate of Deposit

11. Investors Service
Center/Certificate of
Deposit (Security Bank
Corporation)

#101900276-12 \$208,211.00

Defendants shall execute reasonable and necessary documents to
effect the payment and transfer of nine hundred fifty thousand

designated agent. The funds payable by defendants pursuant to this judgment shall be paid into a redress fund administered by the Commission and used to provide partial refunds of fees paid to defendants by persons who may have been injured as a result of defendants' acts or practices prior to the entry of this Final Consent Judgment. If the Commission determines that redress is wholly or partially impracticable, any funds not so used shall be remitted to the United States Treasury. The Commission agrees to utilize the letter attached as Appendix C hereto to inform persons who may have been injured by defendants' acts or practices concerning consumer redress. Defendants shall be notified as to

~~(\$50,000) in five monthly installments of ten thousand dollars~~

(\$10,000). To secure the payment thereof, defendants shall pledge all office equipment including computers that are located in defendants' office in Manassas, Virginia [some of which are presently physically in Tysons Corner, Virginia]. The first installment payment is due on the first day of the month following

Judgment, and judgment is entered herein. Subsequent payments shall be due on the first of the month. If payment is not received by the tenth of the month, the Commission may declare a default and notify the defendants in writing at the Law Office of Martin

agreeing to this Final Consent Judgment. If, upon motion by the

Commission, the Court finds that any of the above referenced

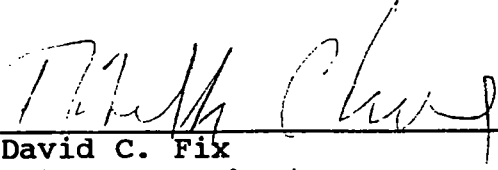
materially misrepresented the value of any asset, or made any other
material misrepresentation or omission of fact, the Commission may

request that the Final Consent Judgment herein be reopened to allow
the Commission to modify defendants' monetary liability. Provided,
however, that in all other respects this Final Consent Judgment
shall remain in full force and effect unless otherwise ordered by
the Court, and provided further that proceedings instituted under
this provision would 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 that the Commission may institute to enforce the

modification, and enforcement of this Final Consent Judgment.

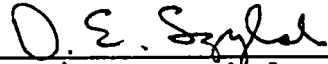
FOR THE PLAINTIFF:

Dated: July 17, 1996



David C. Fix
Peter W. Lamberton
Michelle Chua
Federal Trade Commission
6th & Pennsylvania Ave., N.W.
Room 200
Washington, D.C. 20580

Dated: 7/18/96




Dennis E. Szybala
VA Bar No. 22785
Office of the U.S. Attorney

2100 Jamieson Avenue
Alexandria, VA 22314

Attorneys for Plaintiff

FOR THE DEFENDANTS:

Dated: 6/26/96



Kenneth A. Rogers
Individually, and as an officer
of the Federal Bureau of Investigation

Dated: June 26, 1996

Basil J. Mezines
Basil J. Mezines
Jacob A. Stein
Stein, Mitchell & Mezines
1100 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20036

Plato Cacheris
VA Bar No. 4603
Philip T. Inglima
John F. Hundley
VA Bar No. 36166
Cacheris & Treanor
1100 Connecticut Avenue, N.W.
Suite 730
Washington, D.C. 20036

Attorneys for Defendant GLOBAL
DEVELOPMENT SERVICES, INC.

IT IS SO ORDERED.

AFK .1.

Hon. J. [unclear] [unclear] [unclear]

APPENDIX A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

GLOBAL PATENT RESEARCH SERVICES, INC.,
~~GLOBAL DEVELOPMENT SERVICES, INC.~~

C.A. No.: 96676A
(J. Bryan)

and
KENNETH A. ROGERS, Individually,
Defendants.

DECLARATION OF KENNETH A. ROGERS

1. My name is Kenneth A. Rogers. I am a citizen of the United States and am over the age of 18. I reside in Nokesville, Virginia. I have knowledge of the matters discussed in this declaration.

2. I am a defendant in FTC v. Global Patent Research Services, Inc., et al., CV-96-676-A (United States District Court, Eastern District of Virginia).

Dated: _____

Kenneth A. Rogers

Appendix B

Before doing business with Global Development Services, you should be aware that:

Since Global's inception in January 15, 1994, hundreds of clients have purchased Global's Patent and/or Product Promotion services. To date, no Global clients have received profits of any kind from their invention products as a result of Global's services.

Since January 15 1994 Global has recommended further

majority of all clients who submit their ideas to Global. Global does not, at any stage, perform any evaluation or assessment of the

Appendix C

~~SECRET - SECURITY RESTRICTION APPLICABLE TO THIS PAGE~~

GLOBAL DEVELOPMENT SERVICES, INC., AND KENNETH A. ROGERS
c/o Gilardi & Co.
P.O. Box 5100, Larkspur, CA 94977-5100
415-461-4094

[Date]

Dear Global Development Services Customer:

~~On 10/26/88, the Federal Trade Commission ("FTC") sued Global~~

Sincerely,

Gilardi & Co.
Claims Administration Center

Gilardi & Co. is the only Claims Administration Center authorized
by the Federal Trade Commission to mail notices and claim forms and

Services, Inc., et al. Redress Fund. You are not required to pay
anything to receive a refund. If any other company or individual
contacts you and requests that you send them money or information