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11 ATTORNEYS FOR PLAINTIFF

12  
13 **UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF WYOMING**

14  
15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 STAR PUBLISHING GROUP, INC., d/b/a  
National Consumer Services, a Wyoming  
19 corporation, and

20 KENT HOPKINS, individually and as an officer  
of the corporation,

21 Defendants.  
22

Civ. No. 00CV 023D

**STIPULATED FINAL  
JUDGMENT AND ORDER  
FOR PERMANENT  
INJUNCTION**

23 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), commenced this action  
24 by filing its complaint for permanent injunction and other relief pursuant to Section 13(b) of the  
25 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), charging that Defendants Star  
26 Publishing Group, Inc., d/b/a National Consumer Services, and Kent Hopkins (“Defendants”)  
27 engaged in unfair or deceptive acts or practices in violation of Section 5 of the FTC Act, 15  
28

1 U.S.C. § 45, in connection with the advertising, offering for sale, or sale of a work-at-home  
2 guide. The Commission and these Defendants, hereby stipulate to the entry of this Stipulated  
3 Final Judgment and Order for Permanent Injunction (“Order”) to resolve all matters of dispute  
4 between them in this action.

5 **NOW, THEREFORE**, Plaintiff and Defendants, having requested the Court to enter this  
6 Order,

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

8 **FINDINGS**

9 It is the finding of this Court that:

- 10 1. This Court has jurisdiction over the subject matter and the parties.
- 11 2. The Complaint states a claim upon which relief may be granted against Defendants  
12 under §§ 5(a)(1) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).
- 13 3. Defendants have waived any and all rights that may arise under the Equal Access  
14 to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).
- 15 4. Plaintiff and Defendants, by and through their counsel, have agreed that the entry  
16 of this Order resolves all matters of dispute between them arising from the Complaint in this  
17 action, up to the date of entry of this Order.
- 18 5. Plaintiff and Defendants waive all rights to seek appellate review or otherwise  
19 challenge or contest the validity of this Order.
- 20 6. This Order is for settlement purposes only and does not constitute and shall not be  
21 interpreted to constitute an admission by Defendants that they have engaged in violations of any  
22 law or regulation, including but not limited to the FTC Act, or that the facts alleged in the  
23 Complaint, other than the jurisdictional facts, are true.
- 24 7. Entry of this Order is in the public interest.

25 **DEFINITIONS**

26 For purposes of this Order, the following definitions shall apply:

- 27 1. “Defendants” means Star Publishing Group, Inc., d/b/a National Consumer  
28 Services (“Star”), and Kent Hopkins (“Hopkins”), individually and as an officer of Star.



1 **II. CONSUMER REDRESS**

2 **IT IS FURTHER ORDERED** that:

3 A. Defendants shall pay to the FTC consumer redress in the amount of \$100,000, for  
4 which they are jointly and severally liable, within ten days of the entry of this Order. Payment  
5 shall be made to the FTC by certified check or other guaranteed funds payable to and delivered to  
6 the FTC, or by wire transfer in accord with directions provided by the FTC.

7 B. The funds paid pursuant to Paragraph II.A. shall be deposited into a redress fund,  
8 administered by the FTC, to be used for equitable relief, including but not limited to consumer  
9 redress and any attendant expenses for the administration of any redress fund. If the FTC  
10 determines, in its sole discretion, that redress to purchasers is wholly or partially impracticable,  
11 any funds not so used shall be paid to the United States Treasury as disgorgement. Defendants  
12 shall be notified as to how the funds are disbursed but shall have no right to contest the manner of  
13 distribution chosen by the FTC. The FTC, in its sole discretion, may use a designated agent to  
14 administer consumer redress. The FTC and Defendants acknowledge and agree that this  
15 judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty,  
16 punitive assessment, or forfeiture;

17 C. The Commission's agreement to this Order, requiring that Defendants be liable for  
18 less than the full amount of consumer injury, is expressly premised upon the truthfulness, accuracy  
19 and completeness of Defendants' financial statements, dated February 22, 2000, Form 1040  
20 Individual Income Tax Returns for 1996 -1998, and corporate accounting documents that were  
21 submitted to the Federal Trade Commission (hereafter "financial statements"). Such financial  
22 statements contain material information upon which the Commission relied in negotiating and  
23 agreeing to this Consent Decree. If, upon motion by the Commission, this Court finds that the  
24 Defendants have failed to disclose any material asset or materially misstated the value of any asset  
25 in the financial statements described above, or have made any other material misstatement or  
26 omission in the financial statements described above, the Court shall enter judgment in the amount  
27 of \$3,407,560 against such Defendants. For the purposes of Paragraph II.C., Defendants waive  
28 any right to contest any of the allegations in the Complaint filed in this matter;

1 D. In the event that Defendants default on the \$100,000 payment set forth in  
2 Paragraph II.A.: (1) the amount of \$3,407,560, less the sum of payments made pursuant to  
3 Paragraph II.A. becomes immediately due and payable by Defendants, and interest computed at  
4 the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the  
5 unpaid balance; and (2) the Commission shall provide notice of such default to Thomas  
6 Sutherland, Defendants' current attorney; and

7 E. Any funds paid by Defendants pursuant to Paragraphs II.C. and II.D. above shall  
8 be paid into the redress fund described in Paragraph II.B.

9 **III. CUSTOMER LISTS**

10 **IT IS FURTHER ORDERED** that Defendants, and each of their successors, assigns,  
11 officers, agents, servants, employees, subsidiaries and affiliates, and those persons in active  
12 concert or participation with them who receive actual notice of this Order by personal service or  
13 otherwise, are permanently restrained and enjoined from selling, renting, leasing, transferring, or  
14 otherwise disclosing the name, address, telephone number, credit card number, bank account  
15 number, e-mail address, or other identifying information of any person who paid any money to  
16 any Defendant, at any time prior to February 16, 2000, in connection with the advertising,  
17 promotion, offering for sale, or sale of its work-at-home employment guide; *Provided, however,*  
18 that Defendants may disclose such identifying information to a law enforcement agency, or as  
19 required by any law, regulation, or court order.

20 **IV. REAFFIRMATION OF FINANCIAL INFORMATION**  
21 **AND ACKNOWLEDGMENT OF RECEIPT OF ORDER**

22 **IT IS FURTHER ORDERED** that, within five (5) business days after receipt by  
23 Defendants of this Order as entered by the Court, Defendants shall submit to the Commission:

24 A. A truthful sworn statement in the form shown on Appendix A that shall reaffirm  
25  
26  
27  
28

1                   **V.     DISTRIBUTION OF ORDER BY DEFENDANTS**

2                   **IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry  
3 of this Order, Defendants shall:

4                   A.     Provide a copy of this Order to, and obtain a signed and dated acknowledgment of  
5 receipt of same from, each officer or director, each individual serving in a management capacity,  
6 all personnel involved in responding to consumer complaints or inquiries, and all sales personnel,  
7 whether designated as employees, consultants, independent contractors or otherwise, immediately  
8 upon employing or retaining any such persons, for any business where (1) any Defendant is the  
9 majority owner of the business or directly or indirectly manages or controls the business, and (2)  
10 the business engages in the advertising, promotion, offering for sale, or sale of any work-at-home,  
11 employment, or business opportunity or materially assists others engaged in these activities,

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

15                   **VI.     RECORD KEEPING PROVISIONS**

16                   **IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry  
17 of this Order, Defendants, and their successors and assigns, in connection with any business where  
18 (1) any Defendant is the majority owner of the business or directly or indirectly manages or  
19 controls the business, and (2) the business engages in the advertising, promotion, offering for sale,  
20 or sale of any work-at-home, employment, or business opportunity, or materially assists others  
21 engaged in these activities, are hereby restrained and enjoined from failing to create, and from  
22 failing to retain for a period of three (3) years following the date of such creation, unless  
23 otherwise specified:

24                   A.     Books, records and accounts that, in reasonable detail, accurately and fairly reflect  
25 the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

26                   B.     Records accurately reflecting: the name, address, and telephone number of each  
27 person employed in any capacity by such business, including as an independent contractor; that  
28 person's job title or position; the date upon which the person commenced work; and the date and

1 reason for the person's termination, if applicable. The businesses subject to this Section shall  
2 retain such records for any terminated employee for a period of two (2) years following the date  
3 of termination;

4 C. Records containing the names, addresses, phone numbers, dollar amounts paid,  
5 quantity of items or services purchased, and description of items or services purchased, for all  
6 consumers to whom such business has sold, invoiced or shipped any goods or services;

7 D. Records that reflect, for every consumer complaint or refund request, whether  
8 received directly or indirectly or through any third party:

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

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

## 23 VII. COMPLIANCE REPORTING

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

26 A. For a period of three (3) years from the date of entry of this Order, Defendants  
27 shall notify the Commission of the following:  
28

1. Any changes in Defendant Hopkins' residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
2. Any changes in Defendant Hopkins' employment status (including self-employment) within ten (10) days of such change. Such notice shall include the name and address of each business Defendant Hopkins is affiliated with or employed by, a statement of the nature of the business, and a statement of Defendant Hopkins' duties and responsibilities in connection with the business or employment; and
3. Any proposed change in the structure of Star or any proposed change in the structure of any business entity owned or controlled by Defendant Hopkins 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 Order, thirty (30) days prior to the effective date of any proposed change; *provided*, however, that, with respect to any proposed change in Star, or any proposed change in the structure of any business entity owned or controlled by Defendant Hopkins 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 Order, Defendants 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 Order. This report shall include but not be limited to:

1. Defendant Hopkins' then current residence address and telephone number;



2. Defendant Hopkins' then current employment, business address and telephone number, a description of the business activities of each such employer, and the title and responsibilities for each employer;
3. A copy of each acknowledgment of receipt of this Order obtained by Defendants pursuant to Paragraph V.A.; and
4. A statement describing the manner in which Defendants have complied and are complying with this Order;

C. Upon written request by a representative of the Commission, but not to exceed every 3 months, Defendants 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 Order;

D. 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:

Regional Director  
Northwest Region  
Federal Trade Commission  
915 Second Ave., Suite 2896  
Seattle, WA 98174  
Re: FTC v. Star Publishing, et al.

E. For the purposes of Paragraph VII., "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Defendant Hopkins performs services as an employee, consultant, or independent contractor.

### **VIII. ACCESS TO BUSINESS PREMISES**

**IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Order, for the purpose of further determining compliance with this Order, Defendants 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 any business where (1) any Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and (2) the business engages in the advertising,

1 promotion, offering for sale, or sale of any work-at-home, employment, or business opportunity,  
2 or materially assists others engaged in these activities. In providing such access, Defendants shall  
3 permit representatives of the Commission to inspect and copy all documents relevant to any  
4 matter contained in this Order; and shall permit Commission representatives to remove documents  
5 relevant to any matter contained in this Order for a period not to exceed 48 hours so that the  
6 documents may be inspected, inventoried, and copied; and

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

#### 12 **IX. AUTHORITY TO MONITOR COMPLIANCE**

13 IT IS FURTHER ORDERED that the Commission is authorized to monitor Defendants'  
14 compliance with this Order by all lawful means, including but not limited to the following:

15 A. The Commission is authorized, without further leave of Court, to obtain discovery  
16 from any person (including a Defendant) in the manner provided by Chapter V of the Federal  
17 Rules of Civil Procedure, Fed. R. Civ. P. 26-37, including the use of compulsory process pursuant  
18 to Fed. R. Civ. P. 45, for the purpose of monitoring and investigating Defendants' compliance  
19 with any provision of this Order;

20 B. The Commission is authorized to use representatives posing as consumers to  
21 Defendants, Defendants' employees, or any other entity managed or controlled in whole or in part  
22 by any Defendant, without the necessity of identification or prior notice; and

23 C. Nothing in this Order shall limit the Commission's lawful use of compulsory  
24 process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. § 49 and 57b-1, to investigate  
25 whether Defendants have violated any provision herein or Section 5 of the FTC Act, 15 U.S.C.  
26 § 45, or any applicable rule or regulation promulgated and enforced by the Commission, including  
27 the Franchise Rule, 16 C.F.R. § 436.  
28

1 **X. FEES AND COSTS**

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

4 **XI. RETENTION OF JURISDICTION**

5 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for all  
6 purposes.

7 The parties, by their respective counsel, hereby consent to the terms and conditions of the  
8 Stipulated Final Judgment and Order for Permanent Injunction as set forth above and consent to  
9 the entry thereof.

10  
11 SO ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 2000, at \_\_\_\_\_.

12  
13 \_\_\_\_\_  
14 The Honorable William Downes  
U.S. District Court Judge

15 FOR THE PLAINTIFF:

16 FOR THE DEFENDANTS:

17  
18 \_\_\_\_\_  
19 Mary T. Benfield  
Attorney for Plaintiff  
Federal Trade Commission

20 \_\_\_\_\_  
21 Kent Hopkins, Individually

22 \_\_\_\_\_  
23 Carol A. Statkus  
Assistant U.S. Attorney

24 \_\_\_\_\_  
25 Kent Hopkins, President  
Star Publishing Group, Inc.

26 \_\_\_\_\_  
27 Thomas S. Sutherland  
Attorney for Defendants