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1 15 U.S.C. § 6105(b), charging defendants Modern Concept Marketing,
2 Inc. ("Modern"), and Joseph Moadeb ("Moadeb") with engaging in unfair
3 or deceptive acts or practices in connection with the sale, offering
4 for sale or distribution of nondurable office supplies, including
5 laser and inkjet printer supplies, in violation of Section 5 of the
6 FTC Act, 15 U.S.C. § 45, and the FTC's Telemarketing Sales Rule, 16
7 C.F.R. Part 310. On September 25, 2000, plaintiff filed a first
8 amended complaint naming Sam Jenkala ("Jenkala") as an additional
9 defendant.

10 Now the Commission and defendants agree to settlement of this
11 action, including violations alleged in the first amended complaint of
12 the FTC Act and the FTC's Telemarketing Sales Rule, without trial or
13 adjudication of any issue of law or fact herein. Defendants expressly
14 deny all of the law violations alleged in the complaint. The
15 Commission and defendants consent to entry of this Stipulated Final
16 Judgment and Order for Permanent Injunction and Other Equitable Relief
17 ("Order").

18 NOW, THEREFORE, the Commission and defendants, having requested
19 the Court to enter this Order, it is **ORDERED, ADJUDGED, AND DECREED** as
20 follows:
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22 **FINDINGS**

23 1. This is an action by the Commission instituted under
24 Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and
25 Section 6(b) of the Telemarketing and Consumer Fraud and Abuse
26 Prevention Act, 15 U.S.C. § 6105(b) .
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1 2. This Court has jurisdiction over the subject matter of this
2 case and jurisdiction over the defendants. Venue in the Central
3 District of California is proper.

4 3. The complaint states a claim upon which relief may be
5 granted against defendants.

6 4. The activities of defendants described in the complaint are
7 in or affecting commerce, as defined in Section 4 of the FTC Act, 15
8 U.S.C. § 44.

9 5. Defendants waive all rights to seek judicial review or
10 otherwise challenge or contest the validity of this Order. Defendants
11 also waive any claim that they may hold under the Equal Access to
12 Justice Act, 28 U.S.C. § 2412 (as amended), concerning the prosecution
13 of this action to the date of this Order. The parties shall bear their
14 own costs and attorneys' fees.

15 6. Entry of this Order is in the public interest.

17 **ORDER**

18 **Definitions**

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

21 1. "Defendants" means Modern Concept Marketing, Inc., Joseph
22 Moadeb, and Sam Jenkala, and each of them, by whatever names each
23 might be known, as well as their successors, assigns, officers,
24 agents, directors, servants, employees, salespersons, independent
25 contractors, attorneys, corporations, subsidiaries, affiliates, all
26 other persons or entities directly or indirectly under their control
27 or under common control with them, and all other persons or entities
28 in active concert or participation with them who receive actual notice

1 of this Order by personal service or otherwise, whether acting
2 directly or through any corporation, subsidiary, division or other
3 device. The term "defendants" refers inclusively to Modern Concept
4 Marketing, Inc., Joseph Moadeb, and Sam Jenkala, and any combination
5 thereof.

6 2. "Consumer" means any person, including any individual, sole
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1 5. The terms "and" and "or" have both conjunctive and
2 disjunctive meanings.

3 6. "Employment" includes any affiliation with any business,
4 including the performance of services as an officer, owner, manager,
5 supervisor, employee, consultant, or independent contractor; and
6 "employer" includes any and all individuals or entities for whom any
7 defendant performs services as an employee, consultant, or independent
8 contractor.

9 7. A requirement that any defendant "notify the Commission"
10 shall mean that the defendant shall send the specified information via
11 first-class mail, costs prepaid, to Regional Director, Northwest
12 Region, Federal Trade Commission, 915 Second Ave., Suite 2896,
13 Seattle, Washington, 98174. Attn: FTC v. Modern Concept Marketing,
14 Inc., et al., CV-99-13003-HLH (Mcx)(U.S. Dist. Ct., C.D. Cal.).

15
16 **I. PROHIBITED BUSINESS ACTIVITIES PURSUANT TO FTC ACT**

17 A. **IT IS HEREBY ORDERED** that, in connection with the
18 advertising, marketing, promoting, offering for sale, or sale of laser
19 and inkjet printer supplies or any other nondurable office supplies,
20 defendants are hereby permanently restrained and enjoined from:

21 1. Making any express or implied representation:

22 a. That any remanufactured laser toner cartridge
23 offered for sale provides double or triple the page
24 output of Hewlett Packard ("HP"), IBM Lexmark or any
25 other printer manufacturer's cartridges.

26 b. That any laser toner or inkjet cartridge offered
27 for sale provides any increased page output or
28 otherwise lasts longer when compared to HP, IBM

1 Lexmark, or any other printer manufacturer's
2 cartridges, unless, at the time of making the
3 representation, defendants possess and rely on
4 competent and reliable evidence that substantiates the
5 representation, including test results showing that
6 the exact product offered to the consumer will give
7 that increased page output or otherwise last longer.

8 c. That any laser toner or inkjet cartridge offered
9 for sale provides any cost savings when compared to
10 HP, IBM Lexmark, or any other printer manufacturer's
11 cartridges, unless, at the time of making the
12 representation, defendants possess and rely on
13 competent and reliable evidence that substantiates the
14 representation.

15 d. That defendants have a special relationship with
16 HP, IBM Lexmark, or any other printer manufacturer,
17 unless such is the case and that relationship is
18 documented in writing.

19 e. That any laser toner or inkjet cartridge offered
20 for sale is a new HP, IBM Lexmark, or other printer
21 manufacturer's cartridge, unless new cartridges of the
22 stated brand are actually provided to the consumer to
23 whom the statement is made.

24 2. Making any express or implied misrepresentation:

25 a. Regarding the consumer's right to a refund or to
26 return merchandise for credit.

27 b. Regarding the existence or length of any trial
28 period.

1 c. That a product is being sent on a free trial
2 basis or that billing will be delayed.

3 d. Regarding the per unit or total amount the
4 consumer is obligated to pay.

5 e. That the consumer has a contract or pre-existing
6 order or other obligation to make any additional
7 purchases.

8 3. Failing to disclose during every telephone sales call
9 (including opener, closer, reorder, verifier, or any other
10 sales-related call) where laser toner cartridges are
11 mentioned, on each invoice provided to consumers, and on any
12 website, that any cartridges offered for sale are
13 "remanufactured" or "recycled", unless the cartridges sold
14 to the consumer are actually new cartridges. The word
15 "remanufactured" or "recycled" shall be spelled out fully.

16 4. Failing to disclose, during every telephone sales
17 presentation (including opener, closer, reorder, verifier,
18 or any other sales-related call), other than a call in which
19 no prices are discussed and no sale is made, the total
20 amount that the consumer will be charged for any order,
21 including any shipping, handling, or insurance.

22 5. Failing to disclose, at least once during each initial
23 and reorder sales call, and again whenever a consumer
24 inquires about returns or refunds, any limitation on
25 obtaining refunds or credits or on returning merchandise,
26 including any time limitation or any charge that may be
27 assessed for returning merchandise.
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1 6. Using any tape recording of any part of a sales
2 transaction, including any "verification" call, or the
3 existence of such a recording, to challenge any consumer's
4 dispute of a transaction, unless the entirety of all
5 telephone calls with the consumer have been tape recorded
6 and all the tape recordings are made available to the
7 consumer. Provided, however, that calls by openers in which
8 there is no discussion of product characteristics or
9 performance, or potential cost savings, are excluded from
10 the requirements of this provision.

11 B. **IT IS FURTHER ORDERED** that, in connection with the
12 advertising, marketing, promoting, offering for sale, or sale of any
13 good or service, defendants are hereby permanently restrained and
14 enjoined from misrepresenting or assisting others in misrepresenting,
15 expressly or by implication, any fact material to a consumer's
16 decision to purchase products or services.

17
18 **II. PROHIBITED BUSINESS ACTIVITIES PURSUANT TO TELEMARKETING SALES**
19 **RULE**

20 **IT IS FURTHER ORDERED** that defendants are permanently restrained
21 and enjoined from:

22 A. Violating or assisting others in violating Section
23 310.3(a)(4) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(4),
24 by making false or misleading statements to induce any consumer to pay
25 for goods or services, including, but not limited to,
26 misrepresentations that:

27 1. All the supplies shipped or billed by defendants were
28 ordered by the consumers.

1 2. The consumer had agreed to pay a certain price for
2 supplies shipped by defendants.

3 B. Violating or assisting others in violating Section
4 310.3(a)(2)(i) of the Telemarketing Sales Rule, 16 C.F.R. §
5 310.3(a)(2)(i), by misrepresenting, directly or by implication, the
6 total costs to purchase, receive, or use the offered goods.

7 C. Violating or assisting others in violating Section
8 310.3(a)(2)(iii) of the Telemarketing Sales Rule, 16 C.F.R. §
9 310.3(a)(2)(iii), by misrepresenting, directly or by implication,
10 material aspects of the performance, efficacy, nature, or central
11 characteristics of the offered goods, including, but not limited to,
12 misrepresenting that any laser toner cartridge or inkjet refill lasts
13 longer or is of higher quality than those usually used by the
14 consumer, or are OEM (original equipment manufacturer) products.

15 D. Violating or assisting others in violating Section
16 310.3(a)(2)(iv) of the Telemarketing Sales Rule, 16 C.F.R. §
17 310.3(a)(2)(iv), by misrepresenting, directly or by implication,
18 material aspects of the nature or terms of defendants' refund,
19 cancellation, exchange, or repurchase policy, including, but not
20 limited to, misrepresenting that consumers can return supplies with no
21 further obligation if they are not satisfied.

22 E. Violating or assisting others in violating Section 310.3(b)
23 of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(b), by providing
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1 F. Violating or assisting others in violating any other
2 provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310.

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4 **III. MONITORING COMPLIANCE OF SALES PERSONNEL**

5 **IT IS FURTHER ORDERED** that defendants, in connection with (a) any
6 business owned or operated by defendant Modern or any business where
7 either individual defendant is the majority owner of the business, or
8 directly or indirectly manages or controls the business, and (b) the
9 business is engaged in (i) telemarketing; (ii) the advertising,
10 offering for sale, sale, or distribution of any nondurable office
11 supplies; or (iii) assisting others in telemarketing, advertising,
12 offering for sale, sale, or distribution of nondurable office
13 supplies, are hereby permanently restrained and enjoined from:

14 A. Failing to take reasonable steps sufficient to monitor and
15 ensure that all employees and independent contractors engaged in sales
16 or other customer service functions comply with Paragraphs I and II of
17 this Order. These steps shall include adequate monitoring of sales
18 presentations or other calls with customers, and shall also include,
19 at a minimum, the following: (1) listening to a representative sample
20 of the oral representations made by persons engaged in sales or other
21 customer service functions; (2) establishing a procedure for receiving
22 and responding to consumer complaints; and (3) ascertaining the number
23 and nature of consumer complaints regarding transactions in which each
24 employee or independent contractor is involved; provided that this
25 Paragraph does not authorize or require the defendant to take any
26 steps that violate any federal, state, or local laws;

27 B. Failing promptly to investigate fully any consumer complaint
28 received by any business to which this Paragraph applies; and

1 C. Failing to take corrective action with respect to any sales
2 person whom defendants determine is not complying with this Order,
3 which may include training, disciplining, and/or terminating the sales
4 person.

6 IV. PERFORMANCE BOND

7 **IT IS FURTHER ORDERED** that defendants, whether acting directly or
8 indirectly through any persons or entities under their control, are
9 hereby permanently restrained and enjoined from engaging in
10 telemarketing, advertising, marketing, promoting, offering for sale,
11 or sale of laser and inkjet printer supplies or any other nondurable
12 office supplies unless, prior to engaging in these activities,
13 defendants first obtain a performance bond ("the bond") in the
14 principal sum of \$1,000,000. The terms and conditions of the bond
15 requirement are as follows:

16 A. The bond shall be conditioned upon compliance with Section
17 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Telemarketing Sales Rule,
18 16 C.F.R. Part 310, and the provisions of this Order. The bond shall
19 be deemed continuous and remain in full force and effect as long as
20 defendants are engaging in telemarketing, advertising, marketing,
21 promoting, offering for sale, or sale of laser and inkjet printer
22 supplies or any other nondurable office supplies. Defendants shall
23 maintain the bond for a period of one year after they provide notice
24 to the Commission that they have ceased engaging in telemarketing,
25 advertising, promotion, offering for sale, or sale of laser and inkjet
26 printer supplies or any other nondurable office supplies. The bond
27 shall cite this Order as the subject matter of the bond, and shall
28 provide surety thereunder against financial loss resulting from whole

1 or partial failure of performance due, in whole or in part, to any
2 violation of Section 5(a) of the FTC Act, the Telemarketing Sales
3 Rule, or the provisions Sections I-II of this Order.

4 B. The bond shall be an insurance agreement providing surety
5 for financial loss issued by a surety company that is admitted to do
6 business in each state in which defendants, or any entity directly or
7 indirectly under their control, are doing business and that holds a
8 Federal Certificate of Authority As Acceptable Surety On Federal Bond
9 and Reinsuring. The bond shall be in favor the Federal Trade
10 Commission for the benefit of any consumer injured as a result of any
11 activities that required obtaining the bond.

12 C. The bond required pursuant to this Paragraph is in addition
13 to, and not in lieu of, any other bonds required by federal, state or
14 local law.

15 D. At least 10 days before commencing any activity that
16 requires obtaining the bond, defendants shall provide notice to the
17 Commission describing in reasonable detail the activities and include
18 in the notice a copy of the bond obtained.

19 E. Defendants shall not disclose the existence of the bond to
20 any consumer without simultaneously making the following disclosure:
21 "THE BOND IS REQUIRED BY ORDER OF THE U.S. DISTRICT COURT AS PART OF A
22 FINAL ORDER AGAINST MODERN CONCEPT MARKETING, INC., in *FTC v. Modern*
23 *Concept Marketing, Inc., et al.*, CV-99-13003-HLH (Mcx), U.S. District
24 Court for the Central District of California." The disclosure shall be
25 stated or set forth in a clear and conspicuous manner. If in print,
26 the disclosure shall be separated from all other text, in 100 percent
27 black ink against a light background, in print at least as large as
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1 the main text of the sales material or document, and enclosed in a box
2 containing only the required disclosure.

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4 **V. MONETARY JUDGMENT**

5 **IT IS FURTHER ORDERED** that:

6 A. Defendants are jointly and severally liable for payment of
7 equitable monetary relief, including, but not limited to, consumer
8 redress and the cost of any attendant expenses of administration of
9 any redress fund, in the amount of \$2,000,000. Defendants shall pay
10 this monetary judgment in two payments, with the first payment of
11 \$1,000,000 payable within five days of the date of entry of this Order
12 and the second payment of \$1,000,000 payable on the 180th day after
13 the date of entry of this Order. Defendants shall pay the Commission
14 by wire transfer or certified or cashier's check.

15 B. The second payment required by Paragraph V.A shall be
16 secured as specified in Paragraph VI.

17 C. Any assets collected by the Commission pursuant to the
18 judgment set forth in this Paragraph shall be deposited into an
19 account to be maintained by the Commission or its agent. Upon the
20 final disposition of this action, these funds shall be either:
21 (1) used to provide consumer redress and any administrative costs
22 associated with providing such redress; or (2) paid to the U.S.
23 Treasury as equitable disgorgement, if the Commission in its sole
24 discretion deems that consumer redress is impractical. Defendants
25 shall have no right to contest the manner of distribution chosen by
26 the Commission. No portion of any payments under the judgment herein
27 shall be deemed a payment of any fine, penalty, or punitive
28 assessment.

1 D. Defendants further stipulate for purposes of the settlement
2 only that the facts as alleged in the Commission's complaint in this
3 action shall be taken as true in the event of any subsequent
4 litigation to collect amounts due pursuant to this Order through a
5 nondischargeability action in any bankruptcy proceeding.

6
7 **VI. SECURITY FOR MONETARY JUDGMENT**

8 **IT IS FURTHER ORDERED** that:

9 A. Upon entry of this Order, defendants shall immediately
10 execute and deliver to the FTC a promissory note and deed of trust, in
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1 C. Within 10 days of the payment of the full amount required by
2 Paragraph V.A, the FTC shall provide to defendants whatever documents
3 are necessary to cancel any liens or other encumbrances in favor of
4 the FTC.

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6 **VII. RIGHT TO REOPEN**

7 **IT IS FURTHER ORDERED**
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1 *Provided, however,* that in all other respects this Order shall
2 remain in full force and effect, unless otherwise ordered by the
3 Court.

4 **VIII. REDRESS COOPERATION**

5 **IT IS FURTHER ORDERED** that the defendants shall assist the
6 Commission and its agents, without compensation, by providing database
7 records and other consumer records that the Commission or its agents
8 may request to carry out a plan to distribute consumer redress.

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10 **IX. COLLECTION ON PRIOR ACCOUNTS**

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1 either voluntarily, or as required by any law, regulation, or court
2 order.

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4 **XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

5 **IT IS FURTHER ORDERED** that, within five business days after
6 receipt by defendants of this Order as entered by the Court,
7 defendants shall submit to the Commission truthful sworn and notarized
8 statements, in the form shown on Appendix C, that shall acknowledge
9 receipt of this Order.

10
11 **XII. RECORD KEEPING**

12 **IT IS FURTHER ORDERED** that, for a period of five years from the
13 date of entry of this Order, defendant Modern, and individual
14 defendants Moadeb and Jenkala, in connection with (a) any business
15 owned or operated by defendant Modern or any business where either
16 individual defendant is the majority owner of the business, or
17 directly or indirectly manages or controls the business, and (b) the
18 business is engaged in any of the following: (i) telemarketing; (ii)
19 the advertising, offering for sale, sale or distribution of any
20 nondurable office supplies; or (iii) assisting others either in
21 telemarketing, or in the advertising, offering for sale, sale or
22 distribution of nondurable office supplies, are hereby restrained and
23 enjoined from failing to create, and from failing to retain for a
24 period of three years following the date of such creation, unless
25 otherwise specified:

- 26 1. Books, records, and accounts that, in reasonable
27 detail, accurately and fairly reflect the cost of goods or
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1 services sold, revenues generated, and the disbursement of
2 such revenues.

3 2. Records accurately reflecting: the name, address, and
4 telephone number of each person employed in any capacity,
5 including as an independent contractor; that person's job
6 title or position; the date upon which the person commenced
7 work; and the date and reason for the person's termination,
8 if applicable. These records shall be retained for any
9 terminated employee for a period of two years following the
10 date of termination.

11 3. Records containing the names, addresses, phone
12 numbers, dollar amounts paid, quantity of items or services
13 purchased, and description of items or services purchased,
14 for all consumers who were sold, invoiced or shipped any
15 goods or services, or from whom the business accepted money
16 or other items of value.

17 4. Records that reflect, for every consumer complaint and
18 dispute, and every request for a return, refund, credit, or
19 order cancellation, whether received directly or indirectly:

20 a. The consumer's name, address, telephone number,
21 and the dollar amount paid by the consumer.

22 b. The written complaint, dispute, or request, if
23 any, and the date of the complaint or refund request.

24 c. If the complaint, dispute, or request, was made
25 verbally, any tape recording of the verbal complaint,
26 dispute, or request, and a written summary of its
27 nature, date, and a way of locating any tape
28 recording.

1 d. The basis of the complaint, dispute, or request,
2 including the name of any salesperson complained
3 against, and the nature and result of any
4 investigation conducted concerning any complaint.

5 e. Each response and the date of the response.

6 f. Any final resolution and the date of the
7 resolution.

8 g. In the event of a denial of a refund request, the
9 reason for the denial.

10 5. Copies of all materially different sales scripts,
11 training materials, advertisements or other marketing
12 materials utilized; *provided* that copies of all sales
13 scripts, training materials, advertisements or other
14 marketing materials utilized shall be retained for three
15 years after the last date of dissemination of any such
16 materials.

17 18 **XIII. COMPLIANCE REPORTING**

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

21 A. For a period of five years from the date of entry of this
22 Order, each defendant shall notify the Commission of the following:

23 1. Any changes in defendant's residence, mailing
24 addresses, and telephone numbers within 10 days of the date
25 of such change.

26 2. Any change in defendant's employment status (including
27 self-employment) within 10 days of the change. The notice
28 shall include the name and address of each business that

1 defendant is affiliated with or employed by, a statement of
2 the nature of the business, and a statement of defendant'
3 duties and responsibilities in connection with the business
4 or employment.

5 3. Any proposed change in the structure of defendant
6 Modern, or any proposed change in any business entity owned
7 or controlled by defendant Moadeb and/or Jenkala, such as
8 creation, incorporation, dissolution, assignment, sale,
9 merger, creation or dissolution of subsidiaries, proposed
10 filing of a bankruptcy petition, change in the corporate
11 name or address, or any other changes that may affect
12 compliance obligations arising out of this Order, 30 days
13 prior to the effective date of any proposed change;
14 *provided, however, that, with respect to any proposed change*
15 *in the corporation about which either defendant learns less*
16 *than 30 days prior to the date the action is to take place,*
17 *defendant shall notify the Commission as soon as is*
18 *practicable after learning of the proposed change.*

19 B. One hundred eighty days after the date of entry of this
20 Order, each defendant shall provide a written report to the FTC, sworn
21 to under penalty of perjury, setting forth in detail the manner and
22 form in which the defendant has complied and is complying with this
23 Order. This report shall include, but not be limited to:

24 1. Defendant's then current residence address and
25 telephone number.

26 2. Defendant's then current employment, business
27 addresses, and telephone numbers, a description of the
28

1 business activities of each such employer, and defendant's
2 title and responsibilities for each employer.

3 3. A copy of each acknowledgment of receipt of this Order
4 obtained by defendant pursuant to Paragraph XVI.

5 4. A statement describing the manner in which defendant
6 has complied and is complying with each Paragraph of this
7 Order, including a statement indicating whether any
8 performance bond has been obtained by any defendant pursuant
9 to Paragraph IV of this Order and attaching a copy of the
10 bond obtained.

11 12 **XIV. ACCESS TO BUSINESS PREMISES**

13 **IT IS FURTHER ORDERED** that, for a period of five years from the
14 date of entry of this Order, for the purpose of further determining
15 compliance with this Order, defendants shall permit representatives of
16 the Commission, within three business days of receipt of written
17 notice from the Commission:

18 A. Access during normal business hours to any office, or
19 facility storing documents, in connection with (a) any business owned
20 or operated by defendant Modern or any business where either
21 individual defendant is the majority owner of the business, or
22 directly or indirectly manages or controls the business, and (b) the
23 business is engaged in any of the following: (i) telemarketing; (ii)
24 the advertising, offering for sale, sale or distribution of any
25 nondurable office supplies; or (iii) assisting others either in
26 telemarketing, or in the advertising, offering for sale, sale or
27 distribution of nondurable office supplies. In providing this access,
28 defendants shall permit representatives of the Commission to inspect

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1 B. The Commission is authorized to use representatives posing
2 as consumers and suppliers to defendants, defendants' employees, or
3 any other entity managed or controlled in whole or in part by any
4 defendant, without the necessity of prior notice.

5 C. Nothing in this Order shall limit the Commission's lawful
6 use of compulsory process, pursuant to Sections 9 and 20 of the FTC
7 Act, 15 U.S.C. §§ 49, 57b-1, to investigate whether defendants have
8 violated any provision of this Order, Section 5 of the FTC Act, 15
9 U.S.C. § 45, or the Telemarketing Sales Rule, 16 C.F.R. Part 310.

10
11 **XVI. ORDER DISTRIBUTION**

12 **IT IS FURTHER ORDERED** that, for a period of five years from the
13 date of entry of this Order, defendants shall:

14 A. Provide a copy of pages 1-11 and 25 of this Order to, and
15 obtain a signed and dated acknowledgment of receipt of the same from,
16 each officer or director, each individual serving in a management
17 capacity, all personnel involved in responding to consumer complaints
18 or inquiries, and all sales personnel, whether designated as
19 employees, consultants, independent contractors or otherwise,
20 immediately upon employing or retaining any such persons, in
21 connection with (a) any business owned or operated by defendant Modern
22 or any business where either individual defendant is the majority
23 owner of the business, or directly or indirectly manages or controls
24 the business, and (b) the business is engaged in any of the following:
25 (i) telemarketing; (ii) the advertising, offering for sale, sale or
26 distribution of any nondurable office supplies; or (iii) assisting
27 others either in telemarketing, or in the advertising, offering for
28 sale, sale or distribution of nondurable office supplies.

1 B. Maintain for a period of three years after creation, and
2 upon reasonable notice, make available to representatives of the
3 Commission, the original signed and dated acknowledgments of the
4 receipt of copies of this Order obtained pursuant to Paragraph XVI.A
5 of this Order.

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7 **XVII. INDEPENDENCE OF OBLIGATIONS**

8 **IT IS FURTHER ORDERED** that the expiration of any requirements
9 imposed by this Order shall not affect any other obligation arising
10 under this Order.

11
12 **XVIII. RETENTION OF JURISDICTION**

13 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction
14 of this matter for all purposes, including the construction,
15 modification, and enforcement of this Order.

16
17 **SO STIPULATED:**

18 Dated: March ____, 2001

RANDALL H. BROOK
KATHRYN C. DECKER
JENNIFER LARABEE (CA Bar #163989)
Attorneys For Plaintiff

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21 Dated: March ____, 2001

MODERN CONCEPT MARKETING, INC.
By: JOSEPH MOADEB, President

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24 Dated: March ____, 2001

JOSEPH MOADEB
Individually and as an officer of
Modern Concept Marketing, Inc.

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27 Dated: March ____, 2001

SAM JENKALA

Individually and as an officer of
Modern Concept Marketing, Inc.

1
2 APPROVED AS TO FORM AND CONTENT

3 Dated: March _____, 2001

4 _____
Lewis Rose
5 Collier Shannon Scott, PLLC
3050 K Street, NW, Suite 400
6 Washington, DC 20007
Attorney for Defendants

7
8 **IT IS SO ORDERED.**

9 Dated: _____, 2001

10 _____
HARRY L. HUPP
11 United States District Judge

1 **APPENDIX A**

2 Federal Trade Commission v. Modern Concept Marketing, Inc., et al.,
3 STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION AND OTHER
4 EQUITABLE RELIEF

5 LIST OF PLEDGED ASSETS, LIENS, AND OWNERSHIP INTERESTS

6 Pledged Asset: Apartment building located at 4424 Woodman Ave., Van
7 Nuys, CA 91423. Legal description: South 60 feet of Lots 1 and 2,
8 Tract 6027, Map Book 67, p. 56.

9 Owner: Joseph Moadeb, a married individual owning the property as his
10 separate property, with spouse disclaiming any community property
11 interest in the property.

12 Liens: Outstanding aggregate balance of less than \$1.5 million on
13 loans.
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1 **APPENDIX B**

2 Federal Trade Commission v. Modern Concept Marketing, Inc., et al.,
3 STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION AND OTHER
4 EQUITABLE RELIEF

5 **UNITED STATES DISTRICT COURT**
6 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
7 **WESTERN DIVISION**

8 _____)
9 FEDERAL TRADE COMMISSION,)
10)
11 Plaintiff,)
12 v.) CV-99-13003-HLH (Mcx)
13)
14 MODERN CONCEPT MARKETING, INC.,)
15 *et al.*)
16)
17 Defendants.)
18 _____)

19 I, _____, hereby state that the information
20 contained in the Financial Statement of defendant _____
21 _____ and related papers provided to the Federal Trade
22 Commission on _____ [and as amended on _____, if
23 applicable] was [were] true, accurate, and complete at such time.
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1 I declare under penalty of perjury under the laws of the United
2 States that the foregoing is true and correct. Executed on [date], at
3 [city and state].
4

5 _____
6 [Full name of defendant]
7

8 State of California

9 County of _____
10

11 Subscribed and sworn to before me
12 this ____ day of _____, 2001.
13

14
15 _____

16 Notary Public

17 My Commission Expires:
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APPENDIX C

Federal Trade Commission v. Modern Concept Marketing, Inc., et al.,
STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on [date], at [city and state].

[Full name of defendant]

State of California
County of _____

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

Notary Public
My Commission Expires:

CERTIFICATE RE SERVICE

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_____ I am an attorney representing plaintiff Federal Trade Commission in this matter. My business address is 915 2nd Ave. Ste 2896, Seattle, WA 98174.

_____ I am employed by the plaintiff Federal Trade Commission. My business address is 915 2nd Ave. Ste 2896, Seattle, WA 98174. I am acting under the direction of one of the attorneys assigned to this matter.

On April ____, 2001 I served a true and correct copy of the attached document on each of the defendants in this matter by sending it via overnight courier to the following addresses:

Lewis Rose
Collier Shannon Scott, PLLC
3050 K Street NW, Suite 400
Washington, DC 20007

I certify that the foregoing is true and correct.

Executed on April ____, 2001 at Seattle, Washington.
