

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Case No. 03-CV-0226-RLC
)	
CARLTON PRESS, INC., <u>et al.</u> ,)	
)	
Defendants.)	
)	

**STIPULATED FINAL ORDER FOR PERMANENT INJUNCTION AND SETTLEMENT
OF CLAIMS**

3. This Court has jurisdiction over the subject matter of this action and has jurisdiction over Defendants. Venue in the Southern District of New York is proper.

4. The activities of Defendants, as alleged in the Complaint, are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. The FTC and Defendants stipulate and agree to this Order, without trial or final adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the Complaint to the date of entry of this Order. Defendants do not admit any of the allegations set forth in the Complaint, other than jurisdictional facts.

6. Defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order. They also waive any claim that each 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 this Order. Each settling party shall bear its own costs and attorneys' fees.

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

DEFINITIONS

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

A. "International Driving Permit" means any document called an international driving permit, international driver's license or any variation thereof.

B. "Identification Document" means a document made or issued by or under the authority of the United States Government, a State, political subdivision of a State, a foreign government, political subdivision of a foreign government, an international governmental or international quasi governmental organization which, when completed with information concerning a particular individual, is of a type intended or commonly accepted for the purpose of

C. Misrepresenting or assisting others in misrepresenting, directly or by implication, that consumers who purchase any international driving permit or other identification document may use it to avoid sanctions for driving with a suspended or revoked government-issued driver's license;

D. Misrepresenting or assisting others in misrepresenting, directly or by implication, that any international driving permit or other identification document can be used in the United States or any other country as an identification document in the same ways a person can use a government-issued photo identification document;

E. Misrepresenting or assisting others in misrepresenting, directly or by implication, that any international driving permit or other identification document has been issued by or under the authority of the United States Government, a State, political subdivision of a State, a foreign government, political subdivision of a foreign government, an international governmental or international quasi governmental organization;

F. Misrepresenting or assisting others in misrepresenting, directly or by implication, any information relating to any holder of any international driving permit or other identification document, including, but not limited to, the identity, name, address, nationality, citizenship, or vital statistic of the holder;

G. Misrepresenting or assisting others in misrepresenting, directly or by implication, any other fact material to a consumer's decision to purchase any international driving permit or any other identification document, false identification document, identification template or related material or information, whether denoted as a real or novelty item; and

H. Misrepresenting or assisting others in misrepresenting, directly or by implication, any material fact regarding any item, product, good, or service sold or offered for sale.

CONSUMER LISTS

III. IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from hereafter selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to any defendant, at any time prior to entry of this Order; *provided, however*, that Defendants may disclose such identifying information (i) with the express written consent of the person whose information is disclosed, (ii) to a law enforcement agency, or (iii) as required or authorized by any law, regulation, or court order.

MONETARY RELIEF

IV. IT IS FURTHER ORDERED that:

A. Judgment is hereby entered against Defendants, jointly and severally, in the amount of TWENTY FIVE THOUSAND DOLLARS (\$25,000); *provided, however*, that this judgment shall be suspended as long as the Court makes no finding, as provided in Paragraph VI of this Order, that any defendant has materially misrepresented or omitted the nature, existence or value of any asset.

B. Any funds received by the FTC pursuant to this Paragraph IV shall be deposited into a fund administered by the FTC 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 funds. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC 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 U.S. Treasury as equitable disgorgement. Defendants shall have no right to challenge the FTC's choice of remedies or the manner of distribution under this Paragraph IV.

C. Defendants further agree that the facts as alleged in the Complaint shall be taken as true in the event of any subsequent litigation to collect amounts due pursuant to this Order,

the FTC mail addressed to the Defendants may resume forwarding mail directly to the Defendants.

RIGHT TO REOPEN

VI. IT IS FURTHER ORDERED that, within five business days after entry of this Order, Defendants each shall submit to the FTC a truthful sworn statement that shall acknowledge receipt of this Order and shall reaffirm and attest to the truth, accuracy and completeness of the financial statements previously submitted to the FTC. The FTC's agreement to this Order is expressly premised on the truthfulness, accuracy and completeness of such financial statements. If, upon motion by the FTC, the Court finds that the financial statement of any defendant contains any material misrepresentation or omission, the suspended judgment entered in Paragraph IV of this Order shall become immediately due and payable as to that defendant; *provided, however*, that in all other respect this Order 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 FTC may initiate to enforce this Order. For purposes of this Paragraph VI, Defendants waive any right to contest any of the allegations in the Complaint.

RECORD KEEPING PROVISIONS

VII. IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Defendants and any business where it is an officer, director, manager, partner or majority owner, and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons and entities 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. Personnel 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, phone 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. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests; and

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

COMPLIANCE MONITORING

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

A. Within ten (10) days of receipt of written notice from a representative of the FTC, 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;

a. Any changes in the defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

b. Any changes in defendant's employment status (including self-employment) within ten (10) days of the date of such change. Such notice shall include the name and address of each business that defendant is affiliated with, employed by, or performs services for; a statement of the nature of the business; and a statement of defendant's duties and responsibilities in connection with the business;

c. Any changes in defendant's name or use of any aliases or fictitious names; and

2. Defendants each shall notify the FTC of any changes in corporate structure 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 corporation; 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 which the defendant learns less than thirty (30) days prior to the date such action is to take place, defendant shall notify the FTC as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, Defendants each shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order.

This report shall include, but not be limited to:

1. Any changes required to be reported pursuant to subparagraph (A) above;
and

2. A copy of each acknowledgment of receipt of this Order obtained by defendant pursuant to Paragraph X;

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

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, NW, Room NJ-2122
Washington, DC 20580
Re: FTC v. Carlton Press, Case No. 03-CV-0226-RLC (S.D.N.Y.).

D. For purposes of the compliance reporting required by this Paragraph, the FTC is authorized to communicate directly with Defendants.

DISTRIBUTION OF ORDER BY DEFENDANTS

X. IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order,

A. Carlton Press, Inc. and Carlton Press, Ltd. shall deliver a copy of this Order to all principals, officers, directors, managers, employees, agents, and representatives having responsibilities with respect to the subject matter of this Order, and shall secure from each such person a signed and dated statement acknowledging receipt of the Order. Carlton Press, Inc. and Carlton Press, Ltd. shall deliver this Order to current personnel within thirty (30) days after the date of service of this Order, and to new personnel within thirty (30) days after the person assumes such position or responsibilities.

B. Kim Fleming Bo Weiss shall deliver a copy of this Order to the principals, officers, directors, managers and employees under his control for any business that (a) employs or contracts for personal services from him and (b) has responsibilities with respect to the subject matter of this Order. Kim Fleming Bo Weiss shall secure from each such person a signed and dated statement acknowledging receipt of the Order within thirty (30) days after the date of service of the Order or the commencement of the employment relationship.

RETENTION OF JURISDICTION

XI. IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

SO STIPULATED:

CARLTON PRESS, INC., Defendant
By: Kim Fleming Bo Weiss, its president

CARLTON PRESS, LTD., Defendant
By: Kim Fleming Bo Weiss, its president

KIM FLEMING BO WEISS, Defendant

