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	- UNITEI	STATES DISTRICT COURT		
	SOUTH	ERN DISTRICT OF FLORIDA O. 03-6 <b>1027-</b> 25V2014 TONAGA		
	UNITED STATES OF AMERICA,	CLARENCE MADDOX CLERK U.S. JIST. CT. S.D. OF FLA. MIAMI	• . •	
	PLAINTIFF,		CLO	•
	vs.	)	CLOSED	
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	DEFENDANT		-	
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		LATED JUDGMENT AND PR PERMANENT INJUNCTION	<u>on</u>	
	Plaintiff, the United States of	America, acting upon notification	on and authorization to th	e
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Attorney General by the Federal Trade Commission ("FTC" or the "Commission"), has

	The activities of the Defendant are in an affecting assurement as defined in Castian
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4 - C41 - ETC	1. A. A. T.C.T.C.C. C. 4.4
4 of the F1	Act, 15 U.S.C. § 44.
4.	The Complaint states a claim upon which relief may be granted against the
Defendant.	under Sections 5(a), 5(m)(1)(A) 9, 13(b) and 19 of the Federal Trade Commission
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Act ("FTC A	act"), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 49, 53(b), and 57b.
5	Defendant has entered into this Stimulated Indoment and Order ("Order") Social
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and with out	narnian Dafordant firther colonical december had been and the marie and the

"Business Venture" means any written or oral business arrangement, however denominated whether or not covered by the Franchise Rule in which a narticipant or nurchascer

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	6. "Income-generating product or service" means any product or service designed,
	integrated on accommodate to accommodate to the second sec
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	7. "Franchise of the broker" is defined as that term is defined in Section 436.2(i) of the
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#### **ORDER**

#### I. BAN ON SALE OF FRANCHISES AND BUSINESS VENTURES

IT IS ORDERED, ADJUDGED AND DECREED that, for a period of three years after entry of this Order, Defendant, and each of his successors, assigns, agents, servants or employees, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, are hereby permanently restrained and enjoined from engaging or participating in the advertising, promotion, offering for sale, or sale of any Business Venture or Franchise. Nothing in this Order shall be read as an exception to this paragraph.

### II. BOND REQUIREMENT

	IT IS ORDERED that:
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surety thereunder to consumers against financial loss resulting from any violation

of the provisions of this Order or Section 5(2) of the ETC Act.

None of the other Paragraphs of this Order shall relieve defendant Stewart from complying with this Paragraph as a precondition to selling, or assisting others to sell, Franchises or Business Ventures.

# III. COMPLIANCE WITH FRANCHISE RULE

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	reasonable basis for the claim, estimate, calculation, or projection at the time such claim,
	estimate, calculation, or projection is made, as required by Sections 436.1(b)-(e) of the
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	E. Engaging in any other act or practice prohibited by the Franchise Rule, 16 C.F.R.
	Part 436, or failing to fulfill any obligation imposed by the Rule.
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	В.	The income, profit or sales volume actually achieved by prior purchasers;	
	C.	The length of time that it is likely to take a purchaser to recoup the entire purchase	
	price or inve	estment;	
	D.	The independence or authenticity of any third-party references, including persons	
	гергеsented	to be prior purchasers, that are provided to potential purchasers;	
	F	The amount of competition within are nurchaser's territorial rightness are.	
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<b>-</b> -	geographic t	erritory:	
	F.	The availability or existence of profitable locations in a purchaser's geographic	
	area; and		
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	that relatate	Any location remains on account which Defendent actions a numbered	
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# VI. CONSUMER REDRESS AND OTHER EQUITABLE RELIEF

IT IS FURTHER ORDERED that judgment is hereby entered against defendant Grover Stewart in the amount of NINETY THOUSAND DOLLARS (\$90,000); provided, however, that this judgment shall be suspended until further order of the Court, and amount of a latent and a latent

judgment shall be subject to the conditions set forth in Section VII of this Order

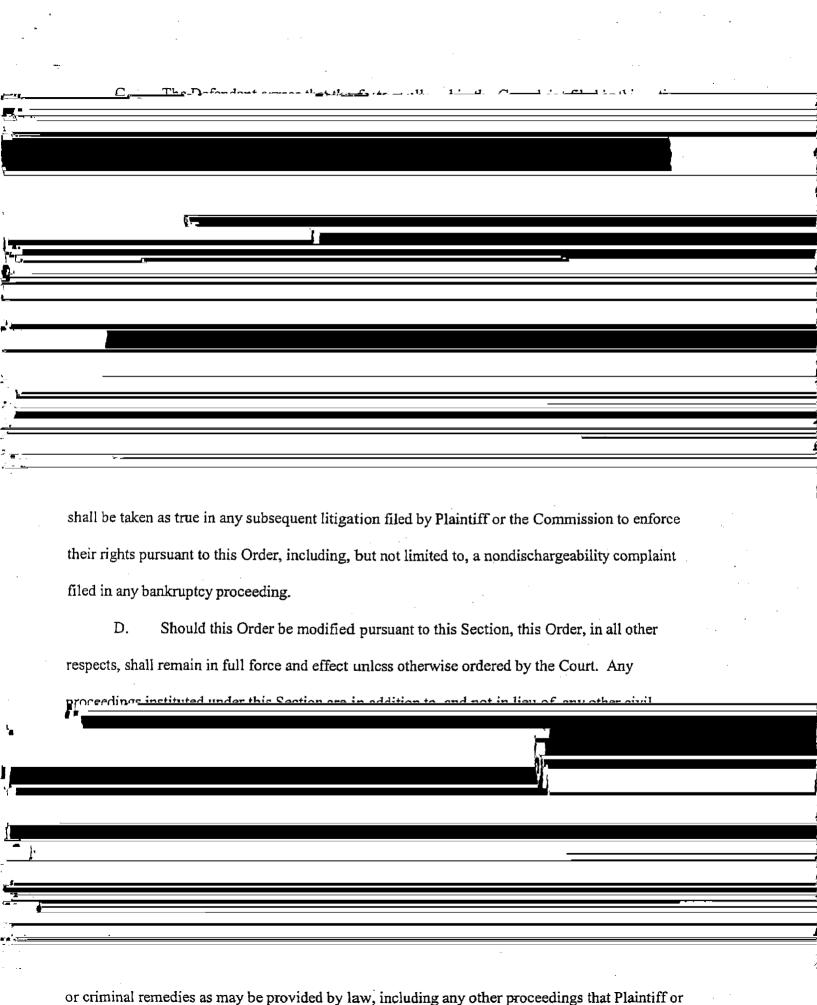
A. All funds paid pursuant to this Order shall be deposited into a fund administered

his financial disclosure forms with all appropriate third parties, including but not limited to financial institutions.

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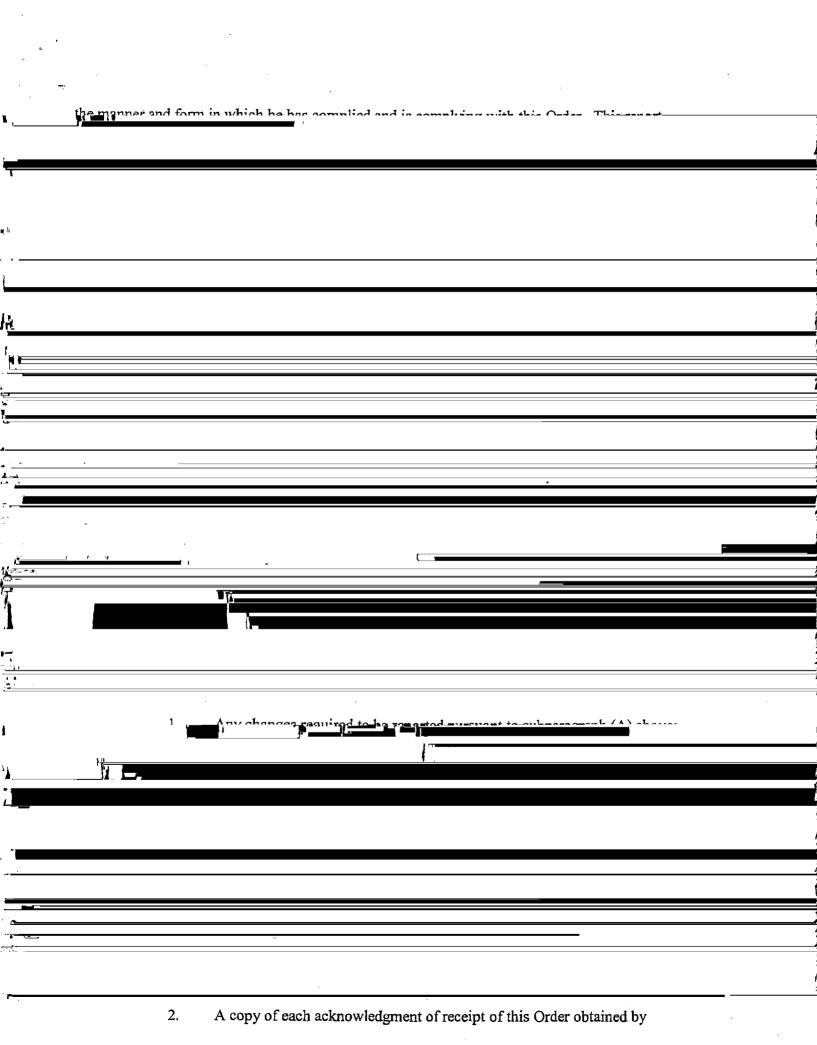
Premium Cigar Distributors, Corp., customers or franchisees (with the intent or result that a negative item was placed on the customer's or franchisee's credit report) that such negative item should be removed from the customer's or client's credit report.

H.	Defendant is enjoined from enforcing and in	adament he an National Design
	Defendant is enjoined from enforcing any ju	
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elated to pa	ment of amounts due to Defendant or Nation	wide Premium Cigar Distributors,
Corp., in cor	nection with the sale of any franchise or busing	ness opportunity.
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	VII. RIGHT TO REO	PEN
<u>הידמו ורדען ל</u>	ED.ABBERDE .	
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	Plaintiffs agreement to and the Court's and	roual of this Order is expressly.
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controls, or has a majority ownership interest in, that is engaged in the sale or distribution of any Franchise, Business Venture, or income-generating product or service, or assisting others engaged in these activities; and

engaged in	agaged in these activities; and		
<u> </u>	Maintain for a period of three (3) years after creation, and unon reasonable notice		
make availa	hle to representatives of Plaintiff or the Commission, the original signed and dated		
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	Service or assisting others engaged in these activities December 11: D
	service, or assisting others engaged in these activities, <u>Defendant and his Representatives are</u>
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	A. Failing to take reasonable steps sufficient to monitor and ensure that all
	employees and independent contractors engaged in sales or other customer service functions
	comply with Paragraphs III and IV of this Order. Such steps shall include adequate monitoring
	of sales presentations or other calle with outtomore and shall also include the sales of
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	following:

Listening to the oral representations made by persons engaged in sales or

Establishing a procedure for receiving and responding to consumer

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other customer service functions;

# XII. RECORD-KEEPING PROVISIONS

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

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request received by Defendant or his Representatives, whether directly or indirectly or through	gh
any third party: (1) the customer's name, address, telephone number; (2) the dollar amount pa	aid
by the consumer; (3) the written complaint or refund request, if any; (4) the basis of the	
complaint or refund request, including the name of any salesperson complained about; (5) the	e
nature and result of any investigation conducted concerning the complaint or refund request;	
each response and the date of the response to the complaint or refund request; and (7) any fin	
resolution of the complaint or refund request, and the date of the resolution; and (8) in the even	ent
of a denial of a refund request, the reason for the denial; and	
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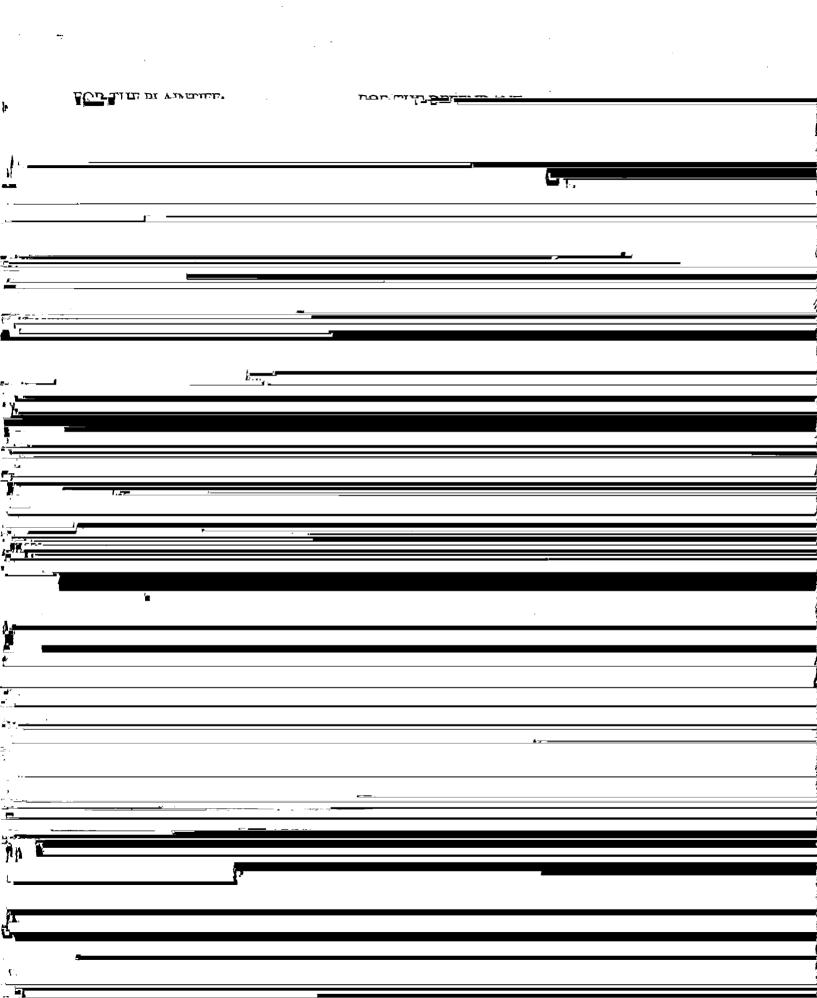
	1. obtaining discovery from any person, without further leave of court, using	
	the procedures proscribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;	
	? nosing as consumers and suppliers to. Defendent Defendent's ownloads.	
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•	or any other entity managed or controlled in whole or in part by Defendant, without the	
	necessity of identification or prior notice;	
	Provided 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. 8 45(a)(1)).	
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**COLLEEN ROBBINS** 

Attorney

Federal Trade Commission

Washington, D.C. 20580

PHONE: 202-326-2548

The Clerk of Court is instructed to CLOSE this case.

SO ORDERED this <u>29</u> day of <u>Much</u> 2004.

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