

The Honorable Stephen M. McNamee

UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA  
AT PHOENIX

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

VECTOR DIRECT MARKETING, LLC;  
MIKE STAFFORD; and LISA MILLER,

Defendants.

Case No. CV04 0095 PHX SMM

**STIPULATED PERMANENT  
INJUNCTION AND FINAL  
JUDGMENT**

(Proposed)

Plaintiff, the Federal Trade Commission ("FTC"), filed its Complaint in this matter on January 15, 2004. The Court entered an Ex Parte Temporary Restraining Order With Asset Freeze and Order To Show Cause Why Preliminary Injunction Should Not Issue on January 21, 2004, against defendants Vector Direct Marketing, LLC, Mike Stafford and Lisa Miller. On January 30, 2004, the court entered a Stipulated Preliminary Injunction as to Lisa Miller, a Preliminary Injunction on a default basis against Vector Direct Marketing, LLC, now defunct, and extended by stipulation the Temporary Restraining Order as to Mike Stafford until February 12, 2004. Stafford subsequently stipulated to entry of a Preliminary Injunction that was entered by the Court on February 16, 2004. Defendants Miller and Stafford and the FTC, have now agreed to entry of this Stipulated Permanent Injunction by this Court in order to resolve all matters in dispute between them in this action. Stafford and the FTC

1 read and understands the provisions of this Order and is prepared to abide by its terms. Defendants  
2 have consented to the entry of this Order without trial or adjudication of any issue of law or fact  
3 herein, and this Order shall not constitute an admission of liability by defendants nor constitute  
4 evidence of liability against defendants in any matter relating to the facts alleged in the FTC's  
5 Complaint. **NOW, THEREFORE**, these defendants and the FTC having requested the Court to enter  
6 this Order, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

### 7 **FINDINGS**

8 1. This Court has jurisdiction of the subject matter of this case and of the parties  
9 consenting hereto.

10 2. The complaint states a claim upon which relief may be granted against the defendants  
11 under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).

12 2. Venue is proper as to all parties in the District of Arizona.

13 3. The activities of defendants are in or affecting commerce, as defined in Section 4 of the  
14 FTC Act, 15 U.S.C. § 44.

15 4. The complaint states a claim upon which relief may be granted against defendants under  
16 Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).

17 5. Defendants have waived all rights to seek judicial review or otherwise challenge or  
18 contest the validity of this Order, and further waive and release any claim defendants may have against  
19 the FTC, its employees, and agents, including any rights that may arise under the Equal Access to  
20 Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

21 6. The parties shall each bear their own costs and attorneys' fees incurred in this action.

### 22 **DEFINITIONS**

23 1. "Defendants" means Mike Stafford and Lisa Miller.

24 2. "Telemarketing" means a plan, program, or campaign that is conducted to induce the  
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1 C. The FTC and defendants acknowledge and agree that no portion of this judgment for  
2 equitable monetary relief shall be deemed a fine, penalty, punitive assessment, or forfeiture.

3 D. Defendants agree that the facts as alleged in the complaint filed in this action shall be  
4 taken as true for the purpose of any nondischargeability action in a bankruptcy proceeding.

5 **III. RIGHT TO REOPEN AS TO MONETARY JUDGMENT**

6 IT IS FURTHER ORDERED that:

7 A. By agreeing to this order, defendants reaffirm and attest to the truthfulness, accuracy,  
8 and completeness of the Financial Statement of Lisa Miller, dated 2/09/04 and submitted to the FTC;  
9 the financial records of Vector Direct Marketing, LLC, provided to the FTC on 1/30/04; and the  
10 Financial Statement of Mike Stafford dated 2/17/04 and submitted to the FTC (designated collectively  
11 as the "Financial Statements"). Plaintiff's agreement to this order is expressly premised upon the  
12 truthfulness, accuracy, and completeness of defendants' financial condition, as represented in the  
13 Financial Statements referenced above, which contain material information upon which plaintiff relied  
14 in negotiating and agreeing to the terms of this order.

15 B. If, upon motion by plaintiff, this Court finds that defendants failed to disclose any  
16 material asset, or materially misrepresented the value of any asset, or made any other material  
17 misrepresentation in or omission from the Financial Statements, the Court shall reinstate the suspended  
18 judgment against such defendant, in favor of the FTC, in the amount of \$810,972.46, which the  
19 defendants and the FTC stipulate is the amount of consumer injury jointly and severally caused by the  
20 defendants, as set forth in Paragraph II.A of this Order. Provided, however, that in all other respects  
21 this Order shall remain in full force and effect unless otherwise ordered by the Court.

22 C. In accordance with 31 U.S.C. § 7701, defendants are hereby required, unless they have  
23 done so already, to furnish to the FTC their respective taxpayer identifying numbers (social security  
24 number or employer identification number) which shall be used for purposes of collecting and  
25 reporting on any delinquent amount arising out of defendants' relationship with the government.

26 D. Proceedings instituted under this section are in addition to, and not in lieu of, any other  
27 civil or criminal remedies that may be provided by law, including any other proceedings the FTC may  
28 initiate to enforce this order.

1 **IV. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

2 IT IS FURTHER ORDERED that defendants, their agents, servants, and employees, and those  
3 persons in active concert or participation with them who receive actual notice of this Order by personal  
4 service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division,  
5 affiliate, or other device, are hereby permanently restrained and enjoined from selling, renting, leasing,  
6 transferring, or otherwise disclosing the name, address, telephone number, social security number, or  
7 other identifying information of any person who purchased or paid to participate in defendants' do-not-  
8 call or fraud protection products or services at any time prior to the date this Order is entered.  
9 Provided, however, that defendants may disclose identifying information to a law enforcement agency  
10 or as required by any law, regulation, or court order.

11 **V. TRAINING, MONITORING, AND VERIFICATION**

12 **IT IS FURTHER ORDERED** that defendants, their agents, servants, employees, and those  
13 persons in active concert or participation with them who receive actual notice of this Order by personal  
14 service or otherwise, in connection with any business where (1) any defendant is the majority owner of  
15 the business or directly or indirectly manages or controls the business, and (2) the business involves  
16 the advertising, offering for sale, or sale of any product or service via telemarketing , are hereby  
17 permanently restrained and enjoined from:

18 A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and  
19 independent contractors engaged in sales or other customer service functions comply with Paragraph I  
20 of this Order. These steps shall include adequate monitoring of sales presentations or other calls with  
21 consumers, and shall also include, at a minimum, the following: (1) listening to the oral representations  
22 made by persons engaged in sales or other customer service functions; (2) establishing a procedure for  
23 receiving and responding to consumer complaints; and (3) ascertaining the number and nature of  
24 consumer complaints regarding transactions in which each employee or independent contractor is  
25 involved.

26 B. Failing promptly to investigate fully any consumer complaint received by any business  
27 to which this section applies.

28 C. Failing to take adequate corrective action with respect to any employee or

1 independent contractor who defendant determines is not complying with this Order. This corrective  
2 action may include training, disciplining, and/or terminating such employee or independent contractor.

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2. posing as customers and suppliers to defendants, or any other entity managed or controlled in whole or in part by them, without the necessity of identification or prior notice;

*Provided* that nothing in this Order shall limit the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in



1 Regional Director  
2 Federal Trade Commission  
3 915 Second Avenue, Suite 2896  
4 Seattle, WA 98174  
5 RE: *FTC v. Vector Direct Marketing, LLC*, et al.

6 **XII. RETENTION OF JURISDICTION**

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

9 DATED this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
10 Stephen M. McNamee  
11 U.S. District Judge

12 Presented by:

13 DEFENDANTS

\_\_\_\_\_  
14 Lisa Miller, individually  
15 Pro Se

\_\_\_\_\_  
16 Richard Neuheisel  
17 Attorney for Defendant Mike Stafford

18 PLAINTIFF

\_\_\_\_\_  
19 Eleanor Durham  
20 For Federal Trade Commission  
21 915 2nd Ave., Rm. 2896  
22 Seattle, WA 98174  
23 206-220-6350