

**WILLIAM E. KOVACIC**  
General Counsel

**BARBARA ANTHONY**  
Regional Director  
Northeast Region

**ANN F. WEINTRAUB (AW 3080)**  
**ROBIN E. EICHEN (RE 2964)**  
Federal Trade Commission  
One Bowling Green, Suite 318  
New York, NY 10003

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), commenced this

[REDACTED]

matter on November 8, 2002 pursuant to Sections 5(a), 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b), 45(a) and 57b, and by filing an Amended

Complaint on October 14, 2002.

[REDACTED]

4. The Complaint states a claim upon which relief may be granted against Defendants under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b and the

Mail or Telephone Order Merchandise Rule, 16 C.F.R. § 305.6

*amended by Pub. L. 104-121, 110 Stat 847, 863-64 (1996).*

6. The Defendants have also waived all rights to seek appellate review or otherwise challenge or contest the validity of this Order and have agreed to pay the costs of this proceeding.

any corporation, subsidiary, division, or other device, or its

enjoined from making, or assisting others in making, either expressly or by implication, orally or

A Violation of section 435.1(a)(1)

16 C.F.R. Part 435 including but not limited to

1. Section 435.1(a)(1) of the Rule, 16 C.F.R. § 435.1(a)(1), by soliciting orders for the sale of merchandise to be ordered by the buyer through the mail or by telephone without a reasonable basis for believing that he will be able to ship any ordered merchandise to the buyer within the time stated in the solicitation, or if no time has been clearly and conspicuously stated, within thirty days of the date of the solicitation.

B. Within 90 days from the date that [redacted]

\$35,000 into a fund administered by the Commission or its agent to be used for equitable relief, including consumer restitution and any attendant expenses for the administration of any such restitution.

C. Of this \$35,000, \$23,000 shall be used for such restitution and expenses and any [redacted]

V.

**TRANSFER OF CUSTOMER SYSTEMS**

participation with them who receive actual notice of this Order by personal service or otherwise,

A. Accounting records that reflect of



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

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

2. Any changes in such Defendant's

employment) within ten (10) days of the date of such change. Such notice

shall include the name and address of each business that such Defendant

affiliated with, employed by, or performs services for; a statement of the nature of the business; and a statement of such Defendant's duties and responsibilities in connection with the business;

3. Any changes in such Defendant's name

C. 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:

Barbara A. [redacted]

Federal Trade Commission  
 One Bowling Green, Suite 318  
 New York, NY 10004  
 Re: FTC v. Brian E. Silverman, et al. Civil Action No. 02-8920

D. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate directly with Defendants Brian E. Silverman and John Engholm, a/k/a John Patterson, provided that Defendants are no longer represented with counsel.

**VIII.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring [redacted]

compliance with any provision of this Order,

A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendants shall submit additional written reports, sworn to under penalty of perjury [redacted]

1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;
2. posing as consumers and suppliers to Defendants Brian E. Silverman, individually and doing business as Electro Depot, BES Systems, Dallas Tech Surplus and New York Tech Surplus, and John Engholm, a/k/a John Patterson, individually and doing business as Electro Depot, BES Systems, Dallas Tech Surplus and New York Tech Surplus employees, or any other entity managed or controlled in whole or in part Defendants D. E. P.

**IX.**

**DISTRIBUTION OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Order, Defendants shall deliver a copy of this Order to the principals, officers, directors, managers and employees under Defendants Brian E. Silverman or John Engholm, a/k/a John Patterson control for any business under either Defendant Brian E. Silverman or John Engholm's

control shall

Brian E. Silverman and John Engholm, a/k/a John Patterson shall

STIPULATED AND AGREED TO BY:

PLAINTIFF:

WILLIAM E. KOVACIC  
GENERAL COUNSEL

BARBARA ANTHONY  
REGIONAL DIRECTOR  
NORTHEAST REGION  
FEDERAL TRADE COMMISSION:

ANNE WERNER

DATED:

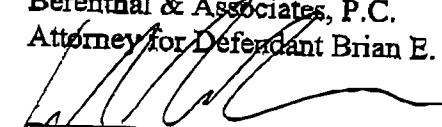
[REDACTED]

BRIAN E. SILVERMAN d/b/a  
Electro Depot, Bes Systems, Dallas  
Tech Surplus and New York Tech Surplus

DATED: \_\_\_\_\_

DAVID BERENTHAL, ESQ. (DB 9568)  
Berenthal & Associates, P.C.  
Attorney for Defendant Brian E. Silverman

DATED: \_\_\_\_\_

  
JOHN ENGHOLM, a/k/a JOHN PATTERSON,  
d/b/a Electro Depot, Bes Systems, Dallas

DATED: May 12, 2004

STIPULATED AND AGREED TO BY:

PLAINTIFF:

WILLIAM E. KOVACIC  
GENERAL COUNSEL

BARBARA ANTHONY  
REGIONAL DIRECTOR  
NORTHEAST REGION  
FEDERAL TRADE COMMISSION.

[REDACTED]