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U.S. DISTRICT COURT
EASTERN DISTRICT OF LA
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LORETTA G. WHYTE
CLERK

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA**

FEDERAL TRADE COMMISSION,

Plaintiff,

"1

U.S. GRANT RESOURCES, LLC,

15 U.S.C. § 53(b), charging the defendants with deceptive acts and practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

[REDACTED]

of this Final Judgment and Order by this Court in order to resolve all matters in dispute in this action. The Commission and the defendants have consented to entry of this Final Judgment and Order without trial or adjudication of any issue of law or fact herein and without the defendants admitting liability for any of the violations alleged in the complaint or for any wrongdoing whatsoever.

Being fully advised in the premises and acting upon the joint motion of the parties, the

6. Defendants have waived all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, and all rights to seek judicial review or otherwise challenge the validity of this Final Judgment and Order.

DEFINITIONS

For the purpose of this Stipulated Final Judgment and Order, the following definitions shall apply:

1. “*Assets*” means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” “notes” (as these terms are defined in the Uniform Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located.

2. “*Document*” is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,

to information, instructions, assistance, or advice relating to obtaining, receiving, or applying for

a grant.

4. **“Telemarketing”** means any business activity (which includes, but is not limited to, initiating or receiving telephone calls, managing others who initiate or receive telephone calls, operating an enterprise that initiates or receives telephone calls, owning an enterprise that

ORDER

I. BAN RELATING TO GRANT PROCUREMENT GOODS OR SERVICES AND TELEMARKETING

IT IS THEREFORE ORDERED that defendants U.S. Grant Resources, LLC, National

Grants, LLC, John B. Rodgers, and Lowell A. Rodgers are hereby permanently enjoined and

enjoined from (a) holding any ownership interest, share, or stock in, (b) serving as an officer, director, trustee, or general manager of, or (c) engaging in or receiving any remuneration of any kind whatsoever from:

- (1) any business entity engaged, in whole or in part, in the advertising, promotion, offering for sale, or sale of grant procurement goods or services, or
- (2) any business entity engaged, in whole or in part, in telemarketing.

II. INJUNCTION AGAINST MISREPRESENTATIONS

A. IT IS FURTHER ORDERED that, in connection with the advertising,

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:

1. Misrepresenting, expressly or by implication, that consumers will obtain a cash grant using defendants' grant procurement goods or services; and

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B. IT IS FURTHER ORDERED that, in connection with the advertising, promotion, offering for sale, or sale of grant procurement goods or services, defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers, and each of their successors, assigns, officers, directors, agents, servants, employees, subsidiaries, and affiliates, and those persons in

employees, subsidiaries, and affiliates, and those persons in active concert or participation with them 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 misrepresenting, expressly or by implication, any fact material to a consumer's decision to purchase defendants U.S. Grant Resources, LLC

National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers' products or

services.

D. IT IS FURTHER ORDERED that defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers, and each of their successors, assigns, officers, directors, agents, servants, employees, subsidiaries, and affiliates and those persons in active concert or participation with them who

purchased services from defendants at any time prior to the date this Final Judgment and Order is entered. *Provided*, however, that defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

IV. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00) is entered against defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers; *provided*, however, that upon the fulfillment of the payment obligations of Section IV(B)

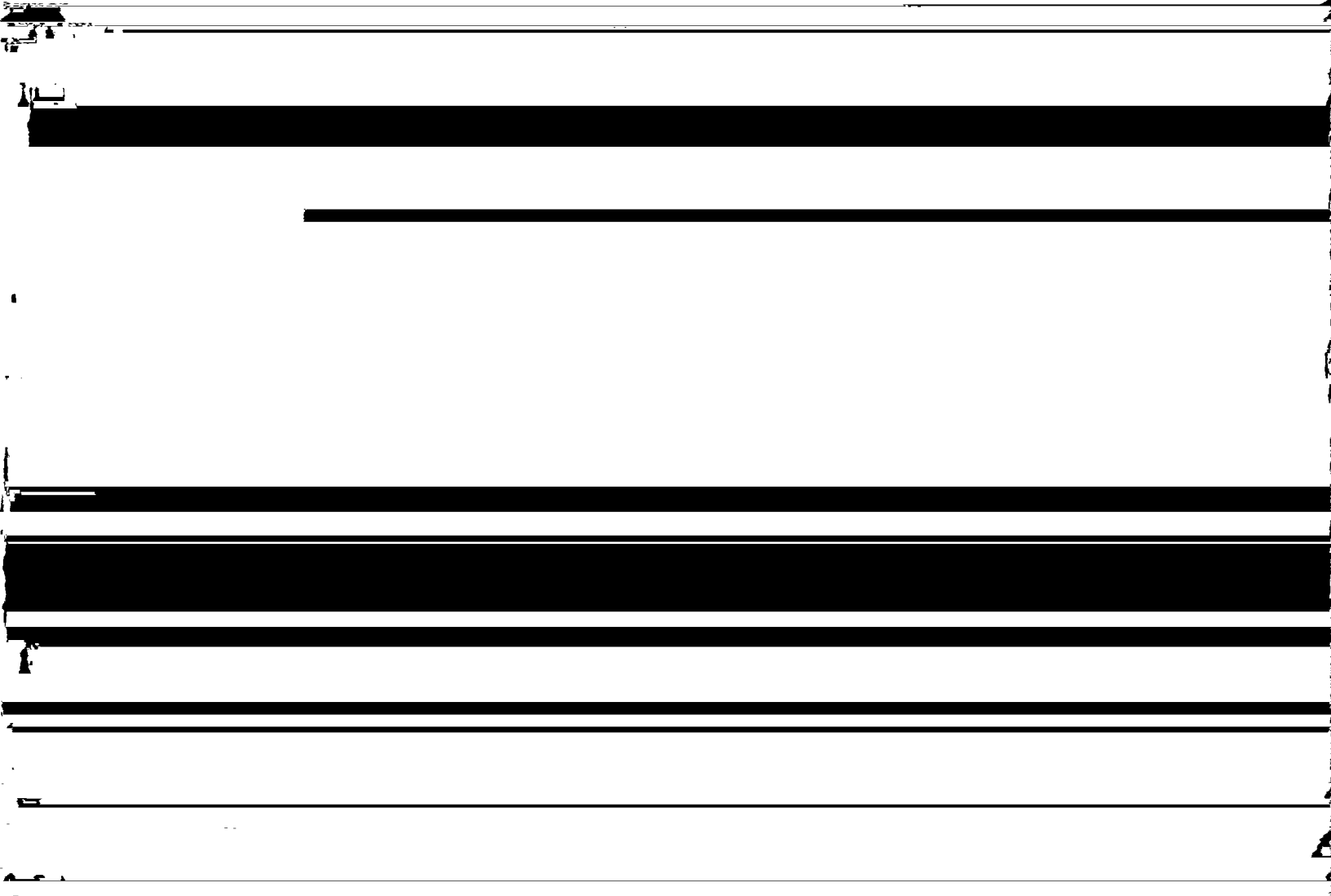
and Section IV(C) of this Final Judgment and Order by defendants, this judgment

shall be suspended until further order of the Court, and *provided further* that this judgment shall be subject to the conditions set forth in Section V of this Final Judgment and Order.

THOUSAND DOLLARS (\$400,000.00) to the Commission in the form of a wire transfer or certified or cashier's check made payable to the Commission, or such agent as the Commission may direct.

D. Time is of the essence for the payment specified above. In the event that defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers do not fulfill, or only partially fulfill, the payment obligations set forth in this Paragraph, defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers shall be immediately liable for payment of FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00), which is the entire amount of the

~~judgment in the instant case against the defendants.~~



year 2003 (hereinafter referred to as the "owed taxes, interest, and penalties")

event that the amount paid by defendants in final satisfaction of the owed taxes,

disgorgement. Defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers shall have no right to challenge the Commission's choice of remedies under this Section.

- G.** Defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers shall have no right to contest the manner of distribution chosen by the Commission. No portion of any payments under the judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment.

V. FINANCIAL STATEMENTS

- A. IT IS FURTHER ORDERED** that the Commission's agreement to and the Court's approval of this Final Judgment and Order are expressly premised upon the truthfulness, accuracy, and completeness of the financial statements and information provided to the Commission by defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers on or about April 21, 2004, which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Final Judgment and Order.

- B. IT IS FURTHER ORDERED** that if the Commission should have evidence that the above-referenced financial statements and information failed to disclose any material asset the value of which exceeds \$1,000, materially misrepresented the value of any asset, or made any other material misrepresentation or omission, the Commission may move that the Court reopen this Final Judgment and Order for

defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers. If the Court finds that any defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation or omission in the above-referenced financial statements and information, the Court shall reinstate the suspended judgment against such defendant. in favor of the Commission. in the amount of FIVE

MILLION FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00), which the defendants and the Commission stipulate is the amount of consumer injury caused by the defendants, as set forth in Section IV of this Final Judgment and Order. *Provided*, however, that in all other respects this Final Judgment and Order shall remain in full force and effect unless otherwise ordered by the Court. Any proceedings instituted under this Section shall be in addition to and not in lieu of any other proceedings the Commission may initiate to enforce this Final Judgment and Order. Solely for the purposes of reopening or enforcing this Section, defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers waive any right to contest any of the allegations set forth in the Complaint filed in this matter.

VI. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that. for the purpose of monitoring and investigating

compliance with any provision of this Final Judgment and Order,

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

~~Commission defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers~~

B. Rodgers, and Laurel A. Rodgers 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 defendants' possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Final

following:

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;
2. Posing as consumers and suppliers to defendants' employees or any other entity managed or controlled in whole or in part by defendants, without the

conduct subject to this Final Judgment and Order. The person interviewed may have counsel present.

~~IT IS FURTHER ORDERED THAT, IN ORDER THAT COMPLIANCE WITH THE PROVISIONS OF THIS~~

~~IT IS FURTHER ORDERED that, in order that compliance with the provisions of this~~

Final Judgment and Order may be monitored:

- A. For a period of three (3) years from the date of entry of this Final Judgment and

2. Defendants U.S. Grant Resources, LLC, National Grants, LLC, John B. Rodgers, and Laurel A. Rodgers shall notify the Commission of any changes in corporate structure that may affect compliance obligations

~~arising under this Final Judgment and Order, including but not limited to~~

[REDACTED]

[REDACTED]

C. For the purposes of this Final Judgment and Order, defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Regional Director
Southwest Region

Federal Trade Commission
1999 Bryan Street, Suite 2150
Dallas, Texas 75201
Re: FTC v. U.S. Grant Resources, LLC, et al., Civil Action No. 04-0596.

D. For purposes of the compliance reporting required by this Section, the

Commission is authorized to communicate directly with U.S. Grant Resources, LLC, et al.

procurement goods or services or telemarketing, 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

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

A. Each of the defendants U.S. Grant Resources, LLC and National Grants, LLC shall deliver a copy of this Order to all of their principals, officers, directors, managers, employees, agents, and representatives having responsibilities with

X. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that defendants U.S. Grant Resources, LLC, National

Grants LLC John B. Rodgers and Laurel A. Rodgers within five (5) business days of receipt of

[REDACTED]

SO STIPULATED:



W. DAVID GRIGGS
Trial Attorney
Texas Bar No. 08491100

SUSAN E. ARTHUR
Attorney
Texas Bar No. 01365300

**FEDERAL TRADE COMMISSION
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(214) 979-9390 (Arthur)
(214) 953-3079 (Facsimile)
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FEDERAL TRADE COMMISSION**


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NATIONAL GRANTS, LLC
Defendant
JOHN B. RODGERS
Defendant
LAUREL A. RODGERS
Defendant

Pauline F. Hardin

PAULINE F. HARDIN

Bar No. 04625500

Jones, Walker, Waechter, Poitevent,

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Mobile, Alabama 36602-5100

[REDACTED]

[REDACTED]

[REDACTED]

ATTORNEY FOR DEFENDANTS