

1 | WILLIAM E. KOVACIC
2 | General Counsel
3 | Federal Trade Commission

1 for Permanent Injunction and Other Equitable Relief ("Order") by
2 this Court to resolve all matters in dispute in this action
3 without trial. Defendants waive service of the Summons and
4 Complaint in this action.

SCANNED

5 FINDINGS

DEFINITIONS

1
2 For the purposes of this Order, the following definitions
3 shall apply:

4 1. "Mall Ventures, Inc." refers to Mall Ventures, Inc. dba
5 2by2.net, all other fictitious names under which it does or may

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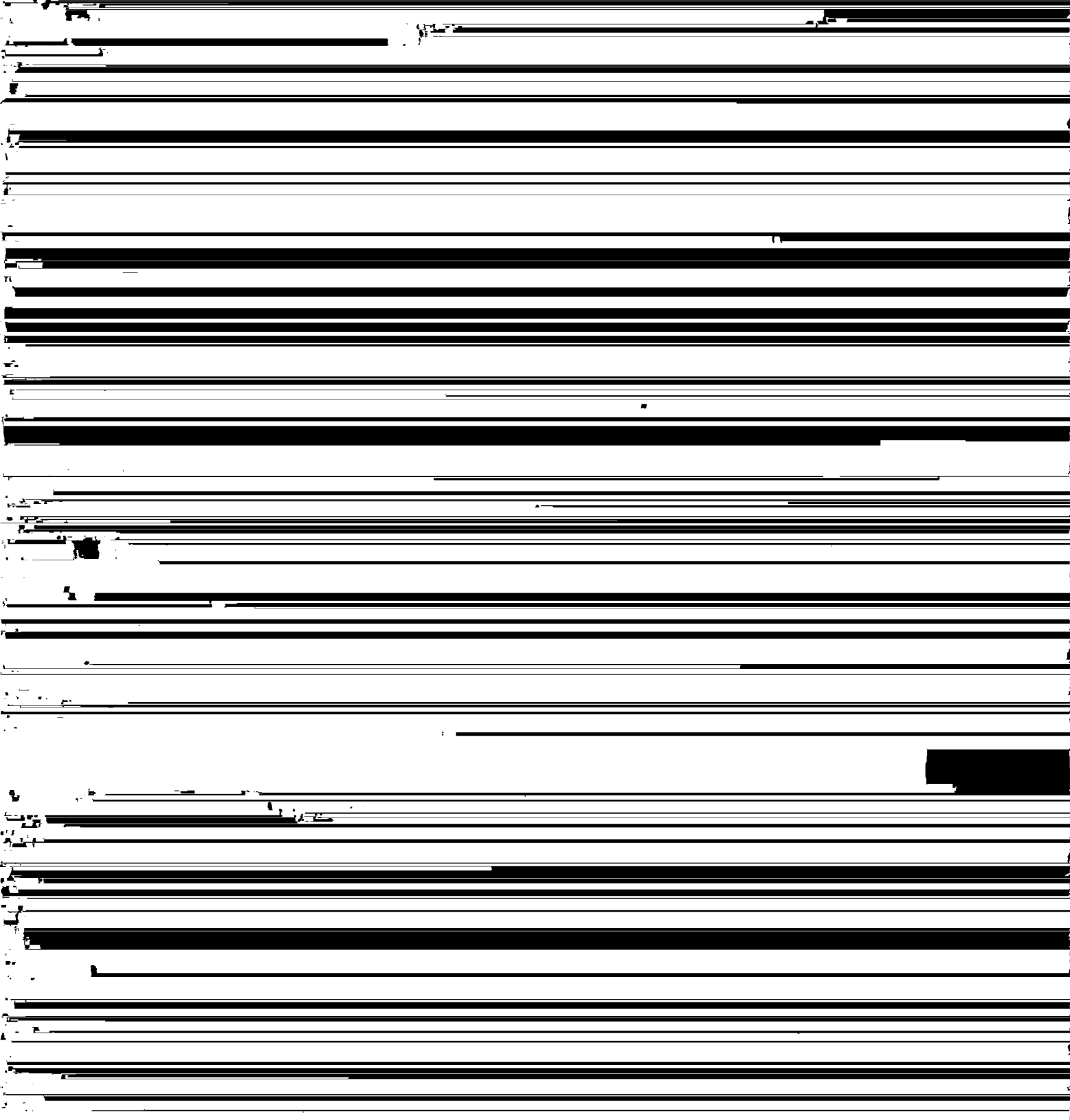


1 Ventures, Inc.

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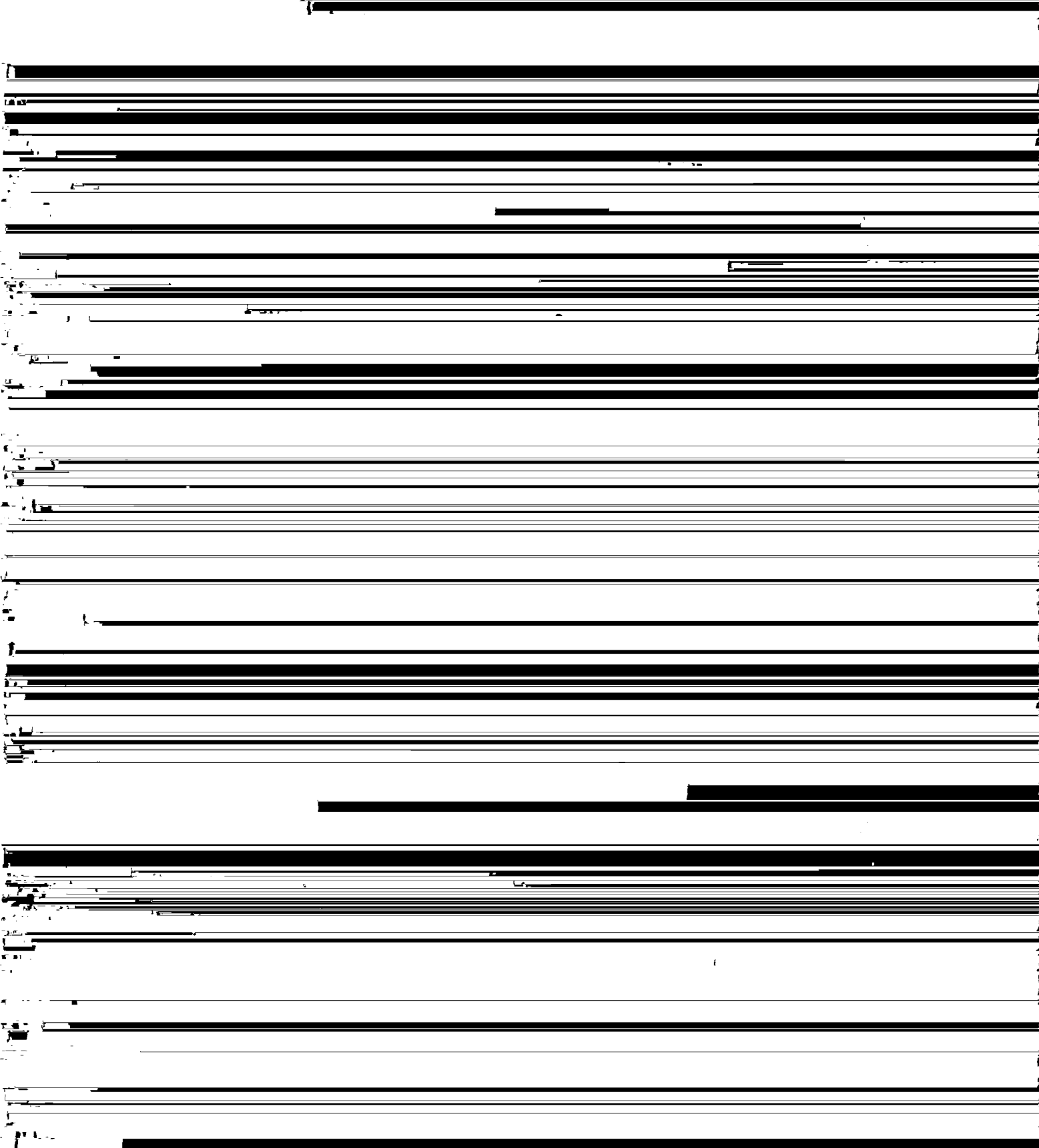
1 12. "Person" means a natural person, organization or other
2 legal entity, including a partnership, corporation,
3 proprietorship, association, or trust.

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1 | exclusive.

2 | 15. "Assisting others" means knowingly providing any of the



II.

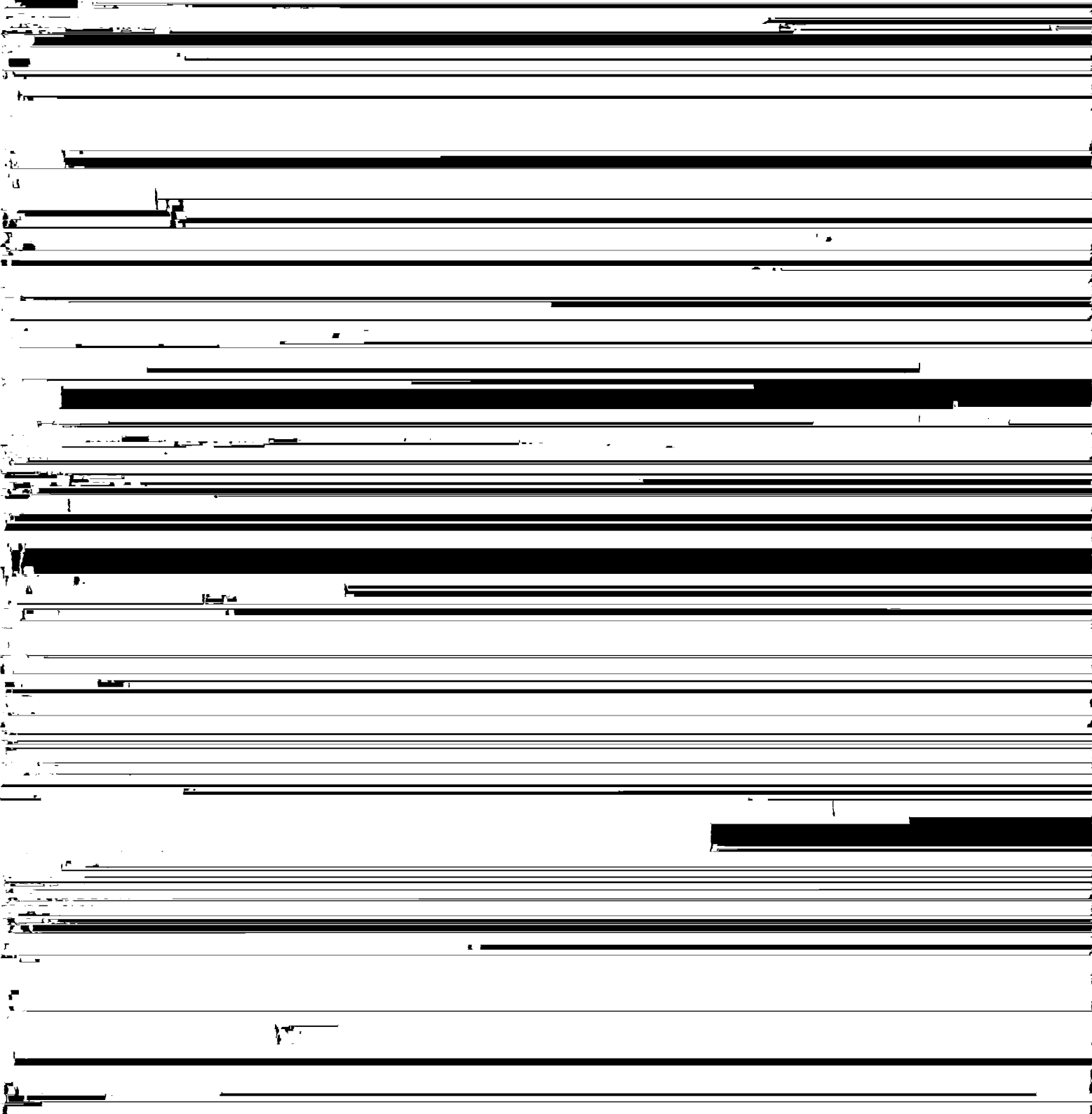
Prohibited Representations

IT IS FURTHER ORDERED that Defendants, their successors,

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1 | indirectly, orally or in writing, any false or misleading
2 | statement or misrepresentation of material fact;

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1 | provide, the means and instrumentalities with which to make,
2 | expressly or by implication, orally or in writing, any false

1 || A. Failing to disclose, clearly and conspicuously, before

[REDACTED]

1 C. Failing to send, via mail or e-mail in the manner
 2 consistent with the method in which the prospective participant
 3 became a participant, promptly upon the participant's enrollment
 4 in the program, a letter which:

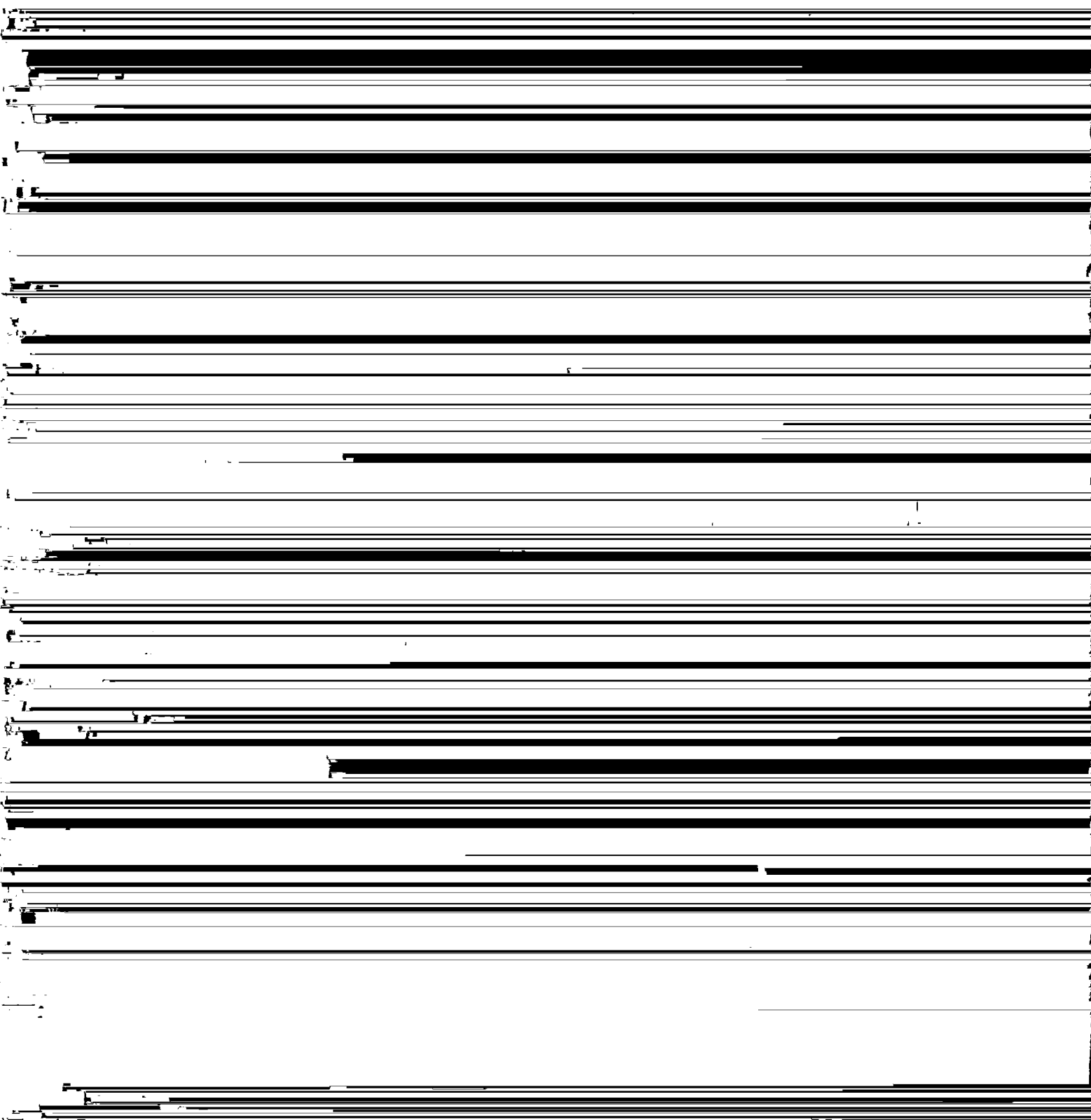
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5 1. includes a written disclosure statement setting



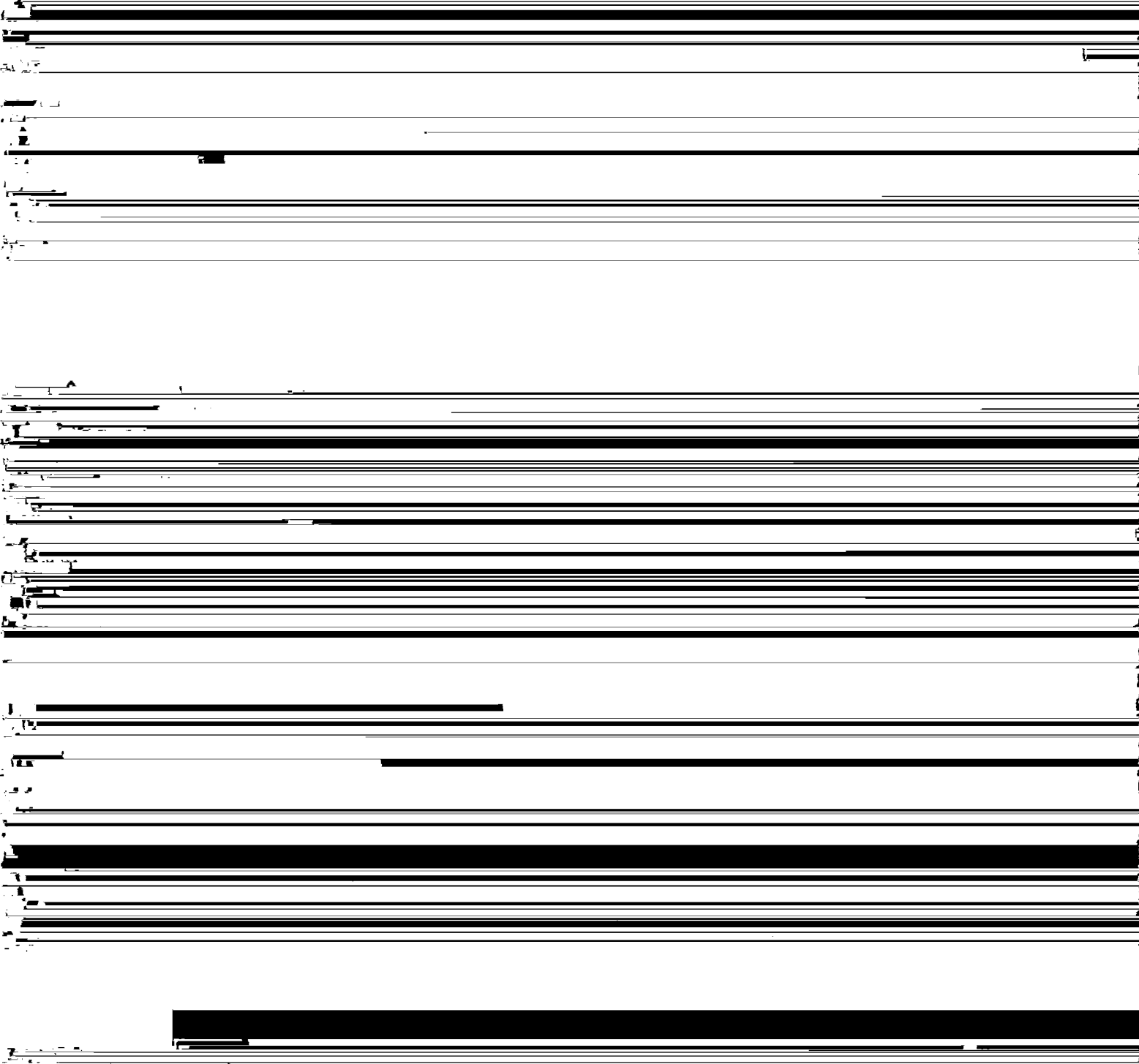
1 2. By the fifth (5th) day of each of the subsequent twenty
2 four (24) months, Defendants shall make payments of twelve
3 thousand five hundred dollars (\$15,000).

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1 Representative fee, to pay for annual renewal fees, to purchase
2 training materials, or otherwise), the date(s) of purchase, the
3 amount of any commissions, bonuses, refunds, or other monies paid
4 by Mall Ventures, Inc. to the member, and the complete file
5 record, including computer records and correspondence, for each
6 customer who paid Defendants money to become a Mall Ventures,
7 Inc. member between April 1, 2000 and the date this case

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1 unless and until a representative of the Commission has received
2 and approved the administrator's final accounting report.
3 Records shall be destroyed in accordance with disposal methods
4 and procedures to be specified by the Commission. The Commission
5 may, in its sole discretion, require that such records, in whole

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- 1 judgment against the Defendant(s) in favor of the Commission in
- 2 ~~the amount of ten million four hundred thousand dollars.~~

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1 to all current and future Mall Ventures, Inc. members;

2 C For a period of one (1) year

VII.

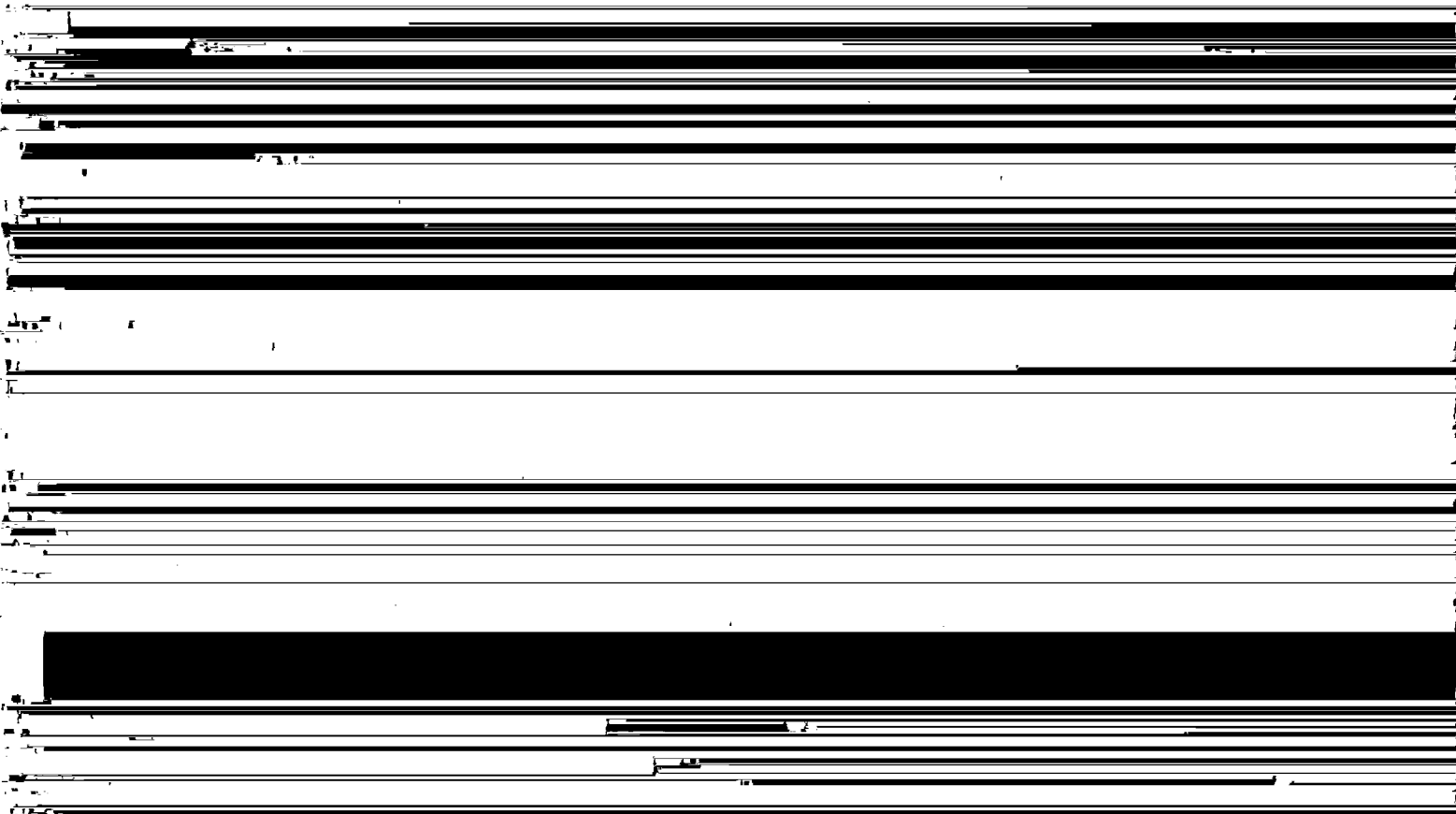
Monitoring Compliance of Personnel

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IT IS FURTHER ORDERED that each Defendant, in connection with any business where

(1) the Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where

(2) the business is engaged in the advertising, promoting, offering for sale, sale, or distribution of any business venture, or assisting others in any such



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3 Where the business has succeeded

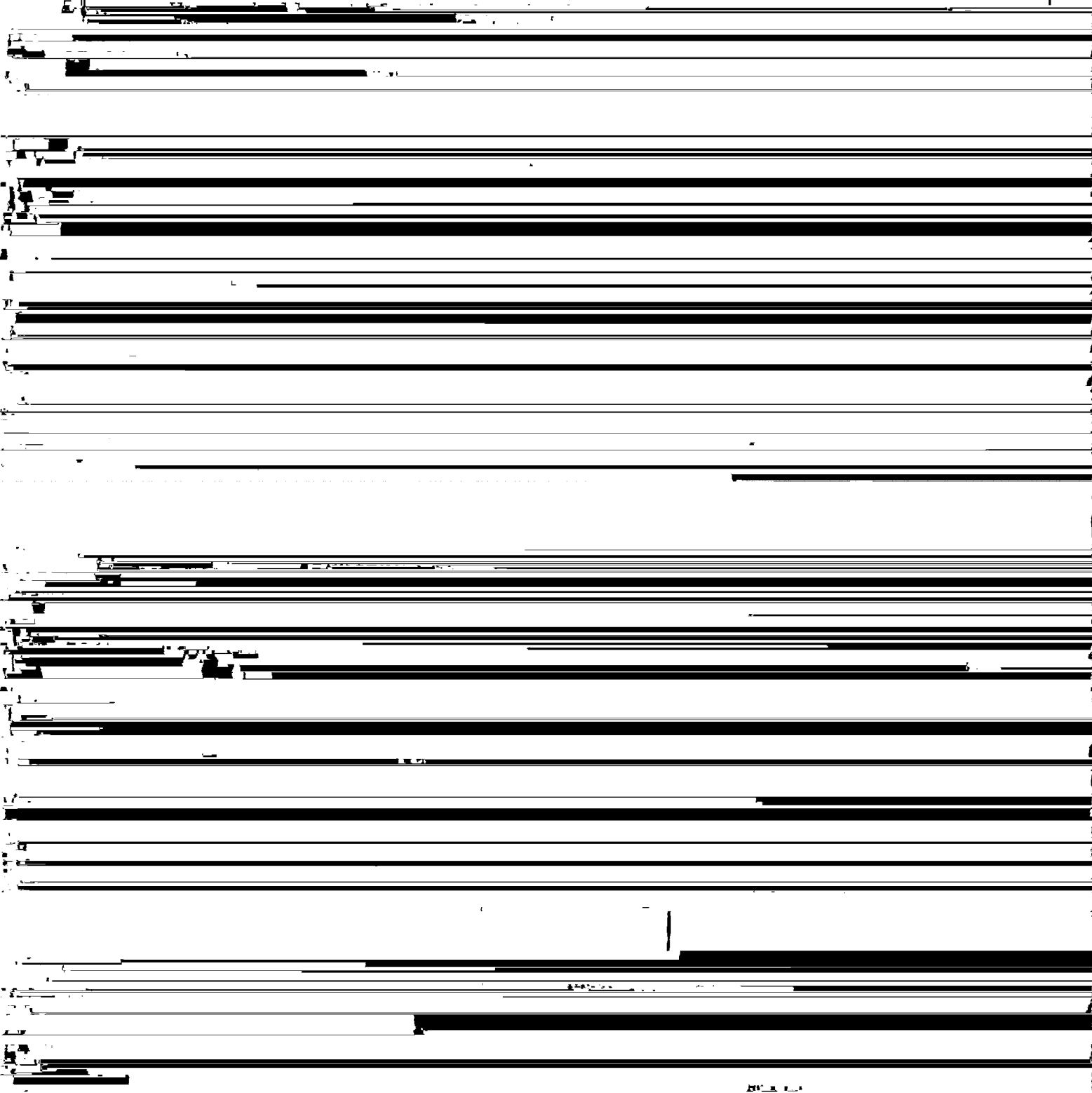
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responsibilities in connection with the business; and

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

2. Mall Ventures, Inc., Jeffrey P. Morgan, and Dennis

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1 (Distribution of Order by Defendants) of this Order;

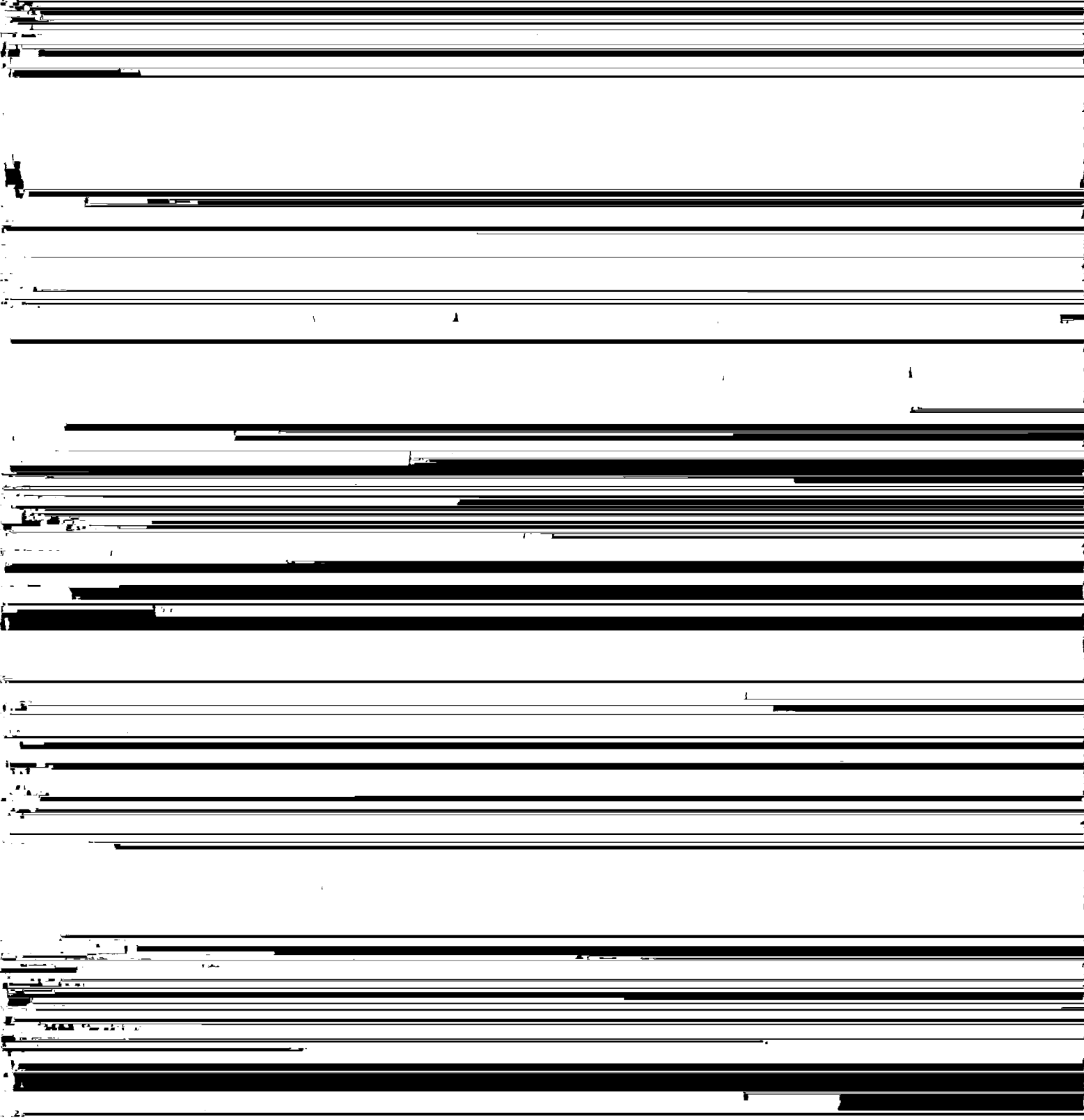
2 C. For the purposes of this Order, Mall Ventures, Inc.,
3 Jeffrey P. Morgan, and Dennis Wong shall, unless otherwise stated
4 or directed by the court, ...

UNITED



1 B. In addition, the Commission is authorized to monitor
2 compliance with this Order by all other lawful means, including

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1 J. Copies of all sales scripts, training materials,
2 advertisements, or other marketing materials; and

3 K. Copies of all contracts or agreements entered into
4 between any multi-level marketing program and the participants in
5 the multi-level marketing program.

6 XI.

7 Acknowledgment of Receipt of Order by Defendants

8 IT IS FURTHER ORDERED that each Defendant, within five (5)
9 business days of receipt of this Order as entered by the Court,
10 must submit to the Commission a truthful



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xv.

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Enter by Clerk