1 IIWILLIAM BLUMENTHAL

General Counsel

6 BLADGT. WELSH

Assistant United States Attorney
7 BarNo. 4790

8

333 Las Vegas Blvd, South, Suite 5000
Las Vegas, NV 89101
Phone (702) 388-63361 Fax (702) 388-6787
9

Attorneys for Plaintiff Federal Trade Commission
10

11 UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

14 FEDERAZ. TRADE COMMISSION,

15 Plaintiff,

16 v.

I Judgment and Order for Permanent Injunction ("Order") by this Court to resolve all matters of dispute between them in this action.
NOW, THEREFORE, Plaintiff Federal Trade Commission and Defendant National Audit Defense Networlc, Inc., by and through the Chapter 7 Trustee, having requested the Court to enter this Order,
IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:
FINDINGS

1. This Court has jurisdiction over the subject matter and the parties.
2. Venue is proper as to all parties in the District of Nevada.
3. The activities of Defendants are in or affecting commerce, as defined in the FTC Act,
15 U.S.C. 5 44.
. 4. The Complaint states a claim upon which relief may be granted against Defendant
NADN under $8 5(a)(l), 13(b), and 19 of the FTC Act, 15 U.S.C. 55 45(a)(l), 53@), and 57b; and under the TILA, 15 U.S.C. §§ 1601 et seq.

5. On June 11,2003, Defendant National Audit Defense Networlc, Inc. filed a voluntary . . ..
petition for relief under Chapter 11 of the Banlauptcy Code, 11 U.S.C. 55 101 el seq., & the United . .
States ~anlau~tc~ C& for the District of Nevada, Case No. BK-S-03-17306-BAM. On May.27, 2004, the debtor's case was converted to one under Chapter 7. ~illiarn~. Leonard, Jr., was appointed the Chapter 7 trustee for Defendant'National Audit Defense Networlc, Inc. The Commission's action against Defendant NADN, including.the enforcement of a judgment other than a money judgment obtained in this action, is not stayed by 11 U.S.C. 5 362(a)(1), (2), (3) or (6) because it is an exercise of the Commission's police or regulatory power as a governmental unit pursuant to 11 U.S.C. 5 362(b)(4) and thus falls within an exception to the automatic stay.
6. Defendant NADN has waived any and all rights that may arise under the Equal
Access to Justice Act, 28 U.S.C. 5 2412, amendedbvPub. L. 104-121, 110 Stat. 847,863-64 (1996).
7. This Order is in addition to, and not in lieu of, any other civil or criminal remedies
that may be provided by law.

8. Plaintiff and Defendant NADN waive all rights to seelc appellate review or otherwise

1) I challenge or contest the validity of this Order. Defendant NADN further waives and releases any
claim it may have against the Commission, its employees, agents, and representatives. I I I
9 Entry of this Order is in the public interest. 1 / I
I.
CESSATION OF BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Defendant NADN shall not engage in any business
and William A. Leonard, Jr., as the Chapter 7 Trustee, shall not seek authority to operate the business
of Defendant National Audit Defense Network, Inc. pursuant to Section 721 of the Banlauptcy
Code, 11U.S.C. 5 721, or otherwise.

11.
CUSTOMER LISTS

IT IS FURTHER ORDERED that the Defendant NADN, by and through the Chapter 7

I(Tmstee, shall provide notice to the Commission of any intended sale, hansfer, or other disp(the)T089.2804 pg

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for all

purposes, including the construction, modification; and enforcement of this Order.

IT IS SO ORDERED:.

UNITED STATES DISTRICT JUDGE

FOR DEKENDANT NATIONAL
AUDIT DEFENSE NETWORK, INC.

/()i_oO

William A. Leonard. Jr.
Chapter 7 Trustee fir
National Audit Defense Networlc, Inc.

IIFOR THE FEDERAL TRADE

COMMISSION

Dated: Z/J S/O6

M. Steiner, Jr.
ederal Trade Commission
901 Market St., Suite 570
San Francisco. CA 94103

415-848-5106(ph.); 415-848-5 184 (fax)

Blaine T. Welsh
Assistant United States Attorney
333 Las Vegas Blvd., South, Suite 5000 Las Vegas, NV 89101
702-388-6336 (ph.), 702-388-6787 (fax)

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of August, 2006, a true and correct copy of
Stipulated Final Judgment for Permanent Injunction and Other Equitable Relief has been
served on the defendants in this action by causing it to be sent by United States mail,
2006, Ot0.00& 0 Td 13.375 0 02 0 Td�(Unit5 363.9595 626.03417.2n99T)TjTm�(Ot0.00Collind�(mai true9t 200y 2-0.0187 1500 0.646 -0 Td�(tr90852 0 Td�(t87 300 0.64 13.12o))Tj�0 TcS.5 0 0 Tj�1.21 been 64