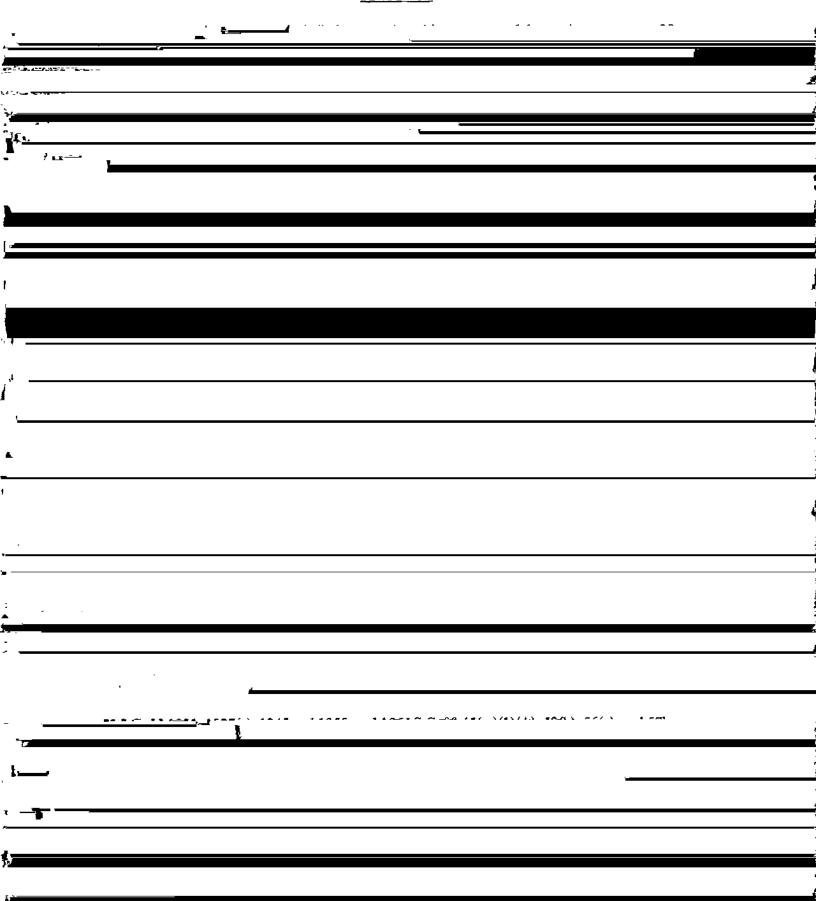
UNITED STATES DISTRICT	COURT
DISTRICT OF RHODE ISI	AND

-	UNITED STATES OF AMERICA,)		
· <u>-</u>	· • • • • • • • • • • • • • • • • • • •) - 		
	corporation, and THE DESIGNER COLLECTION, INC., a Rhode Island corporation, and ANTHONY ANTONELLI, individually and as an officer of the corporations, Defendants.))))))	C.A. NO. 05-058-S	·

STIPULATED JUDGMENT AND ORDER FOR PERMANENT INJUNCTION AS TO DEFENDANTS ELITE DESIGNS, INC., THE DESIGN GNER COLLECTION, INC., AND ANTHONY ANTONELLI

Plaintiff, the United States of America, acting upon notification and authorization to the

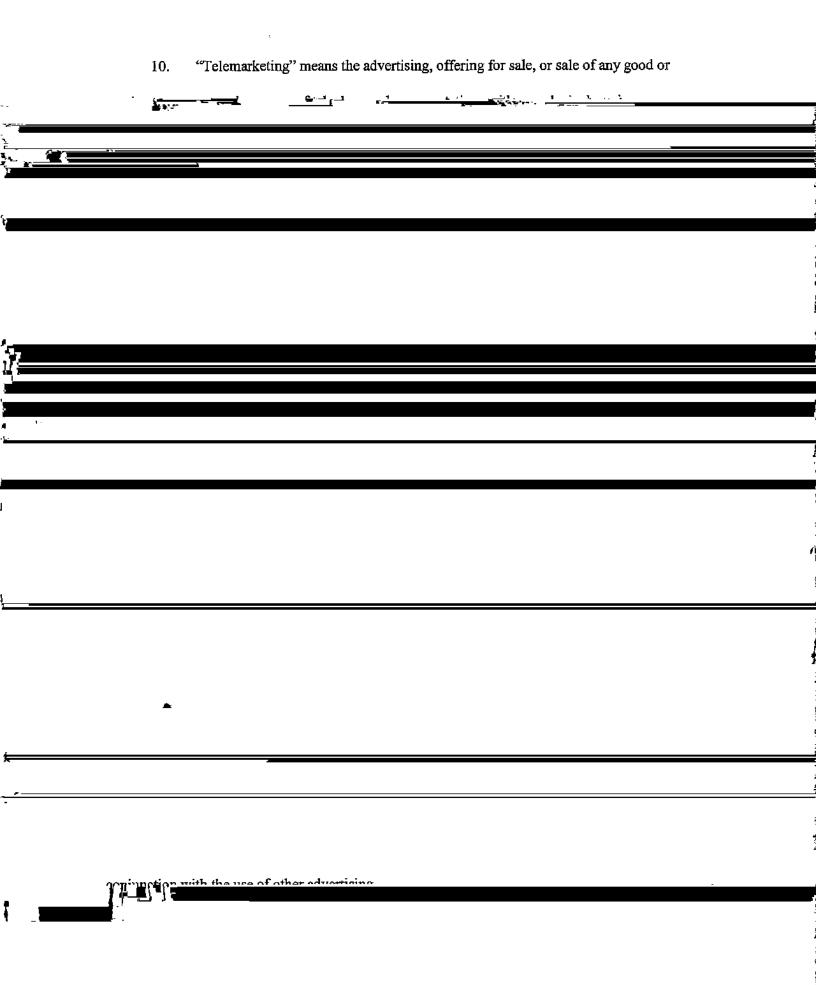




DEFINITIONS

	For the purpose of this Order, the following definitions shall apply:
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	5. "Franchise" and "Franchisor" are defined as those terms are defined in Sections
	436.2(a) and (c) of the Franchise Rule, 16 C.F.R. § 436.2(a) and (c), and include "business
	raport pritu ventures" as defined in Sections 436 2/aVIVii) and (2) of the Bule, and discussed in
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• • • • —	-
· • · <u>· </u>	the FTC's Final Interpretive Guide for the Franchise Rule, 44 Fed. Reg. 49966-68 (August 24,
<u></u>	
• · <u>· · </u>	1979). The term "franchise" in this Order shall also encompass any successor definition of
• · <u>· · </u>	1979). The term "franchise" in this Order shall also encompass any successor definition of
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whether directly or by implication, orally or in writing, including, but not limited to, any or all of the following:

- A. The income, profit, or sales volume that a purchaser is likely to achieve;
- B. The income, profit or sales volume actually achieved by prior purchasers;

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information to a law enforcement agency, or as required by any law, regulation (including the limited disclosures required by the Franchise Rule) or court order.

IV. CONSUMER REDRESS AND OTHER EQUITABLE RELIEF

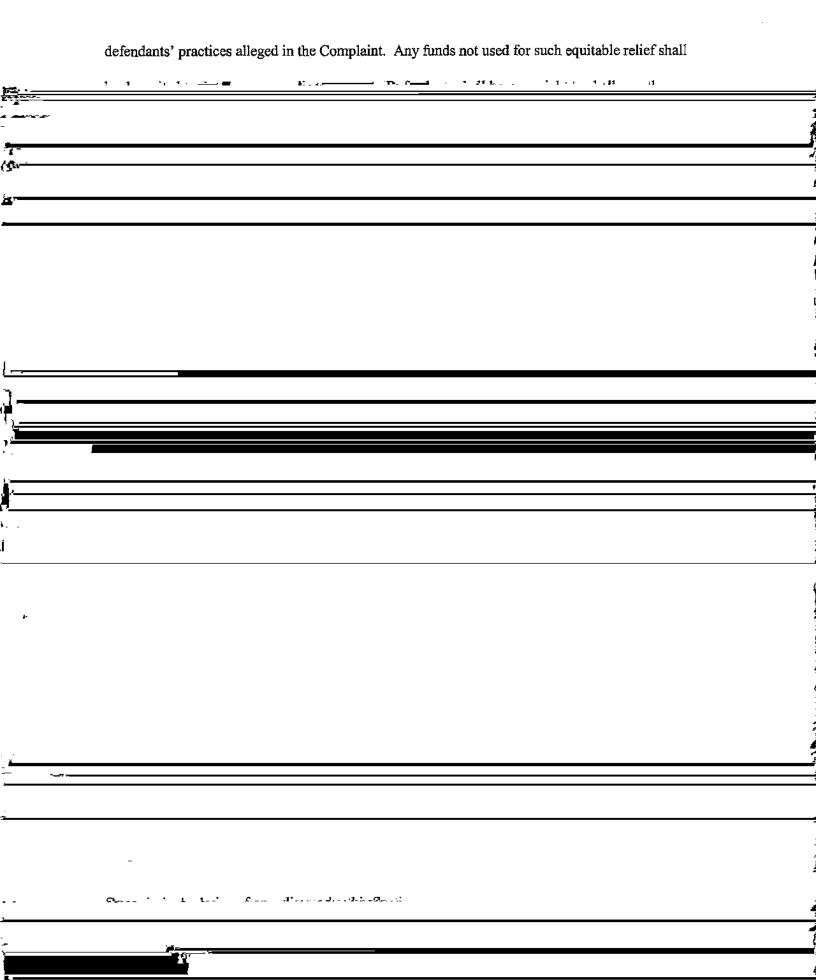
IT IS FURTHER ORDERED that judgment in the amount of EIGHT HUNDRED FIFTY

THREE THOUSAND DOLLARS (\$853,000) is hereby entered against the Defendants, jointly
and severally, as consumer redress, pursuant to Section 19 of the Federal Trade Commission Act,

15 USC 857b: provided beautiful but TWO BUINDRED TWPNTEY BUTE

THOUSAND DOLLARS (\$225,000) of 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 Order.

A. Prior to or concurrently with their execution of this Order, Defendants shall turn over the full amount of the consumer redress to their attorney, who shall hold the entire sum in escrow. Within five (5) days of receipt of notice of the entry of this Order, Defendants' attorney shall transfer the escrowed payment to the Commission in the form of a wire transfer or certified or cashier's check made payable to the Commission



used for purposes of collecting and reporting on any delinquent amount arising out of the Defendants' relationship with the government.

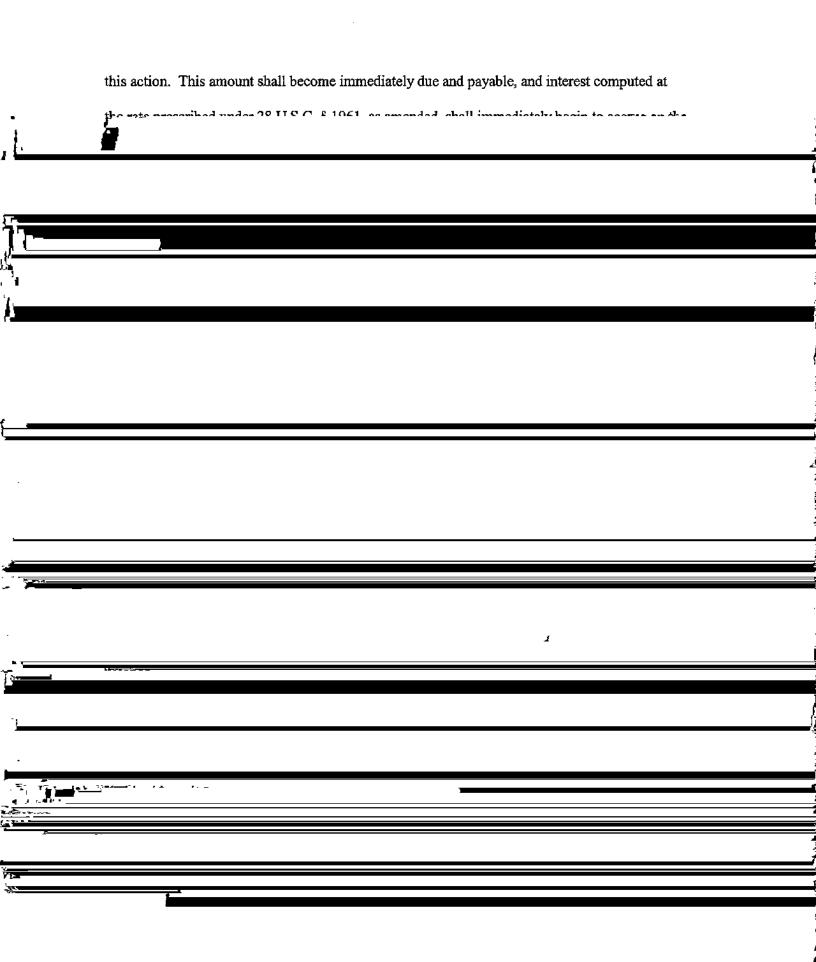
F. The Individual Defendants further agree, if they have not done so already, to provide the FTC with clear, legible and full-size photocopies of all valid driver's licenses they

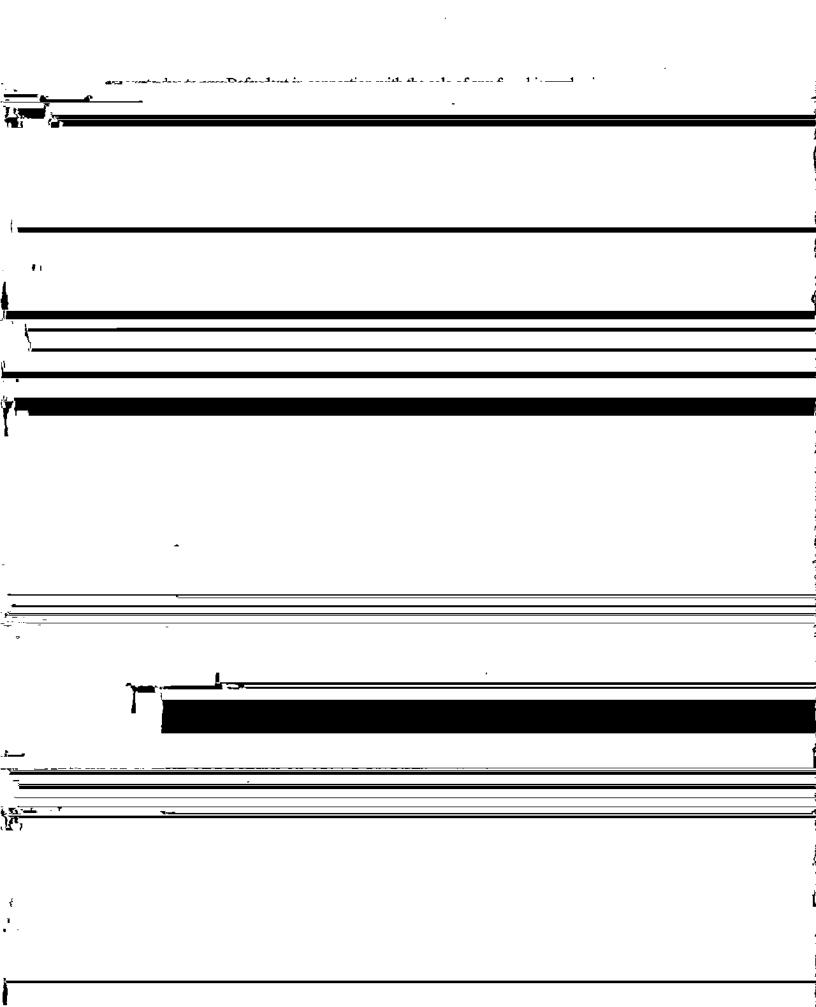
Proceedings instituted under this Section are in addition to, and not in lieu of, any G. other civil or criminal remedies that may be provided by law, including any other proceedings the Plaintiff or Commission may initiate to enforce this Order.

V. RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

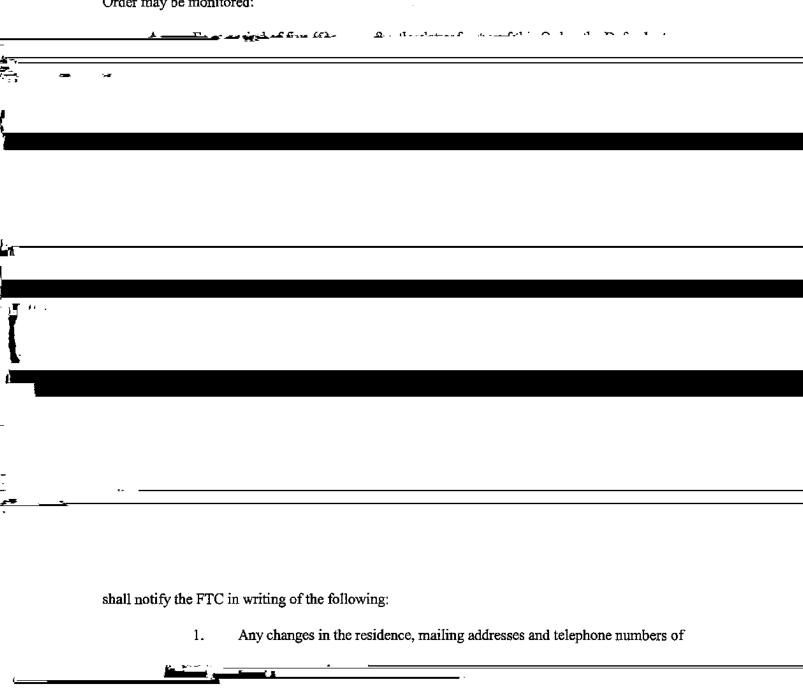
Plaintiff's agreement to, and the Court's approval of, this Order is expressly A. premised upon the truthfulness, accuracy, and completeness of Defendants' financial statements





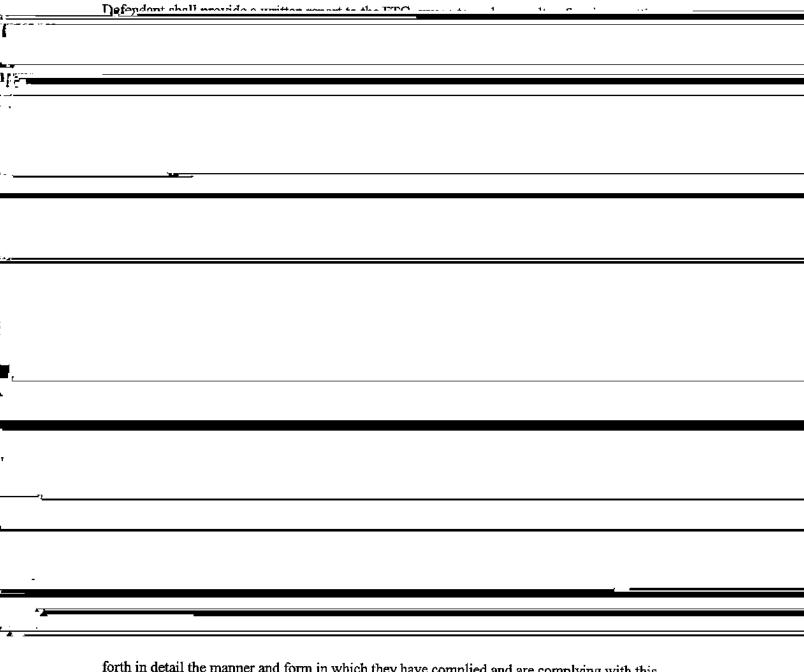
X. COMPLIANCE REPORTING BY DEFENDANTS

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:



take place, Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, each

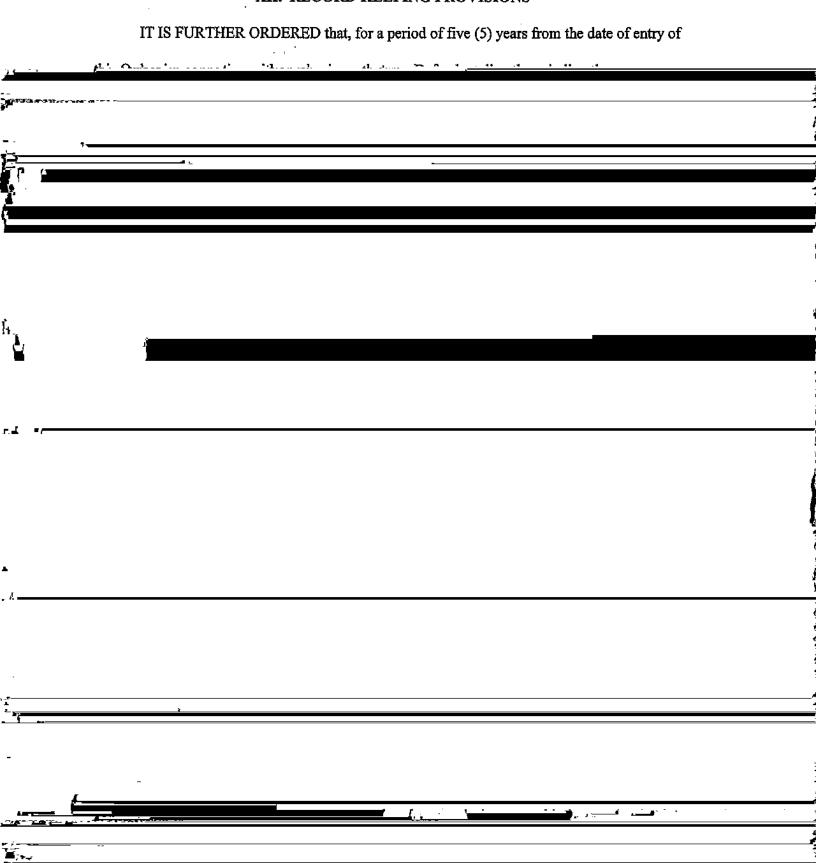


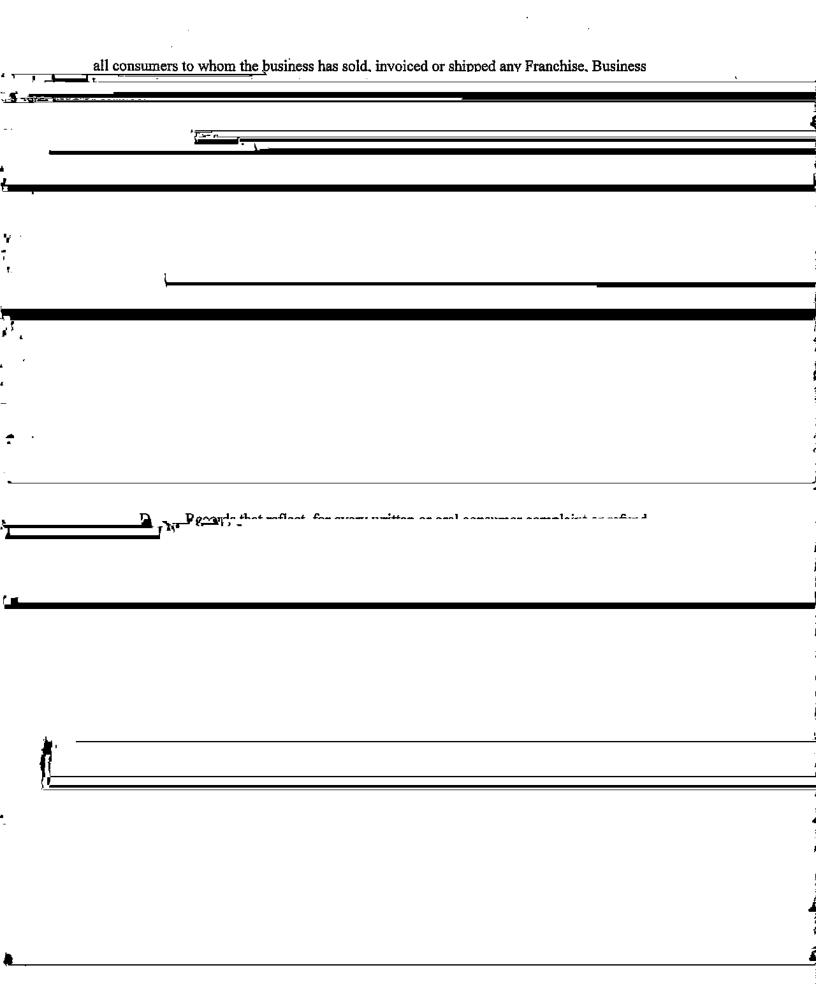
forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

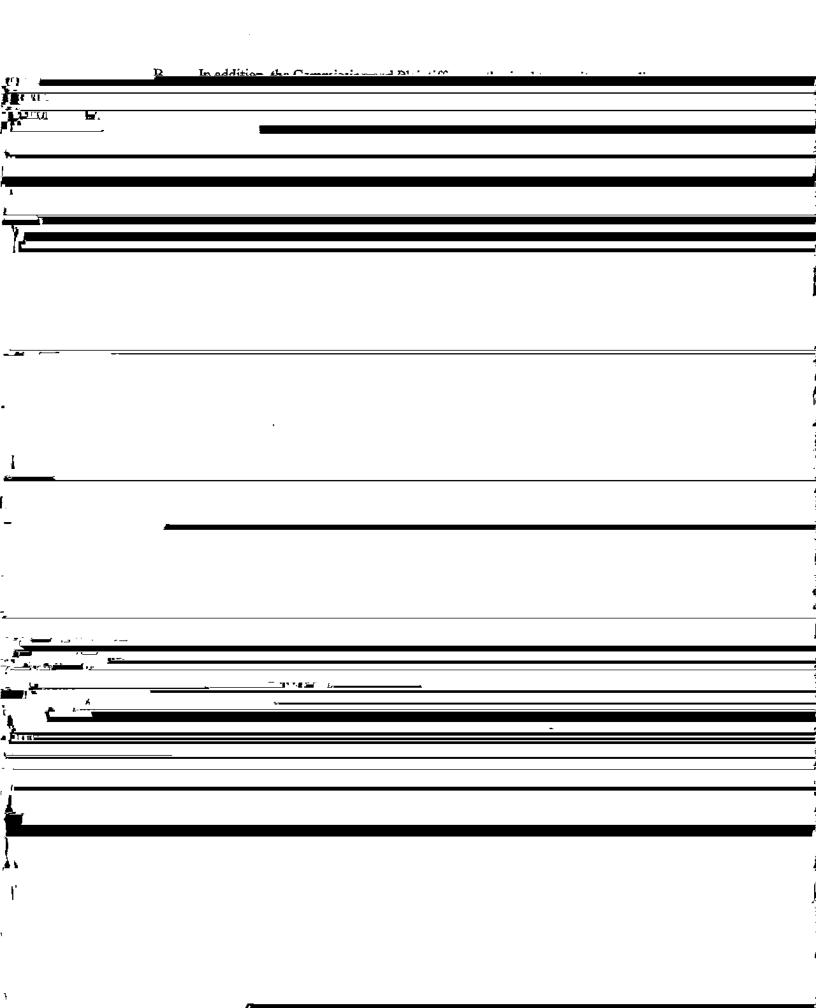
1. Any changes required to be reported purcuant to subparament (A) shaves

Provided, however, that this Paragraph does not authorize or require a Defendant to take any action that violates any federal, state, or local law.

XII. RECORD-KEEPING PROVISIONS







XVI, COMPLETE SETTLEMENT

The parties, by their respective counsel, hereby consent to entry of the foregoing Order which shall constitute a final judgment and order in this matter. The parties further stipulate and agree that the entry of the foregoing Order shall constitute a full, complete and final settlement of this action, including any claims and counterclaims that were or could have been asserted herein.

Dated: December 6 , 2006

	FOR THE PLAINT THE	FOR THE DEFENDANTS
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SO ORDERED this 1 day of Necember 2006.

WILLIAM E. SMITH

UNITED STATES DISTRICT JUDGE

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CERTIFICATE OF SERVICE

<u> </u>	n Defendente filia P	rementioned "Supulated	C 11x	1 <i>i</i> . d.	
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Antonelli" was sent via FedEx on December 6, 2006, to:

Jeffrey K. Techentin Adler Pollock & Sheehan P.C. One Citizens Plaza, 8th Floor Providence, Rhode Island 02903

Attorney for Defendants Elite Designs, Inc., The Designer Collection, Inc. and Anthony Antonelli