

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA,

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 DESIGNER COLLECTION, INC.,
AND ANTHONY ANTONELLI

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

Attorney General of the Federal Trade Commission ("FTC" or the "Commission"), has

DEFINITIONS

For the purpose of this Order, the following definitions shall apply:

1. "A" means any local or equitable interest in, or right or claim to, any real and

[REDACTED]

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 opportunity ventures" as defined in Sections 436.2(a)(1)(ii) and (2) of the Rule, and discussed in

the FTC's Final Interpretive Guide for the Franchise Rule, 44 Fed. Reg. 49966-68 (August 24, 1979). The term "franchise" in this Order shall also encompass any successor definition of

10. "Telemarketing" means the advertising, offering for sale, or sale of any good or

in conjunction with the use of other advertising

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;
- C. The length of time that it is likely to take a purchaser to recover the entire purchase

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 U.S.C. § 57b: provided however that all but TWO HUNDRED TWENTY FIVE

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.

defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall

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

G. Proceedings instituted under this Section are in addition to, and not in lieu of, any 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:

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

this action. This amount shall become immediately due and payable, and interest computed at

the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the

... Defendant in connection with the ...

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

X. COMPLIANCE REPORTING BY DEFENDANTS

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

Order may be monitored:

~~A. The receipt of Form 602. B. The receipt of Form 601. C. The receipt of Form 603.~~

shall notify the FTC in writing of the following:

1. Any changes in the residence, mailing addresses and telephone numbers of

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

~~Defendant shall provide a written report to the SEC~~

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 pursuant to subparagraph (A) above;

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

~~directly or indirectly manages, controls or has a majority ownership interest in that is engaged in~~

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

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

all consumers to whom the business has sold, invoiced or shipped any Franchise, Business

Records that reflect for every written or oral consumer complaint received

B. In addition, the Commission and DPL have

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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 PLAINTIFF:

FOR THE DEFENDANTS:

[The remainder of the page is redacted with multiple thick black horizontal bars.]

SO ORDERED this 11 day of November, 2006.

WE SMITH

WILLIAM E. SMITH
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that the aforementioned "Stipulated Judgment and Order for Permanent
Injunction as to Defendants Elite Designs, Inc., The Designer Collection, Inc. and Anthony

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