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11 ATTORNEYS FOR PLAINTIFF

12  
13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 WINDOW ROCK ENTERPRISES, INC.,  
19 also d/b/a WINDOW ROCK HEALTH  
LABORATORIES, also d/b/a  
20 CORTISLIM, INFINITY  
ADVERTISING, INC., STEPHEN F.  
21 CHENG, SHAWN M. TALBOTT, and  
GREGORY S. CYNAUMON,  
22 PINNACLE MARKETING CONCEPTS,  
INC., also d/b/a PMC HEALTH  
23 PRODUCTS, AND THOMAS F. CHENG

24 Defendants.

CIVIL NUMBER

**CV-04-8190-DSF (JTLx)**

**STIPULATED FINAL  
AGREEMENT AND ORDER  
FOR PERMANENT  
INJUNCTION AND  
SETTLEMENT OF  
CLAIMS FOR MONETARY  
RELIEF AS TO  
DEFENDANTS  
INFINITY ADVERTISING,  
INC. AND  
GREGORY S. CYNAUMON**

25 The Federal Trade Commission (“Commission”) filed a complaint,  
26 subsequently amended (as amended, “Complaint”), pursuant to Section 13(b) of  
27 the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure  
28



1 Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this  
2 Order.

3 5. Stipulating Defendants have entered into this Order freely and  
4 without coercion.

5 6. The Commission and Stipulating Defendants stipulate and agree to  
6 this Order, without trial or final adjudication of any issue of fact or law, to settle  
7 and resolve all matters in dispute between them arising from the Complaint up to  
8 the date of entry final adj

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1 Covered Product: (a) serving as an owner, partner, officer, director or manager of  
2 a business entity selling or marketing a Target Product or a Covered Product;  
3 (b) formulating or providing, or arranging for the formulation or provision of, any  
4 Covered Product or any advertising for any Covered Product; or c) appearing in  
5 any advertising for any Covered Product.

6 4. "Commerce" shall mean as defined in Section 4 of the FTC Act, 15  
7 U.S.C. § 44.

8 5. "Competent and reliable scientific evidence" shall mean tests,  
9 analyses, research, studies, or other evidence based on the expertise of  
10 professionals in the relevant area that has been conducted and evaluated in an  
11 objective manner by persons qualified to do so, using procedures generally  
12 accepted in the professions to yield accurate and reliable results.

13 6. "CortiSlim" shall mean the dietary supplement CortiSlim and any  
14 other product that

15 a. contains one or more of the following ingredients present in  
16 current or previous formulations of CortiSlim: magnolia bark  
17 extract, beta-sitosterol, theanine, green tea leaf extract, bitter  
18 orange peel extract, Panax ginseng, banaba leaf extract,  
19 chromium, or vanadium; and

20 b. is marketed with claims that it has a weight effect or reduces or  
21 manages stress.

22 7. "CortiSlim Study" shall mean the study conducted by Defendant  
23 Talbott and others as reported, at least in part, under the title "Effect of a  
24 Stress/Cortisol-Control Dietary Supplement on Weight Loss," by Shawn Talbott,  
25 Ann-Marie Christopulos, and Jill Whelan, as well as all underlying data for such  
26 study.



1           16. A requirement that Stipulating Defendants “notify,” “furnish,”  
2 “provide,” or “submit” to the Commission shall mean that Stipulating Defendants  
3 shall send the necessary information via **overnight courier**, costs prepaid, to:

4                   Associate Director for Enforcement  
5                   Federal Trade Commission  
6                   600 Pennsylvania Avenue, N.W.  
7                   Washington, DC 20580  
8                   Attn: *FTC v. Window Rock Enterprises, Inc., et al.*, (C.D. Cal.),  
9                   Civ. No. 04-8190-DSF (JTLx).

10           17. The terms “and” and “or” in this Order shall be construed  
11 conjunctively or disjunctively as necessary, to make the applicable sentence or  
12 phrase inclusive rather than exclusive.

13           18. The term “including” in this Order shall mean “including without  
14 limitation.”

15 **IT IS STIPULATED, AGREED, AND ORDERED THAT:**

16 **I.**

17 **PROHIBITED REPRESENTATIONS REGARDING  
18 ANY TARGET PRODUCT**

19           A. Stipulating Defendants, directly or through any corporation,  
20 partnership, subsidiary, division, trade name, or other entity, and their officers,  
21 agents, servants, employees, and all persons and entities in active concert or  
22 participation with them who receive actual notice of this Order by personal  
23 service, facsimile, or otherwise, in connection with the manufacturing, labeling,  
24 advertising, promotion, offering for sale, sale, or distribution of any Target  
25 Product, in or affecting commerce, are hereby permanently restrained and enjoined  
26 from making, or assisting others in making, directly or by implication, including  
27 through the use of endorsements or product names, any representation that any  
28 Target Product:

- 1 1. Reduces the risk of or prevents serious health conditions,  
2 including osteoporosis, obesity, diabetes, Alzheimer's disease,  
3 cancer, and cardiovascular disease;
- 4 2. Causes weight loss of 10 to 50 pounds or more for virtually all  
5 users;
- 6 3. Causes users to lose as much as 4 to 10 pounds per week over  
7 multiple weeks;
- 8 4. Causes users to lose weight specifically from the abdomen,  
9 stomach, and thighs;
- 10 5. Causes rapid and substantial weight loss;
- 11 6. Causes long-term or permanent weight loss;
- 12 7. Causes weight loss without the need for diet or exercise; or
- 13 8. Has been demonstrated effective, is supported by, or is  
14 otherwise the product of over 15 years of scientific research.

15 B. Stipulating Defendants, directly or through any corporation,  
16 partnership, subsidiary, division, trade name, or other entity, and their officers,  
17 agents, servants, employees, and all persons and entities in active concert or  
18 participation with them who receive actual notice of this Order by personal  
19 service, facsimile, or otherwise, in connection with the manufacturing, labeling,  
20 advertising, promotion, offering for sale, sale, or distribution of any Target  
21 Product, in or affecting commerce, are hereby permanently restrained and enjoined  
22 from making, or from assisting others in making, directly or by implication,  
23 including through the use of endorsements or product names, any other  
24 representation about the performance or efficacy of any Target Product unless the  
25 representation is true and non-misleading, and, at the time it is made, Stipulating  
26 Defendants possess and rely upon competent and reliable scientific evidence that  
27 substantiates the representation.



1 **II.**

2 **PROHIBITED REPRESENTATIONS REGARDING**  
3 **ANY COVERED PRODUCT**

4 Stipulating Defendants, directly or through any corporation, partnership,  
5 subsidiary, division, trade name, or other entity, and their officers, agents,  
6 servants, employees, and all persons and entities in active concert or participation  
7 with them who receive actual notice of this Order by personal service, facsimile,  
8 or otherwise, in connection with the manufacturing, labeling, advertising,  
9 promotion, offering for sale, sale, or distribution of any Covered Product, in or  
10 affecting commerce, are hereby permanently restrained and enjoined from making,  
11 or assisting others in making, directly or by implication, including through the use  
12 of endorsements or product names, any representation about the weight effect,  
13 other health benefits, performance, or efficacy of any Covered Product unless the  
14 representation is true and non-misleading, and, at the time it is made, Stipulating  
15 Defendants possess and rely upon competent and reliable scientific evidence that  
16 substantiates the representation.

17 **III.**

18 **PROHIBITED REPRESENTATIONS REGARDING**  
19 **TESTS AND STUDIES**

20 Stipulating Defendants, directly or through any corporation, partnership,  
21 subsidiary, division, trade name, or other entity, and their officers, agents,  
22 servants, employees, and all persons and entities in active concert or participation  
23 with them who receive actual notice of this Order by personal service, facsimile,  
24 or otherwise, in connection with the manufacturing, labeling, advertising,  
25 promotion, offering for sale, sale, or distribution of any Covered Product, in or  
26 affecting commerce, are hereby permanently restrained and enjoined from making  
27 or assisting others in making, directly or by implication, including through the use  
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1 of endorsements or product names, any misrepresentation about the existence,  
2 contents, validity, results, conclusions, or interpretations of any test or study  
3 including, but not limited to, the CortiSlim Study.  
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5 **IV.**

6 **FORMATTING AND DISCLOSURES FOR BROADCAST MEDIA**

7 Stipulating Defendants, directly or through any corporation, partnership,  
8 subsidiary, division, trade name, or other entity, and their officers, agents,  
9 servants, employees, and all persons and entities in active concert or participation

10 with them who receive actual notice of this Order by personal service, facsimile,  
11 or otherwise, pursuant to the provisions of the California Code of Civil Procedure, sections 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

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1                   “YOU ARE WATCHING A PAID ADVERTISEMENT FOR [THE  
2                   PRODUCT, PROGRAM, OR SERVICE].”

3 *Provided that*, for the purposes of  
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1 business days after the date of entry of this Order and in accordance with  
2 directions provided by the Commission.

3 B. Waiver of all claim to, unconditional release of, and consent to  
4 transfer to the Commission of all funds held by this Court pursuant to the Rule 67  
5 Order entered by this Court on or about July 26, 2006, pursuant to Fed. R. Civ. P.  
6 67 and L.R. 67-1 and 67-2, not later than five (5) business days after the date of  
7 entry of this Order and in accordance with directions provided by the Commission.  
8 These funds consist of the two million five hundred thousand dollars (\$2,500,000)  
9 disbursed by the bankruptcy estate of Window Rock to the Clerk of this Court,  
10 plus any accrued interest, less any deductions permitted by Fed. R. Civ. P. 67.

11 C. Transfer to the Commission, no later than ninety (90) days after the  
12 date of entry of this Order and in accordance with transfer directions provided by  
13 the Commission, the Stipulating Defendants' choice of either i) net proceeds, up to  
14 a maximum of eight hundred thousand dollars (\$800,000), from the arm's-length  
15 sale at prevailing market price to an unrelated buyer of the property located in  
16 Tustin, California ("Tustin Property"), where "net proceeds" shall mean "sales  
17 price less all reasonable and customary costs, fees, and expenses associated with  
18 sales of real property," and the sales documents, including but not limited to the  
19 HUD-1 statement, shall be provided for the Commission's review; or ii) legal title  
20 to, and move out and surrender of physical possession of, the Tustin Property, with  
21 Stipulating Defendants responsible for procuring all signatures necessary to  
22 convey to the Commission legal and marketable title to the Tustin Property,  
23 without regard to whether the conveying entities or individuals are party to this  
24 Order. The Tustin Property was acquired by Gregory Cynaumon with assets  
25 derived from the marketing or sale of CortiSlim and CortiStress and is described  
26 more fully in the document entitled "Additional Representations by Stipulating  
27 Defendants," which has been provided separately to the Commission, is

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1 transfer to the Commission of the proceeds from the sale,  
2 up to a maximum of eight hundred thousand dollars  
3 (\$800,000) in proceeds;

4 b. If Stipulating Defendants transfer to the Commission  
5 legal and marketable title to the Tustin Property and  
6 vacate and surrender the premises to the Commission, in  
7 compliance with all requirements of this paragraph C,  
8 the Commission shall, after verifying title, the current  
9 status of all payments on the Tustin Property, and the  
10 condition of the premises, release any claim the  
11 Commission has to the Tustin Deposit; and

12 c. If the Stipulating Defendants are not in compliance with  
13 the requirements of this paragraph C, the Commission  
14 shall, upon written demand, receive some or all of the  
15 Tustin Deposit to the extent necessary to bring the Tustin  
16 Property into compliance with the requirements of this  
17 paragraph C.

18 D. Transfer to the Commission of the Net Contribution to an investment  
19 partnership and related charitable foundations, which were established by or on  
20 behalf of Gregory Cynaumon with assets derived from the marketing or sale of  
21 CortiSlim and CortiStress, which shall be funded in an amount of not less than two  
22 million seven hundred thousand dollars (\$2,700,000) on the date of entry of this  
23 Order, all as described more fully in the document entitled "Additional  
24 Representations by Stipulating Defendants." For purposes of this Part, "Net  
25 Contribution" shall mean all proceeds from the contributions to the investment  
26 partnership and related charitable foundation that remain from the two million  
27 seven hundred thousand dollars (\$2,700,000) after payment of federal and state  
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1 taxes, federal and state penalties, and other costs (but excluding costs and  
2 professional fees paid to any of the entities and individuals involved in  
3 establishing, maintaining, or managing the investment partnership and charitable  
4 foundation) directly associated with revoking the contributions, unwinding the  
5 business transactions, dissolving the entities, or taking other similar steps  
6 necessary to recover the contributions. *Provided, however,* that all such taxes,  
7 penalties, and costs shall be subject to review, audit, and challenge by the  
8 Commission. Any such Net Contribution shall not be disbursed, transferred, or  
9 otherwise expended except in accordance with this Part. Any such Net  
10 Contribution shall be transferred to the Commission by electronic funds transfer  
11 no more than one hundred and eighty (180) days after the date of entry of this  
12 Order and in accordance with directions provided by the Commission.

13 E. Stipulating Defendants hereby assign to the Commission, without any  
14 encumbrances, all rights and claims to money or other assets owed to them as of  
15 the date of entry of this Order by a Related Party, and of the right to pursue any  
16 chose in action to recover any such money or assets owed to them by a Related  
17 Party, under the terms of any agreement, oral or written, including but not limited  
18 to the Joint Venture Agreement entered into on June 10, 2003 by and between  
19 Defendants Shawn Talbott and Window Rock, the Joint Venture Agreement  
20 entered into on June 21, 2003 by and between Window Rock and Stipulating  
21 Defendants, and the purported non-written agreement by and between Defendants  
22 Window Rock and Pinnacle. *Provided, however,* that this assignment shall not  
23 include any rights, claims, assets, and rights to pursue any chose in action that are  
24 settled, extinguished, or otherwise resolved by final order in Window Rock's  
25 bankruptcy case.



1 F. If any Related Party assigns to the Commission rights of recovery and  
2 claims to money or other assets purportedly owed to it as of the date of entry of  
3 this Order by any Stipulating Defendant, the Commission shall not exercise any  
4 such rights and claims in a manner that would allow it to recover additional funds  
5 from any Stipulating Defendant; *provided, however*, that this paragraph F shall  
6 cease to apply upon occurrence of any of the events described under Part VII.

7 G. All funds paid to the Commission pursuant to this Order shall be  
8 deposited into an account administered by the Commission or its agent to be used  
9 for equitable relief, including but not limited to consumer redress for nationwide  
10 sales of CortiSlim and CortiStress from the time those products were first  
11 advertised up to and including May 31, 2006, and any attendant expenses for the  
12 administration of such equitable relief. In the event that direct redress to  
13 consumers is wholly or partially impracticable or funds remain after redress is  
14 completed, the Commission may apply any remaining funds for such other  
15 equitable relief (including consumer information remedies) as it determines to be  
16 reasonably related to the practices alleged in the Complaint. Any funds not used  
17 for such equitable relief shall be deposited to the United States Treasury as  
18 disgorgement. Stipulating Defendants shall have no right to challenge the  
19 Commission's choice of remedies under this Part. Stipulating Defendants shall  
20 have no right to contest the manner of distribution chosen by the Commission. No  
21 portion of any payments under the judgment herein shall be deemed a payment of  
22 any fine, penalty, or punitive assessment;

23 H. Stipulating Defendants relinquish all dominion, control, and title to  
24 the funds paid into the account established pursuant to this Order, and all legal and  
25 equitable title to the funds shall vest in the Treasurer of the United States unless  
26 and until such funds are disbursed to consumers. Stipulating Defendants shall  
27 make no claim to or demand for the return of the funds, directly or indirectly,  
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1 through counsel or otherwise, and in the event of a subsequent bankruptcy case  
2 involving a Stipulating Defendant, Stipulating Defendants acknowledge that the  
3 funds are not part of any bankruptcy estate and that no bankruptcy estate has any  
4 claim or interest therein; and

5 I. Each Stipulating Defendant shall provide to the Commission a sworn  
6 statement setting forth i) the amount of 2003, 2004, and 2005 state and federal  
7 taxes, if any, that have been paid on or before the date that the Stipulating  
8 Defendants signed this Order; ii) the amount of 2005 and 2006 estimated state and  
9 federal tax payments, if any, that have been paid on or before the date that the  
10 Stipulating Defendants signed this Order; and iii) a statement of the date(s) on  
11 which each tax payment to a state or federal tax authority was made. All 2003,  
12 2004, and 2005 tax payments and any 2006 estimated tax payments that are  
13 reported to the Commission as being owed to a state or federal tax authority shall  
14 be paid in full no later than sixty (60) days from the date of entry of this Order.  
15 The financial information and documents referenced in this paragraph I shall be  
16 designated as confidential.

## 17 18 **VII.**

### 19 **RIGHT TO REOPEN**

20 A. By agreeing to this Order, Stipulating Defendants reaffirm and attest  
21 to the truthfulness, accuracy, and completeness of the financial information that  
22 they have previously submitted to the Commission. The Commission's agreement  
23 to this Order is expressly premised upon the truthfulness, accuracy, and complete-  
24 ness of Stipulating Defendants' financial statements and other information that  
25 they submitted to the Commission, namely:

- 26 1. April 12, 2005 letter from Venable LLP to FTC, with  
27 attachments

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1 material asset, or materially misrepresented the value of any asset, or made any  
2 other material misrepresentation in or omission from the Financial Statements or  
3 other supporting documents listed in this Part, the Court shall reinstate the  
4 suspended judgment in Part VI, above, in the amount of nineteen million dollars  
5 (\$19,000,000), less any amount already paid to the Commission by or on behalf of  
6 Stipulating Defendants.

7           1.     *Provided, however,* that in all other respects this Order shall  
8                    remain in full force and effect unless otherwise ordered by the  
9                    Court; and

10           2.     *Provided, further,* that proceedings instituted under this Part  
11                    would be in addition to, and not in lieu of, any other civil or  
12                    criminal remedies as may be provided by law, including any  
13                    other proceedings that the Commission may initiate to enforce  
14                    this Order.

15           B.     Solely for purposes of this Part, Stipulating Defendants waive any  
16 right to contest any of the allegations in the Complaint and agree that the facts as  
17 alleged in the Complaint shall be taken as true, without further proof, in any  
18 subsequent litigation filed by or on behalf of the Commission to enforce its rights  
19 pursuant to this Part. Except for the amount of the judgment, the financial  
20 information and documents referenced in this Part shall be designated as  
21 confidential and shall be disclosed only as necessary for enforcement purposes.

22           C.     In agreeing to this Order, the Commission has specifically relied on  
23 the representations that Stipulating Defendants have made regarding the amount of  
24 federal and state taxes, if any, that have been or will be paid for tax years 2003,  
25 2004, and 2005, and the amount of estimated federal and state taxes, if any, that  
26 have been paid toward estimated taxes for tax years 2005 and 2006, including but  
27 not limited to representations in the documents referenced in Part VII, above, and  
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1 in the documents listed in paragraph A of this Part. All federal and state tax  
2 returns, amended returns, and other documents filed with the IRS and/or state tax  
3 authorities on or after the date that the Stipulating Defendants signed this Order  
4 involving tax years 2003, 2004, 2005, and 2006 shall be prepared and signed by a  
5 third-party independent CPA accounting firm, and a copy of any and all such  
6 returns, amended returns, and other documents, complete with all attachments,  
7 shall be provided to the Commission at the time they are submitted to the state or  
8 federal tax authority.

- 9           1. It shall be a violation of this Part for Stipulating Defendants to  
10           file any federal or state tax return seeking a cash refund of  
11           some or all of the amounts previously reported to the  
12           Commission as taxes owed and paid for tax years 2003, 2004,  
13           and 2005 or seeking a cash refund of some or all of the  
14           amounts paid toward estimated taxes for tax year 2006.

15           *Provided, however,* that seeking such a cash refund shall not be  
16           deemed to be a violation of this Part if Stipulating Defendants  
17           promptly remit to the Commission the full amount of any such  
18           cash refund within ten (10) days of receipt of the refund.

- 19           2. It shall be a violation of this Part for Stipulating Defendants (or  
20           any entity owned directly or indirectly by one or more of the  
21           Stipulating Defendants) to claim a tax deduction on any federal  
22           or state tax return (including amended returns) for the  
23           \$2,500,000 described in Part VI.B, above. *Provided, however,*  
24           that it shall not be a violation of this Part for Stipulating  
25           Defendants to claim a tax deduction for the \$2,500,000

- 26           a. On their federal tax return(s), but only to the extent that  
27           they report to the Internal Revenue Service the  
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1 \$2,500,000 as taxable income or gain and do not  
2 subsequently seek to change this reported amount or its  
3 treatment for tax purposes; and

4 b. On their state tax return(s), but only to the extent that  
5 they report to the California Franchise Tax Board the  
6 \$2,500,000 as taxable income or gain and do not  
7 subsequently seek to change this reported amount or its  
8 treatment for tax purposes; and

9 3. It shall be a violation of this Part for Stipulating Defendants (or  
10 any entity owned directly or indirectly by one or more of the  
11 Stipulating Defendants) to claim a tax deduction on any federal  
12 or state tax return (including amended returns) for the Net  
13 Contribution described in Part VI.D, above.

#### 14 **VIII.**

#### 15 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

16 Within five (5) business days after receipt of this Order as entered by the  
17 Court, Gregory Cynaumon, individually and on behalf of Infinity, shall submit to  
18 the Commission a truthful sworn statement acknowledging receipt of this Order,  
19 using the form shown at Attachment A.  
20

#### 21 **IX.**

#### 22 **DISTRIBUTION OF ORDER**

23 For a period of three (3) years from the date of entry of this Order,  
24 Stipulating Defendants shall deliver copies of this Order as directed below:  
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26 A. Infinity shall deliver a copy of this Order to all of its principals,  
27 officers, directors, and managers and also to all of its supervisory employees,  
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1 of this Order as required by this Part.

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**COMPLIANCE MONITORING**

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For the purpose of monitoring compliance with any provision of this Order,

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1 C. Stipulating Defendants, upon fourteen (14) days notice, shall permit  
2 representatives of the Commission to interview any officer, director, employee,  
3 employer, consultant, independent contractor, representative, or agent of any  
4 entity managed or controlled in whole or in part by either or both Gregory  
5 Cynaumon or Infinity who has agreed to such an interview, relating in any way to  
6 any conduct subject to this Order. The person interviewed may have counsel  
7 present.

8 D. *Provided, however,* that nothing in this Order shall limit the  
9 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of  
10 the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible  
11 things, testimony, or information relevant to unfair or deceptive acts or practices in  
12 or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

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14 **XI.**  
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B. For a period of three (3) years from the date of entry of this Order,

1. Infinity shall notify the Commission of any changes in its corporate structure or in any business entity that it directly or indirectly control(s), or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale,

1 change. Such notice shall include the name and address  
2 of each business that he is affiliated with, employed by,  
3 creates or forms, or performs services for; a statement of  
4 the nature of the business; and a statement of his duties  
5 and responsibilities in connection with the business; and

6 c. Any changes in his name or use of any aliases or  
7 fictitious names.

8 C. Ninety (90) days after the date of entry of this Order, each Stipulating  
9 Defendant shall provide a written report to the Commission, sworn to under  
10 penalty of perjury, setting forth in detail the manner and form in which they have  
11 complied and are complying with this Order. This report shall include, but not be  
12 limited to, any changes required to be reported pursuant to Tjatsi and ar759

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1 Defendants, with contemporaneous notice to undersigned counsel or to any other  
2 counsel for Stipulating Defendants whose identity has been furnished to the  
3 Commission.

4 F. The information and documents referenced in paragraphs A, B, and D  
5 of this Part shall be designated as confidential.

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7 **XII.**

8 **RECORD-KEEPING PROVISIONS**

9 For a period of five (5) years from the date of entry of this Order,  
10 Stipulating Defendants and their agents, employees, officers, corporations,  
11 successors, and assigns, and those persons in active concert or participation with  
12 them who receive actual notice of this Order by personal service or otherwise, if  
13 engaging or assisting others engaged in the manufacturing, labeling, advertising,  
14 promotion, offering for sale, sale, or distribution of any Covered Product, in or  
15 affecting commerce, and any business where the defendant is or has been a partner, officer, director, or agent, shall maintain and preserve all records, documents, and information in any form or medium, including electronic, that are in the possession, custody, or control of the defendant, or any person acting on behalf of the defendant, that are created, received, used, or otherwise generated, owned, or controlled by the defendant, or any person acting on behalf of the defendant, in connection with the defendant's business operations, or the defendant's participation in the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, and any business where the defendant is or has been a partner, officer, director, or agent, shall maintain and preserve all records, documents, and information in any form or medium, including electronic, that are in the possession, custody, or control of the defendant, or any person acting on behalf of the defendant, that are created, received, used, or otherwise generated, owned, or controlled by the defendant, or any person acting on behalf of the defendant, in connection with the defendant's business operations, or the defendant's participation in the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, and any business where the defendant is or has been a partner, officer, director, or agent.

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1 reason for the person's termination, if applicable;

2 C. Customer files containing the names, addresses, telephone numbers,  
3 dollar amounts paid, quantity of items purchased, and description of items  
4 purchased, to the extent such information is obtained in the ordinary course of  
5 business;

6 D. Complaints and refund requests (whether received directly, indirectly  
7 or through any third party), and any response to those complaints or requests;

8 E. Copies of all advertisements, promotional materials, sales scripts,  
9 training materials, or other marketing materials utilized in the manufacturing,  
10 labeling, advertising, promotion, offering for sale, sale, or distribution of any  
11 Covered Product, to the extent such information is prepared in the ordinary course  
12 of business;

13 F. All documents evidencing or referring to the accuracy of any claim or  
14 representation contained in the materials identified in paragraph E of this Part, or  
15 to the efficacy of any Covered Product, including, but not limited to, all tests,  
16 reports, studies, and demonstrations, as well as all evidence that confirms,  
17 contradicts, qualifies, was relied upon in making, or calls into question the  
18 accuracy of such claims;

19 G. Records accurately reflecting the name, address, and telephone  
20 number of each manufacturer or laboratory engaged in the development or  
21 creation of any testing obtained for the purpose of manufacturing, labeling,  
22 advertising, promotion, offering for sale, sale, or distribution of any Covered  
23 Product; and

24 H. All records and documents necessary to demonstrate full compliance  
25 with each provision of

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1 **XIII.**

2 **COOPERATION WITH COMMISSION COUNSEL**

3 A. Stipulating Defendants shall, in connection with the unwinding of the  
4 charitable foundation and its related limited partnership described in paragraph  
5 VI.D, above, and in cooperation with the Commission: request the voluntary  
6 unwinding of these entities and request the trustees, agents, or representatives of  
7 these entities to cooperate in this voluntary unwinding; initiate communications  
8 for the purposes of unwinding these entities with State or Federal authorities;  
9 cooperate in good faith with the Commission's reasonable requests for documents  
10 and writings and testimony in connection with the unwinding of these entities;  
11 and, if necessary, appear in person or through their representatives at such places  
12 and times or execute such documents as the Commission shall reasonably request  
13 after written notice to Stipulating Defendants and their counsel of record.

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1 **ATTACHMENT A**

2  
3 **UNITED STATES DISTRICT COURT**  
4 **CENTRAL DISTRICT OF CALIFORNIA**

5 FEDERAL TRADE COMMISSION,

6 Plaintiff,

7 v.

8 WINDOW ROCK ENTERPRISES, INC.,  
9 also d/b/a WINDOW ROCK HEALTH  
10 LABORATORIES, also d/b/a  
11 CORTISLIM, INFINITY  
12 ADVERTISING, INC., STEPHEN F.  
13 CHENG, SHAWN M. TALBOTT,  
14 GREGORY S. CYNAUMON,  
15 PINNACLE MARKETING CONCEPTS,  
16 INC., AND THOMAS F. CHENG

17 Defendants.

CIVIL NUMBER

**CV-04-8190-DSF (JTLx)**

**DECLARATION OF  
DEFENDANT  
GREGORY S. CYNAUMON  
UNDER 28 U.S.C. § 1746**

18 GREGORY S. CYNAUMON declares as follows:

19 1. My name is Gregory S. Cynaumon. My current residence is  
20 \_\_\_\_\_ . I am a citizen of the United States and am over the age of  
21 eighteen. I have personal knowledge of the facts set forth in this Declaration.

22 2. I am an individual defendant in the above-captioned case, *FTC v.*  
23 *Window Rock Enterprises, Inc. et al.* I am also an officer of Infinity Advertising,  
24 Inc., which is also a defendant in that case.

25 3. On [DATE], I received, individually and in my capacity as an officer  
26 of Infinity Advertising, Inc., a copy of the Stipulated Final Agreement and Order  
27 for Permanent Injunction and Settlement of Claims for Monetary Relief as to  
28 Defendants Infinity Advertising, Inc. and Gregory S. Cynaumon, which was  
entered by the Court on [DATE] (“Order”). A true and correct copy of the Order  
is attached to this Declaration.

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