IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CAPITAL ACQUISITIONS & MANAGEMENT) Judge Gettleman CORP., a corporation,)
Mag. Judge Nolan
RM FINANCIAL SERVICES, INC., a corporation,)

CAPITAL PROPERTIES HOLDINGS, INC.,
a corporation,

CARIBBEAN ASSET MANAGEMENT, LTD.,
a corporation,

REESE WAUGH,

JEROME KUEBLER,

ERIC WOLDOFF,

GEORGE OTHON,

JEFFREY GARRINGTON,

DAVID KAPP,

JOSHUA RAUSCH,

MICHAEL SENG, and

BILLY MARTIN,

Defendants.

STIPULATED ORDER FOR PERMANENT INJUNCTION AGAINST JOSHUA RAUSCH

. Plaintiff, Federal Trade Commission ("FTC" or "Commission"), filed its Amended

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corporate defendants; George Othon, individually and as an officer, director or agent of the corporate defendants; Jeffrey Ganington, individually and as an officer, director or agent of the corporate defendants; David Kapp, individually and as an officer, director or agent of the corporate defendants; Joshua Rausch, individually and as an officer, director or agent of the corporate defendants; Michael Seng, individually and as an officer, director or agent of the corporate defendants; and Billy Martin, individually and as an officer, director or agent of the corporate defendants; and any subsidiaries, affiliates, and any fictitious business entities or business names created or used by these entities; or any of them.
3. "Receivership Defendant" means each of Capital Acquisitions and Management
Corp., RM Financial Services, Inc., Capital Properties Holdings, Inc., and Caribbean Asset Management, Ltd.
4. "Defendant Joshua Rausch" or "Defendant Rausch" means Joshua Rausch, by
whatever name he might be known.
5. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to
any real or personal property, including but not limited to "cash," "funds," "money," "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks" or "notes" (as these terms are defined in the Uniform Commercial these or 5.

meanssnd Commercial

recordings, computer records, and any other data compilations from which information can be obtained and translated into reasonably usable form through detection devices. A draft or non-identical copy of a Document is a separate Document within the meaning of the term.
7. "Consumer" means any person.
8. "Debt collection activities" means any activity the principal purpose of which is
to collect or attempt to collect, directly or indirectly, debts owed or asserted to be owed, or due.
9. "Assisting others" means knowingly providing any of the following goods or
services to any person or entity: I) performing customer service hnctions, including, but not limited to, receiving or responding to customer complaints; 2) formulating or providing, or arranging for the formulation or provision of, any telephone sales

4 threatening to take action that the Defendant does not intend to take, such as filing a lawsuit;
5. threatening to communicate with any person credit information that the Defendant knew or should have known

that Defendant Rausch has failed to disclose any material asset, or materially misrepresented the value of any asset, or has made any other material misrepresentation or omission in his financial statement and supporting attachments, the Court shall enter judgment against Defendant Rausch, in favor of the Commission, in the amount of $15,000,000.00 (the minimum amount of consumer injury in this matter), and the entire amount of the judgment shall become immediately due and payable.
Provided, however,that in all other respects, this Order shall remain in full force and
effect, unless otherwise ordered by the Court; and provided further, that 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, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United States may initiate to enforce this Order. For the purposes of reopening or enforcing this Section, Defendant Rausch waives any right to contest any of the allegations set forth in the Amended Complaint filed in this matter.
IV. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Defendant Joshua Rausch, within five (5) business
days of receipt of this Order as entered by the Court, shall submit to the Commission a truthful sworn statement, acknowledging receipt of this Order.
V. DISTRIBUTION OF ORDER BY DEFENDANT

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry
of this Order, Defendant Joshua Rausch shall deliver a copy of this Order as directed below. A. Defendant Joshua Rausch as control person: For any business that Defendant Rausch controls, directly or indirectly, or in which such Defendant has a majority ownership interest, Defendant Rausch must deliver a copy of this Order to all principals, officers, directors, 9

Defendant Rausch is affiliated with, employed by, or performs services for, a statement of the nature of the business, and a statement of Defendant Rausch's duties and responsibilities in connection with the business or employment; and
c. Any changes in Defendant Rausch's name or use of any aliases or
fictitious names; and
2. Defendant Rausch shall notify the Commission of any changes in the
structure of any business entity that Defendant Rausch directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change,provided that, with respect to any proposed change in the business entity about which Defendant Rausch learns less than thirty (30) days prior to the date such action is to take place, Defendant Rausch shall notify the Commission as soon as is practicable after obtaining such knowledge;
B. One hundred eighty (1 80) days after the date of entry of this Order, Defendant
Rausch shall provide a written report to the Commission, sworn to under penalty of perjury. This report shall include but not be limited to:
1. The then-current residence address, mailing addresses and telephone
numbers of Defendant Rausch;
2. The then-current employment and business addresses and telephone
numbers of Defendant Rausch, a description of the business activities of each such employer or

business, and the title and responsibilities of such Defendant, for each such employer or business;
3. Statements of Defendant Rausch's then-current business income and
expenses, including copies of Defendant Rausch's income tax returns with returns for any corporations or businesses owned, controlled or operated by Defendant Rausch or on Defendant Rausch's behalf;
4. Statements describing the manner in which Defendant Rausch has
complied and is complying with this Order;
5. A copy of each acknowledgment of receipt of this Order obtained by
Defendant Rausch pursuant to this Order; and
6. Any other changes required to be reported under subparagraph A of this
Section;
C. For the purposes of this Order, Defendant Rausch shall, unless otherwise directed
by a representative of the Commission, identify all written notifications to the FTC as being in reference to FTC v. Capital Acquisition & Management Corp., el al., United States District Court, Northern District of Illinois, Case No. 04-C-7781, and mail them to:
Associate Director for Enforcement Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20580
D. For the purposes of this Section, "employment" includes the performance of
services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Defendant Rausch perfoms services as an employee, consultant, or independent contractor; and

VIII. RECORD-KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry
of this Order, in connection wlth any business that Defendant Joshua Rausch directly or indirectly manages, controls, or has a majority ownership

F. All records and documents necessary to demonstrate full compliance with each provision of this Order.
IX. ACCESS TO BUSINESS PREMISES

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry
of this Order, for the purposes of determining or securing compliance with its provisions, Defendant Joshua Rausch, and his agents, employees, officers, corporations, successors, and assigns, and those persons or entities in active concert or participation with him who receive actual notice of this Order by personal service, facsimile or otherwise, shall permit representatives of the Commission, within three (3) business days of receipt of written notice from the Commission, access during normal business hours to any office or facility storing documents of any business that Defendant Rausch directly or indirectly manages, controls or has a majority interest in. In providing such access, Defendant Rausch shall permit representatives of the Commission to inspect and copy all documents relevant to any matter contained in this Order, and shall permit representatives of the Commission to remove such documents for a period not to exceed ten (10)business days so that the documents may be inspected, inventoried, and copied.
X. COMMISSION'S AUTHORITY TO MONITOR COMPLIANCE

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Order:
A. Within ten (10) ten ten

B. In addition, the Commission is authorized to monitor compliance with this Order
by all other lawfhl means, including but not limited to the following:
1. Obtaining discovery from any person, without further leave of court, using
the procedures prescribed by Fed. R. Civ. P. 30,31,33,34, 36, and 45; and
2. Posing as consumers and suppliers to: Defendant Rausch ,Defendant
Rausch's employees, or any other entity managed or controlled in whole or in part by Defendant Rausch, without the necessity of identification or prior notice; and
C. Defendant Rausch shall permit representatives of the Commission to interview
any employer, consultant, independent contractor, representative, officer, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.
Provided, however, that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. $5 49,57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15U.S.C. 5 45(a)(l)).
XI. PROHIBITIONS INVOLVING CONSUMER LISTS

IT IS FURTHER ORDERED that Defendant Joshua Rausch, and his officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participat~on with him who receive actual notice of this Order by personal service, facsimile, or otherwise, are hereby permanently restrained and enjoined from selling,

associated with the transactions or the occurrences that are the subject of the Amended Complaint, without service of a subpoena.
XIV. FEES AND COSTS
IT IS FURTHER ORDERED that each party to this Order hereby agrees to bear its
own costs and attorneys' fees incurred in connection with this action.
XV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

. XVII. COMPLETE SETTLEMENT

The parties 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.

So Stipulated:

William Blumenthal
General Counsel

&a-RD R.
David A. O'Toole
Federal Trade Commission
55 East Monroe Street, Ste. 1860 Chicago, IL 60603
(312) 960-5634
(312) 960-5600 (fax)
Attorney for Plaintiff

IT IS SO ORDERED.

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