

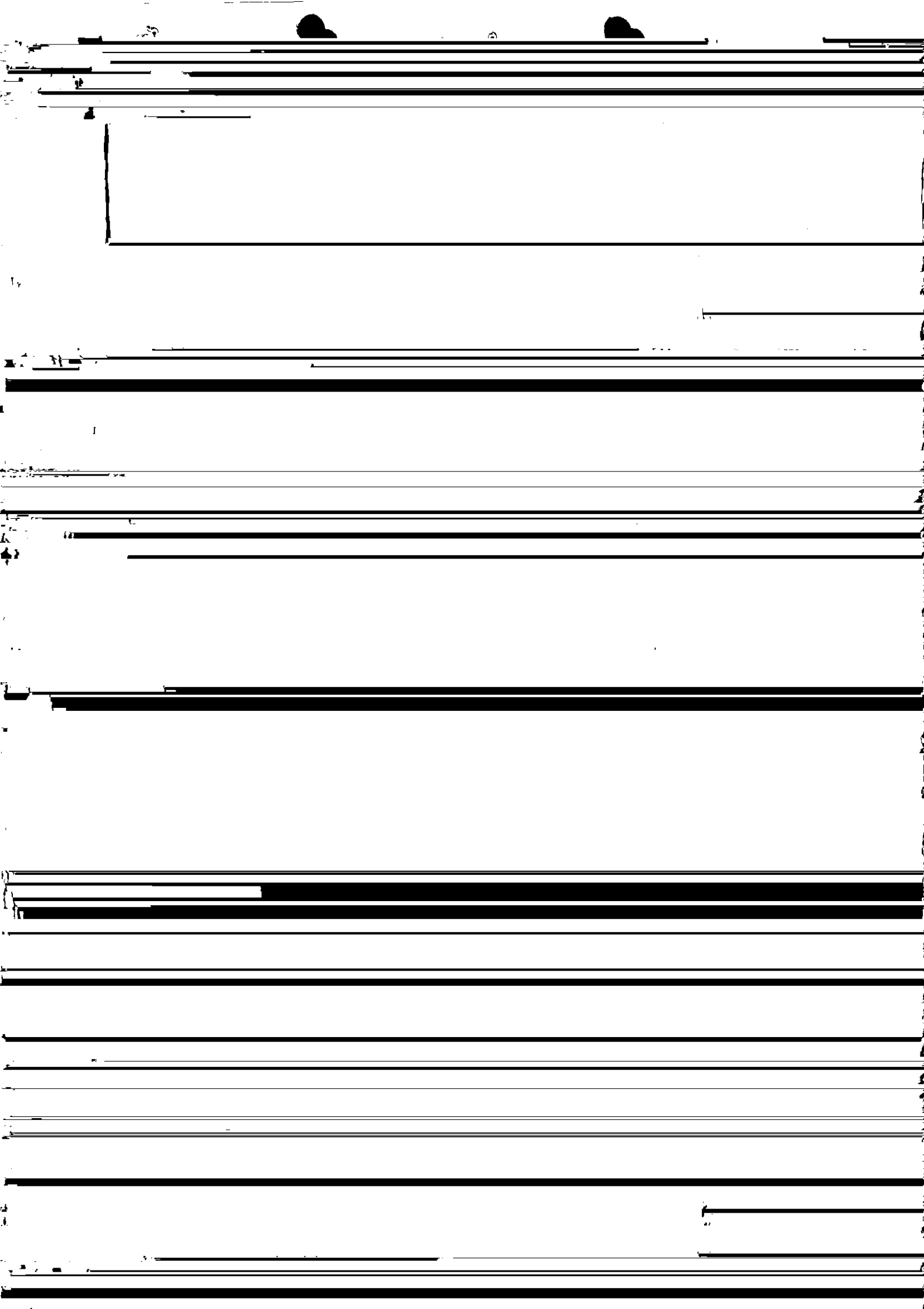
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

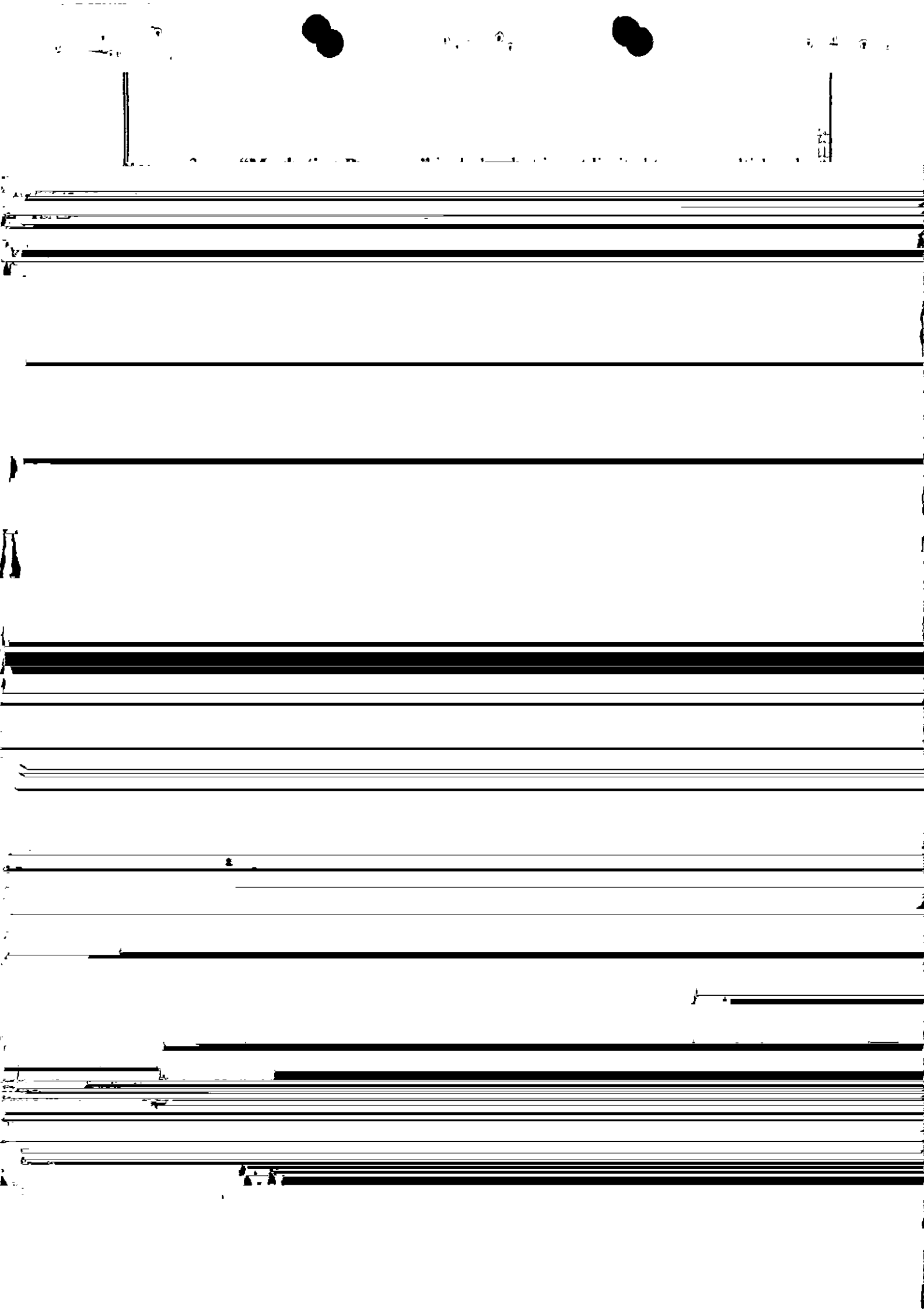
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FEDERAL TRADE COMMISSION

Case No. 2:07-cv-03654-GW-FMO

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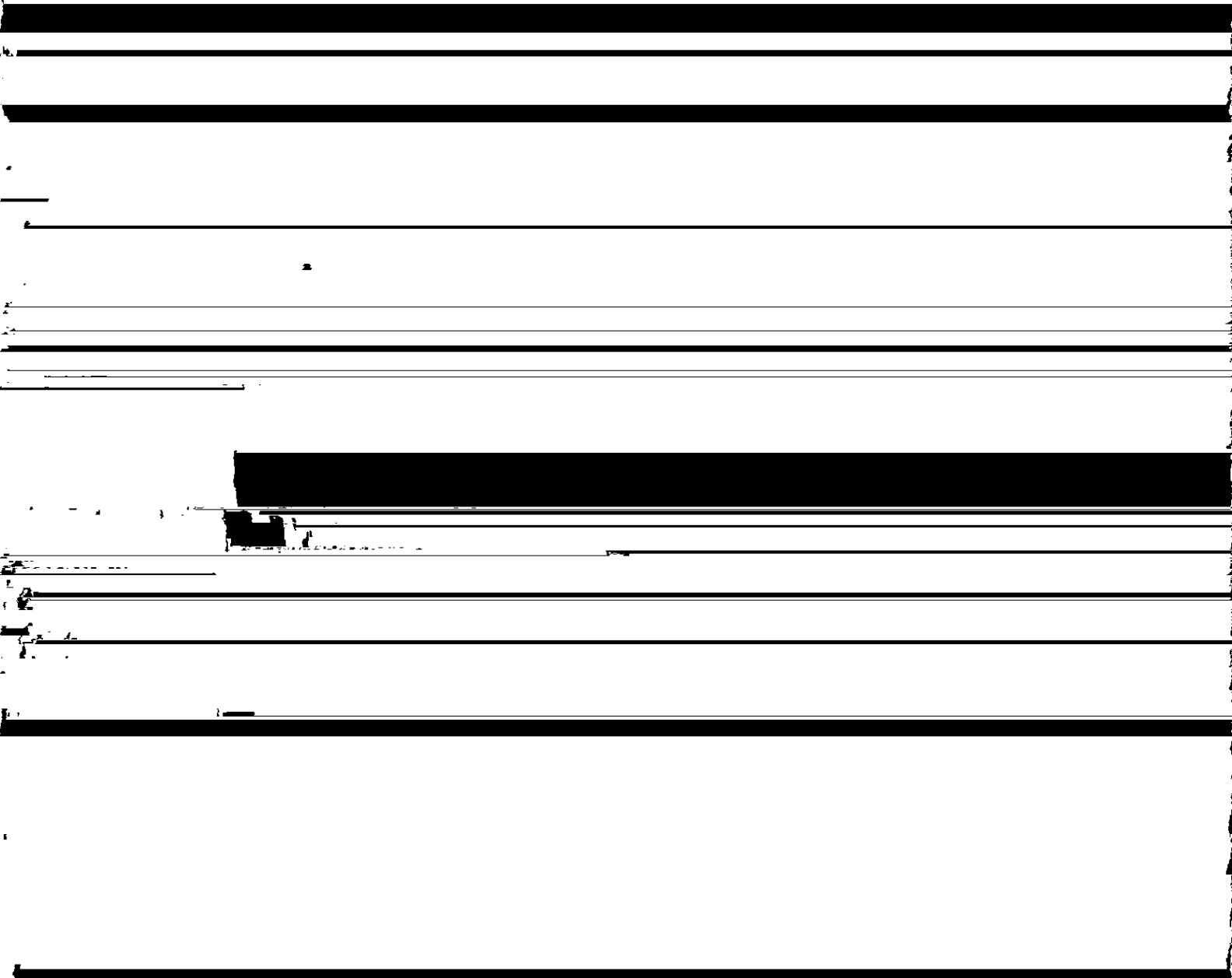


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**II. INJUNCTION AGAINST MISREPRESENTATION**

IT IS FURTHER ORDERED that, in connection with the advertising, promoting, marketing, offering or providing, or assisting others in the advertising, promoting, marketing, offering or providing the Mogul Program, or any other Marketing Program, the Defendant is hereby temporarily restrained and enjoined from making or assisting in the making of, expressly or by implication, orally or in writing, any false or misleading statement or representation of material fact, including but not limit to misrepresenting that consumers who participate in the

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1 are unable to agree on the amount of the cap and a Court hearing is necessary to  
2 determine the amount of the cap, the parties shall have the right to conduct

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person or entity for the benefit of any Defendant; or (3) under any

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- A. A completed financial statement signed under penalty of perjury and accurate as of the date of entry of this Order, in the form provided as Attachment B; and
- B. For product packages and digital music and other digital content sold

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who were ever BurnLounge retailers, and © non-Moguls who were never BurnLounge retailers;

7. the cost of goods sold for each category of product package (i.e., Basic, Exclusive and VIP) to each of the following: (a) Moguls and (b) non-Moguls;
8. the cost of goods sold for aggregate sales of digital music and other digital content to each of the following: (a) Moguls and (b) non-Moguls;
9. the gross profit on sales of each category of product package (i.e., Basic, Exclusive and VIP) to each of the following: (a) Moguls and (b) non-Moguls; and
10. the gross profit on sales from aggregate sales of digital music and other digital content to each of the following: (a) Moguls and (b) non-Moguls.

Provided, as used in this paragraph, (a) "net sales" refers to gross revenue minus refunds and allowances; (b) "gross profit" refers to net sales minus cost of goods



1 documents that relate to the business practices or business or personal finances of  
2 any Defendant.

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**IX BANKRUPTCY PETITIONS**

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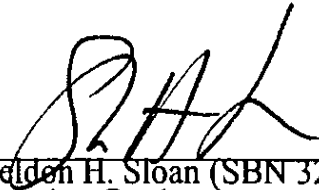
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1 THE PARTIES STIPULATE TO THE FOREGOING ORDER:

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5 Chris M. Couillou  
6 ccouillou@ftc.gov  
7 Counsel for Plaintiff  
8 Federal Trade Commission  
9 225 Peachtree Street, Suite 1500  
10 Atlanta, GA 30303  
11 (404) 656-1353 (voice)  
12 (404) 656-1379 (fax)

or



11 D.J. Poyfair  
12 djpoyfair@stklaw.com  
13 Counsel for BurnLounge, Inc.  
14 Shugart, Thomson & Kilroy  
15 1050 17th Street, Suite 2300  
16 Denver, CO 80265  
17 (303) 572-9300 (voice)  
(303) 572-7883 (fax)

Sheldon H. Sloan (SBN 32334)  
ssloanlaw@aol.com  
Counsel for BurnLounge, Inc.  
11111 Santa Monica Blvd., Ste. 230  
Los Angeles, CA 90025  
(310) 268-0622 (voice)  
(310) 268-2450 (fax)



FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

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**Instructions:**

**BACKGROUND INFORMATION**

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Item 1 General Information

Corporation's Full Name \_\_\_\_\_

Primary Business Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

All predecessor companies for past five years:

[Redacted]

[Redacted]



**Item 7. Businesses Related to the Corporation**

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List the names, addresses and other business entities to which this corporation has

Name & Address

Business Activities

% Owned

State which of these businesses, if any, has ever transacted business with the corporation \_\_\_\_\_



**Item 13. Pending Lawsuits Filed by the Corporation**

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

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Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

Status \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_



List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. <sup>111</sup> If list

**Item 15. Bankruptcy Information**

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date \_\_\_\_\_ Termination Date \_\_\_\_\_ Docket No. \_\_\_\_\_

If State Court: Court & County \_\_\_\_\_ If Federal Court: District \_\_\_\_\_

Disposition \_\_\_\_\_

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**Item 16. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name &amp; Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**FINANCIAL INFORMATION**

**REMINDER:** When an Item asks for information about assets or liabilities "held by the corporation," include

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current

Year      Balance Sheet      Profit & Loss Statement      Cash Flow Statement      Changes in Owner's Equity      Audited?


**Item 19.      Financial Summary**

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 17 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____	_____	_____	_____

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes held by



Opposing Party's Name & Address \_\_\_\_\_  
Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_  
Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

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Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

**Item 26. Monetary Judgments and Settlements Owed By the Corporation**

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address \_\_\_\_\_  
Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_  
Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_  
Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

Agreement Date \_\_\_\_\_ Nature of Agreement \_\_\_\_\_

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**Item 28. Credit Cards**

List all of the corporation's credit cards and other charge accounts and the individuals authorized to use them

Name of Credit Card or Store

Names of Authorized Users and Positions Held

**Item 29. Compensation of Employees**

List all compensation and other benefits received from the corporation by the five most highly compensated employees, ~~and other highly compensated employees (other than those individuals listed in Items 5 and 6 above) for the two previous~~

[REDACTED]

[REDACTED]

Name/Position

Current Fiscal  
Year-to-Date

1 Year Ago

2 Years Ago

Compensation or  
Type of Benefits

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\$

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I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission. I have used my best efforts to obtain the information requested in this statement. The

1 CERTIFICATE OF SERVICE

2 I, Chris M. Couillou, hereby certify as follows:

3 1. I am an attorney employed by and representing the Federal Trade  
4 Commission. I am not a party to this action.

5 2. On July 2, 2007, I served the foregoing document, entitled  
6 “[Proposed] Stipulated Preliminary Injunction” on interested parties in this matter  
7 by causing a true and correct copy to be mailed, postage prepaid, by United States  
8 first class mail, and sent by e-mail, to the following:

9 D.J. Poyfair, Esq.  
10 Shughart, Thomson & Kilroy, P.C.  
11 1050 17th Street, Suite 2300  
12 Denver, Colorado 80265  
13 [E-mail address: djpoyfair@stklaw.com]

14 Sheldon Sloan  
15 11111 Santa Monica Boulevard  
Suite 230  
Los Angeles, California 90025-3336  
[E-mail address: ssloanlaw@aol.com]

Thomas A. Decker, II Esquire

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John Taylor  
[REDACTED]  
Houston, TX 77007

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I hereby certify that the foregoing is true and correct.  
Executed on this 2nd of July, 2007, at Atlanta, Georgia.

*Carrie M. Core, Clerk*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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