

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

FEDERAL TRADE COMMISSION,

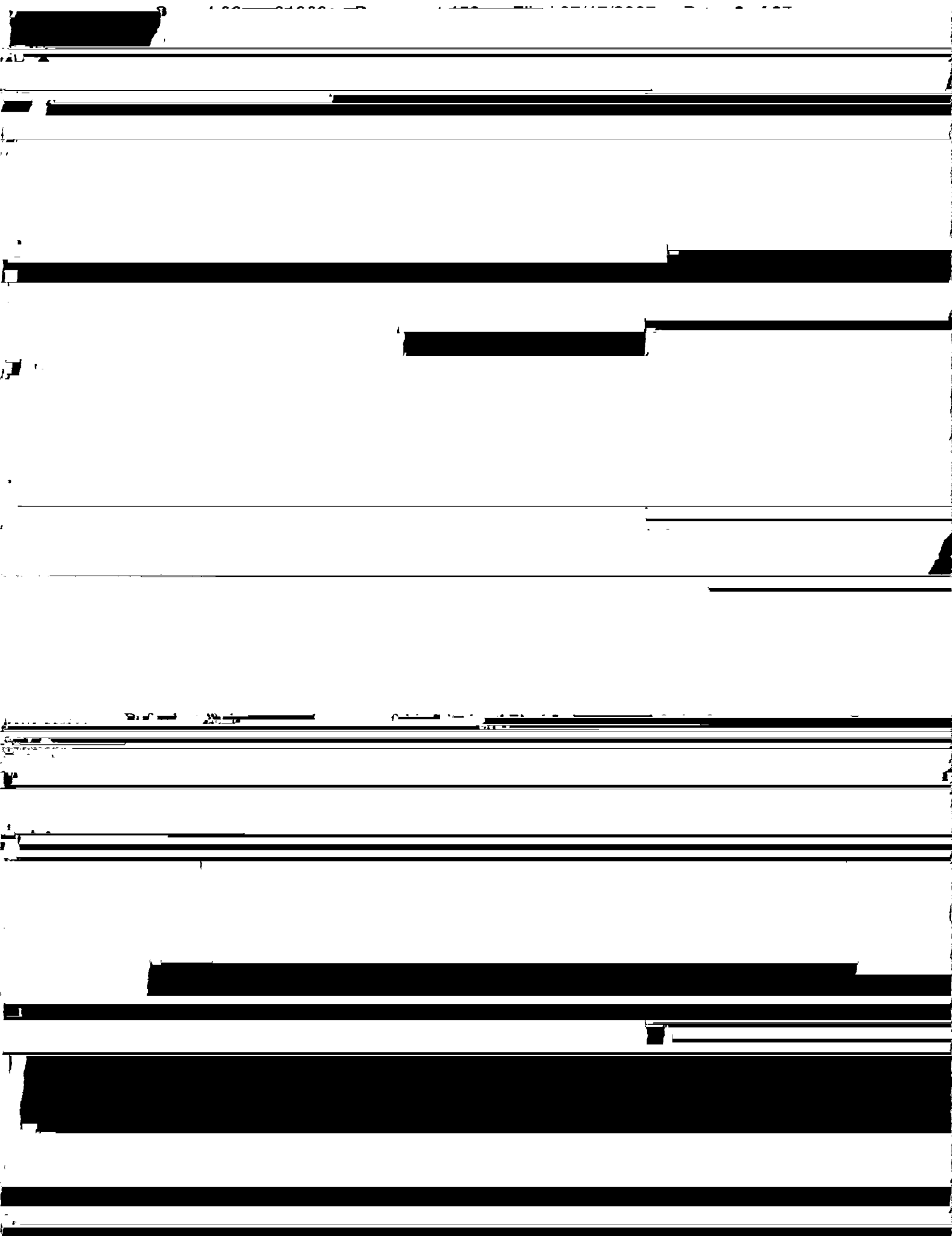
Plaintiff,

v.

WEBSOURCE MEDIA, L.L.C., *et al.*,

Defendants.

Civ. No.: H-06-1980



Justice Act, 28 U.S.C. § 2412, and all rights to seek judicial review or otherwise challenge the validity of this Final Judgment and Order. The parties shall each bear their own costs and attorney's fees incurred in this action. Nothing herein shall prohibit any Named Defendant from pursuing any claims it may have against any other Named Defendant for any other legal and/or equitable relief, including but not limited to attorneys' fees, indemnity, and contribution.

DEFINITIONS

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

personal property, including but not limited to "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," "notes" (as these terms are defined in the Uniform Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of stock,

to, receiving or responding to consumer complaints; (2) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material; (3) providing names of, or assisting in the generation of, potential customers; or (4) performing marketing or billing services of any kind.

term "documents or electronically stored information" in Federal Rule of Civil Procedure 34(a),

and includes writings, drawings, graphs, charts, photographs, audio and video recordings,

prompted the customer's call or in a substantially similar context

G. **"Telemarketer"** means any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor.

H. **"Person"** means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

I. **"Internet Services"** means any product or service that assists consumers to access

5. a toll-free telephone number which may be utilized by the authorized purchaser to cancel prior to any billing; and
6. the terms and conditions of any refund policies.

L. **“Express written authorization”** means written authorization signed by the authorized purchaser which evidences clearly both the authorized purchaser’s receipt of all of the material terms of the offer of goods or services and the authorized purchaser’s subsequent authorization of payment from a specific account for the goods or services which are the subject of the telemarketing transaction. For purposes of this Final Judgment and Order, the term “signed” shall include an electronic or digital form of signature, to the extent that such form of signature is recognized as a valid signature under applicable federal law or state contract law.

M. **“Express oral authorization”** means oral authorization which is audio-recorded by an independent third-party and made available upon request to the authorized purchaser, the authorized purchaser’s bank, credit card company, or telephone company, and which evidences

express oral authorization.

O. **“Verification recording”** means an audio-recording of some or all of a telemarketing transaction which is created for the purpose of documenting an authorized purchasers’s express oral authorization to purchase goods or services and to be billed for those goods or services.

P. **“Existing Verizon customers”** means any and all of the WebSource Defendants’ customers, existing as of June 12, 2006, who were being billed through Verizon-related local

customer carriers at that time, and who have not been billed by Verizon since 2006.

A. That a free trial service will be cancelled automatically if the authorized purchaser does not affirmatively approve the continuation of the service;

B. That a verification recording is being made for any purchase other than to

document the authorized purchaser's express informed consent; and

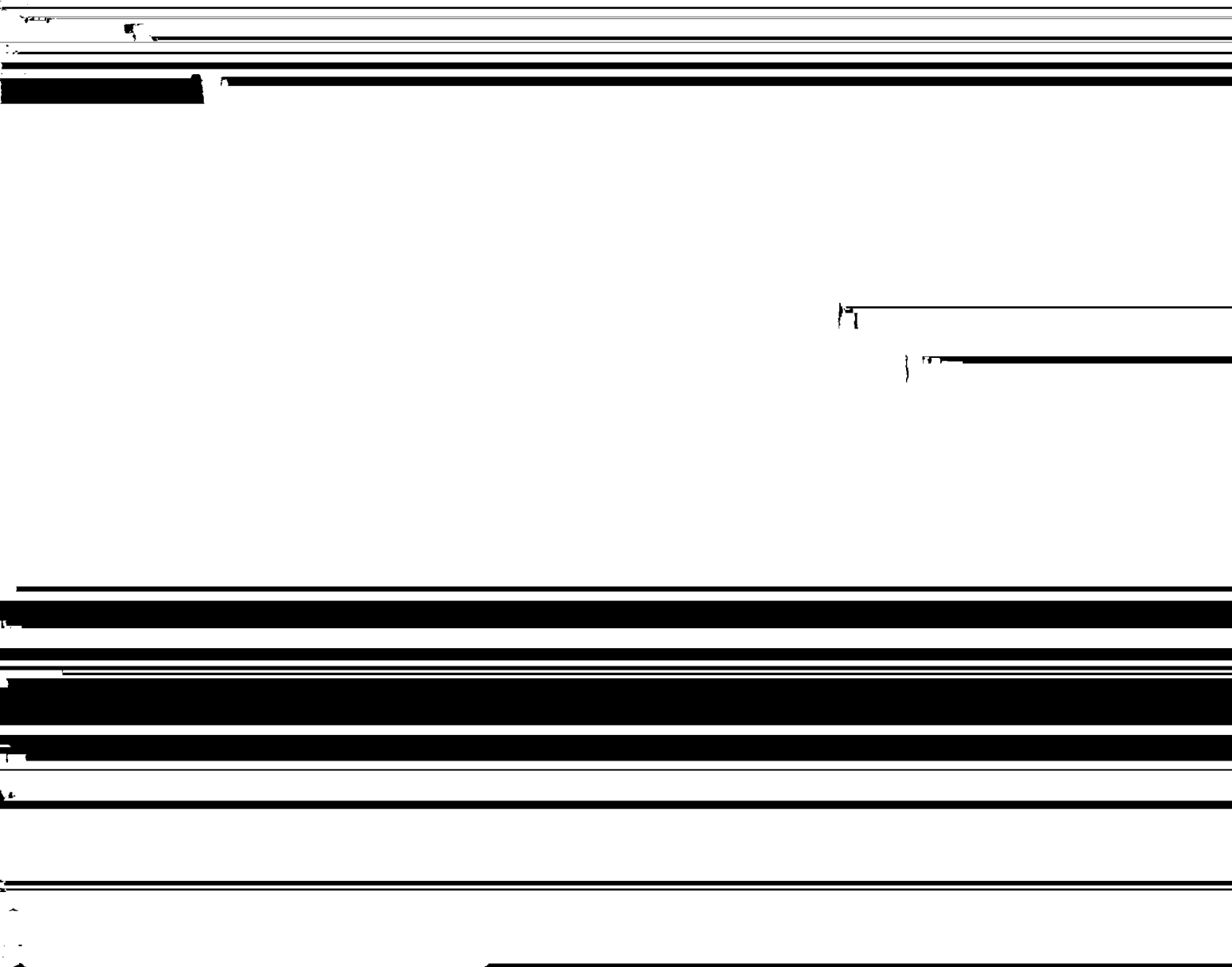
C. That an authorized purchaser is obligated to pay any charge for which the authorized purchaser has not given express informed consent.

through any business entity, corporation, subsidiary, affiliate, division, or other device, are hereby permanently restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, or other identifying information of any person who purchased services from the WebSource Defendants at any time prior to the date this Final Judgment and Order is entered. *Provided*, however, that nothing in this Paragraph III shall prevent the WebSource Defendants from selling all or substantially all of their assets, including then existing customer accounts and then current customer information, to a purchaser who subsequently assumes the obligation to provide Internet services to those customer accounts and who assumes the obligations associated with

notice, sent via United States mail, in the form shown in Attachment A of this Final Judgment and Order.

B. The WebSource Defendants, as well as their successors and assigns, and each of their officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with them who receive actual notice of this Final Judgment and Order by personal service or otherwise, whether acting directly or through any business entity, corporation, subsidiary, affiliate, division, or other device, shall not resume billing any existing

[Faint, illegible text]



[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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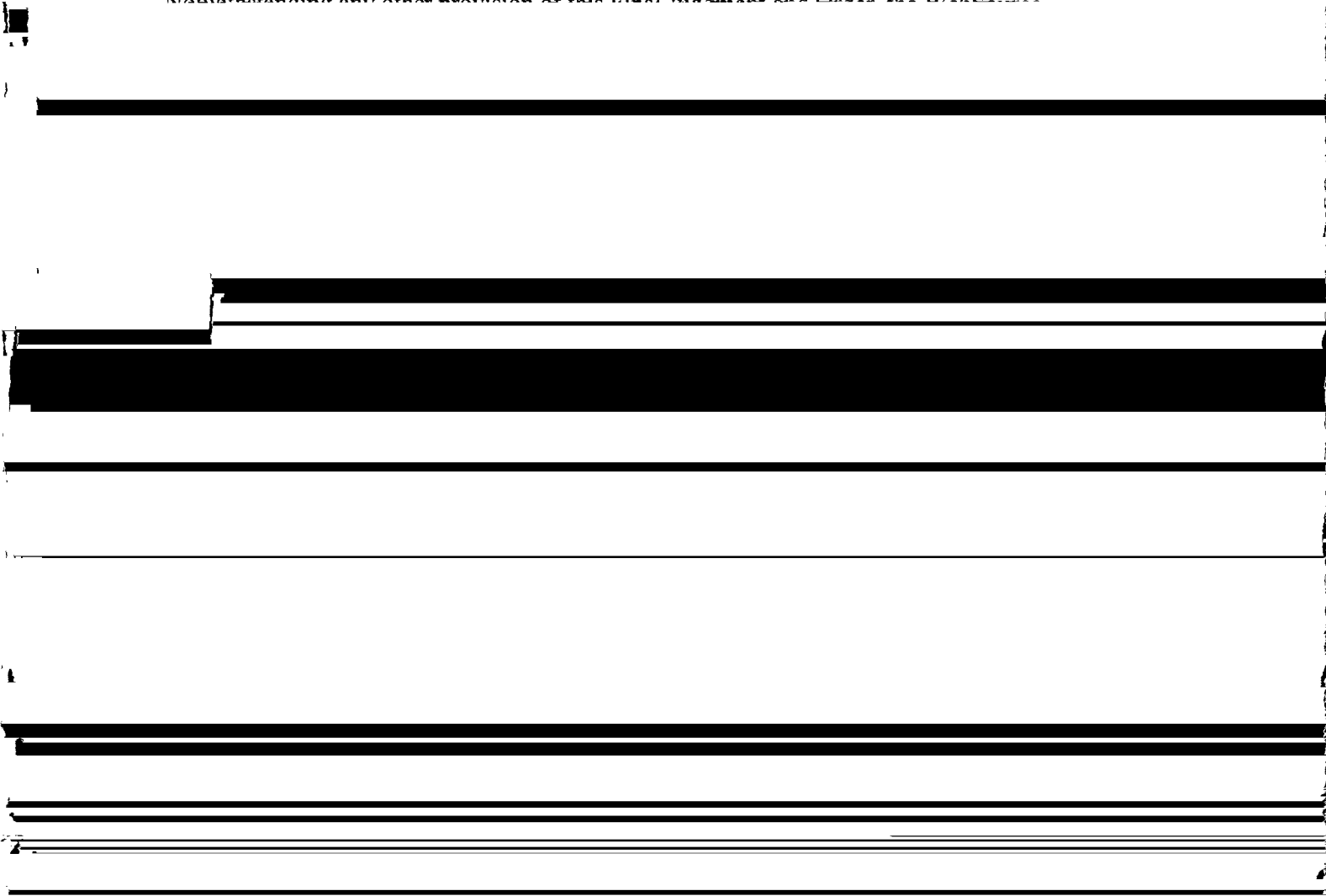
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[REDACTED]

(\$929,000) by or on behalf of the WebSource Defendants. Payment shall be made as follows: THREE HUNDRED THOUSAND DOLLARS (\$300,000) paid on or before the 90th day after entry of this Final Judgment and Order; and THREE HUNDRED AND TWENTY-NINE THOUSAND DOLLARS (\$329,000) paid on or before the 180th day after entry of this Final Judgment and Order.

D. Time is of the essence for the payments specified above. In the event that the WebSource Defendants do not fulfill, or only partially fulfill, their payment obligations set forth in this Paragraph V, the Websource Defendants shall be immediately liable for payment of TWENTY-FOUR MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$24,700,000), which is the entire amount of the judgment, plus interest, less any payments already made.

Notwithstanding any other provision of this Final Judgment and Order, the WebSource



equitable relief (including consumer information remedies) as it determines to be reasonably

related to the WebSource Defendants' practices alleged in the Amended Complaint. Any funds

not used for such equitable relief shall be deposited to the Treasury of the United States as disgorgement. The WebSource Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph.

F. The WebSource Defendants shall have no right to contest the manner of distribution chosen by the Commission. No portion of any payments under the judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment.

VI. FINANCIAL STATEMENTS

IT IS FURTHER ORDERED THAT

Judgment and Order for the sole purpose of allowing the commission to modify the monetary liability of the WebSource Defendants. If the court finds that the WebSource Defendants failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation or omission in the above-referenced financial statements, the court shall

VII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Final Judgment and Order:

A ~~Within twenty (20) days of receipt of written notice from a representative of the~~

~~Commission, the WebSource Defendants each shall submit a detailed report to~~

Provided, however, that nothing in this Final Judgment and Order shall limit the

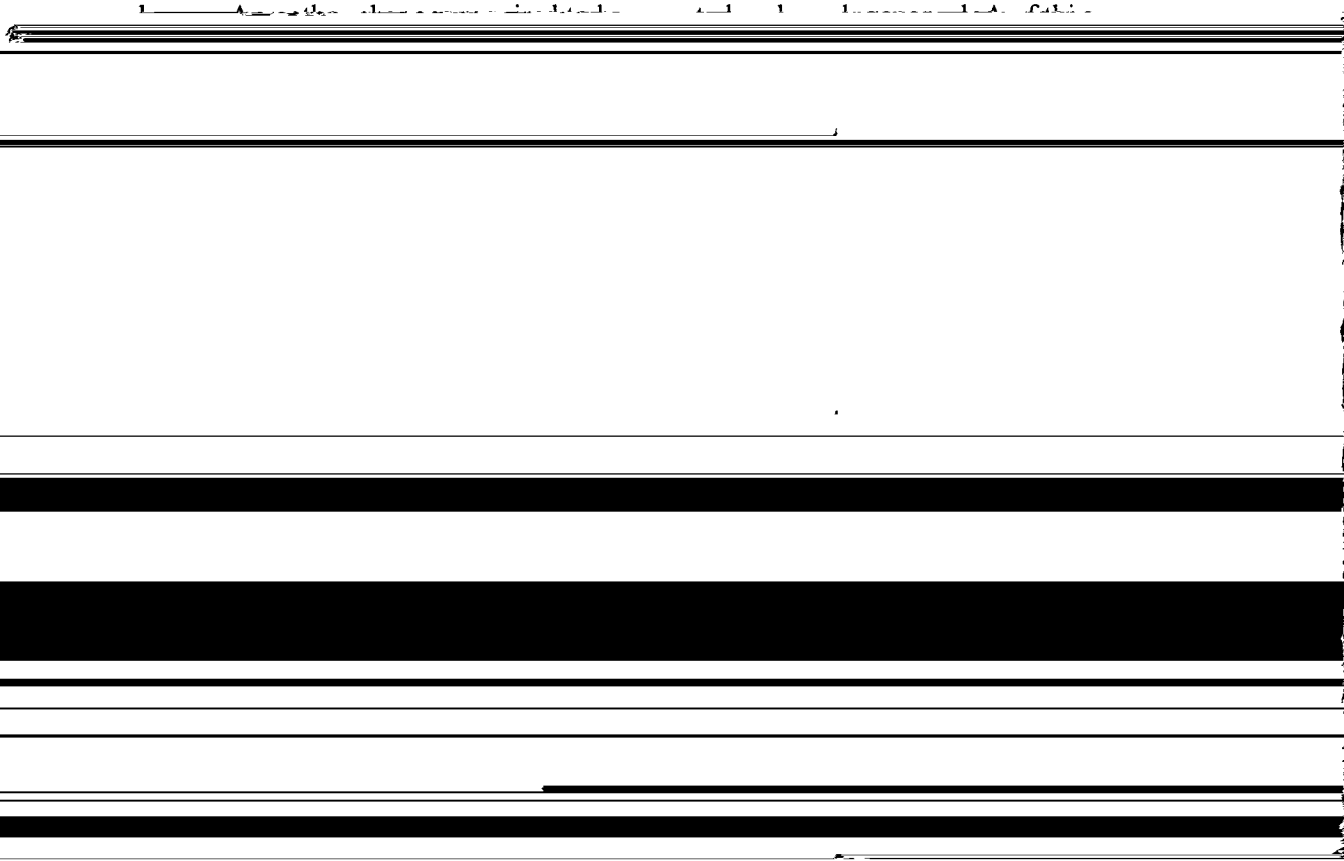
15 U.S.C. §§ 49 and 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

VIII. COMPLIANCE REPORTING BY DEFENDANTS

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

B. One hundred and eighty (180) days after the date of entry of this Final Judgment and Order, the WebSource Defendants each shall provide a written report to the Commission, sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Final Judgment and Order. For all of the WebSource Defendants, this report shall include, but not be limited to:

- a. A copy of each acknowledgment of receipt of this Final Judgment and Order obtained pursuant to Paragraph X of this Final Judgment and Order;
and



Paragraph.

- c. A list of all of the entities through which each of the Webservice Defendants has submitted, directly or indirectly, billing including, but not limited to, telephone Local Exchange Carriers, billing aggregators, and

marketing through the Internet.

For the purposes of this Final Judgment and Order, the Web Site is defined as:

of each person employed in any capacity by such business, including as an independent contractor or as a leased employee; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;

C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased. to

customer's name, address, and telephone number; (2) the stated reason for the contact; (3) the nature and reason for any and all actions taken as a result of the customer service contact, including any actions taken solely from the impetus of any defendant;

J. All audio-recordings made in accordance with the provisions of this Final Judgment and Order; and

K. All records and documents necessary to demonstrate full compliance with each

acknowledging receipt of this Final Judgment and Order within thirty (30) days of delivery from

all persons receiving a copy of the Final Judgment and Order pursuant to this Paragraph X.

XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

IT IS HEREBY ORDERED that all persons receiving a copy of this Final Judgment and Order

Amended Complaint filed in this action, and retain such documents for production upon request of the Commission.

XIII. LIFTING OF ASSET FREEZE

IT IS FURTHER ORDERED that, upon entry of this Final Judgment and Order for Permanent Injunction, the freeze against assets imposed by the Modified Preliminary Injunction Order, entered in this case on January 10, 2007, as modified by the Order Modifying or Clarifying Modified Preliminary Injunction Order and Related Memorandum and Order, entered in this case on February 1, 2007, and the Order Amending Second Modified Preliminary Injunction, entered on February 21, 2007, shall be lifted permanently as to the WebSource Defendants.

XIV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for

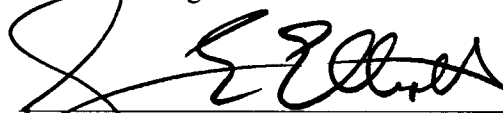
SO STIPULATED:

FOR THE PLAINTIFF:

WILLIAM BLUMENTHAL
General Counsel

DEANNA F. MENCHEVIAN

Regional Director
Southwest Region



JAMES E. ELLIOTT

SUSAN E. ARTHUR

ELISEO N. PADILLA

Federal Trade Commission, Southwest Region
1999 Bryan Street, Suite 2150
Dallas, Texas 75201

(214) 979-9350 (Southwest Regional Office)

(214) 979-9373 (Mr. Elliott)

(214) 979-9370 (Ms. Arthur)

(214) 979-9382 (Mr. Padilla)

(214) 953-3079 (Facsimile)

ATTORNEYS FOR PLAINTIFF
FEDERAL TRADE COMMISSION

FOR THE DEFENDANTS:

DEFENDANT WEBSOURCE MEDIA, L.L.C.



DEFENDANT WEBSOURCE MEDIA, L.P.

By: _____

WebSource Media, L.P.

DEFENDANT BIZSITEPRO, L.L.C.

By: _____

BizSitePro, L.L.C.

DEFENDANT WEBSOURCE MEDIA, L.P.

[REDACTED]

DEFENDANT WEBSOURCE MEDIA, L.P.

By: _____

WebSource Media, L.P.

DEFENDANT BIZSITEPRO, L.L.C.

By: _____

BizSitePro, L.L.C.

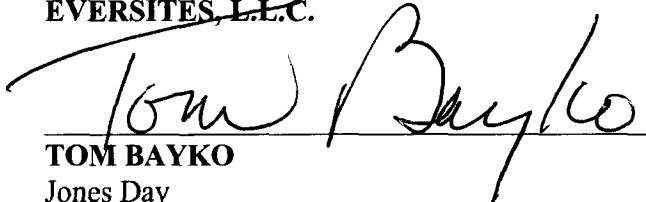
DEFENDANT EVERSITES, L.L.C.

By: _____

Eversites, L.L.C.

~~COUNSEL FOR DEFENDANTS WEBSOURCE MEDIA, L.L.C.~~

**WEBSOURCE MEDIA, L.P., BIZSITEPRO, L.L.C., AND
EVERSITES, L.L.C.**



TOM BAYKO

Jones Day

717 Texas, Suite 3300

Houston, Texas 77002

(832) 239-3939

(832) 239-3600 Facsimile

BILLING NOTICE

[Customer Name]
[Customer Address1]
Customer Address2]
[City] [State] [Zip]

Dear [Customer Name]:

Our records indicate that you have had a web hosting account with EUSM C...

[Exterior Envelope]

[CustomerName]

[Address1]

[Address2]

[City] [State] [Zip]

BILLING NOTICE ENCLOSED