

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

Civ. No.: H-06-1980

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

Defendants.

**STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION
AGAINST KEITH D. HENDRICK**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed its Amended
Complaint for a permanent injunction and other equitable relief in this matter pursuant to
Sections 5(a) and 12(b) of the Federal Trade Commission Act, 15 U.S.C. §§ 45(a) and 52(b)

[REDACTED]

Keith D. Hendrick in this action. The Commission and Defendant Keith D. Hendrick have consented to entry of this Final Judgment and Order without trial or adjudication of any issue of law or fact herein and without Defendant Keith D. Hendrick admitting liability for any of the violations alleged in the Amended Complaint.

Being fully advised in the premises and acting upon the joint motion of the parties to enter this Final Judgment and Order,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. This Court has jurisdiction over the subject matter of this case and a personal

2. The Complaint states a claim upon which relief may be granted against Defendant Keith D. Hendrick under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b);

pursuing any claims it may have against any other Named Defendant for any other legal and/or

DEFINITIONS

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

A "Assets" means any legal or equitable interest in right to or claim to any real and

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

computer records, and other data compilations stored in any medium from which the information can be obtained and translated, if necessary, through detection devices into reasonably usable

form. A draft or non-identical copy is a concrete document within the meaning of the term



“Telemarketing” means a plan, program, or campaign which is conducted to

but not limited to: design, hosting and maintenance of web pages and websites, providing Internet access or e-mail accounts, and establishing domain names and virtual domain names.

I. **“Authorized Purchaser”** means any person who has the authority to bind the

transaction.

J. **“Material terms of the offer”** means all terms material to an authorized purchaser’s decision to purchase, including, but not limited to:

1. the fact that the authorized purchaser will be billed unless the authorized

“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.

L. **“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 clearly both the authorized purchaser’s authorization of payment from a particular account for the goods or services which are the subject of the telemarketing transaction and the authorized purchaser’s receipt of all of the material terms of the offer of goods or services prior to the authorization. An audio recording of the entire telemarketing transaction must be made and

ORDER

I. PROHIBITED MISREPRESENTATIONS

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that in connection

with the telemarketing, advertising, promotion, offering, sale, or sale of any Internet services

Defendant Keith D. Hendrick, his agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with him who receive actual notice of this

Final Judgment and Order by personal service or otherwise, whether acting directly or through

subsidiary, affiliate, division, or other device, are hereby permanently restrained and enjoined from, directly or indirectly, billing or receiving money, or assisting others in billing or receiving money, from any authorized purchaser without the authorized purchaser's express informed consent.

III. INJUNCTION AGAINST PROVIDING CUSTOMER LISTS

IT IS FURTHER ORDERED that Defendant Keith D. Hendrick is 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 Named Defendants at any time prior to the date this Final Judgment and Order is entered. *Provided*, however, that Defendant Keith D. Hendrick may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

IV. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

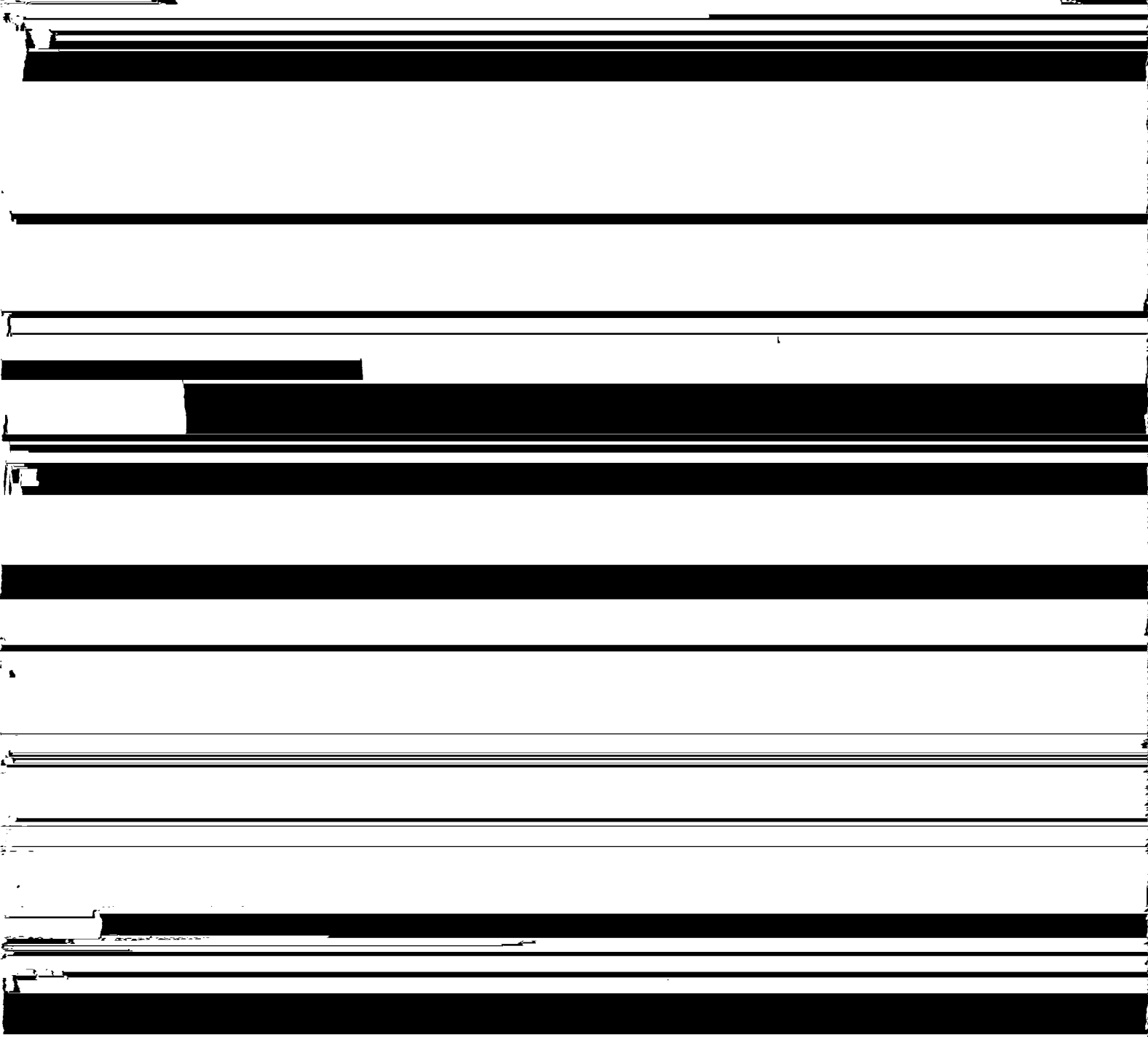
A. Judgment in the amount of TWENTY-FOUR MILLION, SEVEN HUNDRED THOUSAND DOLLARS (24,700,000) is entered against Defendant Keith D. Hendrick; *provided*, however, that upon the fulfillment of the payment obligations of Paragraphs IV.B. and

attendant expenses of administration of any redress fund, in the amount of FIVE THOUSAND DOLLARS (\$5,000).

C. Within ten (10) days of entry of this Final Judgment and Order, defendant Keith

D. Hendrick shall turn over the entire payment of FIVE THOUSAND DOLLARS (\$5,000) to the

Commission in the form of a wire transfer or certified or cashier's check made payable to the



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

and shall be subject to the provisions of the Consumer Act, 1976, and shall be

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 and information, the Court shall reinstate the suspended judgment against him, in favor of the Commission, in the amount of TWENTY-FOUR MILLION, SEVEN HUNDRED THOUSAND DOLLARS (24,700,000), which he and the Commission stipulate is the amount of consumer injury caused by the Named Defendants, as set forth in Paragraph IV.A. of this Final Judgment and Order. *Provided* however that in all other respects this Final Judgment and Order shall

remain in full force and effect unless otherwise ordered by the Court. Any proceedings instituted

under this Paragraph shall be in addition to and not in lieu of any other proceedings the

Commission may initiate to enforce this Final Judgment and Order.

A. Within twenty (20) days of receipt of written notice from a representative of the Commission, Defendant Keith D. Landrick shall submit additional written reports, accurate

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

VII COMPLIANCE REPORTING REQUIREMENTS

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

Final Judgment and Order may be monitored:

A. For a period of five (5) years from the date of entry of this Final Judgment and Order,

1. Defendant Keith D. Hendrick shall notify the Commission of the following:

Any changes in his residence, mailing address, and/or telephone number.

engages in any acts or practices subject to this Final Judgment and Order; the

filings of a bankruptcy petition; any change in the corporate name or address, etc.

6. A list of all entities through which Defendants Keith D. Hendrick and each of his businesses has submitted directly or indirectly billings including but not limited
- [REDACTED]

to, telephone Local Exchange Carriers, billing aggregators, and credit card processors;

7. The names, addresses, and telephone numbers of all consumers who, after entry of this Final Judgment and Order, have made complaints to, and/or requested
- [REDACTED]

8. A list of all domain names and web page addresses Defendant Keith D. Hendrick
- [REDACTED]

and attorneys, and all other persons or entities in active concert or participation with him 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, division, affiliate, or other

reason for the denial;

E. Copies of all sales scripts, training materials, advertisements, or other promotional or marketing materials;

F. Copies of all contracts or agreements with telephone companies;

G. Copies of all contracts or agreements with telemarketers;

H. Copies of all contracts or agreements with billing aggregators;

I. Records reflecting contacts with customers regarding customer service: (1) the 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 provision of this Final Judgment and Order, including, but not limited to, copies of

acknowledgments of receipt of this Final Judgment and Order, received by Defendant IV, and all

ownership interest, he must deliver a copy of this Final Judgment and Order to all principals,

the occurrences that are the subject of the Commission's Amended Complaint filed in this action, cooperate in good faith with the Commission and appear at such places and times as the

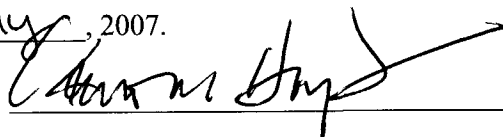
discovery, review of documents, and for such other matters as may be reasonably requested by the Commission. If requested in writing by the Commission, Defendant Keith D. Hendrick shall appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Amended Complaint filed in this action, without the service of a subpoena. Until this action has been

XIII. RETENTION OF JURISDICTION

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

IT IS SO ORDERED.

ENTERED, this th 17 day of July, 2007.



UNITED STATES DISTRICT JUDGE

FOR THE DEFENDANT

KEITH D. HENDRICK

COUNSEL FOR THE DEFENDANT KEITH D. HENDRICK:

Michelle R. Moore

ALTON J. HALL, JR.

MICHELLE R. MOORE

Epstein Becker Green Wickliff & Hall, P.C.

1000 Louisiana, Suite 5400

Houston, Texas 77002

(713) 750-3100

(713) 750-3101 Facsimile