

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
BEAUFORT DIVISION

Case No. 9:06-CV-1899-PMD

<hr/>)
FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
v.)
)
CORNERSTONE MARKETING LLC,)
a South Carolina limited liability company,)
)
SIDNEY PUTNAM,)
individually and d/b/a Prime Time Marketing,)
Prestige Marketing, Metropolitan Placement)
Services, and Best Locations,)
)
CAROL PUTNAM,)
individually and d/b/a Prestige Marketing and)

)
Best Locations,)
)
CHRISTOPHER PUTNAM,)
individually and as a member, organizer, or)
manager of Cornerstone Marketing LLC, and)
)
MELANIE PUTNAM,)
individually and d/b/a Prestige Marketing and)
Best Locations,)
)
Defendants.)
<hr/>)

STIPULATED PERMANENT INJUNCTION AND FINAL ORDER

This matter comes before the Court on Complaint of Plaintiff, Federal Trade Commission (“FTC” or “Commission”), against Defendants Cornerstone Marketing LLC, Sidney Putnam,

filed a Complaint for a permanent injunction and other equitable relief in this matter pursuant to
Section 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)

and 53(b). The FTC charged Defendants Cornerstone Marketing LLC, Sidney Putnam, Carol Putnam, Christopher Putnam, and Melanie Putnam with engaging in deceptive acts or practices in connection with the marketing and sale of location services to purchasers of business ventures, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45. The Commission and Defendants have agreed to settle all matters of dispute between them without adjudication. Accordingly, it is hereby **ORDERED, ADJUDGED, AND DECREED:**

true.

6. Defendants Cornerstone Marketing LLC, Sidney Putnam, Carol Putnam,

[REDACTED]

which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy of a document is a separate document within the meaning of the term.

3. “Material” means likely to affect a person’s choice of, or conduct regarding, goods or services.

4. “Person” means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, or cooperative, or any other group or combination acting as an entity.

5. The term “*and*” also means “*or*,” and the term “*or*” also means “*and*.”

ORDER

I. PROHIBITED BUSINESS ACTIVITIES

IT IS ORDERED, in connection with the advertising, promoting, offering for sale, or sale of location services, that Defendants and their successors, assigns, officers, agents, directors, servants, employees, and independent contractors, and all other persons or entities in active

concert or participation with any of them and who receive actual notice of this Final Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division or other device, are hereby permanently restrained and enjoined from failing to secure locations for consumers, within ninety (90) days after the transfer of any funds to Defendants by

II. PROHIBITED MISREPRESENTATIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

for sale, or sale of location services or any other good or service, that Defendants and their
successors, assigns, officers, agents, directors, servants, employees, and independent contractors

[REDACTED]

[REDACTED]

and all other persons or entities in active concert or participation with any of them and who

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Final Order may be used at Plaintiff's sole election and discretion, for payment of consumer redress and/or disgorgement, for the paying any attendant expenses for administration of any redress fund, or for any other lawful purpose.

~~Final Order may be used at Plaintiff's sole election and discretion, for payment of consumer redress and/or disgorgement, for the paying any attendant expenses for administration of any redress fund, or for any other lawful purpose.~~

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

sole discretion, apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited in the United States Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Paragraph or the manner of distribution chosen by the Commission.

G. All funds paid pursuant to this Final Order are irrevocably paid to the Commission for purposes of settlement between the Commission and Defendants, and Defendants relinquish all right, title, and interest to assets held by the Commission in connection with this case.

H. Judgment entered pursuant to this Paragraph is equitable monetary relief, solely remedial in nature, and is not a fine, penalty, forfeiture, or punitive assessment.

~~IT IS FURTHER ORDERED THAT MONETARY JUDGMENT~~

~~IT IS FURTHER ORDERED THAT~~

A. The Commission's agreement to, and the Court's approval of, this Final Order is expressly premised upon the truthfulness, accuracy, and completeness of the financial statements signed by each as follows:

1. Sidney Putnam, dated March 26, 2007;
2. Carol Putnam, dated March 26, 2007;
3. Melissa Putnam, dated April 6, 2007; and

4. Christopher Putnam, dated May 6, 2007,

which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Final Order.

~~IT IS FURTHER ORDERED THAT~~

VI. SALE OF THE HOUSE

Defendants Christopher and Melanie Putnam hereby authorize the sale of the house to be conducted in the manner described in this Paragraph, with all proceeds of that sale to be paid to the Federal Trade Commission. Defendants Christopher and Melanie Putnam shall immediately on entry of this Order take all steps necessary to assist the Liquidation Agent, appointed by the court in Paragraph VII of this Final Order, in the sale of the house. Defendants Christopher and

[REDACTED]

[REDACTED]

Liquidation Agent for the sole purpose of selling the house described in Paragraph W. D. above

D

with directions and authority to accomplish the following:

- A. Perform all acts necessary to protect, conserve, preserve, and prevent waste or dissipation of the house until its sale, should Defendants fail to do so;
- B. Sell the house;
- C. Execute all documentation necessary for or relating to the sale of the house;
- D. Enter into agreements in connection with the reasonable and necessary performance of the Liquidation Agent's duties, including, but not limited to, the retention of assistants, agents, or other professionals to assist in the sale of the

Agent enters the house into the Multi-Listing Service, the house shall be auctioned. The auction shall occur by the sixth month from the date on which the Liquidation Agent enters the house into the Multi-Listing Service. Such auction

The amounts owed on the mortgage and the equity line of credit, as sworn to in

I. Upon the final transfer of funds to the Commission pursuant to this Paragraph, the duties of the Liquidation Agent shall terminate.

VIII. COMPLIANCE MONITORING

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

A. Within ten (10) days of receipt of written notice from a representative of the Commission, each Defendant shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in such Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Final



use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 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 15 U.S.C. § 45(a)(1)).

IX. COMPLIANCE REPORTING BY DEFENDANTS

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

- A. For a period of five (5) years from the date of entry of this Final Order,
 1. Each Individual Defendant shall notify the Commission of the following:
 - a. Any changes in residence, mailing addresses, and telephone numbers of the Individual Defendant, within ten (10) days of the date of such change;
 - b. Any changes in employment status (including self-employment) of any Individual Defendant, and any change in the ownership of the Individual Defendant in any business entity, within ten (10) days of the date of

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

U

[REDACTED]

[REDACTED]

numbers of the Individual Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of the Individual Defendant for each such employer or business; and

Any other changes required to be reported under subparagraph A of this

[REDACTED]

[REDACTED]

Order, the Commission is authorized to communicate directly with any Defendant. The Defendant may direct counsel for the Commission to his or her own then-current counsel.

X. RECORDKEEPING PROVISIONS

THE FOLLOWING INFORMATION IS SUBJECT TO THE PROVISIONS OF THE RECORDKEEPING ACT, 5 U.S.C. § 552, AND IS NOT TO BE RELEASED TO THE PUBLIC.

4. R

- D. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Final Order, including but not limited to, copies of acknowledgments of receipt of this Final Order, required by Paragraph XI, and all reports submitted to the FTC pursuant to Paragraph IX.

XI. DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry

directors, and managers of that business as well as to all employees, agents, independent contractors, and representatives of that business who engage in conduct related to the subject matter of the Final Order. For current personnel, delivery shall be within five (5) days of service of this Final Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

- C. For any business where Individual Defendants Sidney Putnam, Carol Putnam, Christopher Putnam, or Melanie Putnam is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Final Order,

1

XIII. RETENTION OF JURISDICTION

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

[REDACTED]

[REDACTED]

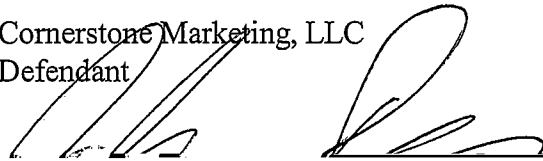
[REDACTED]

[REDACTED]

The parties, by their respective counsel, consent to the terms and conditions of the order
~~set forth above and hereby consent to the entry thereof without the need of a hearing.~~

FOR THE DEFENDANTS

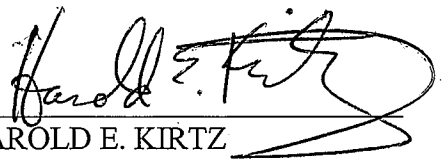
Cornerstone Marketing, LLC
Defendant



Michael S. Rosenthal, Esq.
Wagner, Johnston & Rosenthal, P.C.
5855 Sandy Springs Circle, Suite 300
Atlanta Georgia 30328

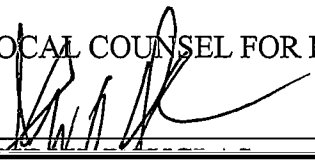
[REDACTED]

FOR THE PLAINTIFF



HAROLD E. KIRTZ
Attorney for Plaintiff
Federal Trade Commission
225 Peachtree Street, Suite 1500
Atlanta, Georgia 30303
404-656-1357
404-656-1379 (fax)
e-mail: hkirtz@ftc.gov

LOCAL COUNSEL FOR PLAINTIFF



[REDACTED]