

DEC 13 2007

UNITED STATES DISTRICT COURT

J. B. GIBSON, CLERK

FEDERAL TRADE COMMISSION,

Civil Action No. 06-CV-1692

§ 17(2)(b) (iii) (D) 16 C.F.R. Part 426 is the marketing codebook of a business

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§§ 1391(b) and (c).

*§ 1391(b) - Venue for suits on in rem affecting commerce as defined*

Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-864 (1996), and Defendants further waive any rights to attorneys' fees that may

~~arise under said provision of law.~~

9. ~~This Final Order is in addition to, and not in lieu of, any other civil or~~

criminal remedies that may be provided by law.

10. Entry of this Final Order is in the public interest.

11. ~~This Final Order is for settlement purposes only and does not~~

("infomercial"), the Internet, email, press release, video news release, or in any other medium;

§ 87(2)(b) [REDACTED] legal or equitable interest in, right to, or claim to

any real and personal property, including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of

§ 87(2)(b) [REDACTED] accounts receivable, credits, receivables, funds, and cash

~~the right of persons to offer, sell, or distribute goods or services~~

[REDACTED]

charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term;

8. "Endorsement" means as defined in 16 C.F.R. § 255.0(b);

9. "Food" and "drug" shall mean "food" and "drug" as defined in

Section 15 of the FTC Act, 15 U.S.C. § 55;

"Disclosure Requirements and Prohibitions Concerning Franchising" codified at

16 C.F.R. Part 436 or as it may be amended.

12. "Individual Defendant" and "Defendant" mean Jeffrey Wayne

McLain;

13. "Named Defendants" means Jeffrey W. McLain; Victor McLain;

Alexander McLain; Drexel 2H, Inc.; Drexel 2H, LLC; Georgia Home Health



and their agents, employees, officers, corporations, successors, assigns, and all persons or entities in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, are hereby permanently

~~being deemed to have received actual notice of this Order by personal service or otherwise, are hereby permanently~~

[REDACTED]

~~Plaintiff's false statements in relation to healthcare matters:~~

~~Plaintiff's statements that the purchase of business venture will come substantial~~



**IV PROHIBITION AGAINST VIOLATION OF THE FRANCHISE RULE**

**AND BUSINESS OPPORUNITY RULE**

**IT IS FURTHER ORDERED** that Defendants, and their agents, employees, officers, corporations, successors, assigns, and those persons in active concert or participation with them who receive actual notice of this Order by

that material which constitutes a reasonable basis for the earnings or financial performance representation is available to a prospective franchisee or business opportunity purchaser, as required by the Franchise Rule or Business Opportunity Rule.

**V. MONETARY JUDGMENT**

**IT IS FURTHER ORDERED** that:

A. Judgment in the amount of twenty-six million, six hundred and forty-five thousand, four hundred and seventy-nine dollars (\$26,645,479.00) is entered

matter, *provided, however*, that all of this amount shall be suspended.

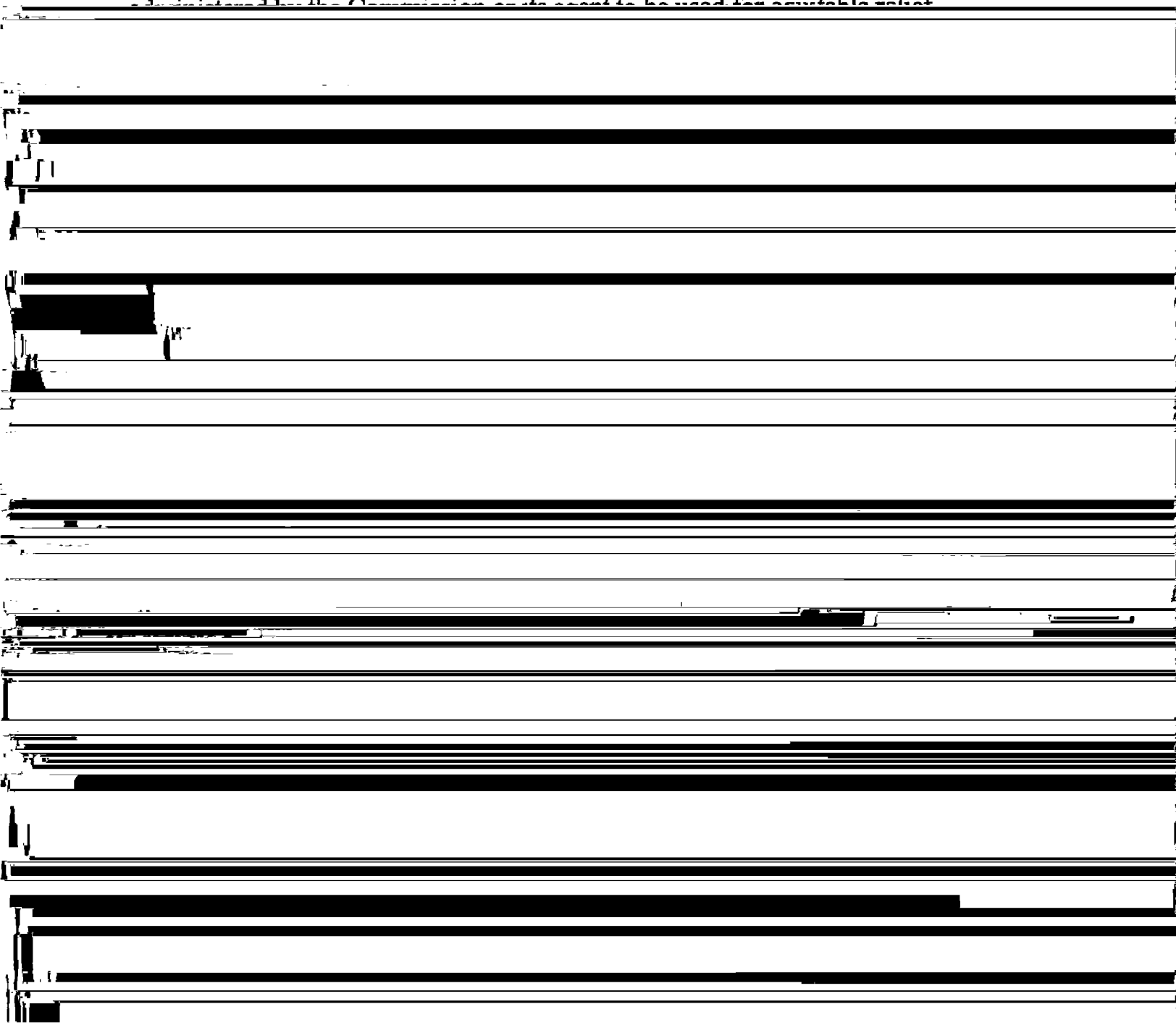
of his deposition has (i) materially misrepresented the value of any asset that

should have been disclosed in the statement that the Individual Defendant

executed; (ii) materially misrepresented his financial condition by failing to disclose any asset that should have been disclosed in the statement that the

**VI. COMMISSION'S USE OF MONETARY JUDGMENT**

**IT IS FURTHER ORDERED** that all funds paid to the Commission or its agents pursuant to Court Order in this litigation shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief



approved fees and expenses of the Receiver, and the Receiver is discharged by the Court.

**VIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

Under this Order as entered by the Court, the Individual Defendant shall submit to the [REDACTED]



business. The Individual Defendant must also deliver copies of this

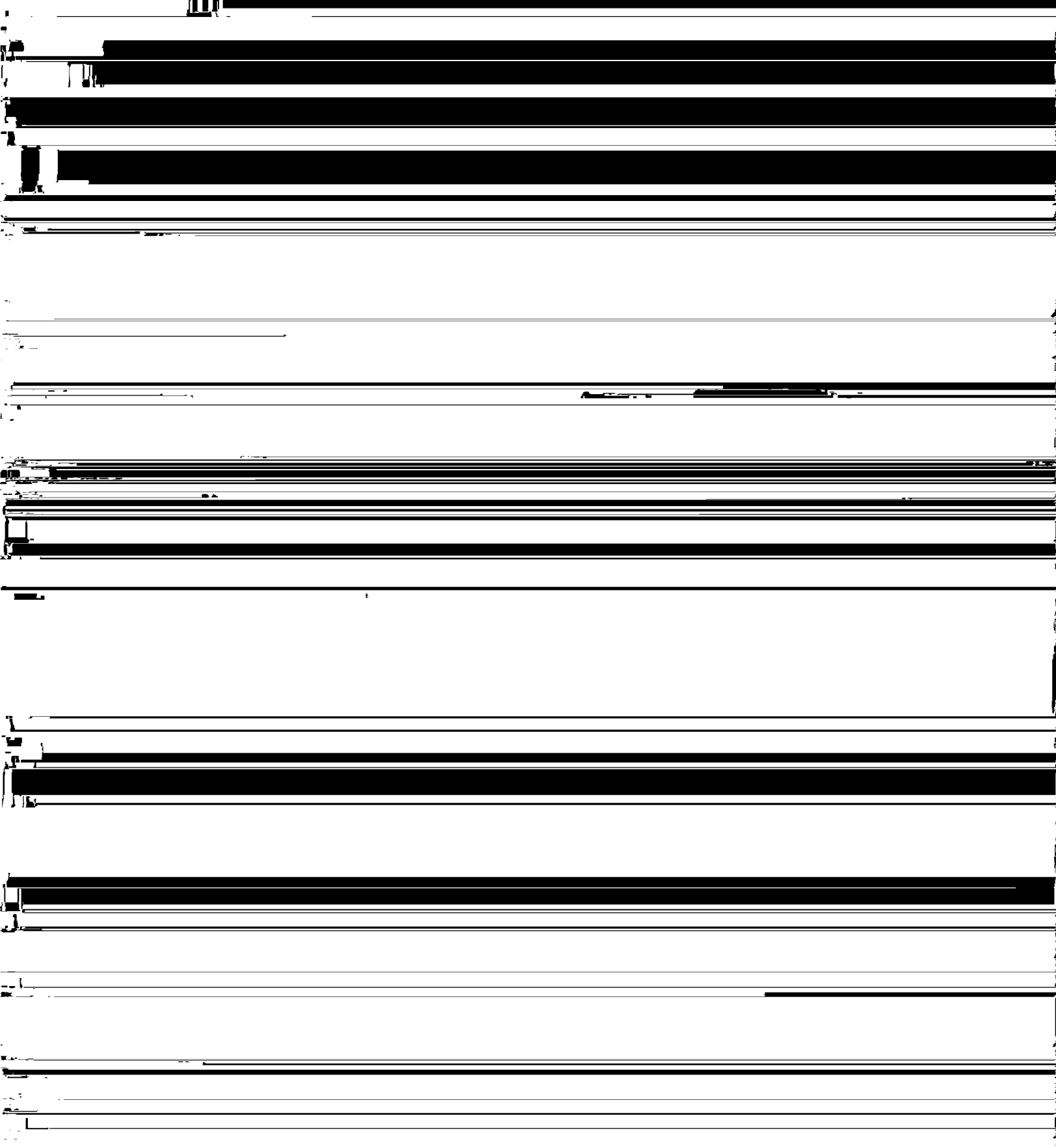
who engage in conduct related to the provisions of Sections "I" through "IV" of this Order involving the marketing of business ventures or foods, drugs, or dietary supplements. For current personnel, delivery shall be within (5) days of service of this Order upon the Individual Defendant. For new personnel, delivery shall

... [REDACTED] ...

... (10) days of the date of such change ...

action that would result in the emergence of a successor entity; the creation

100



the ETC provided in reference to ETC v. Dronhot 2U, Inc. et al. United States

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. posing as consumers and suppliers to: Defendants, Defendants' employees, or any other entity managed or controlled in whole or in part by Defendants, without the necessity of identification

or prior notice; and

- C. Defendants shall permit representatives of the Commission to

interview employees, consultant, independent contractor, representative agent

or employee who has agreed to such an interview, relating in any way to any

otherwise are hereby restrained and enjoined from failing to create and retain the

following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues reported, and the disbursement of such revenues;

B. Documents and records maintained at the same address and

**XIII. PROHIBITIONS INVOLVING CONSUMER LISTS**

**IT IS FURTHER ORDERED** that the Defendants, and their officers,

~~agents, employees, and attorneys, and all other persons or entities in~~

~~active concert or participation with them who receive actual notice of this Order by~~

**XVI. RECEIVERSHIP PROVISIONS**

**IT IS FURTHER ORDERED**, that Kevin O'Halloran and Newbridge

shall be appointed Receiver of the funds of the

and of all the funds of the Receiver for the Receivership Defendants and of all the funds of the

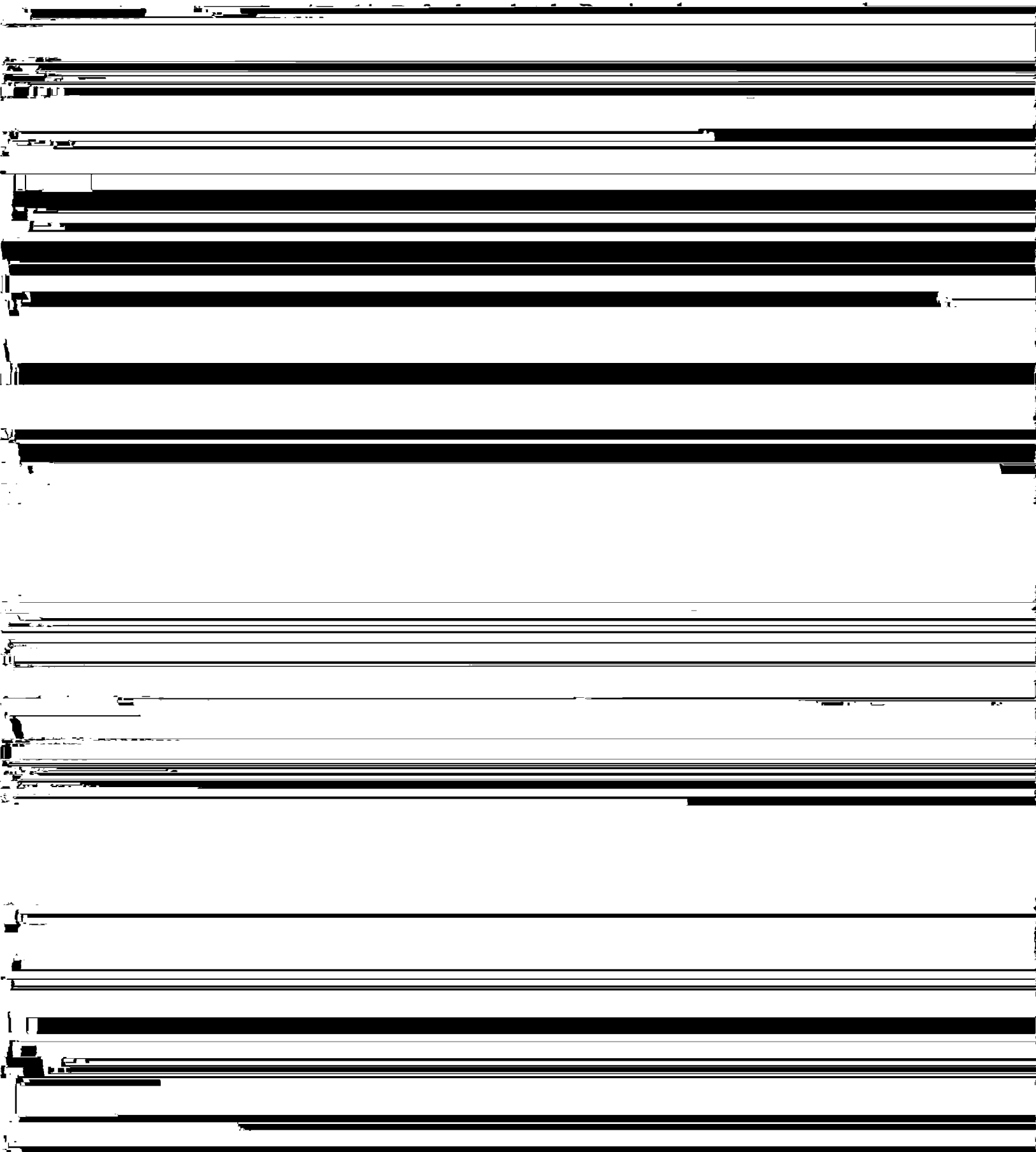


under the direction, possession, custody, or control of Receivership Defendants:

C. Continue performing all acts necessary to preserve the value of those assets in order to prevent any irreparable loss or damage or injury to purchasers of

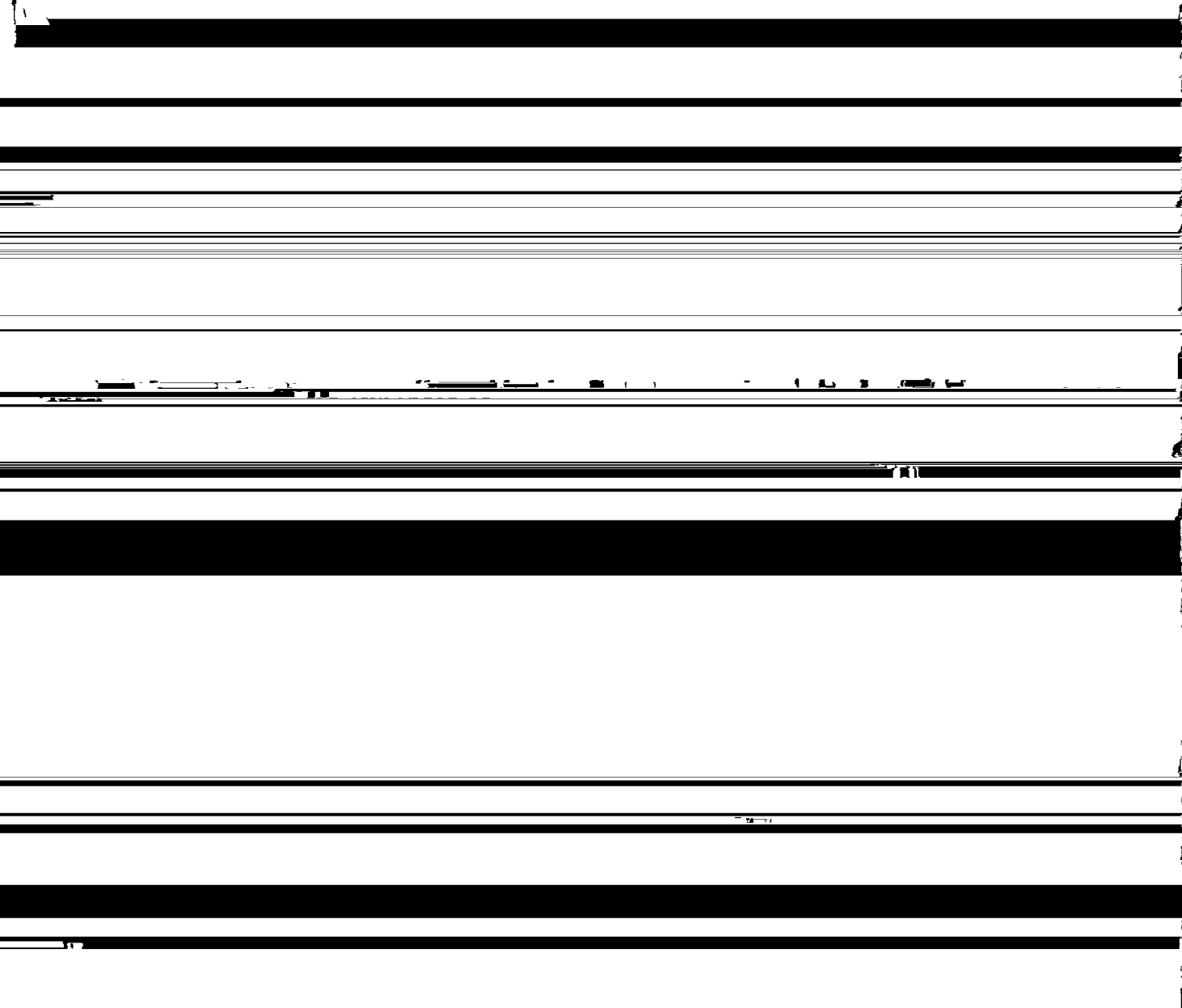
the Receivership Defendants, and all acts incidental thereto, including the suspension of operations;

D. Enter into agreements in connection with administration of the



**XVIII. WINDING UP OF RECEIVERSHIP DEFENDANTS**

**IT IS FURTHER ORDERED** that the Receiver shall liquidate all assets of the Receivership Defendants and wind up all activities and operations of the Receivership Defendants and their subsidiary and affiliated entities. Upon approval of the Court, and the Court's issuance of an Order for Final Payment, the Receiver shall transfer to the Commission or its agent all funds in the Receivership



[REDACTED] of [REDACTED] but Defendants shall have no right to object. Upon submission of

[REDACTED]

the Receiver's final report or upon this Court's Order for Final Payment, whichever is later, and subject to the terms set forth in Section XVIII herein, the Receivership shall terminate.

### **XXI. 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

[REDACTED]

General Counsel