

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	No. 03 C 3904
v.)	
)	Judge Robert W. Gettleman
KEVIN TRUDEAU,)	
)	
Defendant.)	

ORDER

This matter came before the court for hearing on plaintiff Federal Trade Commission’s (“FTC”) motion (Doc. 481) to hold defendant Kevin Trudeau (“Trudeau”) in contempt and to incarcerate him for failure to comply with the court’s order directing him to pay more than \$37 million as a remedy for his previous contempt of this court’s orders. For the reasons stated in open court, the court grants in part the FTC’s motion, finds Trudeau in contempt of the court’s order of June 2, 2010 (Doc. 372), and orders as follows:

- (1) This court has thoroughly reviewed and confirmed the accuracy of the findings of fact and conclusions of law proposed by the FTC (Doc 713), as well as the citations to the record therein, and adopts and incorporates Findings II through VI and Conclusions I through IV.
- (2) (a) On or before noon on July 30, 2013, the FTC is to submit the name and qualifications of a Receiver (along with a preliminary proposal for compensating the Receiver) for all of Trudeau’s assets, including all entities, foreign and domestic, owned or controlled by Trudeau (the “Trudeau Entities”). These Entities specifically include, but are not limited to, KTRN, WSS, WSU, KT

Corporation, Ltd., the GIN Entities, the KMT Fiduciary Trust, Sovereign Trust, and other Trusts established by and for the benefit of Trudeau and the Trudeau Entities, IPT, Natural Cures Holdings, APC, and NBT Trading.¹ The Receiver will also serve as a Receiver of any and all personal assets owned or controlled by Trudeau that are not included in the Trudeau Entities, other than those personal assets exempted by law. The Receiver shall marshal and hold Trudeau's assets for the purpose of paying to the FTC the sum ordered by the court on June 2, 2010.

(b) The court may interview the proposed Receiver in camera before deciding to approve the Receiver nominated by the FTC. If Trudeau agrees to the appointment of the proposed Receiver, his counsel shall notify the court on or before July 30, 2013, at 1:00 p.m., at which time the he court will hold a hearing with respect to the appointment of the Receiver.

- (3) Trudeau will be ordered to execute any and all documents drawn by the FTC (or the Receiver, if appointed by then) to transfer all ownership, control and direction of any and all Trudeau Entities to the Receiver. Any dispute as to the form of such documents must be brought to the court's attention immediately. These transfers will include the right by the Receiver to any and all revenue generated by the Trudeau Entities, including but not limited to membership dues, salaries

¹The acronyms used herein are those used by the parties and specifically defined in the FTC's proposed findings of fact and conclusions of law (Doc. 713).

and royalties payable to Trudeau or on behalf of Trudeau or persons or entities controlled by Trudeau.

- (4) Trudeau will also be ordered to execute any and all documents drawn by the FTC (or the Receiver if appointed by then) to transfer all bank accounts, brokerage accounts, securities, and other liquid assets, along with the title to any automobiles and any personal property not exempted by law to the Receiver. Trudeau will be ordered to direct the production of all records and statements from bank and brokerage accounts controlled by him at the direction of the Receiver. The Receiver shall allow Trudeau to retain sufficient funds and property for ordinary and necessary living expenses. Any disputes regarding the propriety of such expenses shall be brought to the court for resolution. Trudeau will be ordered to cooperate fully with the Receiver and comply with the Receiver's directions to effectuate control over the assets and revenues covered by this order, including but not limited to providing sworn statement(s) of any and all money and property received by Trudeau from any source (specifically including the Trudeau Entities and persons associated therewith) to the Receiver.
- (5) Until further order of court, Trudeau, along with all persons and entities acting in concert with him, are enjoined from directing the transfer or use of any money or property of any Trudeau Entity, or of transferring or spending any money or property other than for Trudeau's ordinary and necessary living expenses and attorneys fees as approved by the court.

- (6) Failure to comply fully with the directions contained in this order will result in Trudeau's immediate incarceration until such compliance is achieved.

ENTER: July 26, 2013



Robert W. Gettleman
United States District Judge