

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of December, 2007, I filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified below, in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

s/Richard McKewen
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EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 06-81101-Civ-Hurley/Hopkins

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

FIDELITY ATM, INC., et al.,

Defendants.

[PROPOSED]
CONSENT JUDGMENT AND PERMANENT INJUNCTION
AS TO DEFENDANT STEPHEN DUFFIE

THIS CAUSE came before the Court upon the joint stipulation of Defendant Stephen Duffie ("Defendant") and Plaintiff Federal Trade Commission ("FTC" or "Commission").

On December 12, 2006, Plaintiff filed an Amended Complaint for Injunctive and Other Equitable Relief against Defendant pursuant to Sections 13(b) and 19(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b(a). Plaintiff alleged in its Amended Complaint that Defendant, along with other named defendants, engaged in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), and the Commission's

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and jurisdiction over Defendant.
2. Venue in this District is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).
3. Defendant's activities, as alleged in the Amended Complaint, are in or affecting "commerce," as that term is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The Amended Complaint states a claim upon which relief may be granted against Defendant under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b, and the Franchise Rule, 16 C.F.R. Part 436.
5. Defendant has stipulated to the entry of this Judgment freely and without coercion. Defendant has acknowledged that he has read the provisions of this Judgment and is prepared to abide by them.
6. Plaintiff and Defendant have agreed that the entry of this Judgment resolves all matters of dispute between them arising from the Amended Complaint in this action, up to the date of entry of the Judgment.
7. Defendant has waived all rights to seek appellate review or otherwise challenge or contest the validity of this Judgment. Defendant has further waived and released any claims he may have against the Commission, its employees, representatives, or agents.
8. Defendant is not entitled to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, and Defendant has further waived any rights to attorneys' fees that may arise under said law, or any other federal or state law.
9. This Judgment is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.
10. Except as expressly provided herein, no provision of this Judgment shall be construed as an admission that Defendant has engaged in violations of the FTC Act or the Franchise Rule.
11. Entry of this Judgment is in the public interest, and there being no just reason for delay, the Clerk is directed to enter judgment immediately.

7. "Receiver" shall mean Carl F. Schoeppl, Esq., the Receiver appointed by the Court in this matter over Fidelity ATM, Inc., and Steinberg Group, Inc.

ORDER

I. PROHIBITION AGAINST VIOLATION OF SECTION 5
OF THE FEDERAL TRADE COMMISSION ACT

IS THEREFORE ORDERED that, in connection with the offering for sale or selling of any business venture, Defendant and his agents, employees, officers, corporations, successors, assigns, and all those persons in active participation with them who receive actual notice of this Judgment by personal service or otherwise, are hereby restrained and enjoined from making any material misrepresentation or assisting others in making any material misrepresentation, either expressly or by implication, to any prospective purchaser of a business venture, including, but not limited to, the following:

- A. Misrepresenting that consumers who purchase a business venture are likely to earn substantial income;
- B. Misrepresenting that retail locations have already been secured, or will be secured subsequent to purchase, for consumers who purchase a business venture;
- C. Misrepresenting that a business venture, once purchased, will be operational and generating income within a stated period of time; or
- D. Misrepresenting that business venture purchasers will receive substantial and continuous assistance and support.

II. PROHIBITION AGAINST VIOLATION OF THE FRANCHISE RULE
OR BUSINESS OPPORTUNITY RULE

IT IS FURTHER ORDERED that Defendant and his agents, employees, officers, corporations, successors, assigns, and all those persons in active participation with them who receive actual notice of this Judgment by personal service or otherwise, are hereby restrained and enjoined from violating or assisting others to violate any provisions of the Franchise Rule or Business Opportunity Rule, including, but not limited to:

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- A. Failing to provide a prospective franchisee or business opportunity purchaser with a complete, accurate, and up-to-date disclosure document as prescribed by the Franchise Rule or Business Opportunity Rule;
- B. Failing to provide each prospective franchisee or business opportunity purchaser with complete and accurate documentation for any earnings or financial performance representations, as required by the Franchise Rule or Business Opportunity Rule;
- C. Failing to have a reasonable basis for any earnings or financial performance representation at the time such representation is made, as required by the Franchise Rule or Business Opportunity Rule; or
- D. Failing to disclose in a clear and conspicuous manner, in immediate conjunction with any earnings or financial performance representation, 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.

III. PROHIBITION AGAINST OTHER MISREPRESENTATIONS
VIOLATING SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT

IT IS FURTHER ORDERED that, in connection with the offering for sale or sale of any good or service, Defendant and his agents, employees, officers, corporations, successors, assigns, and all those persons in active participation with them who receive actual notice of this Judgment by personal service or otherwise, are hereby permanently restrained and enjoined from:

- A. Misrepresenting, directly or by implication, to any potential purchaser of goods or services, any material fact, including, but not limited to:
 - 1. The sales or transaction volume, income, or profit likely to be achieved from the purchase of any goods or services;
 - 2. The total cost to purchase, receive, or use, and the quantity or nature of, any goods or services that are subject to the sales offer;
 - 3. Any material restrictions, limitations, or conditions to purchase, receive, or use the goods or services; or

4. Any material aspect of the nature or terms of a refund, cancellation, exchange or repurchase policy for the goods or services; and
- B. Providing substantial assistance to any third party to make any material misrepresentation, including, but not limited to, those misrepresentations prohibited by Paragraph III.A, above.

IV. EQUITABLE MONETARY RELIEF

IT IS FURTHER ORDERED that:

- A. Judgment is hereby entered in favor of Plaintiff Federal Trade Commission and against Defendant in the amount of \$4,250,000 (four million two hundred fifty thousand dollars), which the FTC alleges is the amount of injury suffered by consumers. Upon Defendant's compliance with the provisions of Paragraph IV.B of this Judgment, the payment requirements of this Judgment shall be suspended subject to the conditions set forth in Paragraphs IV.D and IV.E of this Judgment.
- B. This Judgment shall be partially satisfied by Defendant's transfer of the following assets to the Commission:
 1. For each bank or brokerage account listed in Appendix A of this Judgment, Defendant shall, within five (5) days of entry of this Judgment, remit the entire balance of each account to the Commission by certified check(s) or other guaranteed funds payable to the Federal Trade Commission, Financial Management Office, or by wire transfer in accordance with directions provided by the Commission. In no event shall the sum of all balances remitted by Defendant pursuant to this Paragraph IV.B.1 be less than \$13,500 (thirteen thousand five hundred dollars). The check(s) or written confirmation of the wire transfer(s) shall be delivered to: Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, NW, H-286, Washington, DC 20580;
 2. In addition to the funds remitted pursuant to Paragraph IV.B.1, Defendant shall, within five (5) days of entry of this Judgment, remit an additional \$17,000.00

or has a majority ownership interest in, that may affect compliance obligations arising under this Judgment including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Judgment; the filing of a bankruptcy petition; or a change in the corporate name or address at least 30 days prior to such change; provided that, with respect to any proposed change in such a business entity about which Defendant learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

- B. One hundred eighty (180) days after the date of entry of this Judgment, Defendant shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which he has complied and is complying with this Judgment. This report shall include, but not be limited to:
1. The then-current residence address, mailing addresses, and telephone numbers of Defendant;
 2. The then-current employment and business addresses and telephone numbers of Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of Defendant, for each such employer or business;
 3. A copy of each acknowledgment of receipt of this Judgment, obtained pursuant to Part VII of this Judgment; and
 4. Any other changes required to be reported under Paragraph VIII.A of this Judgment.
- C. For the purposes of this Judgment, Defendant shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the FTC to:

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- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials disseminated by Defendant to any person, including e-mail and Internet web sites or web pages, relating to any good, service, company, or web site of the business or Defendant; and
- F. All records and documents necessary to demonstrate fully Defendant's compliance with each provision of this Judgment.

X. COMPLIANCE MONITORING

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

- A. Within ten (10) days of receipt of written notice from a representative of the Commission, 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 Defendant's possession or direct or indirect control for inspection of the business operation;
- B. In addition, the Commission is authorized to monitor compliance with this Judgment by all other lawful means, including, but not limited to, the following:
 - 1. Obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45; and
 - 2. Posing as consumers or suppliers to: Defendant, his employees, or any entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice; and
- C. Defendant shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Judgment. The person interviewed may have counsel present.

Provided, however, that nothing in this Judgment shall limit the Commission's lawful 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)).

APPENDIX A

Description of Asset	Identifying Information
Washington Mutual Bank Account in the name of Stephen Duffie	Acct. No. [REDACTED]
Wachovia National Bank, N.A. Accoun Page 17 of	17 [REDACTED] [REDACTED]