

The Federal Trade Commission has conducted an investigation of certain acts and practices of Eslim Ve Sheva Holding Corporation, sometimes doing business as Gadget Universe, and Alexander Elnkaveh, individually and as an officer of the corporation ("proposed respondents"). Proposed respondents, having been represented by counsel, are willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

IT IS HEREBY AGREED by and between Eslim Ve Sheva Holding Corporation, by its duly authorized officers, and Alexander Elnkaveh, individually and as an officer of the corporation, and counsel for the Federal Trade Commission that:

1a. Proposed respondent Eslim Ve Sheva Holding Corp. is a New York corporation with its principal office or place of business at 9408 Owensmouth Ave., Chatsworth, California 91311.

1b. Proposed respondent Alexander Elnkaveh is an officer of the corporate respondent. Individually or in concert with others he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of Eslim Ve Sheva Holding Corp.

2. Proposed respondents admit all of the jurisdictional facts set forth in the draft complaint.

3. Proposed respondents waive:

a. Any further procedural steps;

b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and

c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.

4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. ~~as accepted by proposed respondents,~~ in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by proposed respondents that the law has been violated as alleged in the draft complaint, or that the

- C. that such product reduces fuel consumption;
- D. that such product reduces fuel consumption by any number, percentage, or rate;
- E. that such product reduces emissions or pollutants;
- F. that such product reduces emissions or pollutants by any number, percentage, or rate; or
- G. about the benefits, performance, or efficacy of such product;

unless, at the time of making such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

II.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any product in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, that any user testimonial or endorsement of the product reflects the actual and current opinions, findings, beliefs, or experiences of the user.

III.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any product in or affecting commerce, shall not represent, in any manner, expressly or by implication, that the experience represented by any user testimonial or endorsement of the product represents the typical or ordinary experience of members of the public who use the product, unless:

- A. The representation is true and, at the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation; or
- B. Respondents disclose, clearly and prominently, and in close proximity to the endorsement or testimonial, either:
 - 1. what the generally expected results would be for users of the product, or
 - 2. the limited applicability of the endorser's experience to what consumers may generally expect to achieve

V.

IT IS FURTHER ORDERED that respondent Eshim Ve Sheva Holding Corp., and its successors and assigns, and respondent Alexander Elnkaveh shall, for five (5) years after the last date of dissemination

IT IS FURTHER ORDERED that respondent Etrim Ve Sheva Holding Corp., and its successors and assigns, and respondent Alexander Elnkaveh shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

X.

This order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this __ day of _____, 2001

J. HOWARD BEALES, III
Director
Bureau of Consumer Protection