

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF INDIANA  
FORT WAYNE DIVISION**

**FEDERAL TRADE COMMISSION  
Plaintiff**

v.

**IMAGE SALES & CONSULTANTS, INC., a corporation, and  
MICHAEL DEWAYNE DAGUE, individually and as an officer of said corporation,  
Defendants.**

**JUDGE WILLIAM C. LEE  
CIVIL NO. 1:97CV 0131  
UNITED STATES MAGISTRATE  
ROGER B. COSBEY**

**STIPULATED FINAL JUDGMENT AND ORDER  
AS TO DEFENDANTS IMAGE SALES & CONSULTANTS, INC.,  
AND MICHAEL DEWAYNE DAGUE, INDIVIDUALLY  
AND AS AN OFFICER OF THE DEFENDANT CORPORATION**

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Plaintiff, the Federal Trade Commission ("FTC"), filed its complaint pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §53(b), charging defendants with violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). On April 8, 1997, this Court granted plaintiff FTC's motion for a temporary restraining order with

3. Plaintiff FTC has the authority under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to seek the relief it has requested.

4. The activities of defendants Image Sales & Consultants, Inc., and Michael Dewayne Dague, individually and as an officer of said corporation, are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5. Defendant **Image Sales & Consultants, Inc.**, is an Indiana corporation that has done business under the names of:

- Child Safety Digest;
- Children's Safety & Protection Network;
- Crime Watch Advisor;
- Crime Watch Awareness;
- Drug Abuse Prevention Program;
- Fire Prevention & Safety Coloring Book for Kids;
- Fire Prevention Advisor;
- Fire Prevention Awareness;
- Fire Safety Advisor;
- Image Marketing Company;
- Teens Against Drugs & Alcohol;

and possibly under other names.

6. At all times material to this proceeding, defendant Michael Dewayne Dague was the sole stockholder, director, president, treasurer and secretary of Image Sales & Consultants, Inc., and as such had control of said corporation. Individual defendant Michael Dewayne Dague denies any personal intention to violate Section 5 of the FTC Act, 15 U.S.C. § 45.

7. In connection with the offering for sale and sale of advertisements to businesses, corporate defendant Image Sales & Consultants, Inc., has falsely represented, expressly or by implication:

(a) that the proceeds from the advertisements will be used for a local, civic purpose and to defray the costs of printing and distributing the publications locally; and

(b) that the publication in which the advertising is to appear will receive widespread local distribution and will be distributed to community organizations or specially targeted audiences within the business's local community.

8. In connection with the offering for sale and sale of advertisements to businesses, corporate defendant Image Sales & Consultants, Inc. has falsely represented, expressly or by implication, that a business or a named person acting on behalf of the business previously authorized placement of the advertising in defendants' publications.

9. In connection with the offering for sale and sale of advertisements to businesses, corporate defendant Image Sales & Consultants, Inc. has falsely represented, expressly or



1. making any express or implied representation of material fact that is false or misleading, including, but not limited to, any misrepresentation;
2. concerning distribution of any advertisement, publication, program, service or product;
3. concerning printing or publishing of any advertisement, publication, program, service or product;
4. concerning any person's approval or authorization or obligation to make any payment for any advertisement, publication, program, service or product;
5. concerning prior approval or authorization or sponsorship of any advertisement, publication, program, service or product by any person;
6. concerning the cost of any advertisement, publication, program, service or product;
7. concerning affiliation with any federal, local, state, national, or other entity;
8. concerning the use, distribution, or tax deductibility, of any payment or payments received.
9. using any alias, pen name, pseudonym or otherwise misrepresenting their true identity(ies).

**IT IS FURTHER ORDERED** that defendants are permanently restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, or other identifying information of any person contacted by any defendant in this matter, at any time, in connection with the offering for sale, sale, distribution, marketing, or sponsorship of any advertisement, publication, program or product. *Provided, however*, that defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

**IT IS FURTHER ORDERED** that:

A. Any corporate funds remaining after the defendant corporation's assets have been liquidated and the corporate receiver, appointed by this Court pursuant to the Temporary Restraining Order entered April 8, 1997, and continued by stipulation of the parties, has been compensated, shall be transferred to the Commission, and subject to the conditions set forth in Part IV of this Order. *Provided*, that the receiver shall destroy, or turn over to plaintiff FTC, all corporate records containing the types of customer information described in Part II herein;

B. The receiver shall be released and discharged from his duties as receiver for the corporate defendant upon filing with the Court his final report showing receipts and disbursements of the corporate assets; and

C. Defendant Michael Dewayne

been injured by defendants' acts pursuant to a distribution plan to be submitted by plaintiff FTC and approved by the Court. Such funds may include all funds remitted by the receiver to the redress fund pursuant to Part III herein after application for and payment of administrative costs and fees



by this paragraph.

that this Court shall retain jurisdiction of this matter for the purpose of enabling plaintiff FTC and defendants to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Judgment, for the enforcement of compliance therewith, or the punishment of violations thereof.

Defendants waive all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. No. 104-121, 110 Stat. 847, 863-64 (1996), and all rights to seek appellate review or otherwise challenge or contest the validity of this Judgment, or the temporary or preliminary orders entered in this proceeding, and further waive and release any claim they may have against plaintiff FTC, the receiver, or their employees, agents, or representatives.

this day of , 1998.

WILLIAM C. LEE

United States District Judge

The parties consent to the terms and conditions set forth above and to entry of this Stipulated Final Judgment without further notice to them.

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Image Sales & Consultants, Inc.,  
Michael Dewayne Dague,  
individually and as an  
officer of said corporation:

MICHAEL DEWAYNE DAGUE,  
individually and as an officer  
of defendant corporation.

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