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**IN RE: ENFIELD ASSOCIATES, INC. CO
OPERATIVE**

General Trade Commission,
Plaintiff,

James J. Nolan, Jr., *et al.*,
Defendants.

No. V-20-0047-PH - WL

**PRAYER FOR PERMANENT
INJUNCTION AND MONETARY
JUDGMENT AND COSTS AND
JAMES D. NOLAND, JR., LINA
NOLAND, COOPERATIVE, AND
OMEGA ACCA**

Plaintiff, the General Trade Commission (“Commission”), file its Second Amended Complaint for Permanent Injunction and Other Equitable Relief (“Second Amended Complaint”) pursuant to Sections 13(b) and 1 of the Federal Trade

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Liabilit (Lea Action, oc. 406 , an in the ourt's Or er en ing the T 's Motion for
ontempt Sanctions (ontempt Action, oc. 130 , fin s that entr of this inal Or er of
Permanent Injunction an Monetar Ju gment as to efen ants James .Nolan , Jr., Lina
Nolan , Scott Harris, an Thomas G. Sacca is appropriate.

THERE ORE, IT ISE b s m6 h O n r c m6 h O . m6 h O . r J u I R r

1 conclude that (1 defendants operate SBH and VOZ Travel as pyramid schemes, in
 2 violation of both the T Act and the 2002 Nolan Order; (2 defendants make deceptive
 3 claims regarding SBH and VOZ Travel members' income potential, in violation of both
 4 the T Act and the 2002 Nolan Order; (3 defendants violate the Merchandise Rule by
 5 failing to offer an appropriate refund for related product shipments; (4 defendants violate
 6 the Cooling-Off Rule by failing to offer an appropriate refund on the sale of tickets to certain
 7 training events; (5 Individual defendants have the authority to control, participate in, and
 8 have knowledge of the unlawful acts and practices describe herein and in the Second
 9 Amended Complaint and Contempt Motions; (6 contempt defendants violate Section V
 10 of the 2002 Nolan Order by failing to take reasonable steps to monitor and ensure
 11 defendants' compliance with Sections I-III of the 2002 Nolan Order and by failing
 12 to investigate and resolve promptly consumer complaints; (7 there is a cognizable danger
 13 that Individual defendants will continue to engage in activities that violate the T Act
 14 unless enjoined from such acts and practices; (8 contempt defendants cause
 15 \$7,306,873.14 in consumer harm through their violations of the 2002 Nolan Order; and
 16 (9 defendants cause \$6,820.00 in consumer harm through their violations of the
 17 Merchandise Rule.

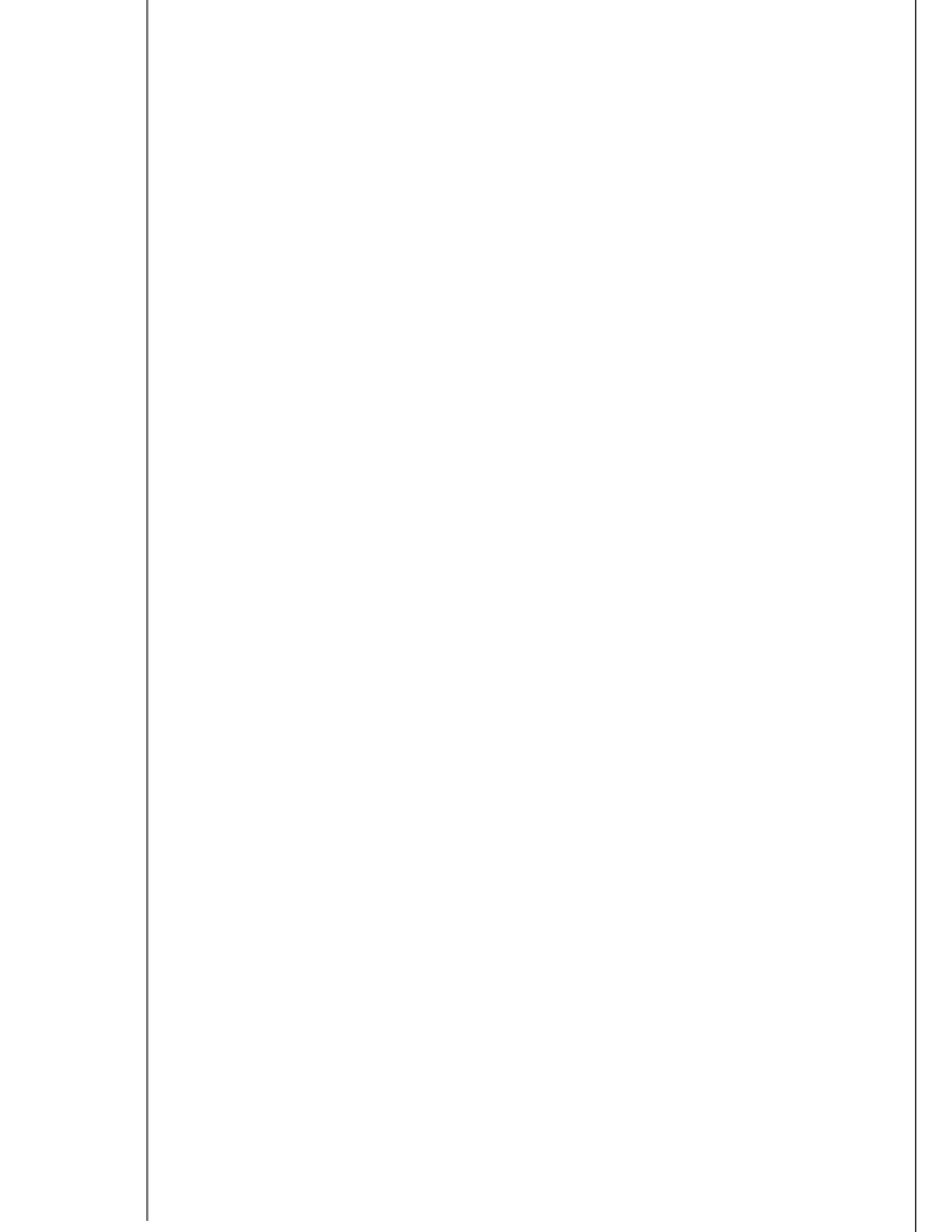
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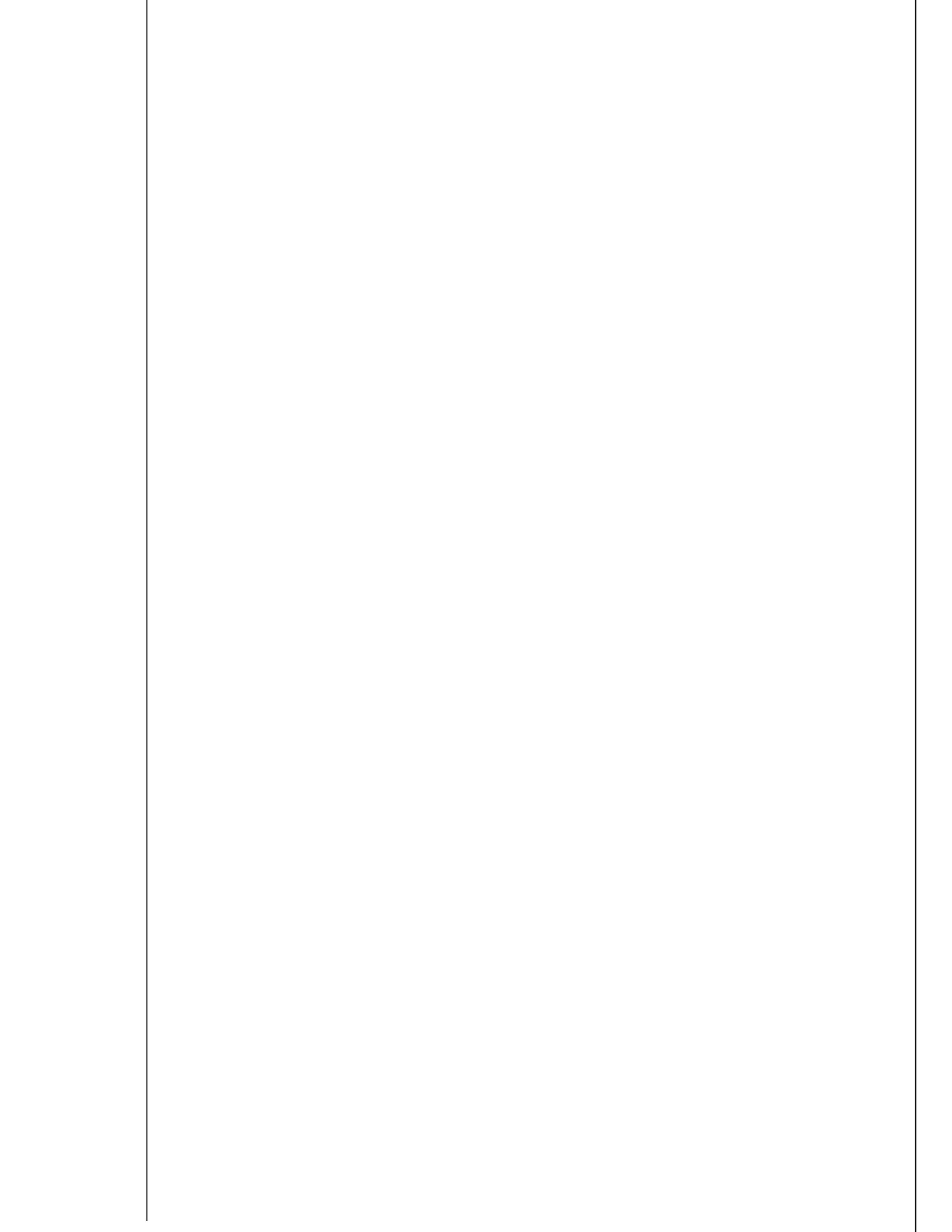
19 For the purpose of this Order, the following definitions shall apply

20 A. **“Applicable Time Period”** means the time stated in defendants' solicitation
 21 or 30 days of Receipt of a Properly Completed Order if no time is stated in the solicitation.

22 B. **“Business Venture”** means an written or oral business arrangement,
 23 however denominated, whether or not covered by 16 C.F.R. Part 437, that consists of
 24 providing payment or other consideration for the right or means to offer, sell, or distribute
 25 a product or service.

26 C. **“Commission Referral Scheme”** means a program that is characterized by the
 27 payment of consideration by a new recruit to join the program, in return for which the
 28 recruit obtains the right to receive compensation for others who [m] the indirectly refer
 into the program.





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recruite (first level, and participants and customers recruited by first level participants (second level, and participants and customers recruited by second level participants (third level, and so forth, however enumerate .

L. **“Option”** means an offer made clearly and conspicuously and without prior eman .

M. **“Place of Business”** means the main or permanent branch office or local address of a Seller.

N. **“Prompt,”** in the context of a Refund, means a Refund sent by an means at least as fast as reliable as first class mail within 7 days of the date on which the buyer's right

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- a An Initial defen ant is a cre itor, a cop of a cre it memoran um or the like or an account statement sent to the bu er reflecting the remo al or absence of an remaining charge incurre as a result of the sale from the bu er's account;
- b An a thir part is the cre itor, an appropriate cre it memoran um or the like sent to the thir part cre itor which will remo e the charge from the bu er's account an a cop of the cre it memoran um or the like sent to the bu er that inclu es the ate that defen ant sent the cre it memoran um or

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c A statement from Individual Defendant sent to the Buyer acknowledging the cancellation of the order and representing that Individual Defendant has not taken any action regarding the order which will access any of the Buyer's funds.

R. "seller" means any person engaged in the door-to-door Sale of Consumer Goods or Services.

S. "ship," or any variation thereof, including Shipment or Shipping, means the act by which the merchandise is physically placed in the possession of the carrier.

T. "time of solicitation" of an order means that time when Individual Defendants have (1 Mailed or otherwise disseminated the solicitation to a prospective purchaser; (2 Made arrangements for an advertisement containing the solicitation to appear in a newspaper, magazine or the like or on radio or television which cannot be changed or cancelled without incurring substantial expense; or (3 Made arrangements for the printing of a catalog, brochure or the like which cannot be changed without incurring substantial expense, in which the solicitation in question forms an insubstantial part.

O D E

I BAN ON MULTI-LEVEL MARKETING

I I E E O E O D E E D that Individual Defendants, whether acting directly or indirectly, are permanently restrained and enjoined from creating, advertising, marketing, promoting, offering for sale, selling, or operating, or assisting others in advertising, marketing, promoting, offering for sale, selling, or operating, any Multi-Level Marketing Program, including any product- or service-based pyramid scheme.

II PROHIBITED SCHEMES

I I E O D E E D that Individual Defendants, whether acting directly or indirectly, are permanently restrained and enjoined from engaging, participating, or assisting others in the creating, advertising, marketing, promoting, offering for sale, selling, or operating of any Ponzi scheme or chain referral scheme.

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III P O IBI ED COMPEN A ION

I I E O DE ED that In i i ual efen ants, In i i ual efen ants' officers, agents, emplo ees, an attorne s, an all other persons in acti e concert or participation with an of them, who recei e actual notice of this Or e

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participation with any one of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or operating of any Business Venture, are permanently restrained and enjoined from

A. failing to monitor and take all reasonable steps necessary

1 of their inability to Ship within the Applicable Time Period, but in no event later than the
2 Applicable Time Period.

3 1. Provide however, that an such option must either

4 a. provide a definite reissue Shipping rate; or

6 b. where the Initial defen ant lacks a reasonable basis for
7 providing a definite reissue Shipping rate, inform the buyer
8 that

10 i. the seller is unable to make an representation regarding
the length of the delay; and

11 ii. the reason(s) for the delay.

12 2. Where the Initial defen ant has provided a definite reissue
13 Shipping rate, pursuant to Section VI. 1.a, that is more than 30 days
14 later than the Applicable Time Period, the Initial defen ant must
15 also clearly and conspicuously inform the buyer that the buyer's
16 order will automatically be deemed to have been cancelled unless

17 a. the Initial defen ant has shipped the merchandise within
18 the Applicable Time Period, and the Initial defen ant has
19 received no cancellation request prior to Shipment; or

20 b. The buyer has specifically consented to said Shipping delay
21 within the Applicable Time Period.

22 3. Where the Initial defen ant has informed the buyer that the
23 cannot make an representation regarding the length of delay; and
24 the Initial defen ant must also
25 clearly and conspicuously inform the buyer that the buyer's order
26 will automatically be deemed to have been cancelled unless
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a. the Initiator has Shipped the merchandise within 30 days of the Applicable Time Period, and the Initiator has received no cancellation request prior to Shipment; or

b. the buyer has specifically consented to said Shipping label within 30 days of the Applicable Time Period. Provided however, the Initiator must also expressly inform the buyer that the buyer will have a continuing right to cancel the order at any time after the Applicable Time Period.

E. Where the buyer has consented to a definite reissue Shipping date pursuant to Section VI. , and the Initiator becomes aware they are unable to Ship or are goods that date, failing to provide a renewed Option either to consent to a further label or to cancel the order and receive a Prompt Refund. Said Option must be made within a reasonable time after the Initiator first becomes aware of their inability to Ship before the said definite reissue Shipping date, but in no event later than the expiration of the definite reissue Shipping date.

1. Provided however, that any such Option must provide a new definite reissue Shipping date, unless the Initiator lacks a reasonable basis for doing so.

2. In such event, the Initiator must also provide the notices required by Section VI. 1.b and Section VI. 3 of this Order.

. failing to cancel an order and provide the buyer with a Prompt Refund

1. When Initiator has received a cancellation and Refund request from the buyer

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3. When Initial Defendant fails to provide the Option required b

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The seller may select the method of providing the buyer with the duplicate notice of cancellation form set forth in Subsection B of this Section, *provided however*, that in the event of cancellation the buyer may

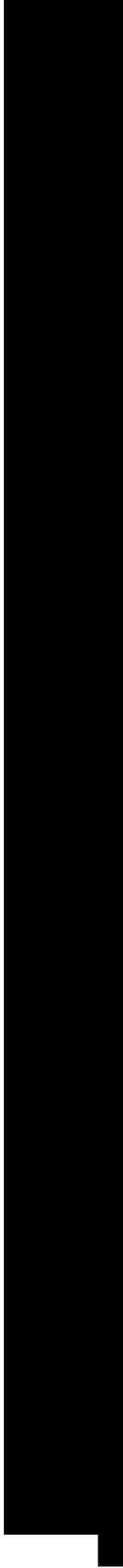
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may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of



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X ADDITIONAL MONETARY PROVISION

I I E O DE ED that

A. In individual defendants relinquish dominion and all legal and equitable right, title, interest, and claim, heretofore and hereinafter, in and to the

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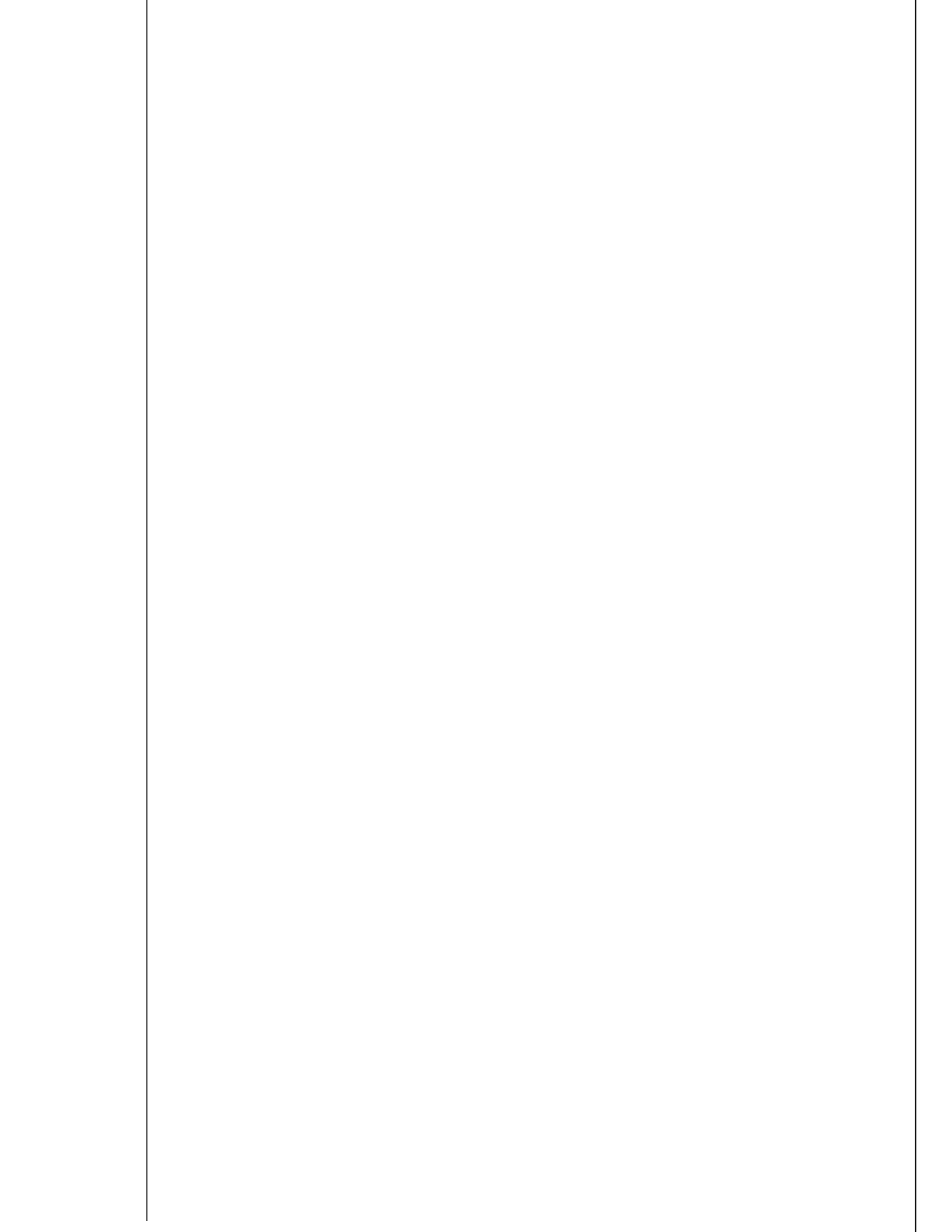
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. Each Individual defendant must submit to the Commission notice of the filing of an bankruptcy petition, insolvency proceeding, or similar proceeding before or against such Individual defendant within 14 days of its filing.

. An submission to the Commission requires that this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Execute on _____" and supplying the date, signatory's full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must



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