UNITED STATES DISTRICT COURT DISTRICT OF CONNECTICUT

•	
FEDERAL TRADE COMMISSION,	
Plaintiff,))
) Case No. 10-cv-1457 VLB
v .)
GLOBAL U.S. RESOURCES, also doing	
business as AMERICAN PUBLISHING,	
AMERICAN PUBLICATIONS, AMERICAN	
POWER PUBLICATIONS, ESM GROUP, and	
EAST SHORE MARKETING GROUP, and	
LOUIS SALATTO, individually and as an	
officer of Global U.S. Resources,	
Defendants.	

DEFAULT FINAL JUDGMENT AND ORDER AGAINST
DEFENDANTS LOUIS SALATTO AND GLOBAL U.S. RESOURCES

On September 13, 2010, Plaintiff, Federal Trade Commission ("FTC"), filed its Complaint for a permanent injunction and other relief in this matter, pursuant to Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b). Simultaneously, the FTC moved for an ex parte temporary restraining order with asset freeze and other equitable relief, and an order to show cause why a preliminary injunction should not issue pursuant to Fed. R. Civ. P. 65. On September 13, 2010, the Court granted the FTC's ex parte motion for a temporary restraining order. On October 15, 2010, Norman A. Pattis, Esq. appeared for the Defendants. On October 18, 2010, the Court entered a stipulated preliminary injunction against the Defendants. On November 10, 2010, the parties through counsel filed their Report of Rule 26(f) Planning Meeting, that required Defendants to file their responses, if any, to the Complaint filed on September 13, 2010, by November 15, 2010. The Court approved the parties' Rule 26(f) Report on November 12, 2010. Defendants have failed to answer or otherwise respond to the Complaint by the November 15, 2010 deadline set forth in the Scheduling Order. Pursuant to Federal Rule of Civil Procedure 55(a), defaults were entered against Defendants by the Clerk of the Court on November 30, 2010.

The FTC has now moved this Court for entry of a judgment by default and permanent injunction against Defendants pursuant to Federal Rule of Civil Procedure 55(b)(2). Having considered the memoranda and exhibits filed in support of said motion, and having granted the FTC's motion, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS OF FACT

- 1. This Court has jurisdiction over the subject matter of this case and the parties hereto.
- 2. Venue in the United States District Court for the District of Connecticut is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).
- 3. The activities of the Defendants Louis Salatto and Global U.S. Resources, also doing business as American Publishing, American Publications, American Power Publications, ESM Group, and East Shore Marketing Group (collectively "Defendants") are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- 4. The Complaint states a claim upon which relief may be granted against Defendants under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).
- 5. Defendants have been properly served with the Summons and Complaint, as required by Federal Rule of Civil Procedure 4.
- 6. Defendants have failed to file an Answer to the Complaint or to otherwise defend this action. The Clerk of the Court properly entered defaults against Defendants on November 30, 2010.
- 7. Because of Defendants' default, the allegations in the Complaint filed in this action are taken as true.
- 8. As to Count I of the Complaint, the Court finds that, in connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that they operate a bona fide business enterprise that seeks to hire

independent home workers to stuff envelopes and that Defendants also represented that they will provide the brochures and envelopes necessary to perform the offered work.

- 9. The Court finds that the above representations are false and misleading.

 Defendants do not operate a bona fide business enterprise that seeks to hire independent home workers to stuff envelopes nor do they provide the brochures and envelopes necessary to perform the offered work.
- 10. The Court finds that Defendants' misrepresentations are material to consumers determining whether to purchase Defendants' work-at-home opportunity and, therefore, constitute deceptive acts and practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
- 11. As to Count II of the Complaint, the Court finds that in connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who join their work-at-home opportunity are likely to earn substantial income.
- 12. The Court finds that the above representations are false and misleading.

 Consumers who join Defendants work-at-home opportunity are not likely to earn substantial income.
- 13. The Court finds that Defendants' misrepresentations are material to consumers determining whether to purchase Defendants' work-at-home opportunity and, therefore, constitute deceptive acts and practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

- 14. As to Count III of the Complaint, the Court finds that in connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will pay consumers a specified sum, usually \$8, per envelope they process as part of Defendants' work-at-home employment program.
- 15. The Court finds that the above representations are false and misleading.

 Defendants do not pay consumers a specified sum per envelope processed as part of Defendants' work-at-home employment program.
- 16. The Court finds that Defendants' misrepresentations are material to consumers determining whether to purchase Defendants' work-at-home employment program and, therefore, constitute deceptive acts and practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
- 17. As to Count IV of the Complaint, the Court finds that in connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will provide a refund if the consumer is not satisfied with the Defendants' work-at-home employment program.
- 18. The Court finds that the above representations are false and misleading.

 Defendants do not provide a refund if the consumer is not satisfied with the

 Defendants' work-at-home employment program.
- 19. The Court finds that Defendants' misrepresentations are material to consumers determining whether to purchase Defendants' work-at-home

employment program and, therefore, constitute deceptive acts and practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

- 20. Defendants, therefore, are liable under Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), for these deceptive acts and practices.
- 21. The Court finds that consumers in the United States have suffered or are likely to suffer substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of their unlawful practices.
- 22. This Court has authority, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to grant injunctive and other ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and disgorgement of ill-gotten monies, to prevent and remedy any violations of any provision of law enforced by the FTC.
- 23. Defendants' total net sales amounted to \$2,014,825.01 from the conduct alleged in the FTC's Complaint during the period from 2004 until September 2010.
- 24. The FTC is entitled to prejudgment interest of \$211,381.79
- 25. The FTC is therefore entitled to equitable monetary relief against Defendants Salatto and Global U.S. Resources, jointly and severally, in the amount of \$2,226,206.80, which is the amount of consumer injury from 2004 until September 2010.
- 26. The Court finds that, absent a permanent injunction, Defendants will likely violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in the future.

- 27. The Court finds that the equities weigh in favor of granting a permanent injunction, and that such injunction is in the public interest.
- 28. The Court finds that Defendants are liable for equitable monetary relief.
- 29. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.
- 30. Because there is no just reason for delay, the Court expressly directs entry of this Default Final Judgment and Order.

DEFINITIONS

For purposes of this Preliminary Injunction Order ("Order"), the following definitions shall apply:

- 1. "Asset" means any legal or equitable interest in, right to, or claim to, any real and personal property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, lists of consumer names, funds, and all cash, wherever located.
- 2. "Assisting others" includes, but is not limited to:
 - a. performing customer service functions, including, but not limited to, receiving or responding to consumer complaints;
 - formulating or providing, or arranging for the formulation or provision
 of, any advertising, promotional or marketing material;
 - providing names of, or assisting in the generation of, potential customers;
 - d. performing promotional or marketing services of any kind; and

- f. acting or serving as an owner, officer, director, manager or principal of, or consultant to, any entity.
- 3. "Individual Defendant" means Louis R. Salatto.
- 4. "Corporate Defendant" means Global U.S. Resources, also doing business as American Publishing, American Publications, American Power Publications, ESM Group, and East Shore Marketing Group, and its successors and assigns.
- 5. "Defendants" means the Individual Defendant and the Corporate Defendant, individually, collectively, or in any combination.
- 6. "Work-at-home Opportunity" means any program, plan, product, or service, that claims to enable a participant or purchaser to earn money or consideration while working primarily from the participant's or purchaser's home.
- 7. "Document" is synonymous in meaning and equal in scope to the usage of the term in Fed. R. Civ. P. 34(a) and includes:
 - a. the original or a true copy of any written, typed, printed, electronically stored, transcribed, taped, recorded, filmed, punched, or graphic matter or other data compilations of any kind, including, but not limited to, letters, email or other correspondence, messages, memoranda, interoffice communications, notes, reports, summaries, manuals, magnetic tapes or discs, tabulations, books, records, checks, invoices, work papers, journals, ledgers, statements, returns, reports, schedules, or files; and
 - b. any electronically stored information on any desktop personal computer and workstations, laptops, notebooks, and other portable computers, whether assigned to individuals or in pools of computers

available for shared use; and home computers used for work-related purposes; servers; backup disks and tapes, archive disks and tapes, and other forms of offline storage, whether stored onsite with the computer used to generate them, stored offsite in another company facility, or stored offsite by a third-party; and computers and related offline storage used by Defendants' participating associates, which may include persons who are not employees of the company or who do not work on company premises.

- 8. "Financial institution" means any bank, savings and loan institution, credit union, financial depository, brokerage house, broker-dealer, commodity trading company, precious metal dealer, escrow agent, money market or mutual fund, storage company, trustee or any other person, partnership, corporation, or other legal entity maintaining or having control of any records, accounts or other assets, owned directly or indirectly, of record or beneficially, by any Defendant, including accounts or assets which any Defendant may control by virtue of being a signatory on said accounts.
- 9. "Person" or "persons" means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
- 10. "Plaintiff," "FTC," or "Commission" means the Federal Trade Commission.

11. The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary, and to make the applicable phrase or sentence inclusive rather than exclusive.

CONDUCT PROVISIONS

I.

PERMANENT BAN ON WORK-AT-HOME OPPORTUNITIES

IT IS THEREFORE ORDERED that Defendants, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, are hereby permanently restrained and enjoined from:

- A. Advertising, marketing, promoting, offering for sale, or selling any Work-at-home Opportunity; and
- B. Assisting others engaged in advertising, marketing, promoting, offering for sale, or selling any Work-at-home Opportunity.

II.

PROHIBITION AGAINST VIOLATION OF SECTION 5(a) OF THE FTC ACT

IT IS FURTHER ORDERED that Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, in connection with the advertising, marketing, promotion, or offering for sale or sale,

of any goods or services, are hereby permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, to any potential purchaser of any goods or services, any material fact, including, but not limited to:

- A. The total cost to purchase, receive, or use, and the quantity of, any goods or services that are subject of the sales offer;
- B. Any material restrictions, limitations, or conditions to purchase, receive, or use the goods or services;
- C. Any material aspect of the nature or terms of a refund, cancellation, exchange or repurchase policy for the goods or services;
- D. The income, profits, or sales volume likely to be achieved from the goods or services; and
- E. Providing substantial assistance to any third-party to make any material misrepresentations, including, but not limited to, those misrepresentations prohibited by this Section.

III.

MONETARY JUDGMENT

A. Judgment in the amount of \$2,226,206.80 (two million two-hundred twenty-six, two-hundred six dollars and eighty cents) is hereby entered against Defendants, jointly and severally, as equitable monetary relief, in favor of the FTC.

- B. The following financial institutions shall, within seven (7) days of receipt of this Order, remit the entire amount of assets held in any accounts in either Defendants' names, including but not limited to:
 - 1. New Alliance Bank (account ending in #6627);
 - 2. TD Bank (account ending in 1218);
 - 3. Bank of America (account ending in 8009); and
 - 4. TD Ameritrade (account ending in 2370).

Provided further, Ameritrade shall liquidate the account ending in 2370 prior to transferring the balance to the FTC.

- C. This monetary judgment shall become immediately due and payable by Defendants upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance.
- D. All payments under this Section shall be made by certified check or other guaranteed funds payable to and delivered to the Commission, or by wire transfer in accordance with directions provided by the Commission.
- E. Counsel for Defendants shall, within seven (7) days of receipt of this Order, in accordance with directions provided by Commission Counsel, turn over all cash and commodities, including, but not limited to, all gold bars, silver bars, American Silver Eagle coins, American Buffalo Silver Rounds and any other commodities held in his possession pursuant to Section III of the Preliminary Injunction Order, entered on October 18, 2010, to the FTC or

any agent of the FTC, or other person designated by the FTC to receive such commodities.

- F. The transfer of funds identified in Sections III.B, III.D and IV and the value of any commodities identified in Section III.D shall partially satisfy the judgment against Defendants. The Commission may execute on the remaining portion of the judgment pursuant to Federal Rule of Civil Procedure 69.
- G. All funds paid pursuant to this Section shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, restitution and any attendant expenses for the administration of such equitable relief. If the Commission determines, in its sole discretion, that direct redress of consumer injury is wholly or partially impracticable, or funds remain after the restitution is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States

 Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Section. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.
- H. Defendants relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendants shall make no claim to or

demand for return of the funds, directly or indirectly, through counsel or otherwise.

IV.

TURNOVER OF ASSETS HELD BY THIRD PARTIES

IT IS FURTHER ORDERED that in order to partially satisfy the monetary judgment set forth in Section III above, any law firm, financial or brokerage institution, escrow agent, title company, commodity trading company, automated clearing house, network transaction, business entity, or person served with a copy of this Order, that holds, controls, or maintains custody of any account or asset of, on behalf of, or for the benefit of, either Defendant, or has held, controlled, or maintained custody of any account or asset of, on behalf of, or for the benefit of, either Defendant, shall turn over such asset or all funds in such account to the Commission within ten (10) business days of receiving notice of this Order by any means, including, but not limited to, via facsimile. Such turnover or payment shall be made by the methods specified in Subsection III.E, above.

٧.

RETURN OF CONSUMER CHECKS

IT IS FURTHER ORDERED that the FTC may return to consumers all undeposited consumer checks and money orders produced by the Defendants after the FTC catalogs and copies such checks and money orders. In the event that the FTC cannot locate the consumers who issued the checks or money orders, the FTC may at its discretion dispose of such checks and money orders.

VI.

ORDER PROVISION REGARDING CUSTOMER INFORMATION IT IS FURTHER ORDERED that:

- A. Defendants shall, within thirty (30) days after service of this Order upon Defendants, deliver to the Commission a truthful sworn statement listing the full name and mailing address, the total amount of money paid less any amount credited for returns or refunds, of every person who purchased Defendants' Work-at-home Opportunity from 2004 until September 2010, to the extent that Defendants posses or can readily obtain such customer information;
- B. Except as provided in this Order, Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, are permanently restrained and enjoined from:
 - Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with Defendants' work-at-home envelope stuffing program; and

2. failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by a law, regulation, or court order.

VII.

COMPLIANCE MONITORING

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

A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendants each shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and provide entry during normal business hours to any business location in each Defendant's possession or direct or indirect control to inspect the business operation;

- B. In addition, the Commission is authorized to use all other lawful means, including but not limited to:
 - obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and 69;
 - having its representatives pose as consumers and suppliers to
 Defendants, their employees, or any other entity managed or
 controlled in whole or in part by any Defendant, without the
 necessity of identification or prior notice; and
- C. Defendants each 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 Order. The person interviewed may have counsel present.

Provided however, that nothing in this Order 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)).

VIII.

COMPLIANCE REPORTING

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order:
 - The Individual Defendant shall notify the Commission of the following:
 - Any changes in such Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in such Defendant's employment status

 (including self-employment), and any change in such

 Defendant's ownership in any business entity, within ten

 (10) days of the date of such change. Such notice shall

 include the name and address of each business that such

 Defendant is affiliated with, employed by, creates or

 forms, or performs services for; a detailed description of

 the nature of the business; and a detailed description of

 such Defendant's duties and responsibilities in

 connection with the business or employment; and
 - c. Any changes in such Defendant's name or use of any aliases or fictitious names within ten (10) days of the date of such change;
 - 2. Defendants shall notify the Commission of any changes in structure of any Corporate Defendant or any business entity that any Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations

arising under this Order, including but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, provided that, with respect to any such change in the business entity about which a Defendant learns less than thirty (30) days prior to the date such action is to take place, such 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 Order and annually thereafter for a period of five (5) years, Defendants each shall provide a written report to the FTC, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:
 - 1. For the Individual Defendant:
 - a. such Defendant's then-current residence address,
 mailing addresses, and telephone numbers;
 - b. such Defendant's then-current employment status
 (including self-employment), including the name,
 addresses, and telephone numbers of each business that

such Defendant is affiliated with, employed by, or
performs services for; a detailed description of the nature
of the business; and a detailed description of such
Defendant's duties and responsibilities in connection
with the business or employment; and

Any other changes required to be reported under
 Subsection A of this Section.

2. For all Defendants:

- a. A copy of each acknowledgment of receipt of this Order,
 obtained pursuant to the Section titled "Distribution of Order;" and
- Any other changes required to be reported under
 Subsection A of this Section.
- C. Each Defendant shall notify the Commission of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.
- D. For the purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier (not the U.S. Postal Service) all reports and notifications to the Commission that are required by this Order to:

Associate Director for Enforcement Bureau of Consumer Protection Federal Trade Commission 600 Pennsylvania Avenue, N.W.

Washington, D.C. 20580

RE: FTC v. Global U.S. Resources, et al. 10-cv-1457 (VLB)

Provided that, in lieu of overnight courier, Defendants may send such reports or notifications by first-class mail, but only if Defendants contemporaneously send an electronic version of such report or notification to the Commission at DEbrief@ftc.gov.

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Defendant.

IX.

RECORDKEEPING

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, the Corporate Defendant and Individual Defendant for any business for which they, individually or collectively, are the majority owner or directly or indirectly control, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and

description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

- D. Complaints and refund requests (whether received directly or indirectly, such as through a third party,) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting."

Χ.

DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

A. Corporate Defendant: The Corporate Defendant must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five

- (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.
- B. Individual Defendant as control person: For any business that an Individual Defendant controls, directly or indirectly, or in which such Defendant has a majority ownership interest, such Defendant must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.
- C. Individual Defendant as employee or non-control person: For any business where an Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of

this Order, such Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XI.

ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that each Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

XII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED, this 13th day of January, 2011, at 10:30 a.m.

/s/
VANESSA L. BRYANT
UNITED STATES DISTRICT COURT JUDGE