

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

Case No. 99-6943-CIV-UNGARO-

BENAGES

Magistrate Judge: Brown

v.

AMERICAN INTERNATIONAL TRAVEL SERVICES, INC., a Florida corporation, also doing business as MAGIC WORLD TOUR & TRAVEL; SILVER LAKE RESORT, LTD., a Florida Limited Partnership; ALFRED H. JUGO, individually; A.J. STANTON, JR., individually; and LAWRENCE S. GILBERT, individually,

Defendants.

**STIPULATED FINAL
ORDER
FOR PERMANENT
INJUNCTION**

Plaintiff, the Federal Trade Commission ("FTC"), filed its Complaint for Permanent Injunction and Other Relief in this matter, pursuant to §§ 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57, and § 4(a) of the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6103(a) and the Court issued an *ex parte* Temporary Restraining Order on July 26, 1999. The Complaint alleges that the Defendants violated § 5 of the FTC Act, 15 U.S.C. § 45 and the FTC's Telemarketing Sales Rule 16 C.F.R. Part 310.

Plaintiff FTC through its counsel, and Defendants American International Travel Services, Inc., Silver Lake Resort, Ltd., Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert, by and through their counsel have agreed to the entry of this Stipulated Final Order for Permanent Injunction ("Final Order") by this Court in order to resolve all matters in dispute in this action. The FTC and the Defendants have consented to entry of this Final Order without trial or adjudication of any issue of law or fact herein. Defendants deny any wrongdoing or liability.

Being fully advised in the premises and acting upon the joint motion of the parties, the FTC and American International Travel Services, Inc., Silver Lake Resort, Ltd., Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert to enter this Final Order,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and all parties hereto;
2. The Complaint states a claim upon which relief may be granted against the Defendants under Sections 5, 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45, 53(b), and 57(b); and the Telemarketing Sales Rule, 16 C.F.R. Part 310;
3. Venue in this district court is proper under 28 U.S.C. § 1391(b) and (c), and 15 U.S.C. § 53(b);
4. The acts and practices of the Defendants are and were in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44;
5. Entry of this Final Order is in the public interest;
6. Defendants have waived all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, and all rights to seek judicial review or otherwise challenge or contest the validity of this Final Order, and further waive and release the FTC, its employees, agents and representatives, from any claims arising from this action; and
7. The parties hereto consent to the entry of this Final Order in the interest of settling this litigation. This Final Order does not constitute evidence of or an admission by Defendants of any liability or wrongful conduct. Nor shall the Final Order constitute or be interpreted in any way as an admission by Defendants that they have engaged in violation of either the FTC Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, or the Telemarketing Sales Rule or

of any wrongful conduct alleged in the FTC Complaint and, in fact, Defendants deny the same. This Final Order shall not be used against the Defendants in any proceeding, with the exception of any proceeding to enforce this Final Order.

DEFINITIONS

For purposes of this Final Order, the following definitions shall apply:

1. "Plaintiff" or "Commission" or "FTC" means the Federal Trade Commission.
2. "Corporate Defendants" means American International Travel Services, Inc., Silver Lake Resort, Ltd. and their subsidiaries, affiliates, successors, assigns, officers, directors, agents, employees, sales persons and any other person or entity directly or indirectly under their control and all other entities or persons in active concert or participation with them who receive actual notice of this Final Order by personal service or otherwise.
3. "Individual Defendants" means Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert whether acting directly or through any corporation, subsidiary, division or other device and their officers, directors, agents, employees, sales persons and any other person or entity directly or indirectly under their control and all other entities or persons in active concert or participation with them who receive actual notice of this Final Order by personal service or otherwise.
4. "Travel-related product or service" means any product(s) or service(s) that purport(s) to provide transportation, accommodations, or amenities useable during travel relating to or resulting from telemarketing. This definition specifically includes, but is not limited to: travel planning services; booking and reservation services; transportation or accommodation tickets; certificates, vouchers, coupons, reservation forms or other documents that purport to be full or partial payment, or redeemable, for transportation or accommodations, car rentals, tours, sports or other activities, meals, drinks, or entrance to special events or locations. "Travel-related product or service" does

not include the marketing of or offering for sale or selling of time share interests. "Travel-related product or service" does not include traditional retail travel agency services so long as the product(s) or service(s) being offered are not offered in conjunction with any telemarketed travel-related product or service, created, packaged or fulfilled by any of the Defendants.

5. "Defendants" means both the Corporate Defendants and the Individual Defendants.

6. "Cancellation Notice" means a form in compliance with relevant state law as might be applicable to the sale of a travel-related product or service when such sale is made subject to the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6103(a) and the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310.

INJUNCTIVE PROHIBITIONS

COMPLIANCE WITH § 5 OF THE FTC ACT

I.

IT IS THEREFORE ORDERED that Defendants, in connection with the marketing, offering for sale, or sale of any travel-related product or service, are hereby permanently restrained and enjoined from misrepresenting any material fact, including, but not limited to:

A. Misrepresenting that a consumer has won or has been specially selected to receive a vacation or any travel-related product or service; or

B. Misrepresenting the specific destinations, accommodations or cruises included in any travel-related product or service.

COMPLIANCE WITH THE TELEMARKETING SALES RULE

II.

IT IS FURTHERED ORDERED that Defendants are hereby permanently enjoined and restrained from violating or assisting other persons engaged in the business of telemarketing to violate, the Telemarketing Sales Rule, including but not limited to:

A. Failing to disclose in a clear and conspicuous manner, before a consumer pays, all material restrictions, limitations or conditions to purchase, receive or use any travel-related product or service that is the subject of the sales offer in violation of 16 C.F.R. § 310.3(a)(1)(ii), including but not limited to, failing to disclose:

- (1) that consumer will be required to attend a sales presentation for a time share interest and the approximate length of such presentation, if such requirement exists; or
- (2) that consumer will be invited to attend a sales presentation for a time share interest and the approximate length of such presentation, if such an invitation will be extended by Defendants;

B. For consumers who purchase or have purchased travel-related products or services from Defendants and who will be invited by Defendants to attend a sales presentation for time share properties, failing to:

- (1) present to consumers all necessary travel vouchers for hotels, cruises, attractions or other items included in the travel-related product or service, and disclose that attendance at a sales presentation for a time share interest is voluntary and will not in any way affect the consumer's right to or quality of the travel-related product or service purchased, prior to extending an

invitation to the consumer to attend the sales presentation for a time share interest; and

C. Failing to disclose, in a clear and conspicuous manner, before a consumer gives their credit card information or otherwise pays for the travel-related product or service, the total cost to purchase, receive, or use the travel-related product or service in violation of 16 C.F.R. § 310.3(a)(1)(i), including but not limited to disclosing:

- (1) that any specific hotel accommodation, or type of hotel accommodation, mentioned during the sales presentation may be available only for an additional charge when that is the case, and
- (2) for any rental car provided, the class of car provided;

D. Misrepresenting directly or by implication, any material aspect of the nature or term of the Defendants' refund, cancellation, exchange or repurchase policy in violation of 16 C.F.R. § 310.3(a)(2)(iv), including but not limited to:

- (1) failing to disclose in a clear and conspicuous manner, before a consumer pays, any policy of not making refunds, cancellations, exchanges, or repurchases;
- (2) failing to comply with applicable state laws regarding a consumer's right of cancellation and any state specific Cancellation Notice requirement.

E. Misrepresenting directly or by implication, a material aspect of a prize promotion including, but not limited to, the odds of being able to receive a prize, the nature or value of a prize, or that a purchase or payment is required to win a prize or to participate in a prize promotion, in violation of 16 C.F.R. § 310.3(a)(2)(v), including, but not limited to, statements that consumers have won or been specially selected to receive a travel-related product or service unless in fact such statement is true;

F. Failing or refusing to honor a consumer's request to cancel their purchase of a travel-related product or service and receive a full refund for the amount paid if, at the time the consumer desires to take the vacation, any specific destination or hotel accommodation represented to the consumer as being included in the travel-related product or service is not available or is only available for an additional cost not disclosed prior to the purchase;

G. Failing to comply with all the terms of any refund offer given to consumers or failing to comply with any applicable provision of § 226.12(e)(1) of Regulation Z, 12 C.F.R. § 226.12(e)(1); and

H. If Defendants obtain telemarketing leads by having consumers submit entry forms or registration forms to win free travel or a free vacation, Defendants shall clearly and conspicuously disclose on the back of each form that the consumer may be contacted by telephone and offered the opportunity to purchase travel-related products or services, if that is in fact true.

CONSUMER REDRESS

III.

IT IS FURTHER ORDERED that the Defendants shall make restitution as follows:

A. Within three (3) days of entry of this Final Order, but not earlier than July 1, 2000, the Defendants shall pay to the FCT the sum of One Million Dollars (\$1,000,000.00) (the "Redress Payment") for equitable monetary relief, including but not limited to, consumer redress.

B. The Redress Payment shall be made by wire transfer to the account of the Federal Trade Commission, Treasury ABA Number 021030004, ALC Number 29000001, Tax I.D. Number 530197030, Appropriations Number 29X6875, Federal Reserve Bank of New York reference information: FTC v. Am. Int'l Travel Serv. Inc., Matter Number X990074.

C. The Redress Payment shall be deposited into a redress fund, administered by the FTC, to be used for equitable relief, including but not limited to consumer redress and any attendant expenses for the administration of any redress fund. The FTC, in its sole discretion, may use a designated agent to administer the redress fund and may cause redress to be administered through a mailing of checks and notices to persons who may be eligible for redress.¹

D. Within twenty (20) business days of the entry of this Final Order, Defendants shall provide to the FTC or its designated agent, in Microsoft Excel or MS Access computer format, the names, last known mailing addresses and telephone numbers of persons who may be eligible for redress, further identified by category as follows:

1. vacation package holders who made payment for or received a travel-related product or service purchased from American International Travel Services, Inc., who, prior to July, 1999, traveled on the vacation packaged purchased, who did not purchase a time share interest offered by Defendant Silver Lake Resort, Ltd., and who did not receive a full refund of their money; and

¹If notices are provided, the form of the notice letter shall be as follows:

Dear Consumer:

As you may know, the Federal Trade Commission ("FTC") filed suit against American International Travel Services ("AITS") and others in federal court alleging, among other things, violations of the Federal Trade Act and the Telemarketing Sales Rule. Without admitting any wrongdoing, the defendants have agreed to pay One Million Dollars (\$1,000,000.00) to settle the FTC charges for the benefit of consumers who purchased or received travel-related products or services from AITS prior to the date of this suit in July, 1999.

Our records indicate that you paid for or received travel-related products or services from AITS prior to July, 1999, and are therefore entitled to \$ _____ in accordance with the settlement agreement reached. Enclosed is a check for this amount. This check must be cashed no later than XXXXXXXXXXXX because after that date this checking account will be closed.

We are pleased to be able to provide you with your share of this settlement.

2. consumers who made payment for or received a travel-related product or service purchased from American International Travel Services, Inc., and who have not taken the vacation package purchased and who have not received a full refund for the travel-related product or service purchased.

E. If the FTC determines, in its sole discretion, that redress to purchasers is wholly or partially impracticable, any funds not so used shall be deposited into the United States Treasury and treated as disgorgement. Defendants shall have no right to contest any decision or action of the FTC or its agent concerning the disbursement or disposition of any funds paid pursuant to this Final Order.

F. The Redress payment is intended to be compensatory in nature and no portion thereof shall be deemed a payment of any fine, penalty or punitive assessment. Payment by the Defendants of the Redress Payment shall fully satisfy all monetary claims asserted by the FTC in the Complaint filed herein against the Defendants.

BOND

IV.

IT IS FURTHER ORDERED that the Defendants shall obtain a performance bond in the principal sum of Two Hundred Thousand Dollars (\$200,000.00) before engaging in telemarketing of the sale of travel-related products or services whether directly, indirectly or in concert with others, or through intermediaries, business entities or other devices. The terms and conditions of the bond requirement are as follows:

A. The bond is conditioned upon compliance by the Defendants with § 5(a) of the FTC Act, 15 U.S.C. § 45 and this Final Order;

B. The bond shall remain in full force and effect as long as the Defendants continue to engage or participate in the telemarketing of the sale of travel-related products or services and for at least three (3) years after they have ceased to engage or participate in the telemarketing of the sale of travel-related products or services;

C. The bond shall be an insurance agreement pledging surety for financial loss that is issued by a surety company (1) admitted to do business in each state in which said Defendant does business and (2) that holds a Federal Certificate of Authority As Acceptable Surety On Federal Bond And Reinsuring;

D. The bond shall be in favor of the Federal Trade Commission for the benefit of any party injured as a result of any deceptive misrepresentation or violation of this Final Order;

E. Said Defendant shall provide written notice and proof of the bond to the FTC at least ten (10) days before the commencement of the activity for which the bond is required;

F. The bond required by this Final Order shall be in addition to, and not in lieu of, any bond required by federal, state or local law, or the order of another court; and

G. Defendants shall not disclose the existence of the performance bond to any consumer, or other purchaser or prospective purchaser of any travel-related product or service, without also disclosing clearly and prominently, at the same time "As Required By Court Order."

RIGHT TO REOPEN

V.

IT IS FURTHER ORDERED that the Court's approval of this Final Order is expressly premised upon the truthfulness, accuracy and completeness of the financial statement provided to counsel for the FTC by the Defendants. If, at any time following entry of this Final Order, the FTC obtains evidence that the Defendants' representations on their financial statements concerning their

assets, income, liabilities or networth were materially fraudulent, misleading, inaccurate or incomplete, the FTC may, upon motion to the Court, request that the Final Order herein be reopened for the purposes of requiring the Defendant who made the materially fraudulent, misleading, inaccurate or incomplete representation to pay additional consumer redress, and the Defendants agree not to contest any reasonable evidence the FTC introduces on consumer injury; *provided however*, that in all other respects this Final Order shall remain in full force and effect unless otherwise ordered by the Court; *and provided further*, that proceedings initiated under this Part are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings the FTC may initiate to enforce this Final Order.

Within five (5) business days of entry of this Final Order, the Defendants shall each submit to the FTC a truthful sworn statement in the form that is attached as Appendix "A", that shall reaffirm and attest to the truth, accuracy and completeness of the financial statement executed by each Defendant on or about August 4, 1999.

LIFTING OF PRIOR ORDERS

VI.

IT IS FURTHER ORDERED that all prior Orders in this case are lifted as to the FTC and all Defendants.

MONITORING COMPLIANCE OF SALES PERSONNEL

VII.

IT IS FURTHER ORDERED that in connection with any business operated by the Corporate Defendants engaged in telemarketing the sale of travel-related products or services or where Defendants Alfred H. Hugo, A.J. Stanton, Jr., or Lawrence S. Gilbert is the majority owner of the business or directly or indirectly manages or controls the business' marketing and where the

business is engaged in telemarketing the sale of travel-related products or services, said Defendant shall maintain a program to monitor and control the practices of employees and independent contractors performing telemarketing services on behalf of said Defendant (hereinafter collectively "sales agents"). Such a program shall, at a minimum, include the following:

A. Providing sales agents with scripts, guidelines and other sales material that comply with the terms of this Final Order;

B. Instituting an ongoing program of randomly monitoring the oral representations made by persons engaged in sales or other customer service functions;

C. Establishing a procedure for receiving and responding to complaints from consumers regarding the purchase of a travel-related product or service;

D. Tracking and recording the nature and number of consumer complaints regarding the sale of a travel-related product or service in which each employee or independent contractor is involved, provided that this section does not authorize or require any Defendant to take any steps that violate any federal, state or local laws;

E. Promptly investigating any complaint from a consumer regarding the purchase of a travel-related product or service received by any business to which this Part applies;

F. Terminating any employee or sales agent whom Defendant determines is not substantially complying with this Final Order; and

G. Retaining records of the communications monitored in compliance with this section for a period of three (3) years following each such communication.

ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

VIII.

IT IS FURTHER ORDERED that within ten (10) business days after receipt by Defendants of this Final Order as entered by the Court, Defendants shall submit to the FTC a truthful sworn statement, in the form shown on Exhibit "B" that shall acknowledge receipt of this Final Order.

DISTRIBUTION OF ORDER BY DEFENDANTS

IX.

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Order:

A. The Corporate Defendants shall provide a copy of this Final Order to, and obtain a signed and dated acknowledgement of receipt of same from, each officer, director, each individual serving in a management capacity, all personnel involved in responding to complaints or inquiry from consumers regarding the purchase of a travel-related product or service, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such person, who is engaged in telemarketing the sale of travel-related products or services, or in assisting others engaged in such business. The Corporate Defendants shall maintain for a period of three (3) years after creation, and upon reasonable notice, make available to representatives of the FTC, the original signed and dated acknowledgement of the receipt of copies of this Final Order as required herein.

B. Defendants Alfred H. Jugo, A.J. Stanton, Jr., Lawrence S. Gilbert shall, provide a copy of this Final Order to, and obtain a signed and dated acknowledgement of same from, each officer or director, each individual serving in a management capacity, all

personnel involved in responding to complaints or inquiries from a consumer regarding the purchase of a travel-related product or service, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such person, for any business that Defendants Alfred H. Jugo, A.J. Stanton, Jr., or Lawrence S. Gilbert is the majority owner of or over which he directly or indirectly manages or controls the business' marketing where that business is engaged in telemarketing the sale of travel-related products or services or assisting others engaged in these activities. Defendants Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert shall maintain for a period of three (3) years after creation, and upon reasonable notice, make available to representatives of the FTC, the original signed and dated acknowledgement of the receipt of copies of this Order, as required herein.

RECORDKEEPING PROVISIONS

X.

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Order, American International Travel Services, Inc. and Silver Lake Resort, Ltd., when they are involved in telemarketing the sale of travel-related products or services, and any business entity wherein Defendant Alfred H. Jugo, A.J. Stanton, Jr., or Lawrence S. Gilbert is the majority owner or over which he directly or indirectly manages or controls the business' marketing and where the business is engaged in telemarketing the sale of travel-related products or services or assisting others engaged in these activities, are hereby restrained and enjoined from failing to retain for a period of three (3) years following the date of such creation unless otherwise specified:

A. Books, records and accounts, in reasonable detail, accurately and fairly reflecting the cost of the travel-related products or services sold, revenues generated from such sales, and the disbursement of such revenues;

B. 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. The business subject to this section shall retain such records for every terminated employee for a period of three (3) years following the date of termination;

C. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased and description of items or services purchased for all consumers to whom such business has sold, invoiced or shipped any travel-related product or service;

D. Records that reflect for every consumer complaint or refund request received regarding the purchase of any travel-related product or service, whether received directly or indirectly or through any third party:

- (1) The consumer's name, address, telephone number and dollar amount paid by the consumer;
- (2) The written complaint or refund request, if any, and the date of the complaint or refund request;
- (3) The basis of the complaint, including the name of any sales person complained against and the nature and result of any investigation conducted concerning any complaint;
- (4) Each response and the date of the response;

- (5) Any final resolution, and the date of the resolution; and
- (6) In the event of a denial of a refund request, the reasons for denial.

E. Copies of all sales scripts, training materials, advertisements, or other marketing material utilized in the telemarketing sale of travel-related products or services; provided that copies of all sales scripts, training materials, advertisements or other marketing materials utilized shall be retained for three (3) years after the last date of dissemination of any such materials.

COMPLIANCE REPORTING BY DEFENDANTS

XI.

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

A. For a period of three (3) years from the date of entry of this Final Order, Defendants shall notify the Plaintiff of the following:

- (1) As to the Corporate Defendants:
 - (a) Any change in the Corporate Defendants' business address, mailing address and telephone number within ten (10) days of the date of such change.
 - (b) Any change in the structure of the Corporate Defendants such as creation, incorporation, dissolution, assignment, sale, merger, dissolution of subsidiaries, filing of a bankruptcy petition or change in the corporate or partnership name or address, or any other change that may affect compliance or obligations arising under this Final Order, within thirty (30) days of such change.

(2) As to Individual Defendants Alfred H. Jugo and Lawrence S. Gilbert, and as to A.J. Stanton, Jr. for any business where A.J. Stanton, Jr. is the majority owner of the business or directly or indirectly manages or controls the business' marketing and that business is engaged in telemarketing the sale of travel related products or services:

- (a) Any change in the Individual Defendants' business or residence address, mailing address and telephone number within ten (10) days of the date of such change.
- (b) Any change in the Individual Defendants' employment status (including self-employment) within ten (10) days of such change. Such notice shall include the name and address of each business that such Individual Defendant is affiliated with or employed by, a statement of the nature of that business, and a statement of said Individuals' duties and responsibilities in connection with that business or employment; and
- (c) Any change in the structure of any business entity that an Individual Defendant owns or controls such as creation, incorporation, dissolution, assignment, sale, merger, dissolution of subsidiaries, filing of bankruptcy petition or change in the corporate or partnership name or address or any other change that may affect compliance or obligations arising under this Final Order within thirty (30) days of such change.

B. One hundred and eighty (180) days after entry of this Final Order, Defendants shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the

manner and form in which Defendants have complied and are complying with this Final Order. This report shall include:

- (1) Defendants Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert's current residential address and telephone number;
- (2) For Individual Defendants Alfred H. Jugo and Lawrence S. Gilbert, and as to A.J. Stanton, Jr. for any business where A.J. Stanton, Jr. is the majority owner of the business or directly or indirectly manages or controls the business' marketing and where that business is engaged in telemarketing the sale of travel related products or services, Defendants Alfred H. Jugo, A.J. Stanton, Jr., and Lawrence S. Gilbert's current employment, business address and telephone numbers, a description of the business activities of each such employer and Defendants' title and responsibilities for each such employer;
- (3) A copy of each acknowledgment of receipt of this Final Order obtained by Defendants pursuant to Section IX; and
- (4) A statement describing the manner in which each Defendant has complied or are complying with Sections I and II of this Final Order.

C. For purposes of this Final Order, Defendants shall, unless otherwise directed by the FTC's authorized representative, mail all written notifications to:

FTC
Regional Director
Southeast Region
60 Forsyth Street, SW
Suite 5M35, Atlanta, Georgia 30303
Re: FTC v. American International Travel Services, Inc.

D. For the purposes of this Paragraph, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Defendants perform services as an employee, consultant or independent contractor. "Employment" does not mean engaging in the practice of law.

E. For purposes of the compliance reporting required by this Part, the FTC is authorized to communicate directly with Defendant Alfred H. Jugo, A.J. Stanton or Lawrence S. Gilbert unless the Defendant identifies legal counsel to receive such communication.

PLAINTIFF'S AUTHORITY TO MONITOR COMPLIANCE

XII.

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Order, Plaintiff is authorized to monitor Defendants' compliance with this Final Order by all lawful means, including but not limited to the following:

A. The FTC may seek leave of Court to obtain discovery from any person in the manner prescribed by Federal Rules of Civil Procedure Rules 26 through 37, including the use of compulsory process pursuant to Federal Rules of Civil Procedure 45, for the purpose of monitoring and investigating the Defendants' compliance with any provision of this Order.

B The FTC is authorized to use representatives posing as customers or suppliers to the Corporate Defendants when engaged in telemarketing the sale of travel-related products or services or to any business where Defendant Alfred H. Jugo, A.J. Stanton, Jr., or Lawrence S. Gilbert is the majority owner of the business or directly or indirectly manages or controls the business' marketing and where that business is engaged in telemarketing the sale of travel-related products or services without the necessity of identification or prior notice;

C. Nothing in this Order shall limit the FTC's lawful use of compulsory process, pursuant to Section 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57(b-1), to investigate whether any of the Defendants has violated any provision of this Final Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

ACCESS TO BUSINESS PREMISES

XIII.

IT IS FURTHER ORDERED that for a period of three (3) years from the date of entry of this Final Order, for the purposes of further determining compliance with this Final Judgment Order, Defendants shall permit representatives of the Commission, within seven (7) days of receipt of written notice from the FTC:

A. Access during normal business hours to any office or facility storing documents of the Corporate Defendants regarding the telemarketing of the travel-related products or services, and any office of a business where Defendants Alfred H. Jugo, A.J. Stanton, Jr., or Lawrence S. Gilbert is the majority owner of the business or where he directly or indirectly manages or controls the business' marketing and where that business is engaged in telemarketing the sale of travel-related products or services or assisting others engaged in such activities. In providing such access, Defendants shall permit representatives of the FTC to inspect and copy (at the FTC's expense) all

documents relevant to the telemarketing of travel-related products or services or compliance with this Final Order. Such access shall be conducted so as not to unreasonably interfere with the business activity being conducted at the location. Provided that, nothing herein shall limit the FTC's ability to seek an ex parte order for immediate access to the Defendants' business premises for purposes of inspecting and copying documents relevant to compliance with this Final Order; and

B. To interview the officers, directors and employees including all personnel involved in responding to consumer complaints or inquiries and all sales or service personnel whether designated as employees, consultants, independent contractors, or otherwise of any business to which paragraph (A) of this Part applies, concerning telemarketing of travel-related products or services or compliance with this Final Order. The person interviewed may have counsel present.

ATTORNEY'S FEES

XIV.

IT IS FURTHER ORDERED that each party to this Final Order hereby agrees to bear its own attorney's fees incurred in connection with this action.

CONTINUING JURISDICTION

XV.

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for all purposes.

MISCELLANEOUS PROVISIONS

XVI.

IT IS FURTHER ORDERED that this Final Order and the negotiations leading to the consummation of this Final Order are for the purposes of settlement and compromise of a disputed claim. Pursuant to Federal Rules of Evidence Rule 408, this Final Order and the negotiations leading to the consummation of this Final Order are not admissible to prove liability for or invalidity of any claim or its amount. This Final Order is entered without admission of liability or wrongdoing by Defendants, and is entered by Defendants only to avoid the costs and expense of further litigation.

XVII.

IT IS FURTHER ORDERED that this Final Order is in settlement and full satisfaction of all claims by the FTC and the Receiver for the conduct of the Defendants in this case.

DONE AND ORDERED at Miami, Dade County Florida this _____ of _____, 2000 at _____ O'Clock ____m.

The Honorable Ursula Ungaro-Benages
United States District Judge

So Stipulated and Agreed:

FOR PLAINTIFF FEDERAL TRADE COMMISSION

Dated: _____

Valerie M. Verduce, Esq.
Chris M. Couillou, Esq.
Federal Trade Commission
60 Forsyth St., SW., Suite 5M35
Atlanta, Georgia 30303-2322
(404) 656-1355 vverduce@ftc.gov
(404) 656-1353 ccouillou@ftc.gov
(404) 656-1379 (fax)

FOR DEFENDANTS AMERICAN INTERNATIONAL TRAVEL SERVICES, INC., and
SILVER LAKE RESORT, LTD., ALFRED H. JUGO, A.J. STANTON, JR., AND
LAWRENCE S. GILBERT

Dated: May 13, 2000

Alfred H. Jugo
American International Travel
Services, Inc.

By: ALFRED H. JUGO

Title: PRESIDENT

Dated: May 15th, 2000

Leonard J. Hance
Silver Lake Resort, Ltd.

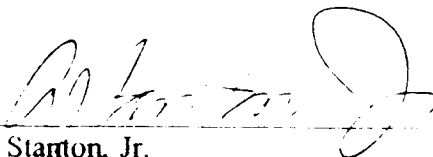
By: Leonard J. Hance

Title: General Partner

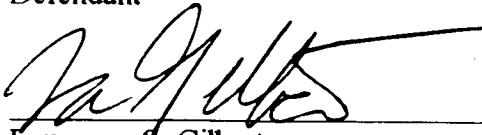
Dated: May 13, 2000

Alfred H. Jugo
Alfred H. Jugo,
Defendant

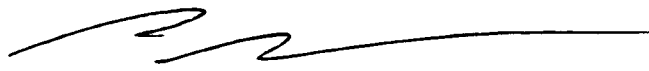
Dated: MAY 15th 2000


A.J. Stanton, Jr.
Defendant

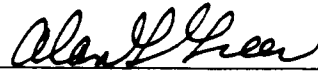
Dated: MAY 15th 2000


Lawrence S. Gilbert
Defendant

Dated: May 30th 2000


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Dated: May 25, 2000


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