

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIVED

NOV 17 2004

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

FEDERAL TRADE COMMISSION,)

Plaintiff,)

v.)

FINANCIAL RESOURCES UNLIMITED, INC.,)

SUPREME MAILING SERVICES, INC.,)

MARK E. SHELTON, individually and as an)
officer of the corporate defendants,)

dba)

L. Lewis & Associates, A. Joseph & Associates)

Defendants.)
_____)

Civil Action No. 03 C 8864

Magistrate Judge Martin C. Ashman

STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT ORDER

Plaintiff, the Federal Trade Commission ("FTC"), filed a Complaint on December 9, 2003, for permanent injunction and other relief, including restitution to consumers, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), charging Defendants Mark E. Shelton ("Shelton"), Supreme Mailing Services, Inc., ("Supreme"), and Financial Resources Unlimited, Inc., ("Financial Resources"), with engaging in deceptive acts and practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45. On Plaintiff's motion supported by a memorandum of law, declarations, and other exhibits, the Court issued an *ex parte* temporary restraining order including an asset freeze. Plaintiff and Defendants have now

agreed to entry of this Stipulated Permanent Injunction and Final Judgment Order to resolve all matters in dispute between them in this action.

The FTC and Defendants have consented to entry of this Order without trial or adjudication of any issue of law or fact herein and without the Defendants admitting liability for any of the violations alleged in the Complaint. **NOW, THEREFORE**, Defendants and the FTC having requested the Court to enter this Order, it is hereby ordered, adjudged, and decreed:

FINDINGS

1. This Court has jurisdiction of the subject matter of this case and over all parties hereto.
2. The Complaint states a claim upon which relief may be granted against the Defendants under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).
3. Venue is proper as to all parties in the Northern District of Illinois pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).
4. The activities of Defendants are in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. Entry of this Order is in the public interest.
6. Defendant Mark E. Shelton, without admitting the allegations set forth in Plaintiff’s Complaint or any wrongdoing on his part, agrees to entry of this Stipulated Order.
7. Julie Shelton, having been represented by counsel, without admitting the allegations set forth in Plaintiff’s Complaint, and to resolve all matters of dispute between her

and the Plaintiff arising out of the allegations in Plaintiff's Complaint, agrees to be bound by Section IV of this Stipulated Order, and such other provisions of this Order as applicable.

8. Defendants, and Julie Shelton, have waived all rights to seek judicial review or otherwise challenge or contest the validity of this Order, and further waive and release any claim Defendants and Julie Shelton may have against the FTC and its employees and agents, including any rights that may arise for attorney fees or other costs under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

9. The parties, and Julie Shelton, shall each bear their own costs and attorneys' fees incurred in this action.

DEFINITIONS

1. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to, any real and/or personal property, including without limitation, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash, wherever located.

2. "Assisting others" means: (a) performing customer service functions including, but not limited to, receiving or responding to consumer complaints, receiving identifying and financial information from consumers, and communicating with consumers; (b) developing, providing or arranging for the development or provision of sales scripts or any other marketing material; (c) providing names of, or arranging for the provision of names of, potential customers; or (d) performing marketing services of any kind.

3. "Consumer" means a purchaser or customer, or potential purchaser or customer.
4. "Defendant" or "Defendants" means Mark E. Shelton, Supreme Mailing Services, Inc., and Financial Resources Unlimited, Inc., and each of them, by whatever names they might be known.
5. "Document" is synonymous in meaning and equal in scope to the term, as defined in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of this term.
6. "Financial Institution" means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.
7. "Material" means likely to affect a person's choice of, or conduct regarding, goods or services.
8. "Person" 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.
9. "Work-at-home opportunity" means any program, plan, product, or service that represents that it enables a participant or purchaser to earn money while working at home.

ORDER

I.

BAN ON SALE OF WORK-AT-HOME OPPORTUNITIES

IT IS THEREFORE ORDERED that Defendants are hereby permanently restrained and enjoined from engaging, participating, or assisting others in any manner or in any capacity whatsoever, whether directly or indirectly, in concert with others, or through any intermediary, third party, business entity, or device, in the marketing, advertising, promotion, offering for sale, or sale of work-at-home opportunities.

II.

PROHIBITIONS AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Defendants, their agents, servants, and employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, in connection with the advertising, offering for sale, or sale of goods or services in or affecting commerce, are hereby permanently restrained and enjoined from making, or assisting others in making, any express or implied representation or omission of material fact that is false or misleading, in any manner, to any consumer or entity, including, but not limited to, any false or misleading statement:

- A. That consumers are likely to earn a substantial amount of money;
- B. Concerning the amount of earnings, income, sales volume, or profits that a consumer is likely to achieve;

C. Concerning the amount of earnings, income, sales volume, or profits that consumers have achieved in the past;

D. That Defendants will pay consumers for each envelope that they stuff and mail in any envelope stuffing, work-at-home opportunity;

E. Concerning the length of time that it may or will take to recoup the purchase price or investment;

F. That Defendants will reimburse consumers any expenses of purchasing or participating in Defendants' offered goods or services;

G. Concerning the nature of any work-at-home opportunity, product, or service offered or sold; and

H. Concerning any material term, condition, or limitation of the transaction or about the use of any offered good or service.

III.

PROHIBITION AGAINST PROVIDING OTHERS WITH THE MEANS AND INSTRUMENTALITIES TO VIOLATE SECTION 5 OF THE FTC ACT

IT IS FURTHER ORDERED that, in connection with the offering for sale or sale of goods or services in or affecting commerce, Defendants, their agents, servants, and employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, are hereby permanently restrained and enjoined from providing to others the means and instrumentalities with which to

make, expressly or by implication, orally or in writing, any false or misleading statement or representation of material fact, including, but not limited to:

A. Promotional materials, advertising circulars, and brochures or letters that contain any false or misleading statement regarding any material fact; and

B. Promotional materials, advertising circulars, and brochures or letters that contain any false and misleading representations prohibited by Section II A-H above.

IV.

MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of \$6,500,000 is entered against Defendants, jointly and severally, as restitution for consumer injury; *Provided* that this judgment shall be subject to the conditions set forth in Section V (Right to Reopen); and *Provided further* that this judgment amount, except such amounts as specified in this Section IV, shall be suspended upon Defendants' fulfillment of the payment obligations of this Section IV.

B. Defendants shall pay \$420,000 to the FTC or its designated agent, by certified check or other guaranteed funds payable to and delivered to the FTC or by wire transfer in accord with directions provided by the FTC, as follows:

1. Upon signing this Order, Defendants shall deposit the sum of \$215,000 into an escrow account to be established and held by an escrow agent approved by FTC counsel;

2. Within seven (7) days after entry of this Order, the Defendants shall instruct the escrow agent to pay to the FTC, or such agent as the FTC may direct, the sum of \$215,000 within three business days of such instruction; and

3. Within one hundred eighty (180) days from the entry of this Order, Defendants shall pay to the FTC the remaining balance equal to \$205,000.

C. As security for the payment required by this Section IV B 3, Defendant Mark E. Shelton and non-defendant Julie Shelton, individually and on behalf of their respective successors, heirs, and assigns, hereby grant to the FTC a lien on and security interest in the real property, together with dwelling houses, other structures, improvements, appurtenances, hereditaments, and other rights appertaining or belonging thereto, situated at 1018 Sean Circle, Darien, Illinois 60561; Assessor's Parcel: 09-22-101-068; Legal Description: Lot: 18; Subdivision: Darien Ridge Subdivision; Sec/Twn/Rng/Meridian: Part NW4 S22T38NR11E 3P (the "Property"), in the amount of \$205,000; *Provided, however*, that the amount of the lien on and security interest in the Property shall be reduced by the amount of such payments as are made to fulfill the payment obligations of Section IV B 3. Defendant Mark E. Shelton and non-defendant Julie Shelton represent and acknowledge that the FTC is relying on the material representations that Defendant Mark E. Shelton and non-defendant Julie Shelton are the sole owners, as tenants in the entirety in fee simple, of the Property; that title to the Property is marketable; and that the Property is not encumbered by any lien, mortgage, deed of trust, security interest, or other interest except a mortgage recorded December 1, 2003, in favor of United Home Loans, Inc., Mortgage No. 999747842 (Flagstar Bank No. 999747842-6). Defendant Mark E. Shelton and non-defendant Julie Shelton agree that, as of the date on which they sign this Order, they shall refrain from transferring, converting, encumbering, selling, assigning, or otherwise disposing of the Property, except with the express prior written permission of counsel for the FTC. Defendant Mark E. Shelton and non-defendant Julie Shelton release and waive in favor of

the FTC any statutory, common law, or other exemption that may apply to the Property. As additional security for the payment required by this Section IV B 3, Defendant Mark E. Shelton and non-defendant Julie Shelton hereby pledge, assign and grant to the FTC a first priority lien and security interest in Federal Street Investment Account numbers T367, in the name of Mark E. Shelton, and 1353472, in the name of Julie Shelton ("Investment Accounts"), which accounts are held at FISERV, 1504 South Oak Park Avenue, Berwyn, Illinois 6042-1339, which Defendants and counsel for the FTC acknowledge had a combined market value of approximately \$55,000 at the time that Defendants completed the financial statements described in Section V below.

Defendant Mark E. Shelton and non-defendant Julie Shelton release and waive in favor of the FTC any statutory, common law or other exemption that may apply to the Investment accounts.

Defendant Mark E. Shelton and non-defendant Julie Shelton shall refrain from transferring, converting, encumbering, pledging, selling, assigning, or otherwise disposing of the Investment Accounts, including withdrawing or trading any of the existing securities or funds in the Investment Accounts, except as agreed to by the FTC or as necessary to fulfill the payment obligations of this Order.

D. Defendants shall cooperate fully with the FTC and be responsible for preparing, executing and recording the necessary documents and doing whatever else the FTC deems necessary or desirable to perfect, evidence and effectuate its liens, security interests, pledges, and assignments granted herein. No later than five (5) days after the date on which the FTC authorizes staff to sign this Order, Defendant Mark E. Shelton and non-defendant Julie Shelton shall prepare, execute, and deliver (at their expense) to the FTC mortgages or deeds of trust, security agreements, assignment agreements, UCC-1 Financing Statements, pledge agreements,

and other documents in form and substance satisfactory to the FTC (the "Security Documents") and take such other steps as the FTC may require to perfect, evidence and effectuate its liens, security interests, pledges, and assignments and to carry out the purposes of this Order. The FTC shall refrain from recording the Security Documents until after the Court's entry of this Order. In the event that the Court does not enter this Order, within five (5) days after receipt of the Court's denial of this Order, the FTC shall return the Security Documents to Defendant Mark E. Shelton and non-defendant Julie Shelton. Defendant Mark E. Shelton and non-defendant Julie Shelton shall be responsible for paying all fees and costs (including attorneys' fees and filing fees) required in connection with the liens, security interests, pledges, and assignments granted herein, including all fees and costs related to the preparation, execution, delivery, filing, continuation and termination of such liens, security interests, pledges, and assignments and to carry out the purposes of this Order.

E. If Defendant Mark E. Shelton, and non-defendant Julie Shelton fully comply with those provisions set forth in this Section IV, the monetary judgment established by this Order shall be deemed fully satisfied and the liens, security interests, pledges, and assignments granted to the FTC by Defendant Mark E. Shelton, and non-defendant Julie Shelton shall be released; *Provided, however, that*, in the event that Defendant Mark E. Shelton does not fulfill, or only partially fulfills, the conditions set forth in this Section IV, (1) the suspension of the judgment amount set forth in Section IV A shall be vacated and the full amount of that judgment shall immediately become due, plus interest from the date of entry of this Order pursuant to 28 U.S.C. § 1961, less any payments or transfers already made to the FTC, (2) the FTC shall be entitled to exercise immediately any and all rights and remedies, including, but not limited to, enforcing the

liens, security interests, pledges, and assignments in accordance with Illinois law and terminating the interests of Defendant Mark E. Shelton and non-defendant Julie Shelton, individually and on behalf of their respective successors, heirs, affiliates and assigns, in the Investment Accounts and the Property, and (3) Defendants waive any right to contest any allegations in Plaintiff's Complaint and the facts as alleged in Plaintiff's Complaint filed in this action must be taken as true in any subsequent litigation filed by the FTC to collect such unpaid amount, including, but not limited to, a nondischargeability complaint filed in any bankruptcy case; *Provided, however, further, that*, in the event that Defendants or non-defendant Julie Shelton do not comply with any provision of this Order, including any provision set forth in this Section IV, this subsection does not prevent the FTC from seeking an order to show cause why both or either of them should not be held in contempt for failure to comply with the Order provision.

F. All funds paid pursuant to this Order shall be deposited into a fund ("Redress Fund") administered by the FTC or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. Defendants shall cooperate fully to assist the FTC in identifying consumers who may be entitled to redress pursuant to this Order. If the FTC determines, in its sole discretion, that redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendants and non-defendant Julie Shelton shall have no right to challenge the FTC's choice of remedies under this Section.

G. Defendants and non-defendant Julie Shelton relinquish all dominion, control and title to the funds paid to the FTC pursuant to this Order. Defendants shall make no claim to or demand for the return of the funds, directly or indirectly, through counsel or otherwise.

H. The FTC, Defendants, and non-defendant Julie Shelton acknowledge and agree that this judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

V.

RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

A. By agreeing to this Order, Defendants reaffirm and attest to the truthfulness, accuracy, and completeness of the financial statements signed by the respective Individual and Corporate Defendants dated January 7, 2004, including all subsequent amendments and corrections (designated collectively as "Financial Statements"). Plaintiff's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' financial condition, as represented in the Financial Statements referenced above, which contain material information upon which Plaintiff relied in negotiating and agreeing to the terms of this Order;

B. If, upon motion of the FTC, the Court finds that a Defendant failed to file the sworn statements required by this Section, or that a Defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from the financial statement, the Court shall enter judgment against such Defendant, in favor of the FTC, in the amount of six million five hundred thousand

dollars (\$6,500,000), and the entire amount of the judgment shall become immediately due and payable, less any amount already paid. *Provided, however*, that in all other respects, this judgment shall remain in full force and effect, unless otherwise ordered by the Court;

C. In accordance with 31 U.S.C. § 7701, Defendants are hereby required, unless they have done so already, to furnish to the FTC their respective taxpayer identifying numbers (social security number or employer identification number) which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendants' relationship with the government;

D. Defendant Mark E. Shelton is further required, unless he has done so already, to provide the FTC with clear, legible and full-size photocopies of all valid driver's licenses he possesses, which will be used for reporting and compliance purposes; and

E. Proceedings instituted under this section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the FTC may initiate to enforce this Order.

VI.

WITHHELD MAIL

IT IS FURTHER ORDERED that, within ten (10) days after the date of entry of this Order, Defendants shall provide all mail, including, but not limited to, consumer correspondence, checks and negotiable instruments, and accompanying materials, such as order forms, in possession of Defendants' counsel pursuant to Section XII of the Temporary Restraining Order, as of the date of entry of this Order; *provided, however*, that Defendants may withhold any mail as to which Defendants assert a claim of privilege. If any document is withheld based upon a

claim of privilege, the claim must be asserted no later than the thirty (30) days after entry of this Order. In addition, Defendants must submit to the FTC, together with the claim, a schedule of the documents withheld, stating individually as to each withheld document: (1) a description of the type of withheld document, a specific description of the subject matter of the withheld document, and the date of the withheld document; (2) the names, addresses, positions, and organizations of all authors and recipients of the withheld document; and (3) the specific grounds for claiming that the withheld document is privileged. If only a portion of a document is claimed to be privileged, all non-privileged portions of the document must be delivered to the FTC. Any dispute concerning a claim of privilege with respect to any document may be brought before the Court for resolution upon motion by either party.

All mail that is received by Defendants' counsel pursuant to Section XII of the Temporary Restraining Order or by any Commercial Mail Receiving Agency after the date of entry of this Order that is addressed to any Defendant, or to any name under which a Defendant has done business, including, but not limited to, L. Lewis & Associates and A. Joseph & Associates, shall be marked "Return to Sender" or similar designation and returned to the sender.

VII.

PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, their agents, servants, and employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, are hereby permanently restrained and enjoined from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, or other identifying information of any person who purchased or paid to participate in a work at home opportunity at any time prior to the date this Order is entered; and

B. Benefiting from or using the name, address, telephone number, credit card number, bank account number, date of birth, email address, or other identifying or financial information of any person who submitted this information to Defendants as a result of, or otherwise related to, the activities alleged in the FTC's Complaint;

Provided, however, that Defendants may disclose identifying information to a law enforcement agency or as required by any law, regulation, or court order.

VIII.

MONITORING COMPLIANCE OF SALES PERSONNEL

IT IS FURTHER ORDERED that Defendant Mark E. Shelton, in connection with any business where (1) Defendant Mark E. Shelton is the majority owner of the business or directly or indirectly manages or controls the business, and (2) the business involves the promotion, offering for sale, or sale of any employment opportunity, income generating product or service, or business venture to consumers, or assisting others engaged in the promotion, offering for sale, or sale of any employment opportunity, income generating product or service, or business venture to consumers, is hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Section II of this Order. These steps shall include adequate monitoring of sales

presentations or other calls with consumers, and shall also include, at a minimum, the following:

(1) listening to the oral representations made by persons engaged in sales or other customer service functions; (2) establishing a procedure for receiving and responding to consumer complaints; and (3) ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

B. Failing promptly to investigate fully any consumer complaint received by any business to which this Section applies; and

C. Failing to take adequate corrective action with respect to any employee or independent contractor whom such Defendant determines is not complying with this Order. This corrective action may include training, disciplining, and/or terminating such employee or independent contractor.

IX.

ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, within five (5) business days of receipt of this Order as entered by the Court, Defendants must submit to the FTC truthful sworn statements in the form shown on **Appendix A** to this Order acknowledging receipt of this Order.

X.

RECORD KEEPING

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, for any business where (1) Defendant Mark E. Shelton is the majority owner of the business or directly or indirectly manages or controls the business, and where (2) the business is engaged in marketing or selling any product or service to consumers, or materially assists others

engaged in these activities, Defendants and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, 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, telephone 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. Complaint and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests; and
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials.

XI.

COMPLIANCE REPORTING BY DEFENDANTS

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,

1. Defendant Mark E. Shelton shall notify the FTC of the following:

a. Any changes in Defendant Mark E. Shelton's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

b. Any changes in Defendant Mark E. Shelton's employment status (including self-employment) within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Defendant Mark E. Shelton is affiliated with, employed by, or performs services for; a statement of the nature of the business; and a statement of Defendant Mark E. Shelton's duties and responsibilities in connection with the business; and

c. Any changes in Defendant Mark E. Shelton's name or use of any aliases or fictitious names;

2. Defendants Supreme Mailing Services, Inc., and Financial Resources Unlimited, Inc., shall notify the FTC of any changes in corporate structure that may affect compliance obligations arising under this Order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about which the Defendant learns less than thirty (30) days prior to the date such action is to take place, Defendant shall notify the FTC as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, Defendants shall each provide a written report to the FTC, sworn to under penalty of perjury under the laws

of the United States, 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. Any changes required to be reported pursuant to Subsection A above; and
2. A copy of each acknowledgment of receipt of this Order obtained by

Defendants pursuant to Section XIII of this Order.

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

Director for Midwest Region
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
Re: *FTC v. Financial Resources Unlimited, Inc., et al.*,
Civil Action No. 03 C 8864

D. For purposes of the compliance reporting required by this Section, the FTC is authorized to communicate directly with Defendants.

XII.

PLAINTIFF'S AUTHORITY TO MONITOR COMPLIANCE

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 FTC, Defendants shall submit additional written reports, sworn to or affirmed under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in Defendants' possession or direct or indirect control to inspect the business operation.

B. In addition, the FTC is authorized to monitor compliance with this Order by all other lawful means, including, but not limited to:

1. Obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45; and

2. Posing as consumers and suppliers to: Defendants, Defendants' employees, or any other entity managed or controlled in whole or in part by Defendants, without the necessity of identification or prior notice;

Provided that nothing in this Order shall limit the FTC'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)).

C. Defendants shall permit representatives of the FTC 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.

XIII.

DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Defendants shall deliver a copy of this Order to the principals, officers, directors, managers, and employees, for any business that Defendant is an owner, general manager or partner, or principal in, who has responsibilities with respect to the subject matter of this Order. Defendants shall secure from each of these persons a signed and dated statement acknowledging

receipt of the Order within 30 days after the date of service of the Order or the commencement of the employment relationship.

XIV.

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 _____ day of _____, 2004.

Honorable Martin C. Ashman
United States Magistrate Judge

SO STIPULATED:

FOR PLAINTIFF:

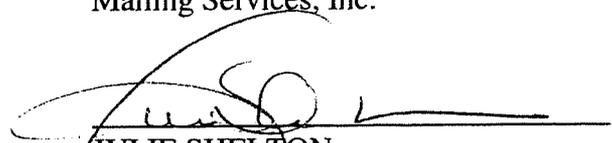


JOHN C. HALLERUD
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
Telephone: (312) 960-5615
Facsimile: (312) 960-5600
Attorney for Plaintiff

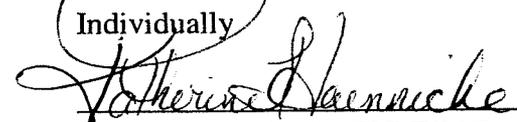
FOR DEFENDANTS:



MARK E. SHELTON
Individually and, as an officer of Financial
Resources Unlimited, Inc., and Supreme
Mailing Services, Inc.



JULIE SHELTON
Individually



KATHERINE L. HAENNICKE
Tressler, Soderstrom, Maloney & Priess
Sears Tower, 22d Floor
233 South Wacker
Chicago, Illinois 60606-6308
Telephone: (312) 627-4131
Facsimile: (312) 627-1717
Counsel for Defendants

APPENDIX A

*to Federal Trade Commission v. Financial Resources Unlimited, Inc., et al.,
Stipulated Permanent Injunction and Final Judgment Order*

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

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| <hr/> | |) | |
| FEDERAL TRADE COMMISSION, | |) | |
| | |) | |
| | Plaintiff, |) | |
| | |) | |
| | v. |) | |
| | |) | Civil Action No. 03 C 8864 |
| FINANCIAL RESOURCES UNLIMITED, INC., | |) | |
| | |) | Judge Joan B. Gottschall |
| SUPREME MAILING SERVICES, INC., | |) | |
| | |) | Magistrate Martin C. Ashman |
| MARK E. SHELTON, individually and as an | |) | |
| officer of the corporate defendants, | |) | |
| | |) | |
| | dba |) | |
| | |) | |
| L. Lewis & Associates, A. Joseph & Associates | |) | |
| | |) | |
| | Defendants. |) | |
| <hr/> | |) | |

[Name of defendant], being duly sworn, hereby states and affirms as follows:

1. My name is _____. My current residence address is _____ I am a citizen of _____ and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant in *Federal Trade Commission v. Financial Resources Unlimited, Inc.*, Civil Action No. 03 C 8864 (United States District Court for the Northern District of Illinois).

3. On _____, I received a copy of the Stipulated Order for Permanent Injunction and Final Judgment, which was signed by the Honorable Martin C. Ashman, United States Magistrate Judge, and entered by the Court on _____. A true and correct copy of the Order I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on _____, at _____.
[date] [city and state/province]

[Full name of Defendant]

State/Province of _____, City of _____

Subscribed and sworn to before me
this __ day of _____, 2004.

Notary Public
My Commission Expires:
