

FILED  
CLERK, U.S. DISTRICT COURT  
MAR 30 2005  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

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14 FEDERAL TRADE COMMISSION

15 UNITED STATES DISTRICT COURT  
16 CENTRAL DISTRICT OF CALIFORNIA  
17 WESTERN DIVISION

18 FEDERAL TRADE COMMISSION,  
Plaintiff,

19 v.

20 A. GLENN BRASWELL,  
21 JOL MANAGEMENT CO.,  
22 G.B. DATA SYSTEMS, INC.,  
23 GERO VITA INTERNATIONAL, INC.,  
24 THERACEUTICALS, INC., HALSEY  
25 HOLDINGS-LLC., HEALTH QUEST  
26 PUBLICATIONS, INC., G.B. DATA  
27 SYSTEMS, INC. (CANADA), RON  
28 TEPPER, RONALD M. LAWRENCE, M.D.,  
PH.D., HANS KUGLER, PH.D., AND  
CHASE REVEL A/K/A MARCUS  
WELBOURNE, JOHN WELLBURN,  
JAMES WELLBURN, MARTIN  
WELLNER, JOHN MEGGENHORN, and  
JOHN BURKE,

Defendants.

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2005 MAR 30 AM 10:41  
FEDERAL TRADE COMMISSION  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES

Hon. Dickran Tevrizian  
CV 03-3700-DT (PJWx)

[Proposed]  
STIPULATED FINAL  
ORDER FOR  
PERMANENT  
INJUNCTION AND  
SETTLEMENT OF  
CLAIMS FOR  
MONETARY RELIEF  
RE: HALSEY  
HOLDINGS LLC.

DOCKETED ON CM  
APR - 1 2005  
BY \_\_\_\_\_ 005

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1 Plaintiff, the Federal Trade Commission ("FTC" or "Commission") filed a  
2 Complaint and Second Corrected First Amended Complaint for permanent  
3 injunction and other relief against A. Glenn Braswell, JOL Management Co., G.B.  
4 Data Systems, Inc., Gero Vita International, Inc., Therapeutics, Inc., Halsey  
5 Holdings LLC, Health Quest Publications, Inc., G.B. Data Systems, Inc. (Canada),  
6 Ron Tepper, Ronald M. Lawrence, M.D., Ph.D., Hans Kugler, Ph.D., and Chase  
7 Revel, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC  
8 Act"), 15 U.S.C. § 53(b). Defendant Halsey Holdings LLC denies the allegations  
9 in the Complaint, except jurisdictional facts, and disputes the legal basis for the  
10 relief requested, but is willing to agree to the entry of the following Stipulated  
11 Final Order for Permanent Injunction and Settlement of Claims for Monetary  
12 Relief ("Order"), without adjudication of any issues of fact or law and without  
13 Defendant admitting liability for any of the matters alleged in the Complaint.

14 The Commission and Defendant have stipulated to the entry of the  
15 following Order in settlement of the Commission's Complaint against Defendant.  
16 The Court, being advised in the premises, finds:

17 **FINDINGS**

- 18 1. This Court has jurisdiction over the subject matter of this case and  
19 jurisdiction over all parties. Venue in the Central District of  
20 California is proper.
- 21 2. The Complaint states a claim upon which relief can be granted. The  
22 Commission has the authority to seek the relief it has requested.
- 23 3. Halsey Holdings LLC ("Halsey Holdings") waives its right to file an  
24 answer.
- 25 4. The activities of Defendant are in or affecting commerce, as defined  
26 in 15 U.S.C. § 44.
- 27 5. The Defendant waives all rights to seek judicial review or otherwise  
28 challenge or contest the validity of this Order. Defendant also waives

1 any claims that it may have held under the Equal Access to Justice  
2 Act, 28 U.S.C. § 2412, concerning the prosecution of this action to  
3 the date of this Order.

- 4 6. Each party shall bear its own costs and attorneys' fees.
- 5 7. Entry of this Order is in the public interest.
- 6 8. This Order resolves all claims that arose prior to the date of entry of  
7 this Order against Halsey Holdings with respect to any allegation that  
8 it violated the Federal Trade Commission Act and the regulations  
9 promulgated thereunder. This Order does not resolve any claims  
10 against A. Glenn Braswell, Chase Revel, or any other Defendant  
11 named in this action.
- 12 9. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of  
13 this Order are binding upon Halsey Holdings, and its officers, agents,  
14 servants, employees and all other persons or entities in active concert  
15 or participation with it, who receive actual notice of this Order by  
16 personal service or otherwise.
- 17 10. This is a final order with respect to Halsey Holdings.
- 18 11. Halsey Holdings' stipulation is for settlement purposes only; it does  
19 not constitute an admission of facts, other than jurisdictional facts, or  
20 violations of law as alleged in the Second Corrected First Amended  
21 Complaint and in fact Halsey Holdings denies same; and it may not  
22 be used against Halsey Holdings in any other proceeding, except in  
23 such proceedings as may be necessary to enforce the provisions of  
24 this Order.
- 25 12. Defendants JOL Management Co., G.B. Data Systems, Inc., Gero  
26 Vita International, Inc., Therapeutics, Inc., Health Quest  
27 Publications, Inc., and G.B. Data Systems, Inc., and Life Quest  
28 Leasing, Inc., Data Response Specialists, Inc., and American Natural

1 Health and Longevity Corporation (together herein the "JOL Settling  
2 Companies") and Plaintiff also have submitted a proposed Stipulated  
3 Final Order for Permanent Injunction and Settlement of Claims for  
4 Monetary Relief for this Court's consideration.

5 13. This Order reflects a negotiated agreement among the parties.

### 6 DEFINITIONS

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

- 8 1. Unless otherwise specified, Defendant shall mean Halsey Holdings  
9 LLC, a corporation, and its successors and assigns.
- 10 2. "Competent and reliable scientific evidence" shall mean tests,  
11 analyses, research, studies, or other evidence based on the expertise  
12 of professionals in the relevant area, that has been conducted and  
13 evaluated in an objective manner by persons qualified to do so, using  
14 procedures generally accepted in the relevant field to yield accurate  
15 and reliable results.
- 16 3. "Food" and "drug" shall mean "food" and "drug" as defined in  
17 Section 15 of the FTC Act, 15 U.S.C. § 55.
- 18 4. "Covered product" shall mean any food, drug, or dietary supplement,  
19 whether sold individually or as part of a program.
- 20 5. "Commerce" shall mean as defined in Section 4 of the Federal Trade  
21 Commission Act, 15 U.S.C. § 44.
- 22 6. "Endorsement" shall mean as defined in 16 C.F.R. § 255.0(b).
- 23 7. "Clear(ly) and prominent(ly)" shall mean as follows:
  - 24 a. In an advertisement communicated through an electronic  
25 medium (such as television, video, radio, and interactive media  
26 including the Internet and online services), the disclosure shall  
27 be presented in either the audio or video portions of the  
28 advertisement, except that the Warning disclosure required by

1 Paragraph V shall be presented simultaneously in both the  
2 audio and video portions of the advertisement. *Provided,*  
3 *however,* that in any advertisement presented solely through  
4 video or audio means, the disclosure may be made through the  
5 same means in which the advertisement is presented. The  
6 audio disclosure shall be delivered in a volume and cadence  
7 sufficient for an ordinary consumer to hear and comprehend it.  
8 The video disclosure shall be of a size and shade, and shall  
9 appear on the screen for a duration, sufficient for an ordinary  
10 consumer to read and comprehend it. In addition to the  
11 foregoing, in interactive media the disclosure shall also be  
12 unavoidable and shall be presented prior to the consumer  
13 incurring any financial obligation.

- 14 b. In a print advertisement, promotional material, or instructional  
15 manual, the disclosure shall be in a type size and location  
16 sufficiently noticeable for an ordinary consumer to read and  
17 comprehend it, in print that contrasts with the background in  
18 which it appears.

19 Nothing contrary to, inconsistent with, or in mitigation of the disclosure  
20 shall be used in any advertisement or on any label.

## 21 **CONDUCT PROHIBITIONS AND REQUIRED DISCLOSURES**

### 22 **Representations Regarding Respiratory Products**

#### 23 **I.**

24 **IT IS HEREBY ORDERED** that Defendant, directly or through any  
25 corporation, partnership, subsidiary, division, trade name, or other device, and its  
26 officers, agents, representatives, employees, and all persons or entities in active  
27 concert or participation with it who receive actual notice of this Order, by personal  
28 service or otherwise, in connection with the manufacturing, labeling, advertising,

EXHIBIT

1 promotion, offering for sale, sale, or distribution of Lung Support Formula, or any  
2 other respiratory product, are hereby permanently restrained and enjoined from  
3 making any representation, in any manner, expressly or by implication, including  
4 through the use of trade names or endorsements, that such product:

- 5 A. Cures or treats lung diseases or respiratory problems, including  
6 allergies, asthma, colds, influenza, bronchitis, sinus problems, chest  
7 congestion, emphysema, smoking damage, or shortness of breath;
- 8 B. Reverses existing lung damage in persons with emphysema or  
9 significantly improves their breathing;
- 10 C. Prevents breathing problems for persons who do not have existing  
11 respiratory problems; or
- 12 D. Is clinically proven to eliminate or cure allergies related to  
13 respiratory problems, asthma, colds, influenza, bronchitis, sinus  
14 problems, chest congestion, emphysema, smoking damage, or  
15 shortness of breath;

16 unless the representation is true, non-misleading, and, at the time it is made,  
17 Defendant possesses and relies upon competent and reliable scientific evidence that  
18 substantiates the representation.

19 **Representations Regarding Diabetes and Blood Sugar Products**

20 **II.**

21 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
22 corporation, partnership, subsidiary, division, trade name, or other device, and its  
23 officers, agents, representatives, employees, and all persons or entities in active  
24 concert or participation with it who receive actual notice of this Order, by personal  
25 service or otherwise, in connection with the manufacturing, labeling, advertising,  
26 promotion, offering for sale, sale, or distribution of AntiBetic Pancreas Tonic or  
27 any other diabetes or blood sugar product, are hereby permanently restrained and  
28 enjoined from making any representation, in any manner, expressly or by

1 implication, including through the use of trade names or endorsements, that such  
2 product:

- 3 A. Can cure Type I or Type II diabetes;
- 4 B. Is an effective or superior alternative to insulin or other diabetes  
5 medications for the treatment of Type I or Type II diabetes;
- 6 C. Lowers blood sugar levels in persons with diabetes or regenerates or  
7 repairs the pancreatic beta cells that produce insulin; or
- 8 D. Is clinically proven to lower blood sugar levels in persons with  
9 diabetes or to regenerate or repair the pancreatic beta cells that  
10 produce insulin;

11 unless the representation is true, non-misleading, and, at the time it is made,  
12 Defendant possesses and relies upon competent and reliable scientific evidence that  
13 substantiates the representation.

#### 14 **Representations Regarding Anti-Aging Products**

#### 15 **III.**

16 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
17 corporation, partnership, subsidiary, division, trade name, or other device, and its  
18 officers, agents, representatives, employees, and all persons or entities in active  
19 concert or participation with it who receive actual notice of this Order, by personal  
20 service or otherwise, in connection with the manufacturing, labeling, advertising,  
21 promotion, offering for sale, sale, or distribution of Gero Vita G.H.3,  
22 Therapeutics GH3 Romanian Youth Formula, or any other anti-aging product, are  
23 hereby permanently restrained and enjoined from making any representation in any  
24 manner, expressly or by implication, including through the use of trade names or  
25 endorsements, that such product:

- 26 A. Prevents or reverses age-related memory loss, dementia, or  
27 Alzheimer's disease;
- 28 B. Enables persons to live longer; or

1 C. Is clinically proven to prevent or reverse age-related memory loss,  
2 dementia, or Alzheimer's disease;  
3 unless the representation is true, non-misleading, and, at the time it is made,  
4 Defendant possesses and relies upon competent and reliable scientific evidence that  
5 substantiates the representation.

6 **Representations Regarding Weight Loss Products**

7 **IV.**

8 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
9 corporation, partnership, subsidiary, division, trade name, or other device, and its  
10 officers, agents, representatives, employees, and all persons or entities in active  
11 concert or participation with it who receive actual notice of this Order, by personal  
12 service or otherwise, in connection with the manufacturing, labeling, advertising,  
13 promotion, offering for sale, sale, or distribution of ChitoPlex or any other weight  
14 loss product, are hereby permanently restrained and enjoined from making any  
15 representation, in any manner, expressly or by implication, including through the  
16 use of trade names or endorsements, that any such product:

- 17 A. Enables consumers to lose weight, maintain weight, or prevent weight  
18 gain;  
19 B. Enables consumers to reverse obesity; or  
20 C. Is proven to cause weight loss;

21 unless the representation is true, non-misleading, and, at the time it is made,  
22 Defendant possesses and relies upon competent and reliable scientific evidence that  
23 substantiates the representation.

24 **Representations Regarding Sexual Enhancement Products**

25 **V.**

26 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
27 corporation, partnership, subsidiary, division, trade name, or other device, and its  
28 officers, agents, representatives, employees, and all persons or entities in active



1 concert or participation with it who receive actual notice of this Order, by personal  
2 service or otherwise, in connection with the manufacturing, labeling, advertising,  
3 promotion, offering for sale, sale, or distribution of Testex, or any other sexual  
4 enhancement product, are hereby permanently restrained and enjoined from making  
5 any representation, in any manner, expressly or by implication, including through  
6 the use of trade names or endorsements, that such product:

7       A.    Is effective in treating impotence or erectile dysfunction; or

8       B.    Has no harmful side effects;

9 unless the representation is true, non-misleading, and, at the time it is made,  
10 Defendant possesses and relies upon competent and reliable scientific evidence that  
11 substantiates the representation.

12       *Provided further that* in any advertisement, promotional material or product  
13 label for any male sexual enhancement product containing yohimbine, yohimbe  
14 bark, or yohimbe bark extract, that contains any representation about the efficacy,  
15 benefits, performance, safety or side effects of such product, Defendant, its  
16 officers, agents, representatives, employees, and all persons or entities in active  
17 concert or participation with it who receive actual notice of this Order, by personal  
18 service or otherwise, shall make clearly and prominently, and in close proximity to  
19 such representation, the following disclosure:

20  
21               **WARNING:** This product can raise blood pressure and  
22               interfere with other drugs you may be taking. Talk to your  
23               doctor before taking this product.

24  
25 On a product label, the disclosure shall be in a type size and location sufficiently  
26 noticeable for an ordinary consumer to read and comprehend it and in print that  
27 contrasts with the background against which it appears. *Provided*, if a disclosure  
28 on a bottle label or package label is made in a location other than the principal

1 display panel, the bottle label or package label shall: (i) include the statement “See  
2 **important warning on [insert disclosure location]**” in a type size and location on  
3 the principal display panel sufficiently noticeable for an ordinary consumer to read  
4 and comprehend it and in print that contrasts with the background against which it  
5 appears; and (ii) place the disclosure on the bottle label and, if applicable, the  
6 package label, within a border that is a color or shade that contrasts with the  
7 background against which it appears. *Provided further*, that, in a multi-page insert,  
8 the disclosure shall appear on the cover page or first page. Nothing contrary to,  
9 inconsistent with, or in mitigation of the disclosure shall be used in any  
10 advertisement or on any label.

### 11 **Representations Regarding Covered Products**

#### 12 **VI.**

13 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
14 corporation, partnership, subsidiary, division, trade name, or other device, and its  
15 officers, agents, servants, employees, and all persons or entities in active concert or  
16 participation with it who receive actual notice of this Order, by personal service or  
17 otherwise, in connection with the manufacturing, labeling, advertising, promotion,  
18 offering for sale, sale, or distribution of any covered product are hereby  
19 permanently restrained and enjoined from misrepresenting, in any manner,  
20 expressly or by implication, that the formula for any product has been tested by  
21 scientists, researchers, or other medical professionals and found to be effective.

#### 22 **VII.**

23 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
24 corporation, partnership, subsidiary, division, trade name, or other device, and its  
25 officers, agents, servants, employees and all persons or entities in active concert or  
26 participation with it who receive actual notice of this Order, by personal service or  
27 otherwise, in connection with the manufacturing, labeling, advertising, promotion,  
28 offering for sale, sale, or distribution of any covered product are hereby

1 permanently restrained and enjoined from making any representation, in any  
2 manner, expressly or by implication, including through the use of trade names or  
3 endorsements, that such product is effective in the cure, treatment, mitigation, or  
4 prevention of any disease unless the claim is true, non-misleading, and, at the time  
5 it is made, Defendant possesses and relies upon competent and reliable scientific  
6 evidence that substantiates the representation.

7 **Representations Regarding Tests or Studies**

8 **VIII.**

9 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
10 corporation, partnership, subsidiary, division, trade name, or other device, and its  
11 officers, agents, servants, employees and all persons or entities in active concert or  
12 participation with it who receive actual notice of this Order, by personal service or  
13 otherwise, in connection with the manufacturing, labeling, advertising, promotion,  
14 offering for sale, sale, or distribution of any covered product, are hereby  
15 permanently restrained and enjoined from misrepresenting, in any manner,  
16 expressly or by implication, the existence, contents, validity, results, conclusions,  
17 or interpretations of any test or study.

18 **Advertising Formats**

19 **IX.**

20 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
21 corporation, partnership, subsidiary, division, trade name, or other device, and its  
22 officers, agents, servants, employees and all persons or entities in active concert or  
23 participation with it who receive actual notice of this Order, by personal service or  
24 otherwise, in connection with the manufacturing, labeling, advertising, promotion,  
25 offering for sale, sale, or distribution of any covered product, are hereby  
26 permanently restrained and enjoined from misrepresenting, in any manner,  
27 expressly or by implication, that:

28 A. The product has been independently reviewed or evaluated; or

1 B. Any advertisement for the product is not a paid advertisement.

2 **Use of Endorsements**

3 **X.**

4 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
5 corporation, partnership, subsidiary, division, trade name, or other device, and its  
6 officers, agents, servants, employees and all persons or entities in active concert or  
7 participation with it who receive actual notice of this Order, by personal service or  
8 otherwise, in connection with the manufacturing, labeling, advertising, promotion,  
9 offering for sale, sale, or distribution of any covered product, are hereby  
10 permanently restrained and enjoined from representing, in any manner, expressly or  
11 by implication, that such product has been endorsed by any person, organization or  
12 group that is an expert with respect to the endorsement message unless:

13 A. The endorser is an existing person, organization, or group whose  
14 qualifications give it the expertise that the endorser is represented as  
15 having with respect to the endorsement;

16 B. The endorsement is substantiated by an objective and valid evaluation  
17 or test using procedures generally accepted by experts in the relevant  
18 science or profession to yield accurate and reliable results; and

19 C. The endorser has a reasonable basis for the endorsement.

20 For purposes of a criminal contempt proceeding, it shall be a defense hereunder  
21 that Defendant neither knew nor had reason to know of the inadequacy of the  
22 substantiation claimed by the endorser for the representation.

23 **XI.**

24 **IT IS FURTHER ORDERED** that Defendant, directly or through any  
25 corporation, partnership, subsidiary, division, trade name, or other device, and its  
26 officers, agents, servants, employees and all persons or entities in active concert or  
27 participation with it who receive actual notice of this Order, by personal service or  
28 otherwise, in connection with the manufacturing, labeling, advertising, promotion,

SCANNED

1 offering for sale, sale, or distribution of any covered product, are hereby  
2 permanently restrained and enjoined from:

- 3 A. Misrepresenting that any endorser of the product is not affiliated with  
4 or is independent from the seller of the product; and
- 5 B. Failing to disclose, clearly and prominently, any material connection,  
6 where one exists, between the seller of the product and any endorser of  
7 the product. For purposes of this Paragraph, a "material connection"  
8 shall mean any relationship that may materially affect the weight or  
9 credibility of the endorsement, including, but not limited to: where the  
10 endorser has any direct or indirect ownership interest in any defendant  
11 corporation or its subsidiaries or affiliates, or receives a royalty or  
12 percentage of sales of the endorsed product; or the endorser is an  
13 employee, agent, representative, officer, director, or shareholder of any  
14 defendant corporation or its subsidiaries or affiliates.

15 **FDA-APPROVED CLAIMS**

16 **XII.**

17 **IT IS FURTHER ORDERED** that:

- 18 A. Nothing in this Order shall prohibit Defendant from making any  
19 representation for any drug that is permitted in labeling for such drug  
20 under any tentative final or final standard promulgated by the Food  
21 and Drug Administration, or under any new drug application approved  
22 by the Food and Drug Administration; and
- 23 B. Nothing in this Order shall prohibit Defendant from making any  
24 representation for any product that is specifically permitted in labeling  
25 for such product by regulations promulgated under the laws of the  
26 United States of America.

27  
28

1 **MONETARY JUDGMENT AND CONSUMER REDRESS**

2 **Judgment**

3 **XIII.**

4 **IT IS FURTHER ORDERED** that

5 A. Judgment is hereby entered against Defendant Halsey Holdings, in the  
6 amount of Thirty Million Dollars (\$30,000,000); *provided, however,*  
7 *that* all of this amount except those amounts set forth hereafter shall be  
8 suspended.

9 B. Defendant Halsey Holdings, jointly and severally with the JOL  
10 Settling Companies, shall pay to the Commission the sum of Five  
11 Hundred and Forty Thousand Dollars (\$540,000), which shall be paid  
12 as follows:

- 13 1. Twenty Thousand Dollars (\$20,000) within three (3) days after  
14 entry of this Order and on the first of each month for five (5)  
15 months thereafter;
- 16 2. Thirty Thousand Dollars (\$30,000) on the first of each month  
17 beginning six (6) months after entry of this Order and on the  
18 first of each month for five (5) months thereafter; and
- 19 3. Forty Thousand Dollars (\$40,000) on the first of each month  
20 beginning twelve (12) months after entry of this Order and on  
21 the first of each month for five (5) months thereafter.

22 *Provided, however,* payment of the amounts set forth in this  
23 Subparagraph is suspended provided that the JOL Settling Companies  
24 fulfill the payment obligations set forth herein. Halsey Holdings shall  
25 not be required to make any payments under this Subparagraph XIII.B  
26 that have been made by the Settling Companies.

27 C. Halsey Holdings shall pay all amounts due under this Final Judgment  
28 in cash by electronic funds transfer to the Commission, or to such

1 agent as the Commission may direct, pursuant to instructions provided  
2 by the Commission.

3 D. All funds paid pursuant to this Final Judgment shall be deposited into  
4 an account administered by the Commission or its agent to be used for  
5 equitable relief, including but not limited to consumer redress and any  
6 attendant expenses for the administration of any redress fund. In the  
7 event that direct redress to consumers is wholly or partially  
8 impracticable or funds remain after redress is completed, the  
9 Commission may apply any remaining funds for such other equitable  
10 relief (including consumer information remedies) as it determines to  
11 be reasonably related to Halsey Holdings' practices alleged in the  
12 Complaint. Any funds not used for such equitable relief shall be  
13 deposited in the United States Treasury as disgorgement. Halsey  
14 Holdings shall have no right to challenge the Commission's choice of  
15 remedies under this Paragraph or the manner of distribution chosen by  
16 the Commission.

17 E. All money paid pursuant to this Final Judgment is irrevocably paid to  
18 the Commission for purposes of settlement between the Commission  
19 and Halsey Holdings, and Halsey Holdings relinquishes all right, title,  
20 and interest to assets held by the Commission in connection with this  
21 case.

22 F. No portion of the payment as herein provided shall be deemed  
23 payment of any fine, penalty, forfeiture, or punitive assessment.

24 G. In the event of any default by Halsey Holdings of any obligation  
25 imposed under this Paragraph, including but not limited to the failure  
26 to fulfill the payment obligations on Halsey Holdings and the JOL  
27 Settling Companies set forth in Subparagraph B:

28 1. The suspension of the judgment amount set forth in

1 Subparagraph A shall be vacated as to Halsey Holdings, and the  
2 full amount of that joint and several judgment shall immediately  
3 become due, plus interest from the date of entry of this Final  
4 Judgment pursuant to 28 U.S.C. § 1961, less any payments  
5 already made; *provided, however, that* in the event of default,  
6 the suspension of the judgment amount set forth in  
7 Subparagraph A shall not be vacated if Halsey Holdings cures  
8 such default within seven (7) calendar days after delivery of  
9 notice of default addressed to Halsey Holdings LLC, Belmont  
10 Chambers, P.O. Box 3443, Roadtown, Tortola, British Virgin  
11 Islands, with a copy to Halsey Holdings's counsel of record  
12 herein, or such substitute counsel as Halsey Holdings may  
13 advise Plaintiff.; and

14 2. The Commission shall be entitled to immediately exercise any  
15 and all rights and remedies against Halsey Holdings and its  
16 property to collect the full amount of the judgment amount set  
17 forth in Subparagraph A and interest thereon, less any payments  
18 already made.

19 H. Halsey Holdings agrees that, subject to its right to cure as provided for  
20 in Subparagraph G(1), if it fails to timely and completely fulfill the  
21 payment and other obligations set forth in this Final Judgment, the  
22 facts as alleged in the Complaint filed in this matter shall be taken as  
23 true, without further proof, in any subsequent litigation filed by the  
24 Commission to enforce its rights pursuant to this Final Judgment,  
25 including but not limited to, a nondischargeability complaint in any  
26 bankruptcy case.

27 I. Halsey Holdings is hereby required, in accordance with 31 U.S.C.  
28 § 7701, to furnish to the Commission its taxpayer identifying numbers



1 (employer identification number), which shall be used for purposes of  
2 collecting and reporting on any delinquent amount arising out of  
3 Halsey Holdings' relationship with the government.

4 **Right to Reopen**

5 **XIV.**

6 **IT IS FURTHER ORDERED** that:

- 7 A. The Commission's agreement to this Order is expressly premised upon  
8 Halsey Holdings' warranty and representation that its sole assets  
9 consist of the ownership of the Settling Companies and the mortgage  
10 and promissory note dated the 13th day of August 2002 encumbering  
11 property located at 3551 Main Highway, Coconut Grove, Miami-Dade  
12 County, Florida. This warranty and representation is material  
13 information upon which the Commission relied in negotiating and  
14 agreeing to the terms of this Order.
- 15 B. If, upon motion by the Commission, the Court finds that Halsey  
16 Holdings' warranty and representation as stated in Subparagraph A  
17 contains any material misrepresentation or omission, the suspended  
18 judgment entered pursuant to Paragraph XIII. A of this Final Judgment  
19 shall become immediately due and payable by Halsey Holdings, and  
20 interest computed at the rate prescribed under 28 U.S.C. § 1961, as  
21 amended, shall immediately begin to accrue on the unpaid balance;  
22 *provided, however, that* in all other respects this Final Judgment shall  
23 remain in full force and effect unless otherwise ordered by the Court;  
24 and, *provided further, that* proceedings instituted under this provision  
25 would be in addition to, and not in lieu of, any other civil or criminal  
26 remedies as may be provided by law, including but not limited to  
27 contempt proceedings, or any other proceedings that the Commission  
28 or the United States may initiate to enforce this Final Judgment. For

1 purposes of this Paragraph, and any subsequent proceedings to enforce  
2 payment, including but not limited to a non-dischargeability complaint  
3 filed in a bankruptcy proceeding, Defendant agree not to contest any  
4 of the allegations in the Commission's Complaint.

5 **XV.**

6 **IT IS FURTHER ORDERED** that:

7 A. The Commission's agreement to this Order is expressly premised upon  
8 Halsey Holdings' representations and warranties as follows: 1) Halsey  
9 Holdings has no existing business relationship between it and A.

10 Glenn Braswell or any entity that A. Glenn Braswell owns or controls,  
11 directly or indirectly; and 2) neither A. Glenn Braswell nor any entity  
12 that A. Glenn Braswell owns or controls, directly or indirectly, has any  
13 ownership interest Halsey Holdings. These representations and  
14 warranties are based on information currently available to Halsey  
15 Holdings and its officers and directors.

16 B. If, upon motion by the Commission, the Court finds that:

- 17 1. Halsey Holdings has any direct or indirect ownership interest in,  
18 or control of, any JOL Settling Company, **and**
- 19 2. During the time Halsey Holdings has such ownership interest or  
20 control, Defendant A. Glenn Braswell, or any entity owned or  
21 controlled by A. Glenn Braswell, directly or indirectly:
  - 22 a. has acquired any ownership interest in or control of  
23 Halsey Holdings; or
  - 24 b. has acquired any ownership interest in any JOL Settling  
25 Company, or in their successors, assigns, subsidiaries,  
26 divisions, or affiliates that are owned or controlled by any  
27 JOL Settling Company, in any manner, directly or  
28 indirectly, including, but not limited to, through any

1 person, entity, corporation, partnership, subsidiary,  
2 division, trade name, or other device; or

3 c. has direct or indirect control over any JOL Settling  
4 Company, or their successors, assigns, subsidiaries,  
5 divisions, or affiliates that are owned or controlled by any  
6 JOL Settling Company, in any manner, directly or  
7 indirectly, including, but not limited to, through any  
8 person, entity, corporation, partnership, subsidiary,  
9 division, trade name, or other device; or

10 d. is an officer, director, employee, consultant, contractor,  
11 vendor, or supplier to or for any JOL Settling Company,  
12 or their successors, assigns, subsidiaries, divisions, or  
13 affiliates that are owned or controlled by any JOL Settling  
14 Company, in any manner, directly or indirectly, including,  
15 but not limited to, through any person, entity, corporation,  
16 partnership, subsidiary, division, trade name, or other  
17 device; or

18 e. receives any compensation, in any form, including but not  
19 limited to, any payment for the use of intellectual  
20 property or any other service, salary, royalty, dividend, or  
21 commission, from Halsey Holdings or any JOL Settling  
22 Company, or from their successors, assigns, subsidiaries,  
23 divisions, or affiliates that are owned or controlled by  
24 Halsey Holdings or any JOL Settling Company, in any  
25 manner, directly or indirectly, including, but not limited  
26 to, through any person, entity, corporation, partnership,  
27 subsidiary, division, trade name, or other device, *provided*  
28 *however*, nothing in this Subparagraph XV.B.2(e) shall

1 preclude legally obligated annuity payments by Boston  
2 Life and Annuity Company Ltd., a British Virgin Islands  
3 corporation, pursuant to private annuity dated September  
4 6, 2002 in favor of the AGB Ocean 1999 Trust, Cititrust  
5 International as Trustee;

6 then the suspended judgment entered pursuant to Paragraph XIII.A of  
7 this Final Judgment shall become immediately due and payable by  
8 Defendant Halsey Holdings, and interest computed at the rate  
9 prescribed under 28 U.S.C. § 1961, as amended, shall immediately  
10 begin to accrue on the unpaid balance; *provided, however*, that in all  
11 other respects this Final Judgment shall remain in full force and effect  
12 unless otherwise ordered by the Court.

13 C. Subject to Subparagraph B, above, nothing in this Order shall be  
14 deemed or construed to prohibit Halsey Holdings from complying with  
15 any legal obligation existing prior to January 27, 2005.

16 D. In any subsequent proceedings to enforce payment pursuant to this  
17 paragraph, including but not limited to a non-dischargeability  
18 complaint filed in a bankruptcy proceeding, Halsey Holdings agrees  
19 not to contest any of the allegations in the Commission's Complaint.

## 20 COOPERATION WITH COMMISSION

### 21 XVI.

22 **IT IS FURTHER ORDERED** that Defendant must reasonably and in good  
23 faith cooperate with the Commission in connection with this action or any  
24 subsequent investigations related to or associated with the transactions or  
25 occurrences that are the subject of the Commission's Complaint. Halsey Holdings  
26 shall use its best efforts to identify, make available, and secure the testimony and  
27 assistance of current and former officers, directors, agents, or employees as part of  
28 the aforesaid cooperation. Halsey Holdings acknowledges, understands, and agrees

1 that such cooperation shall include, but not be limited to, the following:

- 2 A. Appearing for interviews as may reasonably be requested by the  
3 Commission;
- 4 B. Responding to all reasonable inquiries of the Commission;
- 5 C. Providing all documents, records, and other tangible evidence  
6 reasonably requested by the Commission;
- 7 D. Providing truthful declarations, affidavits, certifications, and written  
8 testimony that may be reasonably requested by the Commission; and
- 9 E. Appearing and providing oral testimony at any trial, deposition, or  
10 other proceeding. Halsey Holdings agrees to accept service by  
11 overnight delivery of any subpoena to appear and provide testimony.

12 The foregoing cooperation shall be upon reasonable written notice by the  
13 Commission. Halsey Holdings' failure to cooperate as required herein constitutes a  
14 material breach of the settlement between the parties and a violation of this Order.  
15 If, upon motion by the Commission after written notice and a five (5) calendar day  
16 opportunity to cure, the Court finds that Halsey Holdings has failed to cooperate  
17 reasonably and in good faith with the Commission as provided for in this  
18 Paragraph, Three Million Dollars (\$3,000,000) of the suspended judgment entered  
19 pursuant to Paragraph XIII.A. of this Final Judgment shall become immediately  
20 due and payable by Halsey Holdings, and interest computed at the rate prescribed  
21 under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the  
22 unpaid balance; *provided, however, that* in all other respects this Final Judgment  
23 shall remain in full force and effect unless otherwise ordered by the Court; and  
24 *provided further, that* proceedings instituted under this provision would be in  
25 addition to, and not in lieu of, any other civil or criminal remedies as may be  
26 provided by law, including but not limited to contempt proceedings, or any other  
27 proceedings that the Commission or the United States may initiate to enforce this  
28 Final Judgment. In any subsequent proceedings to enforce payment pursuant to

1 this Paragraph, including but not limited to a non-dischargeability complaint filed  
2 in a bankruptcy proceeding, Halsey Holdings agrees not to contest any of the  
3 allegations in the Commission's Complaint.

4 **COMPLIANCE REQUIREMENTS**

5 **Employees' Compliance with Order**

6 **XVII.**

7 **IT IS FURTHER ORDERED** that Halsey Holdings, directly or through any  
8 corporation, partnership, subsidiary, division, trade name, or other device, shall:

9 A. Take reasonable steps sufficient to monitor and ensure that all  
10 employees and agents engaged in sales, marketing, advertising,  
11 promotion, or other customer service or policy functions comply with  
12 Paragraphs I through XI of this Order. Such steps shall include  
13 adequate monitoring of all advertisements, promotions, sales  
14 presentations, and other oral and written communication with  
15 consumers regarding such products. Halsey Holdings, at a minimum,  
16 shall:

- 17 1. Conduct periodic monitoring of representations concerning any  
18 product made by persons engaged in sales or other customer  
19 service functions, including any representations made orally or  
20 through electronic communications;
- 21 2. Conduct periodic monitoring of representations made in  
22 advertising for the product;
- 23 3. Maintain a procedure for receiving, maintaining, and  
24 responding to consumer complaints; and
- 25 4. Maintain a procedure for taking action against any employee or  
26 agent who engages in any conduct prohibited by Paragraphs I  
27 through XI of this Order, including, but not limited to, warning  
28 each such employee or agent upon the first instance of non-

1 compliance and termination, as specified below in  
2 Subparagraph B of this Paragraph.

- 3 B. Terminate the employment of any employee or agent who engages in  
4 any conduct prohibited by Paragraphs I through XI of this Order once  
5 Halsey Holdings know or should know that such person is or has been  
6 engaged in such conduct after having been warned of a previous  
7 instance of non-compliance.

8 **Compliance Reporting**

9 **XVIII.**

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

- 12 A. For a period of five (5) years from the date of entry of this Order,  
13 Halsey Holdings shall notify the Commission of any proposed change  
14 in its corporate structure that may affect compliance obligations  
15 arising under this Order, including but not limited to a dissolution,  
16 assignment, sale, merger, or other action that would result in the  
17 emergence of a successor corporation; the creation or dissolution of a  
18 subsidiary, parent, or affiliate that engages in any acts or practices  
19 subject to this Order; the filing of a bankruptcy petition; or a change in  
20 the corporate name or address, at least thirty (30) days prior to such  
21 change, *provided that*, with respect to any proposed change in the  
22 corporation about which Halsey Holdings learns less than thirty (30)  
23 days prior to the date such action is to take place, the Defendant shall  
24 notify the Commission as soon as is practicable after obtaining such  
25 knowledge.
- 26 B. Sixty (60) days after the date of entry of this Order, Halsey Holdings  
27 shall provide a written report to the Commission, sworn to under  
28 penalty of perjury, setting forth in detail the manner and form in which

1 they have complied and are complying with this Order. This report  
2 shall include, but not be limited to:

- 3 1. The then-current business addresses, mailing addresses,  
4 telephone numbers, a description of its business activities, and  
5 identification of all products that Defendant advertises or sells;
- 6 2. A copy of each acknowledgment of receipt of this Order  
7 obtained by Halsey Holdings pursuant to Paragraph XXI;
- 8 3. A statement describing the manner in which Defendant has  
9 complied and is complying with each provision of this Order;  
10 and
- 11 4. Any changes required to be reported pursuant to Subparagraph  
12 A above.

13 C. For purposes of this Order, Halsey Holdings shall, unless otherwise  
14 directed by the Commission's authorized representatives, mail all  
15 written notifications to the Commission to:

16 Associate Director for Advertising Practices  
17 Federal Trade Commission  
18 600 Pennsylvania Avenue, N.W.,  
19 Washington, D.C. 20580

20 Re: **FTC v. Braswell et al.**, No. CV 03-3700-DT (PJWx)

21 D. For purposes of the compliance reporting required by this Paragraph,  
22 the Commission is authorized to communicate in writing directly with  
23 Halsey Holdings, with a copy to Halsey Holdings' counsel of record  
24 herein, or such substitute counsel as Halsey Holdings may advise  
25 Plaintiff. Halsey Holdings shall be given the opportunity to have  
26 counsel present for any oral communications.  
27  
28



1 **Compliance Monitoring**

2 **XIX.**

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

- 5 A. Within ten (10) days, or such longer period as may be reasonable but  
6 not to exceed thirty (30) days, of receipt of written notice from a  
7 representative of the Commission, Halsey Holdings shall submit  
8 additional written reports, sworn to under penalty of perjury; produce  
9 documents for inspection and copying; appear for deposition; and/or  
10 provide entry during normal business hours to any business location in  
11 its possession or direct or indirect control to inspect the business  
12 operation;
- 13 B. In addition, the Commission is authorized to monitor compliance with  
14 this Order by all other lawful means, including but not limited to the  
15 following:
- 16 1. obtaining discovery from any person, without further leave of  
17 court, using the procedures prescribed by Fed. R. Civ. P. 30, 31,  
18 33, 34, 36, and 45;
  - 19 2. posing as consumers or suppliers to Halsey Holdings, its  
20 employees, or any other entity managed or controlled in whole  
21 or in part by Halsey Holdings without the necessity of  
22 identification or prior notice; and
- 23 C. Halsey Holdings shall permit representatives of the Commission to  
24 interview any employer, consultant, independent contractor,  
25 representative, agent, or employee who has agreed to such an  
26 interview, relating in any way to any conduct subject to this Order.  
27 The person interviewed may have counsel present.

28 *Provided, however,* that nothing in this Order shall limit the Commission's

SCANNED

1 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act,  
2 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things,  
3 testimony, or information relevant to unfair or deceptive acts or practices in or  
4 affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

5 **RECORD KEEPING PROVISIONS**

6 **XX.**

7 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the  
8 date of entry of this Order, Halsey Holdings and its agents, employees, officers,  
9 corporations, successors, and assigns, and those persons in active concert or  
10 participation with it who receive actual notice of this Order by personal service or  
11 otherwise, are hereby restrained and enjoined from failing to continue to create and  
12 retain the following records:

- 13 A. Accounting records that reflect the cost of any goods or services sold,  
14 revenues generated, and disbursement of such revenues;
- 15 B. Personnel records accurately reflecting: the name, address, and  
16 telephone number of each person employed in any capacity by such  
17 business, including as an independent contractor; that person's job  
18 title or position; the date upon which the person commenced work;  
19 and the date and reason for the person's termination, if applicable;
- 20 C. Customer files containing the names, addresses, telephone numbers,  
21 dollar amounts paid, quantity of items or services purchased, and  
22 description of items or services purchased, to the extent such  
23 information is obtained in the ordinary course of business;
- 24 D. Complaints and refund requests (whether received directly, indirectly,  
25 or though any third party) and all records showing any responses to  
26 those complaints or requests;
- 27 E. Copies of all advertisements, promotional materials, sales scripts,  
28 training materials, or other marketing materials utilized in the

1 advertising, marketing, promotion, offering for sale, distribution or  
2 sale of any covered product;

3 F. All materials that were relied upon in making any representations  
4 contained in the materials identified in Subparagraph E above,  
5 including all documents evidencing or referring to the accuracy of any  
6 claim therein or to the efficacy of any covered product, including, but  
7 not limited to, all tests, reports, studies, demonstrations, as well as all  
8 evidence in Halsey Holdings' possession that confirms, contradicts,  
9 qualifies, or calls into question the accuracy of such claims regarding  
10 the efficacy of such covered product;

11 G. Records accurately reflecting the name, address, and telephone  
12 number of each manufacturer or laboratory engaged in the  
13 development or creation of any testing obtained for the purpose of  
14 advertising, marketing, promoting, offering for sale, distributing, or  
15 selling any product; and

16 H. All records and documents necessary to demonstrate full compliance  
17 with each provision of this Order, including but not limited to, copies  
18 of acknowledgements of receipt of this Order and all reports submitted  
19 to the FTC pursuant to this Order.

## 20 DISTRIBUTION OF ORDER

### 21 XXI.

22 **IT IS FURTHER ORDERED** that, Halsey Holdings, for a period of five (5)  
23 years from the date of entry of this Order, shall deliver this Order to each of its  
24 principals, officers, directors, and managers. In the case of current principals,  
25 officers, directors, and managers, the Order shall be delivered within five (5) days  
26 of service of this Order upon Halsey Holdings. For new principals, officers,  
27 directors, and managers, delivery shall occur prior to their assuming their position  
28 or responsibilities. Halsey Holdings must secure a signed and dated statement  
acknowledging receipt of the Order, within thirty (30) days of delivery, from all

1 persons receiving a copy of the Order pursuant to this Paragraph.

2 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

3 **XXII.**

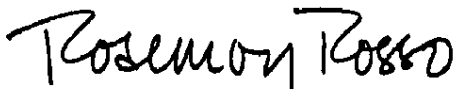
4 **IT IS FURTHER ORDERED** that Defendant, within five (5) business days  
5 of receipt of this Order as entered by the Court, must execute and submit to the  
6 Commission a sworn statement acknowledging receipt of this Order.


7 **COURT'S RETENTION OF JURISDICTION**

8 **XXIII:**


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

11  
12  
13 **SO STIPULATED:**

14   
15 \_\_\_\_\_  
16 DAVID P. FRANKEL  
17 ROSEMARY ROSSO  
18 MAMIE KRESSES  
19 THEODORE H. HOPPOCK  
20 CHRISTINE J. LEE  
21 DAVID K. KOEHLER  
22 ALYSA BERNSTEIN

\_\_\_\_\_   
HALSEY HOLDINGS LLC  
By: Rick May, Sole Manager and Director of  
Halsey Holdings LLC, a British Virgin  
Islands Company

23 Federal Trade Commission  
24 Pennsylvania Avenue, N.W.  
25 Rm. NJ-3212  
26 Washington, D.C. 20580  
27 Tel: (202) 326-2812, 2174, 2070,  
28 3087, 2095, 3627, 3289  
Fax: (202) 326-3259

\_\_\_\_\_   
RICHARD C. WOLFE  
Wolfe & Goldstein, P.A.  
550 Brickell Avenue  
Miami, FL 33131  
Tel: 305-381-7115  
Attorney for Halsey Holdings LLC

Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

**IT IS SO ORDERED**  
Dated MAR 30 2005  
**DICKRAN TEVRIZIAN**  
United States District Judge

1 **SO ORDERED**

2

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4 DATED: \_\_\_\_\_

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Hon. Dickran Tevrizian  
UNITED STATES DISTRICT JUDGE

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Wellburn, James Welburn, Martin  
Wellner, John Meggenhorn, and  
John Burke

  
\_\_\_\_\_  
David K. Koehler