

1 WILLIAM BLUMENTHAL  
General Counsel

2 JANICE L. CHARTER  
3 JEROME M. STEINER, JR.  
Federal Trade Commission  
4 901 Market Street, Suite 570  
San Francisco, CA 94103  
5 Phone (415) 848-5100/ Fax (415) 848-5184

6 BLAINE T. WELSH  
Assistant United States Attorney  
7 Bar No. 4790  
333 Las Vegas Blvd, South, Suite 5000  
8 Las Vegas, NV 89101  
Phone (702) 388-6336/ Fax (702) 388-6787

9 Attorneys for Plaintiff Federal Trade Commission

10  
11 UNITED STATES DISTRICT COURT  
12 DISTRICT OF NEVADA

14 FEDERAL TRADE COMMISSION,  
15 Plaintiff,

16 v.

17 NATIONAL AUDIT DEFENSE NETWORK,  
INC., et al.  
18 Defendants.  
19  
20

CV-S-02-0131-LDG (PAL)

STIPULATED FINAL JUDGMENT FOR  
PERMANENT INJUNCTION AND OTHER  
EQUITABLE RELIEF

21 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed its complaint for  
22 permanent injunction and other relief pursuant to Sections 13(b) and 19 of the Federal Trade  
23 Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Truth In Lending Act ("TILA"),  
24 15 U.S.C. §§ 1601 *et seq.*, charging defendant National Audit Defense Network, Inc. ("NADN"),  
25 with violating Section 5 of the FTC Act, 15 U.S.C. § 45, Section 166 of the TILA, 15 U.S.C.  
26 § 1666(e), and Section 226.12(e) of Regulation Z, 12 C.F.R. § 226.12(e).

27 Plaintiff FTC and Defendant NADN, by and through its Chapter 7 bankruptcy trustee  
28 William A. Leonard, Jr. ("the Chapter 7 Trustee"), have agreed to the entry of this Stipulated Final

1 Judgment and Order for Permanent Injunction ("Order") by this Court to resolve all matters of  
2 dispute between them in this action.

3 **NOW, THEREFORE**, Plaintiff Federal Trade Commission and Defendant National Audit  
4 Defense Network, Inc., by and through the Chapter 7 Trustee, having requested the Court to enter  
5 this Order,

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

7 **FINDINGS**

- 8 1. This Court has jurisdiction over the subject matter and the parties.
- 9 2. Venue is proper as to all parties in the District of Nevada.
- 10 3. The activities of Defendants are in or affecting commerce, as defined in the FTC Act,  
11 15 U.S.C. § 44.
- 12 4. The Complaint states a claim upon which relief may be granted against Defendant  
13 NADN under §§ 5(a)(1), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a)(1), 53(b), and 57b; and  
14 under the TILA, 15 U.S.C. §§ 1601 *et seq.*
- 15 5. On June 11, 2003, Defendant National Audit Defense Network, Inc. filed a voluntary  
16 petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, in the United  
17 States Bankruptcy Court for the District of Nevada, Case No. BK-S-03-17306-BAM. On May 27,  
18 2004, the debtor's case was converted to one under Chapter 7. William A. Leonard, Jr., was  
19 appointed the Chapter 7 trustee for Defendant National Audit Defense Network, Inc. The  
20 Commission's action against Defendant NADN, including the enforcement of a judgment other than  
21 a money judgment obtained in this action, is not stayed by 11 U.S.C. § 362(a)(1), (2), (3) or (6)  
22 because it is an exercise of the Commission's police or regulatory power as a governmental unit  
23 pursuant to 11 U.S.C. § 362(b)(4) and thus falls within an exception to the automatic stay.
- 24 6. Defendant NADN has waived any and all rights that may arise under the Equal  
25 Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).
- 26 7. This Order is in addition to, and not in lieu of, any other civil or criminal remedies  
27 that may be provided by law.

28 ///



V.

RETENTION OF JURISDICTION

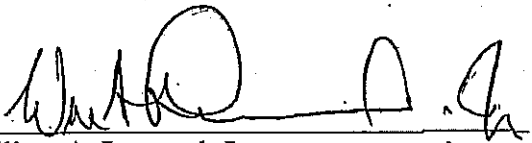
IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for all purposes, including the construction, modification, and enforcement of this Order.

IT IS SO ORDERED:

UNITED STATES DISTRICT JUDGE

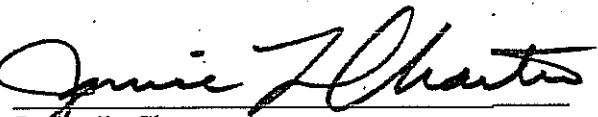
FOR DEFENDANT NATIONAL  
AUDIT DEFENSE NETWORK, INC.

Dated: 8/25/06

  
William A. Leonard, Jr.  
Chapter 7 Trustee for  
National Audit Defense Network, Inc.

FOR THE FEDERAL TRADE  
COMMISSION

Dated: 8/25/06

  
Janice L. Charter  
Jerome M. Steiner, Jr.  
Federal Trade Commission  
901 Market St., Suite 570  
San Francisco, CA 94103  
415-848-5100 (ph.); 415-848-5184 (fax)

Blaine T. Welsh  
Assistant United States Attorney  
333 Las Vegas Blvd., South, Suite 5000  
Las Vegas, NV 89101  
702-388-6336 (ph.), 702-388-6787 (fax)

CERTIFICATE OF SERVICE

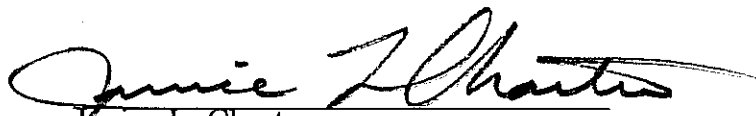
I hereby certify that on this 25th day of August, 2006, a true and correct copy of Stipulated Final Judgment for Permanent Injunction and Other Equitable Relief has been served on the defendants in this action by causing it to be sent by United States mail, postage prepaid, to:

James P. Hill, Esq.  
Sullivan, Hill, Lewin, Rez & Engle  
550 W. C Street, Suite 1500  
San Diego, CA 92101

Fred D. Gibson, III, Esq.  
Lionel, Sawyer & Collins  
300 S. Fourth St.  
Las Vegas, NV 89101

Jeffrey Ian Shaner, Esq.  
715 S. Sixth Street  
Las Vegas, NV 89101

Weston J. Coolidge  
10716 Jubilee Mountain Ave.  
Las Vegas, NV 89129

  
Janice L. Charter