

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PRODUCTION MEDIA COMPANY also d/b/a
PMC NETWORKING also d/b/a **SCHOOL
HOUSE FOLDERS**, an Oregon corporation,

THE FERRARO GROUP CORP also d/b/a
FERRARO GROUP, a Colorado corporation, and

JENNIFER FERRARO a/k/a Jennifer D. Ferraro
a/k/a Jennifer Hanson a/k/a Jennifer D. Hanson,
individually and as an officer of **PRODUCTION
MEDIA COMPANY** and of **THE FERRARO
GROUP CORP**,

Defendants.

Case No. 3-20-cv-00143-AC

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT**

Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint For Permanent Injunction and Other Equitable Relief (“Complaint”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and Defendants stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in the offer and sale of advertising.
3. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.
4. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.
5. Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

- A. **“Advertising Venue”** means any location to which Defendants provide, or represent that they will provide, consumers’ advertisements.
- B. **“Corporate Defendant PMC”** means Production Media Company also d/b/a PMC Networking also d/b/a School House Folders, its wholly or partially owned subsidiaries, operations under assumed names, affiliates, successors, and assigns. The term shall include any descriptor used by Production Media Company in its business practices.
- C. **“Corporate Defendant Ferraro Group”** means The Ferraro Group Corp also d/b/a Ferraro Group, its wholly or partially owned subsidiaries, operations under assumed names,

affiliates, successors, and assigns. The term shall include any descriptor used by The Ferraro Group Corp in its business practices.

D. **“Corporate Defendants”** means Corporate Defendant **PMC** and Corporate Defendant **Ferraro Group**, individually, collectively, or in any combination.

E. **“Individual Defendant”** means Jennifer Ferraro (“Ferraro”), also known as Jennifer D. Ferraro, Jennifer Hanson, and Jennifer D. Hanson.

F. **“Defendants”** means the **Individual Defendant** and the **Corporate Defendants**, individually, collectively, or in any combination.

G. **“Telemarketing”** means any plan, program, or campaign conducted to induce the purchase of goods or services by use of one or more telephones, and which involves a telephone call, whether or not covered by the Telemarketing Sales Rule.

ORDER

I. PROHIBITED BUSINESS ACTIVITIES

IT IS ORDERED that Defendants, Defendants’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with offering for sale or sale of any goods or services, are permanently restrained and enjoined from:

A. Misrepresenting, or assisting others in misrepresenting, either orally or in writing, expressly or by implication:

1. that a consumer’s advertisement will be the exclusive advertisement for the consumer’s line of business distributed to an Advertising Venue;

2. any Material term or condition of the contract between Defendants and consumers including, but not limited to, whether the contract can be cancelled or the timing of Defendants' performance;
3. the date by which any advertisement will be distributed to an Advertising Venue; or
4. any other fact Material to consumers concerning any good or service.

B. Making any representation to consumers, expressly or by implication, about the time period for producing or shipping any goods or services without a reasonable basis for believing that Defendants can produce or ship the goods or services within the time period stated in the representation.

C. For purpose of this Section, "**Material**" means likely to affect a person's choice of, or conduct regarding, goods or services.

II. MONETARY JUDGMENT AND SUSPENSION

IT IS FURTHER ORDERED that:

A. Judgment in the amount of twenty-two million, one hundred eighty-eighty thousand, eight hundred ninety-one Dollars (\$22,188,891.00) ("Judgment") is entered in favor of the Commission against Individual Defendant and Corporate Defendants, jointly and severally, as equitable monetary relief.

B. Within one year of entry of this Order, Defendants are ordered to pay to the Commission one hundred thousand dollars (\$100,000) unless Defendants have already paid at least one hundred thousand dollars (\$100,000) toward their federal tax liabilities as described in Defendants' sworn financial statements and related documents identified in Subsection E, below. Payments to the Commission must be made by electronic fund transfer in accordance with

instructions previously provided by a representative of Plaintiff. Defendants shall provide the Commission with tax returns or other evidence of payment to substantiate any payment of their federal tax liabilities pursuant to this Subsection within 10 days of such payment.

C. The Commission's agreement to this Order is expressly premised upon the promise by Defendants to make the payment timely as described in Subsection B, above. If Defendants default on the obligation to make a payment as required by this Order, then the Judgment becomes immediately due as to the amount specified in Subsection A, above (which the parties stipulate only for purposes of this Section represents the consumer injury as alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

D Upon effectuating such payment, as set forth in Subsection B, above, the remainder of the Judgment is suspended, subject to Subsections E through F, below.

E. The Commission's agreement to the suspension of the Judgment is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' sworn financial statements and related documents (collectively, "financial representations") submitted to the Commission, namely:

1. the Financial Statement of **Individual Defendant Jennifer Ferraro** signed on August 8, 2019, including the attachments;
2. the Financial Statement of **Corporate Defendant PMC** signed by Jennifer Ferraro, President, on August 14, 2019, including the attachments;
3. the Financial Statement of **Corporate Defendant Ferraro Group** signed by Jennifer Ferraro, President, on August 14, 2019, including the attachments;

4. the letter from CPA Robert W. Bennett identifying estimated tax liabilities owed by Defendants, attached to the September 30, 2019 email from attorney Randal B. Acker.

F. The suspension of the Judgment will be lifted as to any Defendant if, upon motion by the Commission, the Court finds that Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

G. If the suspension of the Judgment is lifted, the Judgment becomes immediately due as to that Defendant in the amount specified in Subsection A, above (which the parties stipulate only for purposes of this Section represents the consumer injury as alleged in the Complaint), less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order.

III. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

D. Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Defendants previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. §7701.

E. A representative of the Commission may request any tax-related information, including amended tax returns and any other filings, which Defendants have the authority to release. Within 14 days of receipt of a written request from a representative of the Commission, Defendants must take all necessary steps (such as filing a completed IRS Form 4506 or 8821) to cause the Internal Revenue Service or other tax authority to provide the information directly to the Commission.

F. Any money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly, or partially impracticable, or money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

G. Any payment to the Commission must be made by electronic fund transfer in accordance with instructions previously provided by a representative of the Commission.

IV. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Defendants must provide it, in the form prescribed by the Commission, within 14 days.

V. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Order:

- A. Each Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 10 years after entry of this Order, Individual Defendant for any business that such Defendant, individually or collectively with any other Defendants, is the majority owner or controls directly or indirectly, and each Corporate Defendant, must deliver a copy of this Order to: 1) all principals, officers, directors, and LLC managers and members; 2) all employees having managerial responsibilities for Telemarketing or the sale of advertising and all agents and representatives who participate in Telemarketing or the sale of advertising; and 3) any business entity resulting from any change in structure as set forth in Section VI below titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

VI. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

- A. One year after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury:
1. each Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to communicate with Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual Defendant must describe if she knows or should know due to her own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order, including each transaction related to the assignment or liabilities discussed in Section II. B; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.
 2. additionally, each Individual Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b)

identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest; and (c) describe in detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. each Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
2. additionally, Individual Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such Defendant performs services, whether as an employee or otherwise, and any entity of which Defendant has direct or indirect control, and identify the name, physical address, and any Internet address of the business or entity; and

C. Each Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

Associate Director for Enforcement
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

The subject line must begin *FTC v. Production Media Co., The Ferraro Group Corp, and Jennifer Ferraro, Matter No. 1823032.*

VII. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, Corporate Defendants, in connection with offering for sale or sale of any goods or services and Individual Defendant for any business that such Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

A. Accounting records showing the revenues from all goods or services sold;

B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;

C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission;

E. A copy of each script used by Defendants during the Telemarketing of goods or services including the dates of usage;

F. Complete orders of purchases of advertising by consumers including but not limited to contracts, amounts paid by consumers, images of each consumers' advertisement and dates of printing;

G. Complete records of printing of all folders including but not limited to dates of printing, instructions to printers (third party or otherwise) including a layout of each unique folder, amounts paid to printers, and a hard copy of the final folder.

VIII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Order, including the financial representations upon which part of the Judgment was suspended and any failure to transfer any assets as required by this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission each Defendant must: 1) submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; 2) appear for depositions; and 3) produce documents for inspection and copying. The Commission is also authorized to obtain

discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

Provided that Defendants, after attempting to resolve a dispute without court action and for good cause shown, may file a motion with this Court seeking an order for one or more of the protections set forth in Rule 26(c).

B. For matters concerning this Order, the Commission is authorized to communicate directly with each Defendant. Defendant must permit representatives of the Commission to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

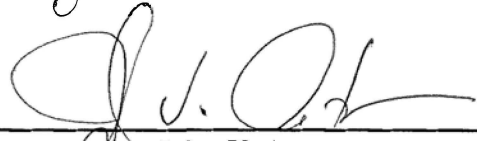
C. The Commission may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Defendant pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

IX. RETENTION OF JURISDICTION


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

SO ORDERED this 10th day of February, 2020.



John V. Acosta
UNITED STATES MAGISTRATE JUDGE

**SO STIPULATED AND AGREED:
FEDERAL TRADE COMMISSION**

 January 23, 2020
Jennifer Larabee, Attorney
Laura M. Solis, Attorney
Federal Trade Commission
915 2nd Avenue
Seattle, Washington 98174
206-220-6350
jlarabee@ftc.gov, lsolis@ftc.gov

DEFENDANTS:

JENNIFER FERRARO, INDIVIDUALLY Date: _____

JENNIFER FERRARO, AS AN OFFICER
OF PMC AND OF FERRARO GROUP Date: _____

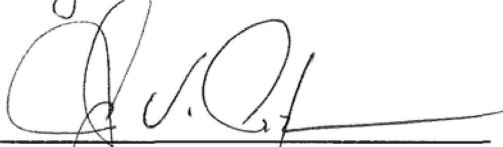
APPROVED AS TO FORM:

Date: _____
Randal B. Acker, Esq.
Attorney for Defendants Jennifer Ferraro, PMC, and Ferraro Group
Acker & Associates P.C.
525 SW Jackson St.
Portland, OR 97201
503-228-2495
acker@ackerlaw.com

IX. RETENTION OF JURISDICTION

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

SO ORDERED this 10th day of February, 2020.



John V. Acosta
UNITED STATES MAGISTRATE JUDGE

**SO STIPULATED AND AGREED:
FEDERAL TRADE COMMISSION**

Jennifer Larabee, Attorney
Laura M. Solis, Attorney
Federal Trade Commission
915 2nd Avenue
Seattle, Washington 98174
206-220-6350
jlarabee@ftc.gov, lsolis@ftc.gov

DEFENDANTS:



JENNIFER FERRARO, INDIVIDUALLY


Date: 11/27/19



JENNIFER FERRARO, AS AN OFFICER
OF PMC AND OF FERRARO GROUP

Date: 11/27/19

APPROVED AS TO FORM:



Randal B. Acker, Esq.
Attorney for Defendants Jennifer Ferraro, PMC, and Ferraro Group
Acker & Associates P.C.
525 SW Jackson St.
Portland, OR 97201
503-228-2495
acker@ackerlaw.com

Date: 12/6/19