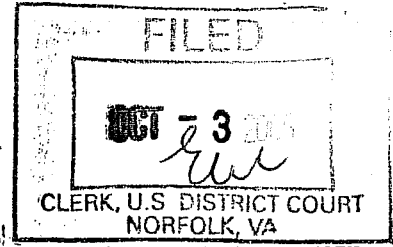


**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
NORFOLK DIVISION**



FEDERAL TRADE COMMISSION, )  
)  
Plaintiff, )  
)  
v. )  
)  
INTEGRITY SECURITY & INVESTIGATION )  
SERVICES, INC., et al., )  
)  
Defendants. )

Case No. 2:06-CV-241-RGD-JEB

**STIPULATED FINAL ORDER FOR PERMANENT INJUNCTION AND SETTLEMENT  
OF MONETARY CLAIMS**

Plaintiff, the Federal Trade Commission (“FTC”), has filed its complaint for permanent injunction and other relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), charging Defendants with violating Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). The FTC and Defendants Integrity Security & Investigation Services, Inc. and Edmund Edmister have agreed to the entry of this Stipulated Final Judgment and Order for Permanent Injunction (“Order”) by this Court to resolve all matters of dispute between the FTC and Defendants with respect to the conduct alleged in the complaint in this action.

**FINDINGS**

By stipulation of the parties, the Court finds as follows:

1. The FTC has the authority under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to seek the relief it has requested.

2. This Court has jurisdiction of the subject matter of this case and has jurisdiction over Defendants. Venue in the Eastern District of Virginia is proper, and the Complaint states a claim upon which relief may be granted against Defendants.

3. The activities of Defendants are in or affecting commerce, as defined in the FTC Act, 15 U.S.C. § 44.

4. Defendants waive all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this Order. Each party shall bear its own costs and attorneys' fees. Defendants also waive all rights to seek judicial review of, or otherwise challenge or contest the validity of, this Order.

5. By entering into this Order, Defendants do not admit to the allegations set forth in the Complaint, other than the jurisdictional facts. Defendants specifically state that they did not do that which was alleged in the Complaint, but consent to entry of this Order solely for the purposes of resolving this matter. Defendants' consent to entry of this Order shall not be interpreted to constitute an admission by them that they have engaged in any violations of any law or regulations.

6. This action and the relief awarded herein are in addition to, and not in lieu of, other remedies as may be provided by law, including both civil and criminal remedies.

7. Entry of this Order is in the public interest.

#### **DEFINITIONS**

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

1. "Defendants" means Integrity Security & Investigation Services, Inc. and Edmund Edmister, individually and as an officer of Integrity Security & Investigation Services, Inc.

2. “Customer phone records” means (a) information that relates to the quantity, technical configuration, type, destination, location, and amount of use of a telecommunications service subscribed to by any customer of a telecommunications carrier, and that is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and (b) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier, which includes, but is not limited to, telephone call detail records.

3. “Consumer personal information” means any individually identifiable information concerning a consumer, including, but not limited to: (a) an unpublished or unlisted wire line or wireless phone number; (b) an unpublished or unlisted physical or mailing address, including street name and name of city or town, Post Office Box number, or Private Mailbox number; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name that reveals an individual’s email address; (d) a Social Security number in whole or in part; (e) credit and/or debit card information, including credit and/or debit card number, expiration date, data stored on the magnetic strip of a credit or debit card, and transaction detail records; (f) bank account information or transaction records including the ABA routing number, account number, check number, and transaction detail records; (g) a driver’s license number; or (h) any other information from or about an individual consumer that is combined with (a) through (g) above.

## **ORDER**

### **BAN ON SALE OF CUSTOMER PHONE RECORDS**

**I. IT IS THEREFORE ORDERED** that Defendants, their assigns, agents, servants, employees 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 obtaining, causing others to obtain, marketing, or selling customer phone records and consumer personal information that is derived from customer phone records; *provided, however*, that Defendants shall not be prohibited from obtaining customer phone records or consumer personal information that is derived from customer phone records pursuant to any law, regulation, or lawful court order. Nothing in this Order shall be read as an exception to this Section I.

### **PROHIBITED BUSINESS ACTIVITIES**

**II. IT IS FURTHER ORDERED** that the Defendants, their assigns, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, in connection with the obtaining, marketing or sale of any consumer personal information, unless otherwise authorized pursuant to any law, regulation, or lawful court order, are hereby restrained and enjoined from:

A. Making false or deceptive statements or representations, including but not limited to impersonating any person or entity, directly or by implication, to any person or entity in order to obtain consumer personal information;

B. Requesting any person or entity to obtain consumer personal information relating to any third person, if the person making such a request knows or should know that the person or entity to whom such a request is made will obtain or attempt to obtain such information in violation of Subsection A of this Section II.

## MONETARY RELIEF

### III. IT IS FURTHER ORDERED that:

A. Judgment is hereby entered against Defendants, jointly and severally, in the amount of TWO THOUSAND SEVEN HUNDRED DOLLARS (\$2,700.00) to be paid on or before January 1, 2007.

B. Any funds received by the FTC pursuant to Section III shall be deposited into a fund administered by the FTC or its agent to be used for such equitable relief, including but not limited to consumer information remedies and disgorgement to the U.S. Treasury of ill-gotten monies, as the FTC determines to be reasonably related to Defendants' practices alleged in the Complaint. Defendants shall have no right to challenge the FTC's choice of remedies under this Section III.

C. Defendants further agree that the facts as alleged in the Complaint shall be taken as true in the event of any subsequent litigation to collect amounts due pursuant to this Order, including but not limited to a nondischargeability complaint in any bankruptcy proceeding.

D. The judgment entered pursuant to this Section III is equitable monetary relief, solely remedial in nature, and not a fine, penalty, punitive assessment or forfeiture.

E. Defendants acknowledge and agree that any money paid pursuant to this Order is irrevocably paid to the FTC for purposes of settlement between the FTC and Defendants, and Defendants relinquish all rights, title, and interest to such money.

F. Defendants are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification numbers, which shall be used for purposes of collecting and reporting on any delinquent amount arising out of this Order.

## COOPERATION WITH FTC

IV. **IT IS FURTHER ORDERED** that Defendant Edmund Edmister shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Defendant Edmund Edmister shall appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint, without the service of a subpoena, *provided, however*, that Defendant Edmund Edmister shall be entitled to receive any witness fees and expenses allowable pursuant to Federal Rule of Civil Procedure 45.

## DISTRIBUTION OF ORDER

V. **IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

A. Defendant Integrity Security & Investigation Services, Inc. must deliver a copy of this Order to all of its principals, officers, directors, and managers. Defendant Integrity Security & Investigation Services, Inc. also must deliver copies of this Order to all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

B. For any business that Defendant Edmund Edmister controls, directly or indirectly, or in which he has a majority ownership interest, Defendant Edmund Edmister must deliver a

copy of this Order to all principals, officers, directors, and managers of that business. Defendant Edmund Edmister must also deliver copies of this Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

C. For any business where Defendant Edmund Edmister is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, Defendant Edmund Edmister must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty days of delivery, from all persons receiving a copy of the Order pursuant to this Section V.

### **RECORD-KEEPING PROVISIONS**

**VI. IT IS FURTHER ORDERED** that, for a period of three (3) years from the date of entry of this Order, each Defendant, in connection with any business where (1) such Defendant is the majority owner or otherwise controls, directly or indirectly, the business and (2) the business is engaged in or assists others engaged in the advertising, promoting, marketing, offering for sale, sale, or distribution of consumer personal information, 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, phone numbers, dollar amounts paid, quantity of goods or services purchased, and description of goods or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials, and records that accurately reflect the time periods during which such materials were used and the persons and business entities that used such materials;

F. To the extent consumer personal information is obtained through the use of any third party, records that accurately reflect the name, address and telephone number of such third party, including, but not limited to, copies of all contracts and correspondence (other than correspondence that contains consumer personal information) between any Defendant and such third party; and

G. Copies of each acknowledgement of receipt of Order required to be obtained pursuant to Section V of this Order.

### **COMPLIANCE REPORTING**

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

A. For a period of three (3) years from the date of entry of this Order,



1. Defendant Edmund Edmister shall notify the FTC of the following:

a. Any changes in his residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

b. Any changes in his employment status (including self-employment), and any change in his ownership in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that he is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of his duties and responsibilities in connection with the business or employment; and

c. Any changes in his name or use of any aliases or fictitious names;  
and

2. Defendants shall notify the FTC of any changes in corporate structure of Integrity Security & Investigation Services, Inc. or any business entity that Edmund Edmister directly or indirectly control(s), or has an ownership interest in, 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 entity; 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 a Defendant learns less than thirty (30) days prior to the date such action is to take place, such 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 each shall provide a written report to the FTC, sworn to under penalty of perjury, 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. For each individual Defendant:
  - a. The then-current residence address, mailing addresses, and telephone numbers of the individual Defendant;
  - b. The then-current employment and business addresses and telephone numbers of the individual Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of the individual Defendant, for each such employer or business; and
  - c. Any other changes required to be reported under subparagraph A of this Section VII.
2. For all Defendants:
  - a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to Section V;
  - b. Any other changes required to be reported under subparagraph A of this Section VII.

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:

Associate Director of Enforcement  
Federal Trade Commission  
600 Pennsylvania Avenue NW Room NJ2122  
Washington, DC 20580  
Re: FTC v. Integrity Security & Investigation Services.

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

### COMPLIANCE MONITORING

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

A. Within fourteen (14) days of receipt of written notice from a representative of the FTC, Defendants each shall submit additional written reports, sworn to 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 such Defendant's possession or direct or indirect control to inspect the business operation; *provided, however*, that Defendants shall not be required to produce or make available for inspection any record that contains the name, address, or telephone number of any client of any Defendant absent a court order or lawful compulsory process;

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

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;

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

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.

*Provided, however,* 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)).

#### **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IX. IT IS FURTHER ORDERED** that within five (5) business days after receipt of this Order, as entered by the Court, each Defendant shall submit to the FTC a truthful sworn statement acknowledging receipt of this Order.

#### **RETENTION OF JURISDICTION**

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

STIPULATED AND AGREED TO BY:

*Edmund Edmister for*

INTEGRITY SECURITY & INVESTIGATION SERVICES, INC., Defendant

*Edmund Edmister*

EDMUND EDMISTER, Defendant

*J. Breit*

JEFFREY A. BREIT (VSB #18876)

DERRICK L. WALKER (VSB #46490)

Breit, Drescher & Imprevento

1000 Dominion Tower

999 Waterside Drive

Norfolk, VA 23510

Phone: 757-670-3888

Facsimile: 757-299-8032

Attorneys for Defendants

*Gregory A. Ashe*

GREGORY A. ASHE (VSB #39131)

PEDER MAGEE

ANGELA BALL

Federal Trade Commission

600 Pennsylvania Avenue, NW, Room NJ-2122

Washington, DC 20580

Phone: (202) 326-3719

Facsimile: (202) 326-2558

Attorneys for Plaintiff

IT IS SO ORDERED, this 3<sup>rd</sup> day of October, 2006.

*Robert G. Doumar*

ROBERT G. DOUMAR

UNITED STATES DISTRICT JUDGE

*10-4-06: Copies Mailed  
OB/ewc*