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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

11 _____)
12 FEDERAL TRADE COMMISSION,) CV-98-9274 ABC (CTx)
13 Plaintiff,)
14 v.) CONSENT JUDGMENT AND ORDER FOR
15 INFODIRECT, INC., et al.,) PERMANENT INJUNCTION AS TO
16 Defendants.) DEFENDANT JASON C. McCOMB
17 _____)

18 Plaintiff Federal Trade Commission ("Commission") filed a
19 Complaint for a permanent injunction and other equitable relief
20 pursuant to Sections 13(b) and 19 of the Federal Trade Commission
21 Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing
22 and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 et
23 seq. The Complaint charged Defendant Jason C. McComb ("McComb")
24 with violations of Section 5(a) of the FTC Act, as amended, 15
25 U.S.C. § 45(a), and Sections 310.3(a)(4), 310.3(a)(2)(iii),
26 310.3(a)(3), and 310.3(a)(2)(iv) of the Commission's Telemarketing
27 Sales Rule, 16 C.F.R. Part 310.

28

1 Plaintiff Commission and Defendant McComb have agreed to
2 entry of this Consent Judgment and Order for Permanent Injunction
3 ("Consent Judgment" or "Order") by the Court to resolve all
4 matters in dispute as to Defendant McComb in this action.
5 Defendant McComb has waived defenses set forth in Fed. R. Civ. P.
6 12(h)(1), and all claims under the Equal Access to Justice Act, 28
7 U.S.C. § 2412, *amended by* PL 104-121, 110 Stat. 847, 863-64
8 (1996). Defendant McComb has consented to entry of this Order
9 without trial or adjudication of any issue of law or fact herein
10 and has agreed that entry of this Order by the Court will
11 constitute notice to him of the terms and conditions of the Order.
12 Plaintiff Commission and Defendant McComb having requested the
13 Court to enter this Order, the Court hereby finds and orders as
14 follows:

15
16 FINDINGS

17 1. This is an action by the Commission instituted under
18 Sections 13(b) and 19 of the FTC Act and the Telemarketing and
19 Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*
20 The Complaint seeks permanent injunctive relief against Defendant
21 McComb in connection with the advertising, sale, and offering for
22 sale of information pertaining to government auctions and
23 foreclosed properties.

24 2. This Court has jurisdiction of the subject matter of
25 this case and over Defendant McComb. Venue in the Central
26 District of California is proper.

27 3. The Complaint states a claim upon which relief may be
28 granted against Defendant McComb under Sections 5(a), 13(b) and 19

1 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b) and 57b, and Sections
2 310.3(a)(4), 310.3(a)(2)(iii), 310.3(a)(3), and 310.3(a)(2)(iv) of
3 the Commission's Telemarketing Sales Rule (16 C.F.R. Part 310), 16
4 C.F.R. §§ 310.3(a)(4), 310.3(a)(2)(iii), 310.3(a)(3), and
5 310.3(a)(2)(iv).

6 4. The Commission has the authority under Sections 13(b)
7 and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and the
8 Telemarketing and Consumer Fraud and Abuse Prevention Act, 15
9 U.S.C. § 6101 *et seq.*, to seek the relief it has requested.

10 5. The activities of Defendant McComb charged in the
11 Complaint are in or affecting commerce, as defined in Section 4 of
12 the FTC Act, 15 U.S.C. § 44.

13 6. Defendant McComb has not admitted liability for the
14 charges in the Complaint.

15 7. Defendant McComb has waived all rights to seek judicial
16 review or otherwise challenge or contest the validity of this
17 Order. He has also waived all claims under the Equal Access to
18 Justice Act, 28 U.S.C. § 2412, *as amended by* PL 104-121, 110 Stat.
19 847, 863-64 (1996).

20 8. Entry of this Order is in the public interest.

21 DEFINITIONS

22 A. "**Document**" is synonymous in meaning and equal in scope
23 to the usage of the term in Federal Rule of Civil Procedure 34(a),
24 and includes writings, drawings, graphs, charts, photographs,
25 audio and video recordings, computer records, and other data
26 compilations from which information can be obtained and
27 translated, if necessary, through detection devices into
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1 reasonably usable form. A draft or non-identical copy is a
2 separate document within the meaning of the term.

3 B. "**Information guide**" means any document that is
4 advertised, offered for sale, or offered in conjunction with the
5 sale or marketing of any other item or service, and which is
6 represented to contain information on how or where consumers can
7 obtain vehicles or other consumer products at auction, or how or
8 where to find properties for sale that have been foreclosed upon
9 or otherwise repossessed by a lender, government agency or other
10 organization.

11 C. "**Telemarketing**" means offering, selling, or marketing
12 any good or service during the course of a telephone call, except
13 for:

14 1. telephone calls in which the sale of goods or
15 services is not completed, and payment or authorization of payment
16 is not required until after a face-to-face sales presentation; or

17 2. telephone calls that are initiated by a customer
18 regarding the good or service and which are not the result of any
19 solicitation paid for, made by, or made on behalf of or for the
20 benefit of, the person or business selling or offering the good or
21 service.

22 D. "**Internet-related services or products**" means any
23 services or products related to providing access to or
24 advertisements on the Internet, including the provision of e-mail
25 or e-mail to fax service, or creating, designing or hosting any
26 website, webpage, or advertisements on the Internet.

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1 shall be deemed continuous and remain in full force and effect
2 until Defendant McComb ceases to engage in the telemarketing of
3 Internet-related services or products and for at least three (3)
4 years thereafter. The bond shall cite this Consent Judgment and
5 Order for Permanent Injunction as the subject matter of the bond,
6 and shall provide surety thereunder against financial loss
7 resulting from any violation by Defendant McComb of Section 5 of
8 the Federal Trade Commission Act, 15 U.S.C. § 45, the provisions
9 of this Order, or any other law;

10 B. The performance bond required pursuant to this Section
11 shall be an insurance agreement providing surety for financial
12 loss issued by a surety company that is admitted to do business in
13 each of the states in which the defendant is doing business and
14 that holds a Federal Certificate of Authority As Acceptable Surety
15 On Federal Bond and Reinsuring. Each such performance bond shall
16 be in favor of both (1) the Federal Trade Commission for the
17 benefit of any consumer injured as a result of any violation of
18 Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, the
19 provisions of this Order, or any other law made while engaged in
20 the telemarketing of any Internet-related services or products,
21 and (2) any consumer so injured;

22 C. The bond required pursuant to this Section is in
23 addition to, and not in lieu of, any other bond required by
24 federal, state or local law;

25 D. Defendant McComb shall provide a copy of the bond
26 required by this Section to the Commission at least ten (10) days
27 before commencing the activity invoking the bond requirement of
28 this Section;

1 E. Neither Defendant McComb nor his agents, servants,
2 employees, attorneys, or any person or entity directly or
3 indirectly under his control, shall disclose the existence of the
4 performance bond required by this Paragraph to any consumer, or
5 other purchaser or prospective purchaser of any Internet-related
6 service or product that is advertised, promoted, offered for sale,
7 sold, or distributed via telemarketing, without also disclosing
8 clearly and prominently, at the same time, "AS REQUIRED BY ORDER
9 OF THE U.S. DISTRICT COURT IN SETTLEMENT OF CHARGES OF FALSE AND
10 MISLEADING REPRESENTATIONS IN THE PROMOTION, SALE AND
11 TELEMARKETING OF GUIDES RELATING TO SEIZED CARS AND FORECLOSED
12 HOMES";

13 F. The Commission may execute against the performance bond
14 if it demonstrates to this Court by a preponderance of the
15 evidence that, after the effective date of this Order, Defendant
16 McComb has, individually or through any other person or entity,
17 (1) made a misleading or false representation, directly or by
18 implication, in connection with the advertising, marketing, sale
19 or offering for sale of any Internet-related service or product,
20 in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, or
21 (2) violated the terms of this Order, or (3) failed to render any
22 required performance that results in financial loss to any
23 consumer, in connection with the advertising, marketing, offering
24 for sale, sale or distribution of any Internet-related service or
25 product while utilizing telemarketing as a means of achieving the
26 sale; and

27 G. Proceedings instituted under this Paragraph are in
28 addition to, and not in lieu of, any other civil or criminal

1 remedies as may be provided by law, including any other
2 proceedings the Commission may initiate to enforce this Order.

3 H. Provided, however, that this Paragraph does not prohibit
4 Defendant McComb from engaging or participating in telemarketing
5 without a bond during the scope and course of his employment with
6 Telecom Wireless, Inc., which, at the time of entry of this Order,
7 is a publicly traded corporation with corporate offices located at
8 5299 DTC Boulevard in Englewood, Colorado and has the ticker
9 symbol "NOYR."

10 **III.**

11 **PROHIBITED BUSINESS ACTIVITIES**

12 **IT IS FURTHER ORDERED** that Defendant McComb and his agents,
13 servants, employees, attorneys, and all persons or entities
14 directly or indirectly under his control, and all other persons or
15 entities in active concert or participation with him who receive
16 actual notice of this Order by personal service or otherwise, and
17 each such person, are hereby permanently restrained and enjoined
18 from:

19 A. Falsely representing, expressly or by implication, that
20 consumers who purchase information guides relating to seized cars
21 are frequently able to purchase vehicles in good condition for a
22 fraction of their wholesale values, including for as little as
23 \$100;

24 B. Representing, expressly or by implication, that
25 consumers who purchase information guides relating to seized cars
26 are frequently able to purchase vehicles in good condition for a
27 fraction of their wholesale values, including for as little as
28 \$100, unless the defendant possesses and relies upon a reasonable

1 basis that substantiates such representation at the time it is
2 made;

3 C. Falsely representing, expressly or by implication, that
4 consumers who purchase information guides relating to foreclosed
5 homes are frequently able to purchase homes in reasonably good
6 condition for substantially below their market values;

7 D. Representing, expressly or by implication, that
8 consumers who purchase information guides relating to foreclosed
9 homes are frequently able to purchase homes in reasonably good
10 condition for substantially below their market values, unless the
11 defendant possesses and relies upon a reasonable basis that
12 substantiates such representation at the time it is made;

13 E. Falsely representing, expressly or by implication, that
14 a consumer's checking account or credit card information will not
15 be used for the purpose of debiting the consumer's bank account or
16 billing the consumer's credit card account;

17 F. Using a consumer's credit card or bank account number,
18 or any portion thereof, that the consumer disclosed over the
19 telephone, to obtain payment from the consumer's credit card or
20 bank account, unless the defendant has disclosed to the consumer,
21 immediately prior and subsequent to obtaining the number, the fact
22 that such information would be used to obtain payment from the
23 consumer's credit card or bank account, and the amount and date of
24 the transaction;

25 G. Causing a consumer to be billed through his credit card
26 or local telephone exchange carrier account for any product or
27 service unless the defendant has obtained the consumer's express
28 verifiable authorization to do so;

1 H. Submitting for payment a check, draft, or other form of
2 negotiable paper drawn on a person's checking, savings, share, or
3 similar account, without the person's signature on the negotiable
4 instrument;

5 I. Falsely representing, expressly or by implication, any
6 aspect of obtaining a refund, including but not limited to the
7 ease with which a consumer can obtain a refund;

8 J. Failing to disclose any material aspect of a refund
9 policy in connection with the offering or sale of any good or
10 service;

11 K. Falsely representing, or failing to disclose, any other
12 material fact in connection with the offering or sale of any good
13 or service; and

14 L. Violating any provision of the Telemarketing Rule, 16
15 C.F.R. Part 310, *et seq.*, including, but not limited to, by:

16 1. making false or misleading statements to induce the
17 purchase of information guides, including but not limited to:

18 a. that consumers who purchase information guides
19 relating to seized cars frequently are able to purchase
20 vehicles in good condition for a fraction of their
21 wholesale values, including as little as \$100;

22 b. that government agencies such as the DEA and
23 IRS regularly seize vehicles, including vehicles in good
24 condition, and that such vehicles are regularly sold to
25 the general public at prices substantially below their
26 wholesale values;

27 c. that consumers who purchase information guides
28 relating to foreclosed homes frequently are able to

1 purchase foreclosed and repossessed homes in reasonably
2 good condition for substantially below their market
3 values; and

4 d. that entities such as HUD, Fannie Mae, and
5 Freddie Mac regularly foreclose on or otherwise acquire
6 homes that are in good condition, and regularly sell
7 those homes to the general public at prices
8 substantially below their market values,
9 in violation of Section 310.3(a)(4) of the Telemarketing
10 Rule, 16 C.F.R. § 310.3(a)(4);

11 2. misrepresenting, directly or by implication, that
12 consumers who purchase such publications on foreclosed homes
13 will receive listings of homes located within a reasonable
14 distance of where the consumers work or live,
15 in violation of Section 310.3(a)(2)(iii) of the Telemarketing
16 Rule, 16 C.F.R. § 310.3(a)(2)(iii); and

17 3. misrepresenting, directly or by implication, that
18 the defendant will promptly provide refunds to consumers if
19 the consumers return the defendant's product within a
20 specified trial period,
21 in violation of Section 310.3(a)(2)(iv) of the Telemarketing
22 Rule, 16 C.F.R. § 310.3(a)(2)(iv).

23 **IV.**

24 **PROHIBITION ON DISSEMINATING CUSTOMER LISTS**

25 **IT IS FURTHER ORDERED** that Defendant McComb, directly or
26 through any corporation, subsidiary, division, or other device,
27 and his representatives, agents, servants and employees, and all
28 other persons or other entities in active concert or participation

1 with him, who receive actual notice of this Order by personal
2 service or otherwise, are hereby restrained and enjoined from
3 using or providing or arranging for the provision to any person
4 (other than a federal, state or local law enforcement agency or
5 pursuant to a court order) of any mailing or telephone list of
6 past customers of Defendant Infodirect or Defendant McComb or of
7 any business which Defendant McComb has owned or controlled
8 individually or jointly that has sold any information guide, or
9 any other list containing identifying information relating to any
10 such customer, including but not limited to a customer's name,
11 address, telephone number, bank account number or credit card
12 number.

13 **V.**

14 **PROHIBITION ON TRANSFERRING BUSINESS INFORMATION**

15 **IT IS FURTHER ORDERED** that Defendant McComb, directly or
16 through any corporation, subsidiary, division, or other device or
17 person, is hereby restrained and enjoined from transferring or in
18 any other way providing to any person (other than a federal, state
19 or local law enforcement agency or pursuant to a court order),
20 directly or indirectly, any books, records, tapes, disks,
21 accounting data, manuals, electronically stored data, banking
22 records, invoices, telephone records, ledgers, payroll records, or
23 other documents of any kind, including information stored in
24 computer-maintained form, in the possession, custody or control of
25 Defendant McComb or Defendant Infodirect, or any trade secrets or
26 knowledge, whether recorded or otherwise, that are in any way
27 related to Infodirect or any business Defendant McComb has owned
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1 or controlled individually or jointly that has sold any
2 information guide.

3 **VI.**

4 **MONETARY JUDGMENT**

5 **IT IS FURTHER ORDERED** that judgment is hereby entered in the
6 amount of \$14,200,000 (FOURTEEN MILLION TWO HUNDRED THOUSAND
7 DOLLARS) against Defendant McComb. *Provided, however,* that this
8 judgment shall be suspended until further order of the Court, and
9 *provided further* that said suspension shall be subject to the
10 conditions set forth in Section VIII of this Order.

11 **VII.**

12 **REAFFIRMATION OF FINANCIAL STATEMENT**

13 **IT IS FURTHER ORDERED** that within five (5) business days
14 after entry of this Order, Defendant McComb shall submit to the
15 Commission a truthful sworn and notarized statement, in the form
16 shown on Appendix 1, that shall acknowledge receipt of this Order
17 as entered and shall reaffirm and attest to the truthfulness,
18 accuracy, and completeness of Defendant McComb's November 24, 1998
19 financial statement.

20 **VIII.**

21 **RIGHT TO REOPEN**

22 The Commission's agreement to this Order is expressly
23 premised upon the truthfulness, accuracy, and completeness of the
24 financial condition of the defendant as represented in his
25 November 24, 1998 financial statement, which contains material
26 information upon which the Commission relied in negotiating and
27 agreeing to the amount and/or terms of the redress payment stated
28 in the Order. If, upon motion by the Commission, this Court finds

1 that Defendant McComb failed to submit to the Commission the sworn
2 statement required by Paragraph VII of this Order, or submitted a
3 financial statement that failed to disclose any material asset, or
4 materially misrepresented the value of any asset, or made any
5 other material misrepresentation in or omission from the financial
6 statement, the suspension of the monetary judgment will be
7 terminated and the entire judgment amount of \$14,200,000 [FOURTEEN
8 MILLION TWO HUNDRED THOUSAND DOLLARS] will be immediately due and
9 payable. For purposes of this Paragraph, and any subsequent
10 proceedings to enforce payment, including but not limited to a
11 non-dischargeability complaint filed in a bankruptcy proceeding,
12 Defendant McComb stipulates to all of the allegations in the
13 Commission's Complaint.

14 **IX.**

15 **RECORDKEEPING**

16 **IT IS FURTHER ORDERED** that, for a period of five (5) years
17 from the date of entry of this Order, Defendant McComb, in
18 connection with any and every business entity of which he is a
19 majority owner, or which he otherwise manages or controls, is
20 hereby restrained and enjoined from failing to create, and to
21 retain, in a location under his control, for a period of five (5)
22 years following the date of such creation, unless otherwise
23 specified:

24 A. Books, records and accounts which, in reasonable detail,
25 accurately and fairly reflect the cost of goods or services sold,
26 revenues generated, and the disbursement of such revenues.

27 B. Records accurately reflecting: the name, address, and
28 phone number of each person that such business entity employs in

1 any capacity, including as an independent contractor; that
2 person's job title or position; the date upon which the person
3 commenced work; and the date and reason for the person's
4 termination, if applicable. Defendant McComb shall retain such
5 records for any terminated employee for a period of two (2) years
6 following the date of termination.

7 C. Records containing the names, addresses, phone numbers,
8 dollar amounts paid, quantity of items or services purchased, and
9 description of items or services purchased for all consumers to
10 whom such business entity has sold, invoiced or shipped any goods
11 or services, or from whom such business entity accepted money or
12 other items of value.

13 D. Records that reflect, for every written consumer
14 complaint or refund request, whether received directly or
15 indirectly or through any third party:

16 1. The consumer's name, address, telephone number and
17 the dollar amount paid by the consumer;

18 2. The written complaint, if any, and the date of the
19 complaint or refund request;

20 3. The basis of the complaint, including the name of
21 any salesperson complained against, and the nature and result of
22 any investigation conducted concerning the complaint;

23 4. Each response and the date of the response;

24 5. Any final resolution and the date of resolution;

25 and

26 6. In the event of a denial of a refund request, the
27 reason for such denial, or if the complaint was cured, the basis
28 for determining that the complaint has been cured.

1 E. Copies of all sales scripts, training materials,
2 advertisements, or other marketing materials utilized, and records
3 showing the names of the media in which he, his agents,
4 representatives, servants, employees, salespersons, independent
5 contractors, or persons or other entities managed or controlled in
6 whole or in part by Defendant McComb, have placed advertisements
7 for the sale of any goods or services, the months during which
8 those advertisements were published or broadcast, the caller-paid
9 and/or toll-free telephone numbers utilized in furtherance of the
10 sale of such goods and services, and the local carriers and/or
11 telephone service common carriers utilized in furtherance of any
12 sales activities. Defendant McComb shall retain such marketing
13 materials for a period of two (2) years after their last use.

14 F. All contracts, agreements or written correspondence with
15 every supplier of product or information to be resold to
16 consumers.

17 **X.**

18 **COMPLIANCE REPORTING BY DEFENDANT**

19 **IT IS FURTHER ORDERED** that, in order that compliance with the
20 provisions of this Order may be monitored,

21 A. For a period of five (5) years from the date of entry of
22 this Order, Defendant McComb shall notify the Commission of the
23 following:

24 1. Any changes in his residence, mailing addresses,
25 and telephone numbers, within ten (10) days of such change;

26 2. Any changes in his employment status (including
27 self-employment) within ten (10) days of such change. Such notice
28 shall include the name and address of each business that Defendant

1 McComb is affiliated with or employed by, a statement of the
2 nature of the business, and a statement of his duties and
3 responsibilities in connection with the business or employment;
4 and

5 3. Any proposed change in the structure of Defendant
6 Infodirect, such as creation, incorporation, dissolution,
7 assignment, sale, merger, creation, dissolution of subsidiaries,
8 proposed filing of a bankruptcy petition, or change in the
9 corporate name or address, or any other change that may affect
10 compliance obligations arising out of this Order, thirty (30) days
11 prior to the effective date of any proposed change; provided,
12 however, that, with respect to any proposed change in the
13 corporation about which Defendant McComb learns less than thirty
14 (30) days prior to the date such action is to take place, the
15 Defendant shall notify the Commission as soon as is practicable
16 after learning of such proposed change;

17 B. One hundred eighty (180) days after the date of entry of
18 this Order, Defendant McComb shall provide a written report to the
19 Commission, sworn to under penalty of perjury, setting forth in
20 detail the manner and form in which he has complied and is
21 complying with the Order. This report shall include but not be
22 limited to:

23 1. Defendant McComb's then current residence address
24 and telephone number;

25 2. Defendant McComb's then current employment,
26 business address and telephone numbers, a description of the
27 business activities of each such employer, and Defendant McComb's
28 title and responsibilities for each employer;

1 3. A copy of each acknowledgment of receipt of this
2 Order obtained by Defendant McComb pursuant to Paragraph XIII of
3 this Order; and

4 4. A statement describing the manner in which
5 Defendant McComb has complied and is complying with the provisions
6 of Paragraphs I through V of this Order;

7 C. Upon written request by a representative of the
8 Commission, Defendant McComb shall submit additional written
9 reports (under oath, if requested) and produce documents on
10 fifteen (15) days' notice with respect to any conduct subject to
11 this Order;

12 D. For the purposes of this Order, Defendant McComb shall,
13 unless otherwise directed by the Commission's authorized
14 representatives, mail all written notifications to

15 Assistant Regional Director
16 Federal Trade Commission
17 10877 Wilshire Boulevard, Suite 700
18 Los Angeles, California 90024
19 Re: FTC v. Infodirect

20 E. For the purposes of this Paragraph, "employment"
21 includes the performance of services as an employee, consultant,
22 or independent contractor; and "employers" include any individual
23 or entity for whom the Defendant performs services as an employee,
24 consultant or independent contractor; and

25 F. For purposes of the compliance reporting required by
26 this Paragraph, the Commission is authorized to communicate
27 directly with Defendant McComb.
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XI.

COMMISSION'S AUTHORITY TO MONITOR COMPLIANCE

IT IS FURTHER ORDERED that the Commission is authorized to monitor Defendant McComb's compliance with this Order by all lawful means, including but not limited to the following means:

A. The Commission is authorized, without further leave of court, to obtain discovery from any person in the manner provided by Chapter V of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 26 - 37, including the use of compulsory process pursuant to Fed. R. Civ. P. 45, for the purpose of monitoring and investigating Defendant McComb's compliance with any provision of this Order;

B. The Commission is authorized to use representatives posing as consumers and suppliers to Defendant McComb, Defendant McComb's employees, agents or sales representatives, or any other entity managed or controlled in whole or in part by Defendant McComb without the necessity of identification or prior notice;

C. Nothing in this Order shall limit 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, to investigate whether Defendant McComb has violated any provision of this Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

XII.

ACCESS TO BUSINESS PREMISES

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, for the purpose of further determining compliance with this Order, Defendant McComb shall

1 permit representatives of the Commission, within three (3)
2 business days of receipt of written notice from the Commission:

3 A. Access during normal business hours to any office, or
4 facility storing documents, of any business where Defendant McComb
5 is the majority owner of the business or directly or indirectly
6 manages or controls the business. In providing such access,
7 Defendant McComb shall permit representatives of the Commission to
8 inspect and copy all documents relevant to any matter contained in
9 this Order, and shall permit representatives of the Commission to
10 remove documents relevant to any matter contained in this Order
11 for a period not to exceed five (5) business days so that the
12 documents may be inspected, inventoried, and copied; and

13 B. To interview or depose the officers, directors and
14 employees, including all personnel involved in responding to
15 consumer complaints or inquiries, and all sales personnel, whether
16 designated as employees, consultants, independent contractors or
17 otherwise, of any business to which Part A of this Paragraph
18 applies, concerning matters relating to compliance with the terms
19 of this Order. The person interviewed may have counsel present.

20 *Provided* that, upon application of the Commission and for
21 good cause shown, the Court may enter an *ex parte* order granting
22 immediate access to Defendant McComb's business premises for the
23 purposes of inspecting and copying all documents relevant to any
24 matter contained in this Order.

25 **XIII.**

26 **SERVICE OF ORDER**

27 **IT IS FURTHER ORDERED** that, for a period of five (5) years
28 from the date of entry of this Order, Defendant McComb shall:

1 A. Promptly provide a copy of this Order to, and obtain a
2 signed and dated acknowledgment of receipt from, every current and
3 future officer, director, managing agent, employee or independent
4 contractor in any company or other business entity directly or
5 indirectly owned, operated or controlled by Defendant McComb; and

6 B. Maintain, and upon reasonable notice make available to
7 representatives of the Commission, the original and dated
8 acknowledgments of the receipts of copies of this Order required
9 by Part A of this Paragraph.

10 **XIV.**

11 **EXPIRATION OF ASSET FREEZE**

12 **IT IS FURTHER ORDERED** that the freeze of Defendant McComb's
13 assets shall be lifted upon entry of this Order.

14 **XV.**

15 **INDEPENDENCE OF OBLIGATIONS**

16 **IT IS FURTHER ORDERED** that the expiration of any requirements
17 imposed by this Order shall not affect any other obligation
18 arising under this Order.

19 **XVI.**

20 **COSTS AND ATTORNEYS FEES**

21 **IT IS FURTHER ORDERED** that each party to this Order bear its
22 own costs and attorneys fees incurred in connection with this
23 action.

24 **XVII.**

25 **CONTINUING JURISDICTION**

26 **IT IS FURTHER ORDERED** that this Court shall retain
27 jurisdiction of this matter for all purposes.

1 **XVIII.**

2 **NOTICE OF ENTRY OF JUDGMENT**

3 **IT IS FURTHER ORDERED** that entry in the docket of this
4 Consent Judgment by the Clerk of Court shall constitute notice to
5 Defendant McComb of the terms and conditions of this Consent
6 Judgment, and that Defendant McComb waives all rights to contest
7 in any future proceeding whether he was properly served with this
8 Consent Judgment.

9 **XIX.**

10 **ENTRY BY CLERK**

11 There being no just reason for delay, the Clerk of the Court
12 is hereby directed to enter this Order.

13
14 The parties hereby stipulate and agree to entry of the
15 foregoing Order, which shall constitute a final judgment as to
16 Defendant McComb in this action.

17
18 SIGNED AND STIPULATED BY:

19 Dated: _____, 19____ FEDERAL TRADE COMMISSION

20 By: _____
21 John D. Jacobs
22 Attorney for Plaintiff

23 Dated: _____, 19____
24 Jason C. McComb
25 Defendant

26 **IT IS SO ORDERED.**

27 Dated: _____

28 _____
United States District Judge

[APPENDIX 1]

JOHN D. JACOBS, CA Bar No. 134154
Federal Trade Commission
10877 Wilshire Blvd., Suite 700
Los Angeles, CA 90024
(310) 824-4360 voice
(310) 824-4380 fax

Attorney for Plaintiff

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

_____)	CV-98-9274 ABC (CTx)
FEDERAL TRADE COMMISSION,)	
Plaintiff,)	DEFENDANT JASON McCOMB'S
v.)	AFFIDAVIT RE:
INFODIRECT, INC., et al.,)	(1) ACKNOWLEDGMENT OF SERVICE
Defendants.)	OF FINAL JUDGMENT; AND
_____)	(2) REAFFIRMATION OF NOV. 24,
	1998 FINANCIAL STATEMENT

I, Jason C. McComb, hereby declare as follows:

1. I am a defendant in the action FTC v. Infodirect, et al.
(United States District Court, Central District of California, CV-
98-9274 ABC (CTx)). My current residence address is
_____. I am a citizen of
the United States and over the age of eighteen. I have personal
knowledge of the facts set forth in this Affidavit.

1 [APPENDIX 1]

2 2. I agreed to entry of a Consent Judgment against me to
3 settle the charges in the Commission's Complaint. I read the
4 provisions of the Consent Judgment before signing it. I
5 understand all the provisions of the Consent Judgment. By signing
6 the Consent Judgment I agreed to be bound by those provisions.

7 3. On _____, 19 ____, I received a copy of the
8 Consent Judgment, which was signed by a United States District
9 Judge and was entered on _____, 19 ____. A true
10 and correct copy of the Consent Judgment I received is appended to
11 this affidavit. After receiving the entered Consent Judgment I
12 reviewed it and confirmed it was the document I had previously
13 signed.

14 4. In November 1998, I provided to Plaintiff Federal Trade
15 Commission ("Commission") a completed and signed document titled
16 "Financial Statement of Individual Defendant" ("Financial
17 Statement"), which I dated November 24, 1998.

18 5. I understand that my Financial Statement contains
19 material information upon which the Commission relied in
20 negotiating and agreeing to the terms in the Consent Judgment
21 related to payment of redress and suspension of the judgment
22 amount of \$14,200,000.

23 6. I hereby reaffirm and attest to the truthfulness,
24 accuracy, and completeness of my November 24, 1998 Financial
25 Statement.

[APPENDIX 1]

7. I understand that if, upon motion by the Commission, the Court finds that the Financial Statement I submitted failed to disclose any material asset, or materially misrepresented the value of any asset, or finds that I made any other material misrepresentation in or omission from the financial statement, the suspension of the monetary judgment will be terminated and the entire judgment amount of \$14,200,000 [FOURTEEN MILLION TWO HUNDRED THOUSAND DOLLARS] will be immediately due and payable.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on _____, 19 __, at _____, California.

Jason C. McComb

State of _____, City of _____

Subscribed and sworn to before me

this ____ day of _____, 19 ____.

Notary Public
My Commission Expires:
