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Attorney for Plaintiff,
FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

A. GLENN BRASWELL, et al.

Defendants.

Hon. Dickran Tevrizian

CV 03-3700-DT (PJWx)

[Proposed]
STIPULATED FINAL
ORDER FOR PERMANENT
INJUNCTION AND
SETTLEMENT OF CLAIMS
FOR MONETARY RELIEF
AS TO RONALD M.
LAWRENCE, M.D., Ph. D.

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

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION
LOS ANGELES

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BY _____ 005

Plaintiff, the Federal Trade Commission ("FTC" or "Commission") filed a
Complaint and Second Corrected First Amended Complaint for permanent

374

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

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

16 FINDINGS

- 17 1. This Court has jurisdiction over the subject matter of this case and
18 jurisdiction over Defendant Lawrence. Venue in the Central District
19 of California is proper.
- 20 2. The Complaint states a claim upon which relief can be granted and
21 Defendant Lawrence's Answer states multiple defenses. The
22 Commission has the authority to seek the relief it has requested.
- 23 3. The activities of Defendant Lawrence are or were in or affecting
24 commerce, as defined in 15 U.S.C. § 44.
- 25 4. The parties waive all rights to seek judicial review or otherwise
26 challenge or contest the validity of this Order. Defendant Lawrence
27 also waives any claims that he may have held under the Equal Access
28 to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this

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action to the date of this Order.

5. Each party shall bear its own costs and attorneys' fees.
6. Entry of this Order is in the public interest.
7. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of this Order are binding upon Defendant Lawrence, and any agents, servants, employees and all other persons or entities in active concert or participation with him, who receive actual notice of this Order by personal service or otherwise.
8. This Order resolves all claims that arose prior to the date of entry of this Order against Defendant Lawrence with respect to any allegation that such Defendant violated the Federal Trade Commission Act and the regulations promulgated thereunder with respect to the advertising of dietary supplements marketed by the Defendants in this action. The Order does not resolve any claims against A. Glenn Braswell, Chase Revel, or any other Defendant in this action.
9. This is a final order with respect to Defendant Lawrence.
10. Defendant Lawrence's stipulation is for settlement purposes only; *does not constitute an admission of facts, other than jurisdictional facts, or violations of law as alleged in the Second Corrected First Amended Complaint and in fact Defendant Lawrence denies same;* and may not be used against Defendant Lawrence in any other proceeding, except in such proceedings as may be necessary to enforce the provisions of this Order.
11. This Order reflects a negotiated agreement among the parties.

DEFINITIONS

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

1. Unless otherwise specified, "Defendant" shall mean Ronald M. Lawrence, M.D., Ph.D.

- 1 2. “Competent and reliable scientific evidence” shall mean tests,
2 analyses, research, studies, or other evidence based on the expertise
3 of professionals in the relevant area, that has been conducted and
4 evaluated in an objective manner by persons qualified to do so, using
5 procedures generally accepted in the relevant field to yield accurate
6 and reliable results.
- 7 3. “Food” and “drug” shall mean “food” and “drug” as defined in
8 Section 15 of the FTC Act, 15 U.S.C. § 55.
- 9 4. “Covered product” shall mean any food, drug, or dietary supplement,
10 whether sold individually or as part of a program.
- 11 5. “Commerce” shall mean as defined in Section 4 of the Federal Trade
12 Commission Act, 15 U.S.C. § 44.
- 13 6. “Endorsement” shall mean as defined in 16 C.F.R. § 255.0(b) .
- 14 7. “Clear(ly) and prominent(ly)” shall mean as follows:
 - 15 a. In an advertisement communicated through an electronic
16 medium (such as television, video, radio, and interactive media
17 including the Internet and online services), the disclosure shall
18 be presented in either the audio or video portions of the
19 advertisement. Audio disclosures shall be delivered in a
20 volume and cadence sufficient for an ordinary consumer to hear
21 and comprehend it. Video disclosures shall be of a size and
22 shade, and shall appear on the screen for a duration, sufficient
23 for an ordinary consumer to read and comprehend it. In
24 addition to the foregoing, in interactive media the disclosure
25 shall also be unavoidable and shall be presented prior to the
26 consumer incurring any financial obligation.
 - 27 b. In a print advertisement, promotional material, or instructional
28 manual, the disclosure shall be in a type size and location

1 sufficiently noticeable for an ordinary consumer to read and
2 comprehend it, in print that contrasts with the background in
3 which it appears.

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

6 **CONDUCT PROHIBITIONS AND REQUIRED DISCLOSURES**

7 **Representations Concerning Anti-Aging Products**

8 **I.**

9 **IT IS HEREBY ORDERED** that Defendant, directly or through any
10 corporation, partnership, subsidiary, division, trade name, or other device, and his
11 agents, representatives, employees, attorneys, and all persons or entities in active
12 concert or participation with him who receive actual notice of this Order, by
13 personal service or otherwise, in connection with the manufacturing, labeling,
14 advertising, promotion, offering for sale, sale, or distribution of Gero Vita G.H.3,
15 Therapeutics GH3 Romanian Youth Formula, or any other anti-aging product are
16 hereby permanently restrained and enjoined from making any representation, in
17 any manner, expressly or by implication, including through the use of
18 endorsements or trade names, that such product:

- 19 A. Reverses or prevents age-related memory loss, dementia, and
20 Alzheimer's disease;
21 B. Enables persons to live longer; or
22 C. Is clinically proven to prevent or reverse age-related memory loss,
23 dementia, and Alzheimer's disease;

24 unless at the time the representation is made, Defendant possesses and relies upon
25 competent and reliable scientific evidence that substantiates the representation.

26 *Provided, however,* that for any representation made as an expert endorser,
27 Defendant must possess and rely upon competent and reliable scientific evidence,
28 and an actual exercise of his represented expertise, in the form of an examination

1 or testing of the product.

2 **Representations Concerning Weight Loss Products**

3 **II.**

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

- 13 A. Enables consumers to lose weight, maintain weight, or prevent weight
14 gain;
15 B. Enables consumers to reverse obesity; or
16 C. Is proven to cause weight loss;

17 unless at the time the representation is made, Defendant possesses and relies upon
18 competent and reliable scientific evidence that substantiates the representation.

19 *Provided, however,* that for any representation made as an expert endorser,
20 Defendant must possess and rely upon competent and reliable scientific evidence,
21 and an actual exercise of his represented expertise, in the form of an examination
22 or testing of the product.

23 **Endorsements**

24 **III.**

25 **IT IS FURTHER ORDERED** that Defendant, directly or through any
26 corporation, partnership, subsidiary, division, trade name, or other device, and his
27 agents, servants, employees and all persons or entities in active concert or
28 participation with them who receive actual notice of this Order, by personal

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1 service or otherwise, in connection with the manufacturing, labeling, advertising,
2 promotion, offering for sale, sale, or distribution of any covered product, are
3 hereby permanently restrained and enjoined from representing, in any manner,
4 expressly or by implication, that such product has been endorsed by any
5 organization or group that is an expert with respect to the endorsement message
6 unless:

- 7 A. The endorser is an existing organization, or group whose
8 qualifications give it the expertise that the endorser is represented as
9 having with respect to the endorsement; and
- 10 B. The endorsement is substantiated by an objective and valid evaluation
11 or test using procedures generally accepted by experts in the relevant
12 science or profession to yield accurate and reliable results; and
- 13 C. The endorser has a reasonable basis for the endorsement.

14 **IV.**

15 **IT IS FURTHER ORDERED** that Defendant, directly or through any
16 corporation, partnership, subsidiary, division, trade name, or other device, and his
17 agents, servants, employees and all persons or entities in active concert or
18 participation with them who receive actual notice of this Order, by personal
19 service or otherwise, in connection with the manufacturing, labeling, advertising,
20 promotion, offering for sale, sale, or distribution of any covered product, are
21 hereby permanently restrained and enjoined in any claim made as an expert
22 endorser from:

- 23 A. Misrepresenting that he is not affiliated with or is independent from
24 the seller of the product; and
- 25 B. Failing to disclose, clearly and prominently, any material connection,
26 where one exists, between Defendant Lawrence and the individual or
27 entity manufacturing, labeling, advertising, promoting, offering for
28 sale, selling, or distributing the product. For purposes of this

1 Paragraph, a "material connection" shall mean any relationship that
2 may materially affect the weight or credibility of the endorsement,
3 including, but not limited to: where Defendant Lawrence has any
4 financial interest in the individual or entity manufacturing, labeling,
5 advertising, promoting, offering for sale, selling, or distributing the
6 product, or receives a royalty or percentage of sales of the endorsed
7 product; or the Defendant is an employee, agent, representative,
8 officer, director, or shareholder of the individual or entity
9 manufacturing, labeling, advertising, promoting, offering for sale,
10 selling, or distributing the product.

11 **Representations Regarding Covered Products**

12 **V.**

13 **IT IS FURTHER ORDERED** that Defendant Lawrence, directly or
14 through any corporation, partnership, subsidiary, division, trade name, or other
15 device, and his agents, servants, employees and all persons or entities in active
16 concert or participation with him who receive actual notice of this Order, by
17 personal service or otherwise, in connection with the manufacturing, labeling,
18 advertising, promotion, offering for sale, sale, or distribution of any covered
19 product are hereby permanently restrained and enjoined from making any
20 representation in any manner, expressly or by implication, including through the
21 use of trade names or endorsements, that such product is effective in the cure,
22 treatment, mitigation, or prevention of any disease unless the claim is true, non-
23 misleading, and, at the time it is made, Defendant possesses and relies upon
24 competent and reliable scientific evidence that substantiates the representation.

25 **Representations Regarding Tests or Studies**

26 **VI.**

27 **IT IS FURTHER ORDERED** that Defendant, directly or through any
28 corporation, partnership, subsidiary, division, trade name, or other device, and his

1 agents, servants, employees and all persons or entities in active concert or
2 participation with him who receive actual notice of this Order, by personal service
3 or otherwise, in connection with the manufacturing, labeling, advertising,
4 promotion, offering for sale, sale, or distribution of any covered product, are
5 hereby permanently restrained and enjoined from misrepresenting, in any manner,
6 expressly or by implication, the existence, contents, validity, results, conclusions,
7 or interpretations of any test or study.

8 **FDA APPROVED CLAIMS**

9 **VII.**

10 **IT IS FURTHER ORDERED** that:

- 11 A. Nothing in this Order shall prohibit Defendant from making any
12 representation for any drug that is permitted in labeling for such drug
13 under any tentative final or final standard promulgated by the Food
14 and Drug Administration, or under any new drug application
15 approved by the Food and Drug Administration; and
16 B. Nothing in this Order shall prohibit Defendant from making any
17 representation for any product that is specifically permitted in
18 labeling for such product by regulations promulgated under the laws
19 of the United States of America.

20 **MONETARY JUDGMENT AND CONSUMER REDRESS**

21 **Judgment**

22 **VIII.**

23 **IT IS FURTHER ORDERED** that judgment in the amount of
24 Twenty-Five Thousand Dollars (\$25,000.00) is hereby entered against Defendant
25 Lawrence, which shall be paid as follows:

- 26 A. Defendant has placed Twenty-Five Thousand Dollars (\$25,000.00)
27 into a trust account at Altman & Morris, the law firm of Defendant's
28 Counsel, which shall be held by Defendant's counsel in such trust

1 account and transferred within three days after entry of this Order by
2 wire transfer into an account to be designated by the Commission in
3 accord with directions provided by the Commission.

4 B. All funds paid pursuant to this Order shall be deposited into an
5 account administered by the Commission or its agent to be used for
6 equitable relief, including but not limited to consumer redress and any
7 attendant expenses for the administration of such equitable relief. In
8 the event that direct redress to consumers is wholly or partially
9 impracticable or funds remain after redress is completed, the
10 Commission may apply any remaining funds for such other equitable
11 relief (including consumer information remedies) as it determines to
12 be reasonably related to the Defendant's practices alleged in the
13 complaint. Any funds not used for such equitable relief shall be
14 deposited to the United States Treasury as disgorgement. Defendant
15 shall have no right to challenge the Commission's choice of remedies
16 under this Paragraph. Defendant shall have no right to contest the
17 manner of distribution chosen by the Commission. No portion of any
18 payments under the judgment herein shall be deemed a payment of
19 any fine, penalty, or punitive assessment.

20 C. In accordance with 31 U.S.C. § 7701, Defendant is hereby required,
21 unless he has done so already, to furnish to the Commission his
22 taxpayer identifying numbers and/or social security numbers, which
23 may be used for purposes of collecting and reporting on any
24 delinquent amount arising out of Defendant's relationship with the
25 government.

26 D. Defendant relinquishes all dominion, control, and title to the funds
27 paid into the account established pursuant to this Order, and all legal
28 and equitable title to the funds shall vest in the Treasurer of the

1 United States unless and until such funds are disbursed to consumers.
2 Defendant shall make no claim to or demand for the return of the
3 funds, directly or indirectly, through counsel or otherwise; and in the
4 event of bankruptcy of the Defendant, Defendant acknowledges that
5 the funds are not part of the debtor's estate, nor does the estate have
6 any claim or interest therein.

7 E. Proceedings instituted under this Paragraph are in addition to, and not
8 in lieu of, any other civil or criminal remedies that may be provided
9 by law, including any other proceedings the Commission may initiate
10 to enforce this Order.

11 **Right to Reopen**

12 **IX.**

13 **IT IS FURTHER ORDERED that:**

14 A. The Commission's agreement to this Order is expressly premised
15 upon Defendant's financial condition as represented by Defendant
16 Lawrence in submissions made to the Commission, to wit:

- 17 1. the Financial Statement of Individual Defendant with
18 attachments, signed and dated February 2, 2005;

19 This Financial Statement of Individual Defendant and the attached
20 supporting documents contain material information upon which the
21 Commission relied in negotiating and agreeing to the terms of this
22 Order.

23 B. If, upon motion by the Commission, a Court should determine that the
24 Defendant made a material misrepresentation or omitted material
25 information concerning his financial condition to the Commission,
26 then the Court shall enter judgment against Defendant Lawrence in
27 favor of the Commission, in the amount of Five Hundred Thousand
28 Dollars (\$500,000), which amount shall become immediately due and

1 payable by Defendant Lawrence, and interest computed at the rate
2 prescribed under 28 U.S.C. § 1961, as amended, shall immediately
3 begin to accrue on the unpaid balance; *provided, however, that* in all
4 other respects this Final Judgment shall remain in full force and effect
5 unless otherwise ordered by the Court; and, *provided further, that*
6 proceedings instituted under this provision would be in addition to,
7 and not in lieu of, any other civil or criminal remedies as may be
8 provided by law, including but not limited to contempt proceedings,
9 or any other proceedings that the Commission or the United States
10 may initiate to enforce this Final Judgment. For purposes of this
11 Paragraph, and any subsequent proceedings to enforce payment,
12 including but not limited to a non-dischargeability complaint filed in
13 a bankruptcy proceeding, Defendant Lawrence agrees not to contest
14 any of the allegations in the Commission's Complaint.

15 COOPERATION WITH COMMISSION

16 X.

17 **IT IS FURTHER ORDERED** that Defendant Lawrence must reasonably
18 and in good faith cooperate with the Commission in connection with this action or
19 any subsequent investigations related to or associated with the transactions or
20 occurrences that are the subject of the Commission's Complaint. Defendant
21 acknowledges, understands, and agrees that such cooperation shall include, but not
22 be limited to, the following:

- 23 A. Appearing for interviews as may reasonably be requested by the
24 Commission;
- 25 B. Responding to all reasonable inquiries of the Commission;
- 26 C. Providing all documents, records, and other tangible evidence
27 reasonably requested by the Commission;
- 28 D. Providing truthful declarations, affidavits, certifications, and written

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1 testimony that may be reasonably requested by the Commission; and

2 E. Appearing and providing oral testimony at any trial, deposition, or
3 other proceeding. Defendant agrees to accept service by overnight
4 delivery of any subpoena to appear and provide testimony.

5 The foregoing cooperation shall be upon reasonable written notice by the
6 Commission. Defendant's failure to cooperate as required herein constitutes a
7 material breach of the settlement between the parties and a violation of this Order.
8 If, upon motion by the Commission after written notice and a five (5) calendar day
9 opportunity to cure, the Court finds that Defendant has failed to cooperate
10 reasonably and in good faith with the Commission as provided for in this
11 Paragraph, the Court shall enter judgment against the Defendant to the
12 Commission, in favor of the Commission, in the amount of Five Hundred
13 Thousand Dollars (\$500,000), which amount shall become immediately due and
14 payable by Defendant, and interest computed at the rate prescribed under 28
15 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid
16 balance; *provided, however, that* in all other respects this Final Judgment shall
17 remain in full force and effect unless otherwise ordered by the Court; and,
18 *provided further, that* proceedings instituted under this provision would be in
19 addition to, and not in lieu of, any other civil or criminal remedies as may be
20 provided by law, including but not limited to contempt proceedings, or any other
21 proceedings that the Commission or the United States may initiate to enforce this
22 Final Judgment. For purposes of this Paragraph, and any subsequent proceedings
23 to enforce payment, including but not limited to a non-dischargeability complaint
24 filed in a bankruptcy proceeding, Defendant agrees not to contest any of the
25 allegations in the Commission's Complaint.

1 **COMPLIANCE REQUIREMENTS**

2 **Compliance Reporting**

3 **XI.**

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

6 A. For a period of five (5) years from the date of entry of this Order,
7 Defendant Lawrence:

8 1. Shall notify the Commission of the following:

9 a. Any changes in residence(s), mailing address(es), and
10 telephone number(s) of the Defendant, within ten (10)
11 days of the date of such change; and

12 b. Any changes in Defendant's employment status
13 (including self-employment) or in Defendant's
14 ownership of any business entity engaged in the sale of a
15 covered product, within ten (10) days of such change.
16 Such notice shall include the name and address of each
17 such business engaged in the sale of a covered product
18 that the Defendant is affiliated with, employed by,
19 creates or forms, or performs services for; a statement of
20 the nature of the business; and a statement of the
21 Defendant's duties and responsibilities in connection
22 with the business or employment; and

23 2. Shall notify the Commission of any proposed change in
24 corporate structure of any business entity that Defendant
25 Lawrence directly or indirectly controls, or has an ownership
26 interest in, that may affect compliance obligations arising under
27 this Order, including but not limited to a dissolution,
28 assignment, sale, merger, or other action that would result in

1 the emergence of a successor corporation; the creation or
2 dissolution of a subsidiary, parent, or affiliate that engages in
3 any acts or practices subject to this Order; the filing of a
4 bankruptcy petition; or a change in the corporate name or
5 address, at least thirty (30) days prior to such change, *provided*
6 *that*, with respect to any proposed change in the corporation
7 about which Defendant Lawrence learns less than thirty (30)
8 days prior to the date such action is to take place, Defendant
9 Lawrence shall notify the Commission as soon as is practicable
10 after obtaining such knowledge.

11 B. Sixty (60) days after the date of entry of this Order, Defendant
12 Lawrence shall provide a written report to the Commission, sworn to
13 under penalty of perjury, setting forth in detail the manner and form
14 in which he has complied and is complying with this Order. This
15 report shall include, but not be limited to:

- 16 1. The then-current residence addresses, mailing addresses, and
17 telephone numbers of Defendant Lawrence;
- 18 2. The then-current employment and business addresses and
19 telephone numbers of Defendant Lawrence, a description of the
20 business activities of each such employer or business, and the
21 title and responsibilities of the Defendant, for each such
22 employer or business;
- 23 3. The full name, address, telephone number, and state of
24 incorporation of each corporation for which Defendant
25 Lawrence is an officer or director or in which he holds more
26 than five (5) percent of the shares of the corporation;
- 27 4. A copy of each acknowledgment of receipt of this Order
28 obtained by Defendant Lawrence pursuant to Paragraph XIV;

1 and

2 5. Any other changes required to be reported under Subparagraph
3 A of this Section.

4 For purposes of this Paragraph, "employment" includes the
5 performance of services as an employee, consultant, or independent
6 contractor; and "employers" include any individual or entity for
7 whom Defendant Lawrence performs services as an employee,
8 consultant, or independent contractor.

9 C. For purposes of this Order, Defendant Lawrence shall, unless
10 otherwise directed by the Commission's authorized representatives,
11 mail all written notifications to the Commission to:

12 Associate Director for Advertising Practices
13 Federal Trade Commission
14 600 Pennsylvania Avenue, N.W., Rm. NJ3212
15 Washington, D.C. 20580

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

17 D. For purposes of the compliance reporting required by this Paragraph,
18 the Commission is authorized to communicate in writing directly with
19 Defendant Lawrence, with a copy to Defendant's counsel of record
20 herein, or such substitute counsel as Defendant may advise Plaintiff.
21 Defendant shall be given the opportunity to have counsel present for
22 any oral communications.

23 **Compliance Monitoring**

24 **XII.**

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

27 A. Within ten (10) days, or such longer period as may be reasonable but
28 not to exceed thirty (30) days, of receipt of written notice from a

1 representative of the Commission, Defendant Lawrence shall submit
2 additional written reports, sworn to under penalty of perjury; produce
3 documents for inspection and copying; appear for deposition; and/or
4 provide entry during normal business hours to any business location
5 in Defendant Lawrence's possession or direct or indirect control to
6 inspect the business operation;

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

- 10 1. obtaining discovery from any person, without further leave of
11 court, using the procedures prescribed by Fed. R. Civ. P. 30,
12 31, 33, 34, 36, and 45;
- 13 2. posing as consumers or suppliers to Defendant Lawrence,
14 employees of Defendant Lawrence, or any other entity
15 managed or controlled in whole or in part by Defendant
16 Lawrence without the necessity of identification or prior
17 notice; and

18 C. Defendant Lawrence shall permit representatives of the Commission
19 to interview any employer, consultant, independent contractor,
20 representative, agent, or employee who has agreed to such an
21 interview, relating in any way to any conduct subject to this Order.

22 The person interviewed may have counsel present.

23 *Provided, however,* that nothing in this Order shall limit the Commission's
24 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act,
25 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things,
26 testimony, or information relevant to unfair or deceptive acts or practices in or
27 affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

1 **RECORD KEEPING PROVISIONS**

2 **XIII.**

3 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the
4 date of entry of this Order, Defendant Lawrence and his agents, employees,
5 officers, corporations, successors, and assigns, and those persons in active concert
6 or participation with them who receive actual notice of this Order by personal
7 service or otherwise, is hereby restrained and enjoined from failing to continue to
8 create and retain the following records:

- 9 A. All payments, whether by salary, consulting fees, monthly retainer,
10 percentage of sales, royalty, expense reimbursement, options, loans,
11 stock dividends, gifts, or other transfer arrangement made to
12 Defendant Lawrence by any of the Defendants in this action, their
13 affiliated companies, or other persons or entities engaged in the
14 manufacturing, labeling, advertising, promotion, offering for sale,
15 sale, or distribution of a covered product, in connection with
16 Defendant Lawrence’s endorsement of said covered product;
- 17 B. Copies of all draft and/or final versions of all endorsements, articles,
18 advertisements, promotional materials, or other marketing materials
19 provided to Defendant Lawrence by any of the Defendants in this
20 action or other person or business entity engaged in the
21 manufacturing, labeling, advertising, promotion, offering for sale,
22 sale, or distribution of a covered product in connection with
23 Defendant Lawrence’s endorsement of said covered product;
- 24 C. Copies of all documents provided to Defendant Lawrence by any
25 other Defendant or other person or other business entity in connection
26 with each endorsement subject to Subparagraph B, above;
- 27 D. All materials that were relied upon in making any representations
28 subject to Subparagraph B above, including all documents evidencing

1 or referring to the accuracy of any claim therein or to the efficacy of
2 any covered product, including, but not limited to, all tests, reports,
3 studies, demonstrations, and other evidence in Defendant Lawrence's
4 possession that confirms, contradicts, qualifies, or calls into question
5 the accuracy of such claims regarding the efficacy of such covered
6 product;

7 E. All examinations, tests, research, or other evaluations conducted by
8 Defendant Lawrence in connection with each endorsement subject to
9 Subparagraph B, above;

10 F. All materials Defendant Lawrence provided to any Defendant, other
11 person, or other business entity in connection with each endorsement
12 subject to Subparagraph B, above; and

13 G. All records and documents necessary to demonstrate full compliance
14 with each provision of this Order, including but not limited to, copies
15 of acknowledgments of receipt of this Order and all reports submitted
16 to the FTC pursuant to this Order.

17 **DISTRIBUTION OF ORDER**

18 **XIV.**

19 **IT IS FURTHER ORDERED** that, for a period of five (5) years from the
20 date of entry of this Order:

21 A. Defendant Lawrence shall deliver copies of the Order to all
22 principals, officers, directors and managers of each person or business
23 entity engaged in the manufacturing, labeling, advertising, promotion,
24 offering for sale, sale, or distribution of a covered product who
25 requests Defendant Lawrence's endorsement of any covered product.

26 B. Defendant Lawrence must secure a signed and dated statement
27 acknowledging receipt of the Order, within thirty (30) days of
28 delivery, from all persons receiving a copy of the Order pursuant to

1 this Paragraph.

2 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

3 **XV.**

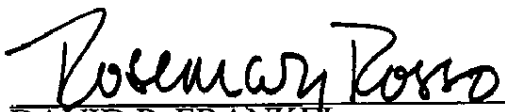
4 **IT IS FURTHER ORDERED** that Defendant Lawrence, within five (5)
5 business days of receipt of this Order as entered by the Court, must execute and
6 submit to the Commission a sworn statement acknowledging receipt of this Order.

7 **COURT'S RETENTION OF JURISDICTION**

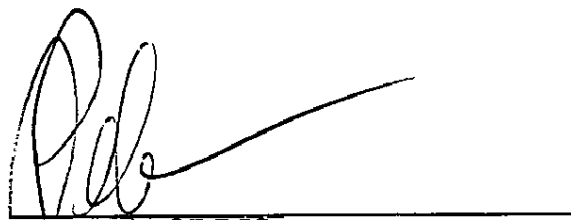
8 **XVI.**

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

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13 SO STIPULATED:

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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

23 
24 RONALD M. LAWRENCE, M.D., Ph.D.,

25
26 
27 PETER MORRIS
28 Altman & Morris
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Los Angeles, CA 90067
Tel: (310) 277-8481
Fax: (310) 277-8483

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

Attorney for DEFENDANT LAWRENCE

IT IS SO ORDERED

Dated MAR 30 2005

DICKRAN TEVRIZIAN

United States District Judge

SCANNED

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SO ORDERED:

DATED: _____

Hon. Dickran Tevrizian
UNITED STATES DISTRICT JUDGE

RECORDED

1 **CERTIFICATE OF SERVICE**

2 I HEREBY CERTIFY that on March 29, 2005, I caused true and correct
3 copies of the [Proposed] **STIPULATED FINAL ORDER FOR PERMANENT**
4 **INJUNCTION AND SETTLEMENT OF CLAIMS FOR MONETARY**
5 **RELIEF RE: RONALD M. LAWRENCE, M.D., Ph.D.** to be served as
6 follows:

7 **BY FEDERAL EXPRESS:**

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9 Andrew B. Lustigman, Esq.
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SCANNED

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