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10 Attorneys for Plaintiff

11 UNITED STATES DISTRICT COURT
 12 CENTRAL DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,
 14 Plaintiff,
 15 v.
 16 FGH INTERNATIONAL CORPORATION,
 17 et al.,
 18 Defendants.

No. CV04-8013-AHM (JWJX)

STIPULATED FINAL ORDER
 FOR PERMANENT INJUNCTION
 AND SETTLEMENT OF
 MONETARY CLAIMS

THIS CONSTITUTES NOTICE OF ENTRY
 AS REQUIRED BY FRCP, RULE 77(d).

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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FEDERAL TRADE COMMISSION,

No. CV-04-8013-AHM-JWJx

Plaintiff,

STIPULATED FINAL ORDER
FOR PERMANENT INJUNCTION
AND SETTLEMENT OF
MONETARY CLAIMS

v.

FGH INTERNATIONAL CORP., et al.,

Defendants.

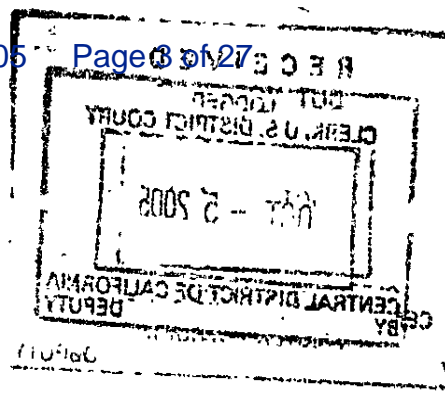
The Federal Trade Commission ("FTC") commenced this civil action on September 27, 2004, by filing its Complaint against FGH International Corporation, Inti California Inc., Jaime Jhonny Rojas Villanueva ("Jhonny Rojas"), and Wilson Edgar Rojas Villanueva ("Wilson Rojas"). On December 7, 2004, the FTC filed an Amended Complaint that added FGH International S.R.L. as a defendant. The Amended Complaint alleges that Defendants engaged in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule, 16 C.F.R. Part 310, including violations of the National Do Not Call Registry, in connection with the advertising, marketing, and sale of instructional programs. The FTC and each of the defendants hereby stipulate to the entry of this Final Order for Permanent Injunction and Settlement of Claims ("Order").

FINDINGS

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

1. This is an action by the FTC instituted pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b. The Amended Complaint seeks both permanent injunctive relief and

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1 consumer redress for Defendants' alleged deceptive acts or
2 practices in connection with the marketing and sale of
3 instructional programs.

4 2. The FTC has the authority pursuant to Section 13(b) and
5 19 of the FTC Act to seek the relief it has requested, and the
6 Amended Complaint states a claim upon which relief can be granted
7 against Defendants.

8 3. This Court has jurisdiction over the subject matter of
9 this case and has personal jurisdiction over each Defendant.
10 Venue in the Central District of California is proper.

11 4. The activities of Defendants, as alleged in the Amended
12 Complaint, are in or affecting commerce, as defined in the FTC
13 Act, 15 U.S.C. § 44.

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

20 6. By entering into this Order, Defendants do not admit to
21 the allegations set forth in the Amended Complaint, other than
22 the jurisdictional facts.

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

26 8. Entry of this Order is in the public interest.
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DEFINITIONS

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

A. "Defendants" means FGH International Corporation, Inti California Inc., FGH International S.R.L., and their successors and assigns, Jaime Jhonny Rojas Villanueva, and Wilson Edgar Rojas Villanueva.

B. "Assisting others" means providing any of the following goods or services to any person or entity: (a) performing customer service functions, including but not limited to receiving or responding to consumer complaints; (b) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other written marketing material; (c) providing names of, or assisting in the generation of, potential customers; (d) performing marketing services of any kind; or (e) acting as an officer or director of a business entity.

C. "Instructional programs" means any program, plan, product or service that teaches, educates, instructs, trains, assists, enables or purports to teach, educate, instruct, train, assist, or enable a consumer to learn or become proficient in any subject or field.

D. "Telemarketing" means any activity that involves attempts to induce consumers to purchase any item, product, good, service, investment, partnership interest, trust interest or other beneficial interest, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of marketing; provided,

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1 however, that the term "telemarketing" shall not include (a)
2 transactions that are not completed until after a face-to-face
3 contact between the seller or solicitor and the consumers
4 solicited, and the consumer is not required to pay or authorize
5 payment until after such a presentation; or (b) the solicitation
6 of sales through the mailing of a catalog which contains a
7 written description or illustration of the goods or services
8 offered for sale; includes the business address of the seller;
9 includes multiple pages of written material or illustrations; and
10 has been issued not less frequently than once a year, when the
11 person making the solicitation does not solicit customers by
12 telephone but only receives calls initiated by customers in
13 response to the catalog and during those calls takes orders only
14 without further solicitation.

15 E. "Established business relationship" means a
16 relationship between the seller and a person based on: (a) the
17 person's purchase, rental, or lease of the seller's goods or
18 services or a financial transaction between the person and
19 seller, within the eighteen (18) months immediately preceding the
20 date of the telemarketing call; or (b) the person's inquiry or
21 application regarding a product or service offered by the seller,
22 within the three (3) months immediately preceding the date of a
23 telemarketing call.

24 F. "National Do Not Call Registry" means the National Do
25 Not Call Registry, which is the "do-not-call" registry maintained
26 by the FTC pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).

27 G. "Seller" means any person who, in connection with a
28 telemarketing transaction, provides, offers to provide, or

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1 arranges for others to provide goods or services to the customer
2 in exchange for consideration whether or not such person is under
3 the jurisdiction of the FTC.

4 H. "Telemarketer" means any person who, in connection with
5 telemarketing, initiates or receives telephone calls to or from a
6 customer or donor.

7 I. "Outbound telephone call" means a telephone call
8 initiated by a telemarketer to induce the purchase of goods or
9 services or to solicit a charitable contribution.

10 **ORDER**

11 **BOND REQUIREMENT**

12 **I. IT IS THEREFORE ORDERED** that Defendants, whether acting
13 directly or through any person or entity, are permanently
14 restrained and enjoined from (A) engaging in telemarketing, (B)
15 assisting others engaged in telemarketing, (C) marketing or
16 selling instructional programs, and (D) assisting others engaged
17 in marketing or selling instructional programs, in each case
18 unless each such Defendant first obtains a performance bond in
19 the principal sum of ONE MILLION DOLLARS (\$1,000,000).

20 A. The bond required by this Section I shall be
21 conditioned upon compliance with Section 5 of the FTC Act, 15
22 U.S.C. § 45(a), the Telemarketing Sales Rule, 16 C.F.R. Part 310
23 as amended, and with this Order. The bond shall be deemed
24 continuous and remain in full force and effect as long as
25 Defendants continue to engage in conduct that requires the
26 posting of the bond, and for at least three years after
27 Defendants have ceased to engage in such conduct. The bond shall
28 cite this Order as the subject matter of the bond, and shall

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1 provide surety thereunder against financial loss resulting from
2 whole or partial failure of performance due, in whole or in part,
3 to any violation of Section 5 of the FTC Act, the Telemarketing
4 Sales Rule, the provisions of this Order, or to any other
5 violation of law.

6 B. The performance bond required pursuant to this Section
7 I shall be in the form of an insurance agreement providing surety
8 for financial loss issued by a surety company that is admitted to
9 do business in each of the states in which the defendants do
10 business and that holds a Federal Certificate of Authority As
11 Acceptable Surety On Federal Bond and Reinsuring. Such
12 performance bond shall be in favor of both: (1) the Federal
13 Trade Commission for the benefit of any consumer injured as a
14 result of any violation of Section 5 of the FTC Act, the
15 Telemarketing Sales Rule, or the provisions of this Order made by
16 Defendants, their agents, or any persons acting in concert with
17 them; and (2) any consumer so injured.

18 C. The bond required pursuant to this Section I is in
19 addition to, and not in lieu of, any other bond required by any
20 other federal, state, or local law, or by any other court order
21 not entered in this action.

22 D. At least ten business days before the commencement of
23 any activity covered by sub-section A above, Defendants shall
24 provide the bond required by this Section I to the Associate
25 Director for Enforcement at the address specified in Section X of
26 this Order.

27 E. Defendants shall not disclose the existence of the
28 performance bond required by this Section I to any consumer

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1 without also disclosing clearly and prominently, at the same
2 time, the following phrase: "This bond is required by order of
3 the U.S. District Court, in the case FTC v. FGH International
4 Corporation, et al., Case No. CV-04-8013-AHM-JWJx (C.D. Cal.),
5 in settlement of allegations of false and misleading
6 representations in the promotion and sale of instructional
7 programs." The disclosure shall be set forth in a clear and
8 conspicuous manner, separated from all other text, in 100% black
9 ink against a light background, in print at least as large as the
10 main text of the sales material or document, and enclosed in a
11 box containing only the required disclosure.

12 F. If, upon motion by the FTC, the Court finds that any
13 Defendant or any business in which any Defendant engages or
14 participates, has violated Section 5 of the FTC Act, the
15 Telemarketing Sales Rule, or this Order, the FTC may execute
16 against the performance bond required by this Section I.
17 Proceedings instituted under this sub-section F are in addition
18 to, and not in lieu of, any other civil or criminal remedies as
19 may be provided by law, including any other proceedings the FTC
20 may initiate to enforce this Order.

21 **PROHIBITED BUSINESS ACTIVITIES**

22 **II. IT IS FURTHER ORDERED** that Defendants, and their officers,
23 agents, employees, and all those persons or entities in active
24 concert or participation with them who receive actual notice of
25 this Order by personal service or otherwise, whether acting
26 directly or through any entity, corporation, subsidiary,
27 division, or other device, in connection with the advertising,
28 promoting, marketing, offering for sale, sale, or distribution of

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1 any good or service, are hereby permanently restrained and
2 enjoined from:

3 A. Misrepresenting or assisting others in misrepresenting,
4 expressly or by implication, any material fact, including but not
5 limited to:

6 1. That any person or entity is an agency of or
7 affiliated with the Federal government or a state government;

8 2. That consumers have been selected by the
9 government to receive subsidized training or a subsidized
10 instructional program;

11 3. That consumers have purchased or agreed to
12 purchase any instructional program or other good or service and
13 therefore owe money to any person or entity;

14 4. That any person is an attorney or that such
15 person's communication is from an attorney;

16 5. That nonpayment of a debt or purported debt will
17 result in a consumer's arrest, imprisonment, or deportation, or
18 seizure, garnishment, or attachment of a consumer's property or
19 wages;

20 6. That any person or entity, including a government
21 agency, intends to take legal action against a consumer;

22 7. The terms and conditions of any policies and
23 practices regarding refunds, cancellations, exchanges, or
24 repurchases;

25 8. That an instructional program or other good or
26 service is offered at "no obligation" or for nominal charge or
27 words of similar import, denoting or implying the absence of any
28 obligation on the part of the recipient of the offer to

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1 affirmatively act in order to avoid charges or additional charges
2 if, in fact, a charge or additional charge will be submitted for
3 payment at the end of a trial period unless the consumer takes
4 affirmative action to cancel;

5 9. (1) The amount that a consumer will be charged or
6 billed for any instructional program or other good or service,
7 (2) that a consumer will not be charged or billed for any
8 instructional program or other good or service, (3) the timing or
9 manner of any charge or bill, or (4) that a consumer will not be
10 charged or billed without the consumer's authorization;

11 10. The length of any trial period for any
12 instructional program or other good or service that consumers
13 will receive before they are automatically charged or billed for
14 such instructional program or other good or service;

15 11. The total costs to purchase, receive, or use, and
16 the quantity of, any instructional program or other good or
17 service;

18 12. Any material restriction, limitation, or condition
19 to purchase, receive, or use any instructional program or other
20 good or service; and

21 13. Any material aspect of the performance, efficacy,
22 nature, or central characteristics of any instructional program
23 or other good or service;

24 B. Failing to disclose truthfully, in a clear and
25 conspicuous manner, before a consumer consents to any purchase
26 the following material information:

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1 1. The total costs to purchase, receive, or use, and
2 the quantity of, any instructional program or other good or
3 service;

4 2. All material restrictions, limitations, or
5 conditions to purchase, receive, or use any instructional program
6 or other good or service;

7 3. All material terms and conditions of any refund or
8 cancellation policy, or, if there is no refund or
9 cancellation policy, a statement of that fact; and

10 4. If the offer includes a negative option feature,
11 all material terms and conditions of the negative option feature,
12 including, but not limited to, the fact that the customer's
13 account will be charged unless the customer takes an affirmative
14 action to avoid the charge(s), the date(s) the charge(s) will be
15 submitted for payment, and the specific steps the customer must
16 take to avoid the charge(s);

17 C. Using threats or intimidation to coerce consumers to
18 pay for any instructional program or other good or service;

19 D. With respect to any instructional program or other good
20 or service offered with a money-back guarantee by Defendants,
21 failing to provide, within seven (7) business days of a
22 Defendant's receipt of a refund request, a full refund of the
23 purchase price of the instructional program or other good or
24 service, including any shipping costs, insurance, handling, or
25 any other fee or charge paid by the consumer; provided, however,
26 that Defendants may set terms and conditions for such money-back
27 guarantee (such as a time limit within which consumers must
28 request the money back, or a non-refundable shipping and handling

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1 charge) only if Defendants have disclosed such terms and
2 conditions, clearly and conspicuously and in close proximity to
3 the offer; provided, further, that Defendants must not, in
4 connection with any money back guarantee or free or introductory
5 price offer, set a term limiting a refund or cancellation only
6 for unopened goods; and

7 E. Failing to honor any representations made by Defendants
8 regarding refunds.

9 **VIOLATIONS OF TELEMARKETING SALES RULE**

10 **III. IT IS FURTHER ORDERED** that Defendants and any person or
11 entity through which they do business, and their successors,
12 assigns, officers, agents, servants, employees, attorneys, and
13 those other persons or entities in active concert or
14 participation with them who receive actual notice of this Order
15 by personal service or otherwise, are hereby permanently
16 restrained and enjoined from engaging in, causing other persons
17 to engage in, or assisting other persons to engage in, violations
18 of any provision of the Telemarketing Sales Rule, 16 C.F.R. Part
19 310, as in effect now or as it may be amended, including, but not
20 limited to:

21 A. Initiating any outbound telephone call to a person's
22 telephone number on the National Do Not Call Registry of persons
23 who do not wish to receive outbound telephone calls to induce the
24 purchase of goods or services unless the seller proves:

25 1. the seller has obtained the express agreement, in
26 writing, of such person to place calls to that person. Such
27 written agreement shall clearly evidence such person's
28 authorization that calls made by or on behalf of a specific party

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1 may be placed to that person, and shall include the telephone
2 number to which the calls may be placed and the signature of that
3 person; or

4 2. the seller has an established business
5 relationship with such person and that person has not previously
6 stated that he or she does not wish to receive outbound telephone
7 calls made by or on behalf of the seller;

8 B. Initiating any outbound telephone call to a person when
9 that person has previously stated that he or she does not wish to
10 receive an outbound telephone call made by or on behalf of the
11 seller whose goods or services are being offered or made by or on
12 behalf of the charitable organization for which a charitable
13 contribution is being solicited;

14 C. Initiating any outbound telephone call to a telephone
15 number within a given area code without first paying the required
16 annual fee for access to the telephone numbers within that area
17 code that are on the National Do Not Call Registry; and

18 D. Abandoning any outbound telephone call to a person by
19 failing to connect the call to a representative within two
20 seconds of the person's completed greeting, unless the following
21 four conditions are met:

22 1. Defendants employ technology that ensures
23 abandonment of no more than three percent of all calls answered
24 by a person, measured per day per calling campaign;

25 2. Defendants and their Representatives, for each
26 telemarketing call placed, allow the telephone to ring for at
27 least fifteen seconds or four rings before disconnecting an
28 unanswered call;

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1 that enables any person to access another person's account, such
2 as a credit card, checking, savings, share or similar account,
3 utility bill, mortgage loan account, or debit card), e-mail
4 address, or other identifying information of any person who
5 submitted such information to any Defendant, at any time prior to
6 entry of this Order, in connection with the purchase of any
7 instructional program.

8 C. Provided, however, that Defendants may disclose such
9 identifying information (i) with the express written consent of
10 the person whose information is disclosed, (ii) to a law
11 enforcement agency, or (iii) as required or authorized by any
12 law, regulation, or court order.

13 **MONETARY RELIEF**

14 **V. IT IS FURTHER ORDERED** that:

15 A. Judgment is hereby entered against Defendants, jointly
16 and severally, in the amount of SIX MILLION, SIX HUNDRED FORTY
17 NINE THOUSAND, SIXTY SIX DOLLARS (\$6,649,066); provided, however,
18 that this judgment shall be suspended:

19 1. Upon the timely transfer of the following assets
20 to the FTC or its designated agent:

21 a. Bank of America shall, within ten (10)
22 business days of the date of entry of this Order, transfer to the
23 FTC or its designated agent all assets held in account numbers
24 23665-03563, 23661-03938, 04760-07980, 24309-04668, 04657-360034,
25 and 24304-08272;

26 b. Defendants shall, within ten (10) business
27 days of the date of entry of this Order, transfer to the FTC or
28 its designated agent all uncashed money orders from consumers

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1 received by any Defendant for the payment or purchase of any
2 instructional program; and

3 c. Defendants shall (1) within twelve (12)
4 months of the date of entry of this Order, transfer to the FTC or
5 its designated agent cash in an amount equal to \$150,000 and (2)
6 within twenty-four (24) months of the date of entry of this
7 Order, transfer to the FTC or its designated agent cash in an
8 amount equal to \$450,000. To secure the payment of these
9 amounts, Defendants shall execute a security and pledge
10 agreement, in a form acceptable to counsel for the FTC, giving
11 the FTC a security interest in the properties located at 6910
12 Simpson, North Hollywood, California and 6450-6452 Bellingham
13 Ave, North Hollywood, California, to be effective as of the date
14 of entry of this Order. Within ten days of the final payment
15 required by this Section V.A.1.c., the FTC shall cancel and
16 return to Defendants the security and pledge agreement; and

17 2. As long as the Court makes no finding, as provided
18 in Section VII of this Order, that Defendants (a) materially
19 misrepresented or omitted the nature, existence, or value of any
20 asset, or (b) fail to make the payments required by Section
21 V.A.1.c. within the time periods specified therein.

22 B. Any funds received by the FTC pursuant to this Section
23 V of this Order shall be deposited into a fund administered by
24 the FTC or its agent to be used for equitable relief, including
25 but not limited to consumer redress and any attendant expenses
26 for the administration of any redress funds. In the event that
27 direct redress to consumers is wholly or partially impracticable
28 or funds remain after redress is completed, the FTC may apply any

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1 remaining funds for such other equitable relief (including
2 consumer information remedies) as it determines to be reasonably
3 related to Defendants' practices alleged in the Complaint. Any
4 funds not used for such equitable relief shall be deposited to
5 the U.S. Treasury as equitable disgorgement. Defendants shall
6 have no right to challenge the FTC's choice of remedies or the
7 manner of distribution.

8 C. While Defendants do not admit any of the facts alleged
9 in the Complaint other than jurisdictional facts, Defendants
10 agree that the facts as alleged in the Amended Complaint shall be
11 taken as true in the event of any subsequent litigation to
12 collect amounts due pursuant to this Order, including but not
13 limited to a nondischargeability complaint in any bankruptcy
14 proceeding.

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

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

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

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1 **ASSET FREEZE**

2 **VI. IT IS FURTHER ORDERED** that, upon entry¹ of this Order and
3 payment of the amount set forth in Section V.A.1.a. and b., the
4 freeze of Defendants' assets shall be dissolved.

5 **RIGHT TO REOPEN**

6 **VII. IT IS FURTHER ORDERED** that the FTC's agreement to this Order
7 is expressly premised on the truthfulness, accuracy and
8 completeness of financial statements previously submitted by
9 Defendants to the FTC. If, upon motion by the FTC, the Court
10 finds that (a) the financial statement of any Defendant contain
11 any material misrepresentation or omission or (b) Defendants fail
12 to make either payment required by Section V.A.1.c. within the
13 time periods specified therein, the suspended judgment entered in
14 Section V.A. of this Order shall become immediately due and
15 payable as to that Defendant; provided, however, that in all
16 other respects this Order shall remain in full force and effect
17 unless otherwise ordered by the Court; and, provided, further,
18 that proceedings instituted under this provision would be in
19 addition to, and not in lieu of, any other civil or criminal
20 remedies as may be provided by law, including any other
21 proceedings that the FTC may initiate to enforce this Order. For
22 purposes of this Section VII, Defendants waive any right to
23 contest any of the allegations in the Amended Complaint.

24 **DISTRIBUTION OF ORDER**

25 **VIII. IT IS FURTHER ORDERED** that, for a period of five (5)
26 years from the date of entry of this Order,

27 A. Defendants FGH International Corp., FGH International
28 S.R.L., and Inti California, Inc. each shall deliver a copy of

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1 this Order to all principals, officers, directors, and managers,
2 and all employees, agents, and representatives who engage in
3 conduct related to the subject matter of the Order.

4 B. Defendants Jhonny Rojas and Wilson Rojas, in connection
5 with any business where (1) he controls, directly or indirectly,
6 the business or has a majority ownership interest, and (2) the
7 business engages in, or assists others engaged in, telemarketing
8 or the advertising, promoting, marketing, offering for sale,
9 sale, or distribution of any instructional program, shall each
10 deliver (1) a copy of this Order to all principals, officers,
11 directors, and managers of that business, and (2) a copy of this
12 Order to all employees, agents, and representatives who engage in
13 conduct related to the subject matter of the Order.

14 C. For any business where either Defendant Jhonny Rojas or
15 Wilson Rojas is not a controlling person but otherwise engages
16 in, or assists others engaged in, telemarketing or the
17 advertising, promoting, marketing, offering for sale, sale, or
18 distribution of any instructional program, such Defendant shall
19 delivery a copy of this Order to all principals and managers of
20 such business before engaging in such conduct.

21 D. For current personnel, delivery required by this
22 Section VIII shall be within (5) days of service of this Order
23 upon Defendants. For new personnel, delivery shall occur prior
24 to them assuming their responsibilities. Defendants must secure
25 a signed and dated statement acknowledging receipt of the Order,
26 within thirty days of delivery, from all persons receiving a copy
27 of the Order pursuant to this Section VIII.

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

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

9 F. Copies of each acknowledgment of receipt of Order
10 required to be obtained pursuant to Section VIII of this Order.

11 **COMPLIANCE REPORTING**

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

14 A. For a period of five (5) years from the date of entry
15 of this Order,

16 1. Defendants Jhonny Rojas and Wilson Rojas each
17 shall notify the FTC of the following:

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

21 (b) Any changes in his employment status
22 (including self-employment) within ten (10)
23 days of the date of such change. Such notice
24 shall include the name and address of each
25 business that he is affiliated with, employed
26 by, or performs services for; a statement of
27 the nature of the business; and a statement
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1 of his duties and responsibilities in
2 connection with the business;

3 (c) Any changes in his name or use of any aliases
4 or fictitious names; and

5 2. Defendants FGH International Corp., FGH
6 International S.R.L., and Inti California, Inc. and their
7 successors and assigns each shall notify the FTC of the
8 following:

9 (a) Any changes in its mailing address,
10 registered address, principal place of
11 business, or any other address at which it
12 conducts business in whole or in part, and
13 corresponding telephone and facsimile numbers
14 at each such address, within ten (10) days of
15 the date of such change;

16 (b) Any changes in its name or use of any
17 aliases, fictitious names, or trade names;

18 3. Defendants shall notify the FTC of any changes in
19 corporate structure that may affect compliance obligations
20 arising under this Order, including but not limited to a
21 dissolution, assignment, sale, merger, or other action that would
22 result in the emergence of a successor corporation; the creation
23 or dissolution of a subsidiary, parent, or affiliate that engages
24 in any acts or practices subject to this Order; the filing of a
25 bankruptcy petition; or a change in the corporate name or
26 address, at least thirty (30) days prior to such change,
27 provided, however, that, with respect to any proposed change in
28 the corporation about which the Defendant learns less than thirty

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1 (30) days prior to the date such action is to take place,
2 Defendant shall notify the FTC as soon as is practicable after
3 obtaining such knowledge.

4 B. One hundred eighty (180) days after the date of entry
5 of this Order, each Defendant shall provide a written report to
6 the FTC, sworn to under penalty of perjury, setting forth in
7 detail the manner and form in which they have complied and are
8 complying with this Order. This report shall include, but not be
9 limited to:

10 1. Any changes required to be reported pursuant to
11 sub-section A above;

12 2. A copy of each acknowledgment of receipt of this
13 Order obtained pursuant to Section VIII; and

14 3. A copy of any bond obtained pursuant to Section I;

15 C. For the purposes of this Order, Defendants shall,
16 unless otherwise directed by the FTC's authorized
17 representatives, mail all written notifications to the FTC to:

18 Associate Director for Enforcement
19 Federal Trade Commission
20 600 Pennsylvania Avenue, NW
Washington D.C. 20580
Re: FTC v. FGH International.

21 D. For purposes of the compliance reporting required by
22 this Section X, the FTC is authorized to communicate directly
23 with Defendants.

24 **COMPLIANCE MONITORING**

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

27 A. Within fifteen (15) days of receipt of written notice
28 from a representative of the FTC, Defendants each shall submit

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

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

9 1. obtaining discovery from any person, without
10 further leave of court, using the procedures prescribed by Fed.
11 R. Civ. P. 30, 31, 33, 34, 36, and 45;

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

16 C. Provided, however, that nothing in this Order shall
17 limit the FTC's lawful use of compulsory process, pursuant to
18 Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to
19 obtain any documentary material, tangible things, testimony, or
20 information relevant to unfair or deceptive acts or practices in
21 or affecting commerce (within the meaning of 15 U.S.C. §
22 45(a)(1)).

23 D. Defendants shall permit representatives of the FTC to
24 interview any employer, consultant, independent contractor,
25 representative, agent, or employee who has agreed to such an
26 interview, relating in any way to any conduct subject to this
27 Order. The person interviewed may have counsel present.

28

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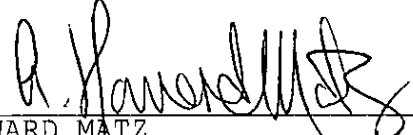
ACKNOWLEDGMENT OF RECEIPT OF ORDER

XII. IT IS FURTHER ORDERED that within five (5) business days after entry of this Order, each Defendant shall submit to the FTC a truthful sworn statement acknowledging receipt of this Order.

RETENTION OF JURISDICTION

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


IT IS SO ORDERED this 7th day of October, 2005.




A. HOWARD MATZ
United States District Judge

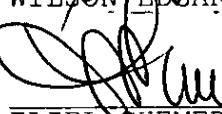
STIPULATED AND AGREED TO:



FGH INTERNATIONAL CORPORATION, Defendant

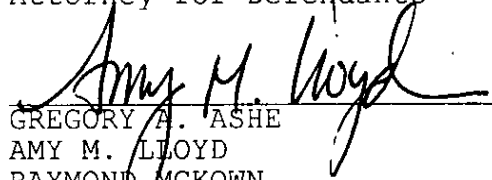

INTI CALIFORNIA, INC., Defendant


FGH INTERNATIONAL S.R.L., Defendant


JAIME JHONNY ROJAS VILLANUEVA, Defendant


WILSON EDGAR ROJAS VILLANUEVA, Defendant

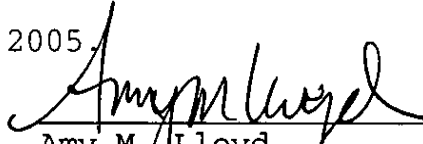

ELIEL CHEMERINSKI
Attorney for Defendants


GREGORY A. ASHE
AMY M. LLOYD
RAYMOND MCKOWN
Federal Trade Commission
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 4, 2005, a true and correct copy of STIPULATED FINAL ORDER FOR PERMANENT INJUNCTION AND SETTLEMENT OF MONETARY CLAIMS was served via overnight courier on Eliel Chemerinski, Esq., 1875 Century Park East, Suite 1000, Los Angeles, California 90067, counsel for Defendants.

Executed on October 4, 2005



Amy M. Lloyd
Attorney for the FTC

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