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11 ATTORNEYS FOR PLAINTIFF

12
13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 WINDOW ROCK ENTERPRISES, INC.,
19 also d/b/a WINDOW ROCK HEALTH
LABORATORIES, also d/b/a
20 CORTISLIM, INFINITY
ADVERTISING, INC., STEPHEN F.
21 CHENG, SHAWN M. TALBOTT, and
GREGORY S. CYNAUMON,
22 PINNACLE MARKETING CONCEPTS,
INC., also d/b/a PMC HEALTH
23 PRODUCTS, AND THOMAS F. CHENG

24 Defendants.

CIVIL NUMBER

CV-04-8190-DSF (JTLx)

**STIPULATED FINAL
AGREEMENT AND ORDER
FOR PERMANENT
INJUNCTION AND
SETTLEMENT OF
CLAIMS FOR MONETARY
RELIEF AS TO
DEFENDANTS
INFINITY ADVERTISING,
INC. AND
GREGORY S. CYNAUMON**

25 The Federal Trade Commission (“Commission”) filed a complaint,
26 subsequently amended (as amended, “Complaint”), pursuant to Section 13(b) of
27 the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure
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1 permanent injunctive relief, restitution, disgorgement, and other equitable relief
2 against the Defendants for their alleged deceptive acts or practices and false
3 advertisements in connection with the advertising, promotion, and sale of an
4 alleged weight-loss product, “CortiSlim,” and an alleged stress-relief product,
5 “CortiStress,” in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C.
6 §§ 45(a) and 52.

7 The Commission and Defendants Infinity Advertising, Inc. and Gregory S.
8 Cynaumon (collectively, “Stipulating Defendants”), without Stipulating
9 Defendants admitting or denying liability for any of the conduct alleged in the
10 Complaint, have stipulated to entry of the following agreement for permanent
11 injunction and settlement of claims for monetary relief in settlement of the
12 Commission’s Complaint against Stipulating Defendants.

13 The Court, having been presented with this Stipulated Final Agreement and
14 Order for Permanent Injunction and Settlement of Claims for Monetary Relief
15 (“Order”), finds as follows:

16 17 **FINDINGS**

18 1. This Court has jurisdiction over the subject matter of this case, and
19 jurisdiction over all parties. Venue in the Central District of California is proper.

20 2. The Complaint states a claim upon which relief can be granted, and
21 the Commission has the authority to seek the relief which is stipulated to in this
22 Order.

23 3. The acts and practices of Stipulating Defendants were and are in or
24 affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

25 4. Stipulating Defendants waive all rights to seek judicial review or
26 otherwise challenge or contest the validity of this Order. Stipulating Defendants
27 also waive any claim that they may have held under the Equal Access to Justice
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1 Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this
2 Order.

3 5. Stipulating Defendants have entered into this Order freely and
4 without coercion.

5 6. The Commission and Stipulating Defendants stipulate and agree to
6 this Order, without trial or final adjudication of any issue of fact or law, to settle
7 and resolve all matters in dispute between them arising from the Complaint up to
8 the date of entry of this Order. By entering into this stipulation, Stipulating
9 Defendants do not admit or deny any of the allegations set forth in the Complaint,
10 other than jurisdictional facts.

11 7. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of
12 this Order are binding upon Stipulating Defendants and their officers, agents,
13 servants, employees, and all other persons or entities in active concert or
14 participation with them who receive actual notice of this Order by personal service
15 or otherwise.

16 8. Nothing in this Order obviates the obligation of Stipulating
17 Defendants to comply with Sections 5 and 12 of the FTC Act, 15 U.S.C.
18 §§ 45 and 52.

19 9. This Order was drafted jointly by the Commission and Stipulating
20 Defendants and reflects the negotiated agreement of these parties.

21 10. The Commission's action against Stipulating Defendants is an
22 exercise of the Commission's police or regulatory power as a governmental unit.

23 11. The paragraphs of this Order shall be read as the necessary
24 requirements for compliance and not as alternatives for compliance, and no
25 paragraph serves to modify another paragraph unless expressly so stated.

1 12. This Order replaces, with regard to Stipulating Defendants, the
2 Stipulated Interim Agreement and Order lodged on September 30, 2004, and
3 entered on October 7, 2004 (“Stipulated Interim Order”).

4 13. Each party shall bear its own costs and attorneys’ fees.

5 14. Entry of this Order is in the public interest.

6
7 **DEFINITIONS**

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

9 1. Unless otherwise specified,

10 a. “Infinity” shall mean defendant Infinity Advertising, Inc.;

11 b. “Gregory Cynaumon” shall mean defendant Gregory S.
12 Cynaumon, individually and in his capacity as an officer of
13 Infinity; and

14 c. “Stipulating Defendant(s)” shall mean one or both of Infinity
15 and Gregory Cynaumon.

16 2. “Advertising” and “promotion” shall mean any written or verbal
17 statement, illustration, or depiction designed to effect a sale or create interest in
18 the purchasing of goods, whether it appears in a brochure, newspaper, magazine,
19 pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter,
20 catalogue, poster, chart, billboard, public transit card, point of purchase display,
21 packaging, package insert, label, film, slide, radio, television or cable television,
22 audio program transmitted over a telephone system, program-length commercial
23 (“infomercial”), the Internet, email, press release, video news release, or in any
24 other medium.

25 3. “Assisting others” shall mean knowingly providing any of the
26 following services to any person or entity engaged in conduct related to the subject
27 matter of this Order, including the sale or marketing of a Target Product or a
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1 Covered Product: (a) serving as an owner, partner, officer, director or manager of
2 a business entity selling or marketing a Target Product or a Covered Product;
3 (b) formulating or providing, or arranging for the formulation or provision of, any
4 Covered Product or any advertising for any Covered Product; or c) appearing in
5 any advertising for any Covered Product.

6 4. “Commerce” shall mean as defined in Section 4 of the FTC Act, 15
7 U.S.C. § 44.

8 5. “Competent and reliable scientific evidence” shall mean tests,
9 analyses, research, studies, or other evidence based on the expertise of
10 professionals in the relevant area that has been conducted and evaluated in an
11 objective manner by persons qualified to do so, using procedures generally
12 accepted in the professions to yield accurate and reliable results.

13 6. “CortiSlim” shall mean the dietary supplement CortiSlim and any
14 other product that

15 a. contains one or more of the following ingredients present in
16 current or previous formulations of CortiSlim: magnolia bark
17 extract, beta-sitosterol, theanine, green tea leaf extract, bitter
18 orange peel extract, Panax ginseng, banaba leaf extract,
19 chromium, or vanadium; and

20 b. is marketed with claims that it has a weight effect or reduces or
21 manages stress.

22 7. “CortiSlim Study” shall mean the study conducted by Defendant
23 Talbott and others as reported, at least in part, under the title “Effect of a
24 Stress/Cortisol-Control Dietary Supplement on Weight Loss,” by Shawn Talbott,
25 Ann-Marie Christopulos, and Jill Whelan, as well as all underlying data for such
26 study.

1 8. “CortiStress” shall mean the dietary supplement CortiStress and any
2 other product that

3 a. contains one or more of the following ingredients present in
4 current or previous formulations of CortiStress: magnolia bark
5 extract, beta-sitosterol, or theanine; and

6 b. is marketed with claims that it has a weight effect, or reduces or
7 manages stress, or prevents or treats any disease.

8 9. “Covered Product” shall mean any dietary supplement, food, drug,
9 cosmetic, or device.

10 10. “Endorsement” shall mean as defined in 16 C.F.R. § 255.0(b).

11 11. “Food,” “drug,” “cosmetic,” and “device” shall mean as defined in
12 Section 15 of the FTC Act, 15 U.S.C. § 55.

13 12. “Commission” shall mean the Federal Trade Commission.

14 13. “Related Party” shall mean one or more of Window Rock Enterprises,
15 Inc., also d/b/a Window Rock Health Laboratories, also d/b/a Cortislim (“Window
16 Rock”), Pinnacle Marketing Concepts, Inc., also d/b/a PMC Health Products
17 (“Pinnacle”), Stephen F. Cheng, Thomas F. Cheng, and Shawn M. Talbott,
18 whether acting directly or through any corporation, partnership, subsidiary,
19 division, trade name, or other entity, and their officers, agents, servants,
20 employees, and all persons and entities in active concert or participation with
21 them.

22 14. “Target Product” shall mean CortiSlim and CortiStress.

23 15. “Weight effect” shall mean any weight-related effect attributed to a
24 food, drug, dietary supplement, product, device, or program and includes, but is
25 not limited to, preventing weight gain or producing weight loss, reducing or
26 eliminating fat, slimming, changing body composition, or causing a caloric deficit
27 in a user of such food, drug, dietary supplement, product, device, or program.

1 16. A requirement that Stipulating Defendants “notify,” “furnish,”
2 “provide,” or “submit” to the Commission shall mean that Stipulating Defendants
3 shall send the necessary information via **overnight courier**, costs prepaid, to:

4 Associate Director for Enforcement
5 Federal Trade Commission
6 600 Pennsylvania Avenue, N.W.
7 Washington, DC 20580
8 Attn: *FTC v. Window Rock Enterprises, Inc., et al.*, (C.D. Cal.),
9 Civ. No. 04-8190-DSF (JTLx).

10 17. The terms “and” and “or” in this Order shall be construed
11 conjunctively or disjunctively as necessary, to make the applicable sentence or
12 phrase inclusive rather than exclusive.

13 18. The term “including” in this Order shall mean “including without
14 limitation.”

15 **IT IS STIPULATED, AGREED, AND ORDERED THAT:**

16 **I.**

17 **PROHIBITED REPRESENTATIONS REGARDING
18 ANY TARGET PRODUCT**

19 A. Stipulating Defendants, directly or through any corporation,
20 partnership, subsidiary, division, trade name, or other entity, and their officers,
21 agents, servants, employees, and all persons and entities in active concert or
22 participation with them who receive actual notice of this Order by personal
23 service, facsimile, or otherwise, in connection with the manufacturing, labeling,
24 advertising, promotion, offering for sale, sale, or distribution of any Target
25 Product, in or affecting commerce, are hereby permanently restrained and enjoined
26 from making, or assisting others in making, directly or by implication, including
27 through the use of endorsements or product names, any representation that any
28 Target Product:

- 1 1. Reduces the risk of or prevents serious health conditions,
2 including osteoporosis, obesity, diabetes, Alzheimer's disease,
3 cancer, and cardiovascular disease;
- 4 2. Causes weight loss of 10 to 50 pounds or more for virtually all
5 users;
- 6 3. Causes users to lose as much as 4 to 10 pounds per week over
7 multiple weeks;
- 8 4. Causes users to lose weight specifically from the abdomen,
9 stomach, and thighs;
- 10 5. Causes rapid and substantial weight loss;
- 11 6. Causes long-term or permanent weight loss;
- 12 7. Causes weight loss without the need for diet or exercise; or
- 13 8. Has been demonstrated effective, is supported by, or is
14 otherwise the product of over 15 years of scientific research.

15 B. Stipulating Defendants, directly or through any corporation,
16 partnership, subsidiary, division, trade name, or other entity, and their officers,
17 agents, servants, employees, and all persons and entities in active concert or
18 participation with them who receive actual notice of this Order by personal
19 service, facsimile, or otherwise, in connection with the manufacturing, labeling,
20 advertising, promotion, offering for sale, sale, or distribution of any Target
21 Product, in or affecting commerce, are hereby permanently restrained and enjoined
22 from making, or from assisting others in making, directly or by implication,
23 including through the use of endorsements or product names, any other
24 representation about the performance or efficacy of any Target Product unless the
25 representation is true and non-misleading, and, at the time it is made, Stipulating
26 Defendants possess and rely upon competent and reliable scientific evidence that
27 substantiates the representation.

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II.

**PROHIBITED REPRESENTATIONS REGARDING
ANY COVERED PRODUCT**

Stipulating Defendants, directly or through any corporation, partnership, subsidiary, division, trade name, or other entity, and their officers, agents, servants, employees, and all persons and entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile, or otherwise, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, are hereby permanently restrained and enjoined from making, or assisting others in making, directly or by implication, including through the use of endorsements or product names, any representation about the weight effect, other health benefits, performance, or efficacy of any Covered Product unless the representation is true and non-misleading, and, at the time it is made, Stipulating Defendants possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

**PROHIBITED REPRESENTATIONS REGARDING
TESTS AND STUDIES**

Stipulating Defendants, directly or through any corporation, partnership, subsidiary, division, trade name, or other entity, and their officers, agents, servants, employees, and all persons and entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile, or otherwise, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, are hereby permanently restrained and enjoined from making or assisting others in making, directly or by implication, including through the use

1 of endorsements or product names, any misrepresentation about the existence,
2 contents, validity, results, conclusions, or interpretations of any test or study
3 including, but not limited to, the CortiSlim Study.

4
5 **IV.**

6 **FORMATTING AND DISCLOSURES FOR BROADCAST MEDIA**

7 Stipulating Defendants, directly or through any corporation, partnership,
8 subsidiary, division, trade name, or other entity, and their officers, agents,
9 servants, employees, and all persons and entities in active concert or participation
10 with them who receive actual notice of this Order by personal service, facsimile,
11 or otherwise, in connection with the labeling, advertising, promotion, offering for
12 sale, sale, or distribution of any product, program, or service, in or affecting
13 commerce, are hereby permanently restrained and enjoined from creating or
14 producing or assisting others in creating or producing:

15 A. Any advertisement that misrepresents, expressly or by implication,
16 that it is not a paid advertisement;

17 B. Any television commercial or other video advertisement fifteen (15)
18 minutes in length or longer or intended to fill a broadcasting or cablecasting time
19 slot of fifteen (15) minutes in length or longer that does not display visually in the
20 same language as the predominant language that is used in the advertisement, in a
21 clear and prominent manner, and for a length of time sufficient for an ordinary
22 consumer to read and comprehend it, within the first thirty (30) seconds of the
23 commercial and either immediately before each presentation of ordering
24 instructions for the product, program, or service or periodically through the
25 program, but no more than approximately seven (7) minutes apart, the following
26 disclosure:

1 "YOU ARE WATCHING A PAID ADVERTISEMENT FOR [THE
2 PRODUCT, PROGRAM, OR SERVICE]."

3 *Provided that*, for the purposes of this provision, the oral or visual presentation of
4 a telephone number or address through which viewers may obtain more
5 information or place an order for the product, program, or service shall be deemed
6 a presentation of ordering instructions so as to require the display of the disclosure
7 provided herein; and

8 C. Any radio commercial or other radio advertisement five (5) minutes
9 in length or longer or intended to fill a time slot of five (5) minutes in length or
10 longer that does not state in the same language as the predominant language that is
11 used in the advertisement, in a clear and prominent manner, and in a volume and
12 cadence sufficient for an ordinary consumer to hear and comprehend it, within the
13 first thirty (30) seconds of the commercial and immediately before each
14 presentation of ordering instructions for the product, program, or service, the
15 following disclosure:

16 "YOU ARE LISTENING TO A PAID ADVERTISEMENT FOR
17 [THE PRODUCT, PROGRAM, OR SERVICE]."

18 *Provided that*, for the purposes of this provision, the presentation of a telephone
19 number or address through which listeners may obtain more information or place
20 an order for the product, program, or service shall be deemed a presentation of
21 ordering instructions so as to require the stating of the disclosure provided herein.
22

23 V.

24 FDA-APPROVED CLAIMS

25 Nothing in this Order shall prohibit Stipulating Defendants from making
26 any representation:
27

1 A. For any product that is specifically permitted in labeling for such
2 product by regulations promulgated by the Food and Drug Administration
3 pursuant to the Nutrition Labeling and Education Act of 1990;

4 B. For any drug that is permitted in labeling for such drug under any
5 tentative final or final standard promulgated by the Food and Drug Administration,
6 or under any new drug application approved by the Food and Drug
7 Administration; or

8 C. For any medical device that is permitted in labeling of such medical
9 device under any medical device-specific regulation promulgated by the Food and
10 Drug Administration, under any Federal Food, Drug and Cosmetic Act Section
11 510(k) premarket notification substantial equivalence determination by the Food
12 and Drug Administration, or under any premarket approval application approved
13 by the Food and Drug Administration.
14

15 VI.

16 MONETARY JUDGMENT AND CONSUMER REDRESS

17 Judgment for equitable monetary relief is hereby entered against Stipulating
18 Defendants, jointly and severally, in the amount of nineteen million dollars
19 (\$19,000,000). *Provided, however*, that this judgment shall be suspended and,
20 subject to the provisions of Part VII, shall be deemed to be fully satisfied upon
21 completion of the requirements in paragraphs A, B, C, D, and I of this Part, below:

22 A. Transfer to the Commission of two hundred thousand dollars
23 (\$200,000) cash, which amount is currently being held in escrow by undersigned
24 counsel for Stipulating Defendants and which amount shall remain in escrow and
25 shall not be disbursed, transferred, or otherwise expended except in accordance
26 with this Part. The Settlement Payment shall be released from the escrow and
27 transferred to the Commission by electronic funds transfer no later than five (5)
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1 business days after the date of entry of this Order and in accordance with
2 directions provided by the Commission.

3 B. Waiver of all claim to, unconditional release of, and consent to
4 transfer to the Commission of all funds held by this Court pursuant to the Rule 67
5 Order entered by this Court on or about July 26, 2006, pursuant to Fed. R. Civ. P.
6 67 and L.R. 67-1 and 67-2, not later than five (5) business days after the date of
7 entry of this Order and in accordance with directions provided by the Commission.
8 These funds consist of the two million five hundred thousand dollars (\$2,500,000)
9 disbursed by the bankruptcy estate of Window Rock to the Clerk of this Court,
10 plus any accrued interest, less any deductions permitted by Fed. R. Civ. P. 67.

11 C. Transfer to the Commission, no later than ninety (90) days after the
12 date of entry of this Order and in accordance with transfer directions provided by
13 the Commission, the Stipulating Defendants' choice of either i) net proceeds, up to
14 a maximum of eight hundred thousand dollars (\$800,000), from the arm's-length
15 sale at prevailing market price to an unrelated buyer of the property located in
16 Tustin, California ("Tustin Property"), where "net proceeds" shall mean "sales
17 price less all reasonable and customary costs, fees, and expenses associated with
18 sales of real property," and the sales documents, including but not limited to the
19 HUD-1 statement, shall be provided for the Commission's review; or ii) legal title
20 to, and move out and surrender of physical possession of, the Tustin Property, with
21 Stipulating Defendants responsible for procuring all signatures necessary to
22 convey to the Commission legal and marketable title to the Tustin Property,
23 without regard to whether the conveying entities or individuals are party to this
24 Order. The Tustin Property was acquired by Gregory Cynaumon with assets
25 derived from the marketing or sale of CortiSlim and CortiStress and is described
26 more fully in the document entitled "Additional Representations by Stipulating
27 Defendants," which has been provided separately to the Commission, is

1 incorporated into this Order by reference, shall be designated as confidential, and
2 shall be disclosed only as necessary for enforcement purposes. *Provided, further,*
3 that

- 4 1. Stipulating Defendants shall maintain the Tustin Property and
5 all structures, fixtures, and appurtenances thereto in good,
6 workmanlike, and marketable condition;
- 7 2. Stipulating Defendants shall remain current on all amounts due
8 and payable on the Tustin Property, including but not limited to
9 mortgage, tax, homeowner's assessments, maintenance, and
10 similar fees;
- 11 3. Stipulating Defendants shall not encumber the Tustin Property,
12 lease out the Tustin Property, or otherwise take any actions that
13 result in the Tustin Property being subject to any mortgages,
14 liens, security interests, or competing claims, other than those
15 previously disclosed to the Commission as summarized in the
16 document entitled "Additional Representations by Stipulating
17 Defendants"; and
- 18 4. Stipulating Defendants caused the amount of seventy-five
19 thousand dollars (\$75,000) to be deposited with their
20 undersigned counsel ("Tustin Deposit") on or before the day
21 that they signed this Order, which amount shall not be
22 disbursed, transferred, or otherwise expended except in
23 accordance with this paragraph.
 - 24 a. If Stipulating Defendants sell the Tustin Property in
25 compliance with all requirements of this paragraph C,
26 the Commission's claim to the Tustin Deposit shall be
27 deemed to be released five (5) business days after
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1 transfer to the Commission of the proceeds from the sale,
2 up to a maximum of eight hundred thousand dollars
3 (\$800,000) in proceeds;

4 b. If Stipulating Defendants transfer to the Commission
5 legal and marketable title to the Tustin Property and
6 vacate and surrender the premises to the Commission, in
7 compliance with all requirements of this paragraph C,
8 the Commission shall, after verifying title, the current
9 status of all payments on the Tustin Property, and the
10 condition of the premises, release any claim the
11 Commission has to the Tustin Deposit; and

12 c. If the Stipulating Defendants are not in compliance with
13 the requirements of this paragraph C, the Commission
14 shall, upon written demand, receive some or all of the
15 Tustin Deposit to the extent necessary to bring the Tustin
16 Property into compliance with the requirements of this
17 paragraph C.

18 D. Transfer to the Commission of the Net Contribution to an investment
19 partnership and related charitable foundations, which were established by or on
20 behalf of Gregory Cynaumon with assets derived from the marketing or sale of
21 CortiSlim and CortiStress, which shall be funded in an amount of not less than two
22 million seven hundred thousand dollars (\$2,700,000) on the date of entry of this
23 Order, all as described more fully in the document entitled "Additional
24 Representations by Stipulating Defendants." For purposes of this Part, "Net
25 Contribution" shall mean all proceeds from the contributions to the investment
26 partnership and related charitable foundation that remain from the two million
27 seven hundred thousand dollars (\$2,700,000) after payment of federal and state
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1 taxes, federal and state penalties, and other costs (but excluding costs and
2 professional fees paid to any of the entities and individuals involved in
3 establishing, maintaining, or managing the investment partnership and charitable
4 foundation) directly associated with revoking the contributions, unwinding the
5 business transactions, dissolving the entities, or taking other similar steps
6 necessary to recover the contributions. *Provided, however,* that all such taxes,
7 penalties, and costs shall be subject to review, audit, and challenge by the
8 Commission. Any such Net Contribution shall not be disbursed, transferred, or
9 otherwise expended except in accordance with this Part. Any such Net
10 Contribution shall be transferred to the Commission by electronic funds transfer
11 no more than one hundred and eighty (180) days after the date of entry of this
12 Order and in accordance with directions provided by the Commission.

13 E. Stipulating Defendants hereby assign to the Commission, without any
14 encumbrances, all rights and claims to money or other assets owed to them as of
15 the date of entry of this Order by a Related Party, and of the right to pursue any
16 chose in action to recover any such money or assets owed to them by a Related
17 Party, under the terms of any agreement, oral or written, including but not limited
18 to the Joint Venture Agreement entered into on June 10, 2003 by and between
19 Defendants Shawn Talbott and Window Rock, the Joint Venture Agreement
20 entered into on June 21, 2003 by and between Window Rock and Stipulating
21 Defendants, and the purported non-written agreement by and between Defendants
22 Window Rock and Pinnacle. *Provided, however,* that this assignment shall not
23 include any rights, claims, assets, and rights to pursue any chose in action that are
24 settled, extinguished, or otherwise resolved by final order in Window Rock's
25 bankruptcy case.

1 F. If any Related Party assigns to the Commission rights of recovery and
2 claims to money or other assets purportedly owed to it as of the date of entry of
3 this Order by any Stipulating Defendant, the Commission shall not exercise any
4 such rights and claims in a manner that would allow it to recover additional funds
5 from any Stipulating Defendant; *provided, however*, that this paragraph F shall
6 cease to apply upon occurrence of any of the events described under Part VII.

7 G. All funds paid to the Commission pursuant to this Order shall be
8 deposited into an account administered by the Commission or its agent to be used
9 for equitable relief, including but not limited to consumer redress for nationwide
10 sales of CortiSlim and CortiStress from the time those products were first
11 advertised up to and including May 31, 2006, and any attendant expenses for the
12 administration of such equitable relief. In the event that direct redress to
13 consumers is wholly or partially impracticable or funds remain after redress is
14 completed, the Commission may apply any remaining funds for such other
15 equitable relief (including consumer information remedies) as it determines to be
16 reasonably related to the practices alleged in the Complaint. Any funds not used
17 for such equitable relief shall be deposited to the United States Treasury as
18 disgorgement. Stipulating Defendants shall have no right to challenge the
19 Commission's choice of remedies under this Part. Stipulating Defendants shall
20 have no right to contest the manner of distribution chosen by the Commission. No
21 portion of any payments under the judgment herein shall be deemed a payment of
22 any fine, penalty, or punitive assessment;

23 H. Stipulating Defendants relinquish all dominion, control, and title to
24 the funds paid into the account established pursuant to this Order, and all legal and
25 equitable title to the funds shall vest in the Treasurer of the United States unless
26 and until such funds are disbursed to consumers. Stipulating Defendants shall
27 make no claim to or demand for the return of the funds, directly or indirectly,
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1 through counsel or otherwise, and in the event of a subsequent bankruptcy case
2 involving a Stipulating Defendant, Stipulating Defendants acknowledge that the
3 funds are not part of any bankruptcy estate and that no bankruptcy estate has any
4 claim or interest therein; and

5 I. Each Stipulating Defendant shall provide to the Commission a sworn
6 statement setting forth i) the amount of 2003, 2004, and 2005 state and federal
7 taxes, if any, that have been paid on or before the date that the Stipulating
8 Defendants signed this Order; ii) the amount of 2005 and 2006 estimated state and
9 federal tax payments, if any, that have been paid on or before the date that the
10 Stipulating Defendants signed this Order; and iii) a statement of the date(s) on
11 which each tax payment to a state or federal tax authority was made. All 2003,
12 2004, and 2005 tax payments and any 2006 estimated tax payments that are
13 reported to the Commission as being owed to a state or federal tax authority shall
14 be paid in full no later than sixty (60) days from the date of entry of this Order.
15 The financial information and documents referenced in this paragraph I shall be
16 designated as confidential.

17 18 **VII.**

19 **RIGHT TO REOPEN**

20 A. By agreeing to this Order, Stipulating Defendants reaffirm and attest
21 to the truthfulness, accuracy, and completeness of the financial information that
22 they have previously submitted to the Commission. The Commission's agreement
23 to this Order is expressly premised upon the truthfulness, accuracy, and complete-
24 ness of Stipulating Defendants' financial statements and other information that
25 they submitted to the Commission, namely:

- 26 1. April 12, 2005 letter from Venable LLP to FTC, with
27 attachments

- 1 2. April 21, 2005 letter from Venable LLP to FTC, with
- 2 attachments
- 3 3. April 26, 2005 letter from Venable LLP to FTC, with
- 4 attachments
- 5 4. April 28, 2005 letter from Venable LLP to FTC, with
- 6 attachments
- 7 5. April 29, 2005 letter from Venable LLP to FTC, with
- 8 attachments
- 9 6. April 20, 2006 email from Venable, LLP with Fulcrum
- 10 attachment
- 11 7. June 1, 2006 letter from Venable, LLP to FTC with attachments
- 12 8. June 30, 2006 email from Fox & Spillane to FTC, with
- 13 attachment
- 14 9. August 3, 2006 email from Fox & Spillane to FTC
- 15 10. August 18, 2006 letter from Gibson, Dunn & Crutcher to FTC,
- 16 with attachments
- 17 11. October 5, 2006 email from Fox & Spillane to FTC
- 18 12. October 11, 2006 email from Fox & Spillane to FTC
- 19 13. October 24, 2006 email from Fox & Spillane to FTC, with
- 20 attachment.
- 21 14. Document entitled “Additional Representations by Stipulating
- 22 Defendants.”

23 The parties stipulate that the financial and other information provided in the
24 materials listed in this Part were material to the Commission’s negotiation of and
25 agreement to the terms of this Order and to the Commission’s agreement to
26 suspend the remaining amount of the monetary judgment. If, upon motion by the
27 Commission, this Court finds that any Stipulating Defendant failed to disclose any
28

1 material asset, or materially misrepresented the value of any asset, or made any
2 other material misrepresentation in or omission from the Financial Statements or
3 other supporting documents listed in this Part, the Court shall reinstate the
4 suspended judgment in Part VI, above, in the amount of nineteen million dollars
5 (\$19,000,000), less any amount already paid to the Commission by or on behalf of
6 Stipulating Defendants.

7 1. *Provided, however,* that in all other respects this Order shall
8 remain in full force and effect unless otherwise ordered by the
9 Court; and

10 2. *Provided, further,* that proceedings instituted under this Part
11 would be in addition to, and not in lieu of, any other civil or
12 criminal remedies as may be provided by law, including any
13 other proceedings that the Commission may initiate to enforce
14 this Order.

15 B. Solely for purposes of this Part, Stipulating Defendants waive any
16 right to contest any of the allegations in the Complaint and agree that the facts as
17 alleged in the Complaint shall be taken as true, without further proof, in any
18 subsequent litigation filed by or on behalf of the Commission to enforce its rights
19 pursuant to this Part. Except for the amount of the judgment, the financial
20 information and documents referenced in this Part shall be designated as
21 confidential and shall be disclosed only as necessary for enforcement purposes.

22 C. In agreeing to this Order, the Commission has specifically relied on
23 the representations that Stipulating Defendants have made regarding the amount of
24 federal and state taxes, if any, that have been or will be paid for tax years 2003,
25 2004, and 2005, and the amount of estimated federal and state taxes, if any, that
26 have been paid toward estimated taxes for tax years 2005 and 2006, including but
27 not limited to representations in the documents referenced in Part VI.I, above, and
28

1 in the documents listed in paragraph A of this Part. All federal and state tax
2 returns, amended returns, and other documents filed with the IRS and/or state tax
3 authorities on or after the date that the Stipulating Defendants signed this Order
4 involving tax years 2003, 2004, 2005, and 2006 shall be prepared and signed by a
5 third-party independent CPA accounting firm, and a copy of any and all such
6 returns, amended returns, and other documents, complete with all attachments,
7 shall be provided to the Commission at the time they are submitted to the state or
8 federal tax authority.

- 9 1. It shall be a violation of this Part for Stipulating Defendants to
10 file any federal or state tax return seeking a cash refund of
11 some or all of the amounts previously reported to the
12 Commission as taxes owed and paid for tax years 2003, 2004,
13 and 2005 or seeking a cash refund of some or all of the
14 amounts paid toward estimated taxes for tax year 2006.

15 *Provided, however,* that seeking such a cash refund shall not be
16 deemed to be a violation of this Part if Stipulating Defendants
17 promptly remit to the Commission the full amount of any such
18 cash refund within ten (10) days of receipt of the refund.

- 19 2. It shall be a violation of this Part for Stipulating Defendants (or
20 any entity owned directly or indirectly by one or more of the
21 Stipulating Defendants) to claim a tax deduction on any federal
22 or state tax return (including amended returns) for the
23 \$2,500,000 described in Part VI.B, above. *Provided, however,*
24 that it shall not be a violation of this Part for Stipulating
25 Defendants to claim a tax deduction for the \$2,500,000

26 a. On their federal tax return(s), but only to the extent that
27 they report to the Internal Revenue Service the
28

1 \$2,500,000 as taxable income or gain and do not
2 subsequently seek to change this reported amount or its
3 treatment for tax purposes; and

4 b. On their state tax return(s), but only to the extent that
5 they report to the California Franchise Tax Board the
6 \$2,500,000 as taxable income or gain and do not
7 subsequently seek to change this reported amount or its
8 treatment for tax purposes; and

9 3. It shall be a violation of this Part for Stipulating Defendants (or
10 any entity owned directly or indirectly by one or more of the
11 Stipulating Defendants) to claim a tax deduction on any federal
12 or state tax return (including amended returns) for the Net
13 Contribution described in Part VI.D, above.

14
15 **VIII.**

16 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

17 Within five (5) business days after receipt of this Order as entered by the
18 Court, Gregory Cynaumon, individually and on behalf of Infinity, shall submit to
19 the Commission a truthful sworn statement acknowledging receipt of this Order,
20 using the form shown at Attachment A.

21
22 **IX.**

23 **DISTRIBUTION OF ORDER**

24 For a period of three (3) years from the date of entry of this Order,
25 Stipulating Defendants shall deliver copies of this Order as directed below:

26 A. Infinity shall deliver a copy of this Order to all of its principals,
27 officers, directors, and managers and also to all of its supervisory employees,
28

1 agents, and representatives who engage in conduct related to the subject matter of
2 this Order. For current personnel, delivery shall be within ten (10) business days
3 of entry of this Order. For new personnel, delivery shall occur prior to their
4 assuming their position or responsibilities;

5 B. Gregory Cynaumon as Control Person: For each business that is not
6 already subject to paragraph A of this Part and that is controlled, directly or
7 indirectly, by Gregory Cynaumon, and for each business in which he has a
8 majority ownership interest, Gregory Cynaumon shall deliver a copy of this Order
9 to all principals, officers, directors, and managers and also to all supervisory
10 employees, agents, and representatives of each such business who engage in
11 conduct related to the subject matter of this Order. For current personnel, delivery
12 shall be within ten (10) business days of entry of this Order. For new personnel,
13 delivery shall occur prior to their assuming their position or responsibilities.

14 C. Gregory Cynaumon Not as Control Person: For each business that is
15 not already subject to paragraphs A or B of this Part and that is not controlled,
16 directly or indirectly, by Gregory Cynaumon, he shall deliver a copy of this Order
17 to all principals and managers of each such business before engaging in conduct
18 related to the subject matter of this Order. For current personnel, delivery shall be
19 within ten (10) business days of entry of this Order. For new personnel, delivery
20 shall occur prior to their assuming their position or responsibilities.

21 D. Each Stipulating Defendant shall create, maintain, and update as
22 necessary a declaration identifying the dates, names, titles, addresses, and
23 telephone numbers of the persons and entities that each Stipulating Defendant has
24 provided with a copy of this Order as required by this Part; and

25 E. Each Stipulating Defendant shall maintain, for a period of three (3)
26 years from the date of entry of this Order, and upon reasonable notice make
27 available to the Commission, a signed declaration regarding distribution of copies
28

1 of this Order as required by this Part.
2

3 **X.**

4 **COMPLIANCE MONITORING**

5 For the purpose of monitoring compliance with any provision of this Order,

6 A. Within thirty (30) days of receipt of written notice from a
7 representative of the Commission, each Stipulating Defendant so notified shall
8 submit additional written reports, sworn to under penalty of perjury; produce
9 documents for inspection and copying; appear for deposition; and/or provide entry
10 during normal business hours to any business location in their possession or direct
11 or indirect control to inspect the business operation. Copies of any such notice
12 shall also be provided by the Commission to the undersigned counsel representing
13 Stipulating Defendants or to any other counsel for Stipulating Defendants whose
14 identity has been furnished to the Commission;

15 B. The Commission is authorized to monitor Stipulating Defendants’
16 compliance with this Order by all other lawful means, including but not limited to
17 the following:

- 18 1. obtaining discovery from any person, without further leave of
19 court, using the procedures prescribed by Federal Rules of
20 Civil Procedure 30, 31, 33, 34, 36, and 45; and
- 21 2. posing as consumers, marketers, manufacturers, suppliers,
22 wholesalers, retailers, distributors, or other product-related
23 entities to Stipulating Defendants, their employees, or any other
24 entity managed or controlled in whole or in part by either or
25 both Infinity or Gregory Cynaumon, without the necessity of
26 identification or prior notice; and

1 C. Stipulating Defendants, upon fourteen (14) days notice, shall permit
2 representatives of the Commission to interview any officer, director, employee,
3 employer, consultant, independent contractor, representative, or agent of any
4 entity managed or controlled in whole or in part by either or both Gregory
5 Cynaumon or Infinity who has agreed to such an interview, relating in any way to
6 any conduct subject to this Order. The person interviewed may have counsel
7 present.

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

14 XI.

15 COMPLIANCE REPORTING

16 In order that compliance with the provisions of this Order may be
17 monitored:

18 A. Gregory Cynaumon, within ten (10) business days of service of this
19 Order, shall provide the Commission, in writing, with the following information:

- 20 1. his residence address and mailing address;
- 21 2. his home telephone number;
- 22 3. the name, address, and telephone number of his employer(s);
- 23 4. if applicable, the names of his supervisor(s);
- 24 5. a description of each employer's activities; and
- 25 6. a description of his duties and responsibilities for each
26 employer;

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

2 1. Infinity shall notify the Commission of any changes in its
3 corporate structure or in any business entity that it directly or
4 indirectly control(s), or has an ownership interest in, that may
5 affect compliance obligations arising under this Order,
6 including but not limited to a dissolution, assignment, sale,
7 merger, or other action that would result in the emergence of a
8 successor entity; the creation or dissolution of a subsidiary,
9 parent, or affiliate that engages in any acts or practices subject
10 to this Order; the filing of a bankruptcy petition; or a change in
11 the corporate name or address, at least thirty (30) days prior to
12 such change, *provided* that, with respect to any proposed
13 change in the corporation about which Infinity learns less than
14 thirty (30) days prior to the date such action is to take place, the
15 Defendant shall notify the Commission as soon as is
16 practicable after obtaining such knowledge.

17 2. Gregory Cynaumon shall notify the Commission of the
18 following:

- 19 a. Any changes in his residence, mailing addresses, and
20 telephone numbers, within ten (10) days of the date of
21 such change;
- 22 b. Any changes in his employment status (including self-
23 employment), any change in his ownership in any
24 business entity, and any change in the corporate structure
25 of any business entity in which he has an ownership
26 interest that may affect compliance obligations arising
27 under this Order, within ten (10) days of the date of such
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1 change. Such notice shall include the name and address
2 of each business that he is affiliated with, employed by,
3 creates or forms, or performs services for; a statement of
4 the nature of the business; and a statement of his duties
5 and responsibilities in connection with the business; and

6 c. Any changes in his name or use of any aliases or
7 fictitious names.

8 C. Ninety (90) days after the date of entry of this Order, each Stipulating
9 Defendant shall provide a written report to the Commission, sworn to under
10 penalty of perjury, setting forth in detail the manner and form in which they have
11 complied and are complying with this Order. This report shall include, but not be
12 limited to, any changes required to be reported pursuant to paragraph B of this
13 Part; a copy of the signed declaration regarding distribution of copies of this Order
14 as required by paragraph IX.D; and, for any Covered Product, a copy of all
15 advertising and promotional materials in use at any point from the date of entry of
16 the Order until submission of the written report required by this paragraph.

17 D. Gregory Cynaumon shall, within 10 business days of his submitting it
18 to federal or state tax authorities, provide to the Commission complete copies of
19 i) each federal and state tax return for tax years 2005 and 2006; ii) each
20 amendment to his federal or state tax returns for tax years 2003, 2004, and 2005,
21 together with a declaration accompanying each such submission that he is aware
22 of no additional amended returns for that tax year other than those that have
23 previously been submitted to the Commission; and iii) any other submission by
24 which he seeks a cash refund or other tax benefit from federal or state tax
25 authorities with regard to taxes previously paid.

26 E. For purposes of the compliance reporting and monitoring required by
27 this Order, the Commission is authorized to communicate directly with Stipulating
28

1 Defendants, with contemporaneous notice to undersigned counsel or to any other
2 counsel for Stipulating Defendants whose identity has been furnished to the
3 Commission.

4 F. The information and documents referenced in paragraphs A, B, and D
5 of this Part shall be designated as confidential.

6
7 **XII.**

8 **RECORD-KEEPING PROVISIONS**

9 For a period of five (5) years from the date of entry of this Order,
10 Stipulating Defendants and their agents, employees, officers, corporations,
11 successors, and assigns, and those persons in active concert or participation with
12 them who receive actual notice of this Order by personal service or otherwise, if
13 engaging or assisting others engaged in the manufacturing, labeling, advertising,
14 promotion, offering for sale, sale, or distribution of any Covered Product, in or
15 affecting commerce, and any business where (1) Gregory Cynaumon is a majority
16 owner or an officer or director of the business, or directly or indirectly manages or
17 controls the business and (2) the business is engaged, participating, or assisting in
18 any manner whatsoever, directly or indirectly, in the manufacturing, labeling,
19 advertising, promotion, offering for sale, sale, or distribution of any Covered
20 Product, in or affecting commerce, are hereby permanently restrained and enjoined
21 from failing to create and retain the following records:

22 A. Accounting records that reflect the cost of goods or services sold,
23 revenues generated, and the disbursement of such revenues;

24 B. Personnel records accurately reflecting: the name, address, and
25 telephone number of each person employed in any supervisory capacity by such
26 business, including as an independent contractor; that person's job title or
27 position; the date upon which the person commenced work; and the date and
28

1 reason for the person's termination, if applicable;

2 C. Customer files containing the names, addresses, telephone numbers,
3 dollar amounts paid, quantity of items purchased, and description of items
4 purchased, to the extent such information is obtained in the ordinary course of
5 business;

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

8 E. Copies of all advertisements, promotional materials, sales scripts,
9 training materials, or other marketing materials utilized in the manufacturing,
10 labeling, advertising, promotion, offering for sale, sale, or distribution of any
11 Covered Product, to the extent such information is prepared in the ordinary course
12 of business;

13 F. All documents evidencing or referring to the accuracy of any claim or
14 representation contained in the materials identified in paragraph E of this Part, or
15 to the efficacy of any Covered Product, including, but not limited to, all tests,
16 reports, studies, and demonstrations, as well as all evidence that confirms,
17 contradicts, qualifies, was relied upon in making, or calls into question the
18 accuracy of such claims;

19 G. Records accurately reflecting the name, address, and telephone
20 number of each manufacturer or laboratory engaged in the development or
21 creation of any testing obtained for the purpose of manufacturing, labeling,
22 advertising, promotion, offering for sale, sale, or distribution of any Covered
23 Product; and

24 H. All records and documents necessary to demonstrate full compliance
25 with each provision of this Order, including but not limited to copies of
26 acknowledgments of receipt of this Order, required by Part VIII, and all reports
27 submitted to the Commission pursuant to Part XI.

28

1 **XIII.**

2 **COOPERATION WITH COMMISSION COUNSEL**

3 A. Stipulating Defendants shall, in connection with the unwinding of the
4 charitable foundation and its related limited partnership described in paragraph
5 VI.D, above, and in cooperation with the Commission: request the voluntary
6 unwinding of these entities and request the trustees, agents, or representatives of
7 these entities to cooperate in this voluntary unwinding; initiate communications
8 for the purposes of unwinding these entities with State or Federal authorities;
9 cooperate in good faith with the Commission's reasonable requests for documents
10 and writings and testimony in connection with the unwinding of these entities;
11 and, if necessary, appear in person or through their representatives at such places
12 and times or execute such documents as the Commission shall reasonably request
13 after written notice to Stipulating Defendants and their counsel of record.

14 B. Stipulating Defendants shall, in connection with this action or any
15 subsequent investigations related to or associated with the transactions or the
16 occurrences that are the subject of the Complaint, cooperate in good faith with the
17 Commission and appear or cause their officers, employees, representatives, or
18 agents to appear at such places and times as the Commission shall reasonably
19 request, after written notice to Stipulating Defendants and to undersigned counsel
20 or to any other counsel whose identity has been furnished to the Commission, for
21 interviews, conferences, pretrial discovery, review of documents, and for such
22 other matters as may be reasonably requested by the Commission. If requested in
23 writing by the Commission, Stipulating Defendants shall appear or cause their
24 officers, employees, representatives, or agents to appear and provide truthful
25 testimony in any trial, deposition, or other proceeding related to or associated with
26 the transactions or the occurrences that are the subject of the Complaint, without
27 the service of a subpoena.

1 **XIV.**

2 **NOTICE TO THIRD PARTIES HOLDING ASSETS**

3 Within five (5) business days of receipt of this Order as entered by the
4 Court, defendants shall serve a copy of this Order on all entities, including trusts,
5 financial institutions, charitable foundations, investment partnerships, and
6 individuals, that hold or have assets derived from the marketing or sale of
7 Cortislim and Cortistress that were mortgaged, gifted, or otherwise transferred by
8 Stipulating Defendants.

9
10 **XV.**

11 **TURNOVER OF ASSETS**

12 In order to partially satisfy the monetary judgment set forth in paragraphs
13 VI.C and VI.D, above, any law firm, financial or brokerage institution, escrow
14 agent, title company, commodity trading company, general or limited partner of
15 any investment partnership, director of any charitable foundation, business entity,
16 or person, whether located within the United States or outside the United States,
17 that holds, controls, or maintains accounts or assets derived from the marketing or
18 sale of Cortislim and Cortistress that were mortgaged, gifted, or otherwise
19 transferred by or on behalf of any Stipulating Defendant shall provide all available
20 information regarding any such accounts or assets within ten (10) business days of
21 receiving a written request from the Commission, accompanied by a copy of this
22 Order by any means, including but not limited to via facsimile.

1 **XVI.**

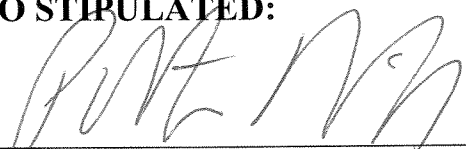
2 **RETENTION OF JURISDICTION**

3 This Court shall retain jurisdiction over Stipulating Defendants for purposes
4 of construction, modification, and enforcement of this Order and for issues
5 relating to the Complaint.

6
7 **IT IS SO ORDERED**, this ___ day of _____, 2006.

8
9
10 _____
11 UNITED STATES DISTRICT JUDGE

11 **SO STIPULATED:**

12 
13 _____

14 PETER B. MILLER
15 CHRISTINE J. LEE (CBN 211462)
16 Federal Trade Commission
17 600 Pennsylvania Ave. NW,
18 Room NJ-3212
19 Washington, DC 20580
20 (202) 326 -2629 (Miller)
21 (202) 326-2095 (Lee)
22 (202) 326-3259 (fax)

23 JOHN D. JACOBS (CBN 134154)
24 Federal Trade Commission
25 10877 Wilshire Boulevard, Suite 700
26 Los Angeles, CA 90024
27 (310) 824-4360 (voice)
28 (310) 824-4380 (fax)

ATTORNEYS FOR PLAINTIFF

13 _____
14 GREGORY S. CYNAUMON

15 _____
16 INFINITY ADVERTISING, INC.
17 By: Gregory S. Cynaumon, President

18 **APPROVED AS TO**
19 **FORM AND CONTENT:**

20 _____
21 GERARD P. FOX
22 RUTH M. MOORE
23 Fox & Spillane, LLP
24 1880 Century Park East, Suite 1004
25 Los Angeles, CA 90067

26 ATTORNEYS FOR DEFENDANTS

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XVI.

RETENTION OF JURISDICTION

This Court shall retain jurisdiction over Stipulating Defendants for purposes of construction, modification, and enforcement of this Order and for issues relating to the Complaint.

IT IS SO ORDERED, this ___ day of _____, 2006.

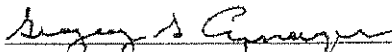
UNITED STATES DISTRICT JUDGE

SO STIPULATED:

PETER B. MILLER
CHRISTINE J. LEE (CBN 211462)
Federal Trade Commission
600 Pennsylvania Ave. NW,
Room NJ-3212
Washington, DC 20580
(202) 326-2629 (Miller)
(202) 326-2095 (Lee)
(202) 326-3259 (fax)

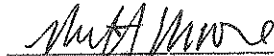
JOHN D. JACOBS (CBN 134154)
Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
Los Angeles, CA 90024
(310) 824-4360 (voice)
(310) 824-4380 (fax)

ATTORNEYS FOR PLAINTIFF


GREGORY S. CYNAUMON


INFINITY ADVERTISING, INC.
By: Gregory S. Cynaumon, President

APPROVED AS TO
FORM AND CONTENT:


GERARD P. FOX
RUTH M. MOORE
Fox & Spillane, LLP
1880 Century Park East, Suite 1004
Los Angeles, CA 90067

ATTORNEYS FOR DEFENDANTS

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ATTACHMENT A

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

WINDOW ROCK ENTERPRISES, INC.,
also d/b/a WINDOW ROCK HEALTH
LABORATORIES, also d/b/a
CORTISLIM, INFINITY
ADVERTISING, INC., STEPHEN F.
CHENG, SHAWN M. TALBOTT,
GREGORY S. CYNAUMON,
PINNACLE MARKETING CONCEPTS,
INC., AND THOMAS F. CHENG

Defendants.

CIVIL NUMBER

CV-04-8190-DSF (JTLx)

**DECLARATION OF
DEFENDANT
GREGORY S. CYNAUMON
UNDER 28 U.S.C. § 1746**

GREGORY S. CYNAUMON declares as follows:

1. My name is Gregory S. Cynaumon. My current residence is _____ . I am a citizen of the United States and am over the age of eighteen. I have personal knowledge of the facts set forth in this Declaration.

2. I am an individual defendant in the above-captioned case, *FTC v. Window Rock Enterprises, Inc. et al.* I am also an officer of Infinity Advertising, Inc., which is also a defendant in that case.

3. On [DATE], I received, individually and in my capacity as an officer of Infinity Advertising, Inc., a copy of the Stipulated Final Agreement and Order for Permanent Injunction and Settlement of Claims for Monetary Relief as to Defendants Infinity Advertising, Inc. and Gregory S. Cynaumon, which was entered by the Court on [DATE] (“Order”). A true and correct copy of the Order is attached to this Declaration.

1 I declare under penalty of perjury that the foregoing is true and correct.

2

3 Executed on [DATE].

4

5 _____
6 GREGORY S. CYNAUMON

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