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12 **UNITED STATES DISTRICT COURT**
13 **MIDDLE DISTRICT OF FLORIDA**

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 v.

17 GLUCORELL, INC., ANAFIT, INC.,
18 LAURENCE BERUBE, and JEREL
SCOTT FERGUSON,

19 Defendants.

Hon. Karla R. Spaulding
Case No. 6:08-cv-01649-UA-KRS

**STIPULATED FINAL JUDGMENT
AND ORDER FOR INJUNCTIVE AND
OTHER EQUITABLE RELIEF**

21 Plaintiff, the Federal Trade Commission ("Commission" or "FTC"), filed a
22 Complaint for Injunctive and Other Equitable Relief against Defendants Glucorell, Inc.,
23 Anafit, Inc., Laurence Berube, and Jerel Scott Ferguson, pursuant to Section 13(b) of the
24 Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), alleging deceptive acts or
25 practices and false advertisements in violation of Sections 5(a) and 12 of the FTC Act, 15
26 U.S.C. §§ 45(a) and 52.

1 The Commission and Defendants Glucorell, Inc., Anafit, Inc., Laurence Berube, and
2 Jerel Scott Ferguson (collectively, "Defendants"), without Defendants admitting or denying
3 liability for any of the conduct alleged in the Complaint, have stipulated to entry of the
4 following agreement for permanent injunction and settlement of claims for monetary relief in
5 settlement of the Commission's allegations against Defendants.

6 The Court, having been presented with this Stipulated Final Judgment and Order for
7 Injunctive and Other Equitable Relief ("Order"), finds as follows:

8 **FINDINGS**

9 1. This Court has jurisdiction over the subject matter of this case and jurisdiction
10 over all parties. Venue in the Middle District of Florida is proper.

11 2. The acts and practices of Defendants are in or affecting commerce, as defined
12 in Section 4 of the FTC Act, 15 U.S.C. § 44.

13 3. The Complaint states a claim upon which relief can be granted under Sections
14 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, and the Commission has the
15 authority to seek the relief it has requested.

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

20 5. This Order reflects the negotiated agreement of the Commission and
21 Defendants, and Defendants have entered into this Order freely and without coercion.

22 6. The Commission and Defendants stipulate and agree to entry of this Order
23 under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), without trial or final adjudication of
24 any issue of fact or law. By entering into this stipulation, Defendants do not admit or deny
25 any of the allegations set forth in the Complaint, other than jurisdictional facts.

26

1 7. This action and the relief awarded herein are in addition to, and not in lieu of,
2 other remedies as may be provided by law.

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

5 9. The Commission's action against Defendants is an exercise of the
6 Commission's police or regulatory power as a governmental unit.

7 10. The paragraphs of this Order shall be read as the necessary requirements for
8 compliance and not as alternatives for compliance, and no paragraph serves to modify
9 another paragraph unless expressly so stated.

10 11. Each party shall bear its own costs and attorneys' fees.

11 12. Entry of this Order is in the public interest.

12 **ORDER**

13 **DEFINITIONS**

14 1. Unless otherwise specified, "Defendants" shall mean:

15 a. Glucorell, Inc. and its divisions, subsidiaries, affiliates, successors,
16 and assigns ("Glucorell");

17 b. Anafit, Inc. and its divisions, subsidiaries, affiliates, successors, and
18 assigns ("Anafit");

19 c. Laurence Berube ("Berube") individually, and in his capacity as an
20 officer of Glucorell and Anafit; and

21 d. Jerel Scott Ferguson ("Ferguson") individually, and in his capacity as
22 an officer of Glucorell.

23 2. "Individual Defendants" shall mean Berube and Ferguson.

24 3. "Advertising" and "promotion" shall mean any written or verbal statement,
25 illustration, or depiction designed to effect a sale or create interest in the purchasing of
26 goods, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular,

1 mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public
2 transit card, point of purchase display, packaging, package insert, label, film, slide, radio,
3 television or cable television, audio program transmitted over a telephone system, program-
4 length commercial ("infomercial"), the Internet, email, press release, video news release, or
5 in any other medium.

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

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

13 6. "Covered Product or Service" shall mean any dietary supplement, food, or
14 drug, including, but not limited to, Insulow or Glucorell R; or any health-related service or
15 program.

16 7. "Endorsement" shall mean as defined in 16 C.F.R. § 255.0(b).

17 8. "Food" and "drug" shall mean as defined in Section 15 of the FTC Act, 15
18 U.S.C. § 55.

19 9. "Commission" shall mean the Federal Trade Commission.

20 10. A requirement that Defendants "notify," "furnish," "provide," or "submit" to
21 the Commission shall mean that Defendants shall send the necessary information via
22 overnight courier, costs prepaid, to:

23 Associate Director for Enforcement
24 Federal Trade Commission
25 600 Pennsylvania Avenue, N.W.
26 Washington, DC 20580
Attn: *FTC v. Glucorell Inc., et al.* (M.D. Fla.).

1 11. The terms "and" and "or" in this Order shall be construed conjunctively or
2 disjunctively as necessary, to make the applicable sentence or phrase inclusive rather than
3 exclusive.

4 12. The term "including" in this Order shall mean "including without limitation."
5

6 **PROHIBITED REPRESENTATIONS REGARDING**
7 **COVERED PRODUCTS OR SERVICES**

8 **I.**

9 IT IS HEREBY ORDERED that Defendants, directly or through any corporation,
10 partnership, subsidiary, division, trade name, or other device, and their officers, agents,
11 servants, employees, and all persons or entities in active concert or participation with them
12 who receive actual notice of this Order, by personal service or otherwise, in connection with
13 the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of
14 any covered product or service, in or affecting commerce, are hereby permanently restrained
15 and enjoined from making, or assisting others in making, directly or by implication,
16 including through the use of a product name or endorsement, any representation:

17 A. That such product or service:

- 18 1. Prevents or reduces the risk of developing Type II diabetes;
- 19 2. Is an effective treatment for Type I or Type II diabetes;
- 20 3. Lowers high blood sugar levels;
- 21 4. Prevents or reverses insulin resistance;
- 22 5. Enables diabetics to reduce or eliminate the amount of drugs or insulin
23 that are required to maintain healthy blood sugar levels or reduce
24 insulin resistance;
- 25 6. Increases fat loss or decreases insulin-related obesity; or
- 26 7. Is effective in the treatment or prevention of cancer; or

1 B. About the benefits, performance, or efficacy of any covered product or
2 service;
3 unless the representation is true, not misleading, and, at the time it is made, Defendants
4 possess and rely upon competent and reliable scientific evidence that substantiates the
5 representation.

6
7 **PROHIBITED REPRESENTATIONS REGARDING**
8 **TESTS OR STUDIES**

9 **II.**

10 IT IS FURTHER ORDERED that Defendants, directly or through any corporation,
11 partnership, subsidiary, division, trade name, or other device, and their officers, agents,
12 servants, employees, and all persons or entities in active concert or participation with them
13 who receive actual notice of this Order, by personal service or otherwise, in connection with
14 the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of
15 any covered product or service, in or affecting commerce, are hereby permanently restrained
16 and enjoined from misrepresenting, in any manner, expressly or by implication, including
17 through the use of any product name or endorsement, the existence, contents, validity,
18 results, conclusions, or interpretations of any test or study.

19 **FDA-APPROVED CLAIMS**

20 **III.**

21 IT IS FURTHER ORDERED that:

22 A. Nothing in this Order shall prohibit Defendants from making any
23 representation for any drug that is permitted in labeling for such drug under any tentative or
24 final standard promulgated by the Food and Drug Administration, or under any new drug
25 application approved by the Food and Drug Administration; and
26

1 B. Nothing in this Order shall prohibit Defendants from making any
2 representation for any product that is specifically permitted in labeling for such product by
3 regulations promulgated by the Food and Drug Administration pursuant to the Nutrition
4 Labeling and Education Act of 1990.

5
6 **MONETARY JUDGMENT AND CONSUMER REDRESS**

7 **IV.**

8 **IT IS FURTHER ORDERED** that:

9 A. Judgment is hereby entered in favor of the Commission and against
10 Defendants, jointly and severally, in the amount of four hundred ninety-three thousand five
11 hundred forty-five dollars (\$493,545.00) for redress to consumers. *Provided, however,*
12 *subject to the provisions of Paragraph V, this Judgment shall be suspended.*

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

26 C. Defendants relinquish all dominion, control and title to the funds paid, and all

1 legal and equitable title to the funds vests in the Treasurer of the United States and in the
2 designated consumers. Defendants shall make no claim to or demand for return of the funds,
3 directly or indirectly, through counsel or otherwise; and in the event of bankruptcy of any
4 Defendant, Defendants acknowledge that the funds are not part of the debtor's estate, nor
5 does the estate have any claim or interest therein.

6 D. Defendants agree that, if they fail to timely and completely fulfill the payment
7 and other obligations set forth in this Order, the facts as alleged in the Complaint filed in this
8 matter shall be taken as true in any subsequent litigation filed by the Commission to enforce
9 its rights pursuant to this Order, including but not limited to a non-dischargeability complaint
10 in any bankruptcy case.

11 E. In accordance with 31 U.S.C § 7701, Defendants are hereby required, unless
12 they have done so already, to furnish to the Commission their taxpayer identifying numbers
13 and/or social security numbers, which shall be used for the purposes of collecting and
14 reporting on any delinquent amount arising out of Defendants' relationship with the
15 government.

16 F. Proceedings instituted under this Part are in addition to, and not in lieu of, any
17 other civil or criminal remedies that may be provided by law, including any other
18 proceedings the Commission may initiate to enforce this Order.

19
20 **RIGHT TO REOPEN**

21 **V.**

22 **IT IS FURTHER ORDERED that:**

23 A. The Commission's agreement to this Order is expressly premised upon the
24 truthfulness, accuracy, and completeness of the certified financial statements and supporting
25 documents submitted to the Commission as follows:

- 26 1. Certified financial disclosures for Defendant Glucorell, Inc., as well as

1 any and all addenda thereto, signed and dated April 26, 2008;

2 2. Certified financial disclosures for Defendant Anafit, Inc., as well as
3 any and all addenda thereto, signed and dated April 26, 2008;

4 3. Certified financial disclosures for Defendant Laurence Berube, as well
5 as any and all addenda thereto, signed and dated June 17, 2008; and

6 4. Certified financial disclosures for Defendant Jerel Scott Ferguson, as
7 well as any and all addenda thereto, signed and dated June 3, 2008.

8 Each Defendant stipulates that all of the materials such Defendant submitted are truthful,
9 accurate, and complete. These documents contain material information upon which the
10 Commission relied in negotiating and agreeing to the terms of this Order.

11 B. If, upon motion by the Commission, a Court determines that any Defendant
12 made a material misrepresentation or omitted material information concerning his or its
13 financial condition, then the Court shall reinstate the judgment against each such Defendant,
14 in favor of the Commission, in the amount of four hundred ninety-three thousand five
15 hundred forty-five dollars (\$493,545.00), the total amount of net sales, which amount shall
16 become immediately due and payable by said Defendant, and interest computed at the rate
17 prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the
18 unpaid balance; *provided, however*, that in all other respects this Order shall remain in full
19 force and effect unless otherwise ordered by the Court; and, *provided further*, that
20 proceedings instituted under this provision would be in addition to, and not in lieu of, any
21 other civil or criminal remedies as may be provided by law, including but not limited to
22 contempt proceedings, or any other proceedings that the Commission may initiate to enforce
23 this Order. For purposes of this Part, and any subsequent proceedings to enforce payment,
24 including but not limited to a non-dischargeability complaint filed in a bankruptcy
25 proceeding, Defendants agree not to contest any of the allegations in the Commission's
26 Complaint.

1 **NOTICE TO AND MONITORING OF RESELLERS AND DISTRIBUTORS**

2 **VI.**

3 **IT IS FURTHER ORDERED that:**

4 **A. Within thirty (30) days of the date this Order becomes final:**

5 1. Defendant Glucorell shall send an exact copy of the notice attached
6 hereto as Attachment A, showing the date of mailing, to each
7 distributor or purchaser for resale of any covered product with whom
8 such Defendant has done business since June 2004; and

9 2. Defendant Anafit shall send an exact copy of the notice attached
10 hereto as Attachment B, showing the date of mailing, to each
11 distributor or purchaser for resale of any covered product with whom
12 such Defendant has done business since 2001.

13 The mailings shall not include any other document, information, or enclosures. The notices
14 shall be sent by first class mail, postage prepaid and return receipt requested.

15 **B. Defendants shall institute a reasonable program of surveillance adequate to**
16 **reveal whether any of defendants' distributors or purchasers for resale are disseminating any**
17 **advertisement or promotional material that contains any representations prohibited by this**
18 **Order.**

19 **C. In the event that Defendants receive any information that any purchaser for**
20 **resale is using or disseminating any advertisement or promotional material, or making any**
21 **oral statement, that contains any representation prohibited by this Order, Defendants shall**
22 **promptly investigate such information and upon verification shall immediately terminate,**
23 **and shall not resume, sales or shipments to such distributors or purchaser for resale.**

1 **COMPLIANCE MONITORING**

2 **VII.**

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

5 **A.** Within ten (10) days of receipt of written notice from a representative of the
6 Commission, Defendants each shall submit additional written reports, sworn to under penalty
7 of perjury; produce documents for inspection and copying; appear for deposition; and/or
8 provide entry during normal business hours to any business location in such Defendant's
9 possession or direct or indirect control to inspect the business operation.

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

- 12 1. Obtaining discovery from any person, without further leave of court,
13 using the procedures described by Fed. R. Civ. P. 30, 31, 33, 34, 36,
14 and 45; and
- 15 2. Posing as consumers, marketers, manufacturers, suppliers,
16 wholesalers, retailers, distributors, or other product-related entities to
17 any Defendant, its employees, or any other entity managed or
18 controlled in whole or in part by any Defendant, without the necessity
19 of identification or prior notice.

20 **C.** Defendants each shall permit representatives of the Commission to interview
21 any officer, director, employee, employer, consultant, independent contractor, representative,
22 or agent who has agreed to such an interview, relating in any way to any conduct subject to
23 this Order. The person interviewed may have counsel present.

24 *Provided, however,* that nothing in this Order shall limit the Commission's lawful use
25 of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-
26 1, to obtain any documentary material, tangible things, testimony, or information relevant to

1 unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15
2 U.S.C. § 45(a)(1)).

3
4 **COMPLIANCE REPORTING**

5 **VIII.**

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

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

9 **1.** Defendants Laurence Berube and Jerel Scott Ferguson each shall
10 notify the Commission of the following:

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

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

23 **c.** Any changes in the Individual Defendant's name or use of any
24 aliases or fictitious names; and

25 **2.** Defendants shall notify the Commission of any proposed change in
26 corporate structure of Defendant Glucorell or Anafit or any business

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

13 B. Sixty (60) days after the date of entry of this Order, each Defendant shall
14 provide a written report to the Commission, sworn to under penalty of perjury, setting forth
15 in detail the manner and form in which they have complied and are complying with this
16 Order, including identification of all products that they advertise or sell, and copies of all
17 their current advertising. This report shall include, but not be limited to:

- 18 1. For each Individual Defendant:
 - 19 a. The then-current residence address, mailing addresses, and
20 telephone numbers of the Defendant;
 - 21 b. The then-current employment and business addresses and
22 telephone numbers of the Defendant; a description of the
23 business activities of each such employer or business, and the
24 title and responsibilities of the Defendant, for each such
25 employer or business. For purposes of this Paragraph,
26 "employment" includes the performance of services as an

1 employee, consultant, or independent contractor; and
2 "employers" include any individual or entity for whom the
3 Defendant performs services as an employee, consultant, or
4 independent contractor; and

5 c. Any other changes required to be reported under Subsection A
6 of this Part.

7 2. For all Defendants:

8 a. A copy of each acknowledgment of receipt of this Order
9 obtained by the Defendant pursuant to Part XI; and

10 b. Any other changes required to be reported under Subparagraph
11 A of this Section.

12 C. For purposes of this Order, Defendants shall each, unless otherwise directed
13 by the Commission's authorized representatives, send the necessary information via
14 overnight courier, costs prepaid, to:

15 Associate Director for Enforcement
16 Federal Trade Commission
17 600 Pennsylvania Avenue, N.W.
18 Washington, DC 20580
19 Attn: *FTC v. Glucorell Inc., et al.* (M.D. Fla.).

20 D. For purposes of the compliance reporting and monitoring required by this
21 Order, the Commission is authorized to communicate directly with any Defendant.

22 RECORD-KEEPING PROVISIONS

23 IX.

24 IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of
25 entry of this Order, Defendants and their agents, employees, officers, corporations,
26 successors, and assigns are hereby permanently restrained and enjoined from failing to create
and retain the following records:

1 A. Accounting records that reflect the cost of covered products or services sold,
2 revenues generated, and the disbursement of such revenues;

3 B. Personnel records accurately reflecting the name, address, and telephone
4 number of each person employed in any capacity by such business, including as an
5 independent contractor; that person's job title or position; the date upon which the person
6 commenced work; and the date and reason for the person's termination, if applicable;

7 C. Customer files containing the names, addresses, phone numbers, dollar
8 amounts paid, quantity of covered products or services purchased, and description of covered
9 products or services purchased, to the extent such information is obtained in the ordinary
10 course of business;

11 D. Complaint and refund requests (whether received directly, indirectly, or
12 through any third party), including but not limited to reports of adverse incidents claimed to
13 be associated with the use of a covered product or service, and any responses to those
14 complaints or requests;

15 E. Copies of all advertisements, promotional materials, sales scripts, training
16 materials, websites, or other marketing materials utilized in the advertising, marketing,
17 promotion, offering for sale, sale, or distribution of any covered product or service;

18 F. All materials that were relied upon in making any representations contained in
19 the materials identified in Subsection E of this Part, including all documents evidencing or
20 referring to the accuracy of any claim therein or to the efficacy of any covered product or
21 service, including, but not limited to, all tests, reports, studies, demonstrations, or other
22 evidence that confirm, contradict, qualify, or call into question the accuracy of such claims
23 regarding the benefits, performance, or efficacy of such product or service, including
24 complaints and other communications with consumers or with governmental or consumer
25 protection agencies;

26 G. Records accurately reflecting the name, address, and telephone number of

1 each manufacturer or laboratory engaged in the development or creation of any testing
2 obtained for the purpose of manufacturing, labeling, advertising, marketing, promoting,
3 offering for sale, selling, or distributing any covered product or service;

4 H. Copies of all contracts concerning the manufacturing, labeling, advertising,
5 marketing, promotion, offering for sale, sale, or distribution of any covered product or
6 service; and

7 I. All records and documents necessary to demonstrate full compliance with
8 each provision of the Order, including but not limited to, copies of acknowledgments of
9 receipt of this Order and all reports submitted to the Commission pursuant to this Order.

10
11 **DISTRIBUTION OF ORDER**

12 **X.**

13 IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry
14 of this Order, Defendants shall deliver copies of the Order as directed below:

15 A. Defendants Glucorell and Anafit shall each deliver a copy of this Order to all
16 of its principals, officers, directors, and managers, and to all current or newly hired
17 employees, agents, representatives, consultants, and independent contractors who engage in
18 conduct related to the subject matter of this Order. For current personnel, delivery shall be
19 within five (5) days of service of this Order upon Defendants. For new personnel, delivery
20 shall occur prior to their assuming a position or engaging in conduct related to the subject
21 matter of this Order.

22 B. Individual Defendants As Control Person: For any business that is controlled,
23 directly or indirectly, by any Individual Defendant or in which any Individual Defendant has
24 a majority ownership interest, that Individual Defendant shall deliver a copy of this Order to
25 all principals, officers, directors, and managers of such business, and to all current or newly
26 hired employees, agents, representatives, consultants, and independent contractors who

1 engage in conduct related to the subject matter of this Order. For current personnel, delivery
2 shall be within five (5) days of service of this Order upon Defendants. For new personnel,
3 delivery shall occur prior to their assuming a position or engaging in conduct related to the
4 subject matter of this Order.

5 C. Individual Defendants Not As Control Person: For any business in which an
6 Individual Defendant is not a controlling person of the business but otherwise engages in
7 conduct related to the subject matter of this Order, that Individual Defendant shall deliver a
8 copy of this Order to all principals and managers of such business before engaging in such
9 conduct.

10 D. Defendants shall obtain a signed and dated statement acknowledging receipt
11 of the Order, within thirty days of delivery, from all persons receiving a copy of the Order
12 pursuant to this Part.

13
14 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

15 **XI.**

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

19
20
21
22
23 **[Remainder of page intentionally left blank]**
24
25
26

RETENTION OF JURISDICTION

XII.

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

SO ORDERED:

Dated: October 27, 2008

Karla Spalding
UNITED STATES DISTRICT JUDGE,

Magistrate

SO STIPULATED:

proceeding by consent of the parties

Alysa S. Bernstein

Laurence Berube PRESIDENT

ALYSA S. BERNSTEIN
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Federal Trade Commission

GLUCORELL, INC.
By: NAME, POSITION

Laurence E. Anafit PRESIDENT

ANAFIT, INC.
By: NAME, POSITION

Laurence Berube

LAURENCE BERUBE,
Individually, and as President and Co-
Owner of GLUCORELL, INC. and
ANAFIT, INC.

Jerel Scott Ferguson

JEREL SCOTT FERGUSON
Individually, and as Vice President and
Co-Owner of GLUCORELL, INC.

1 ATTACHMENT A

2 GOVERNMENT-ORDERED DISCLOSURE

3 [on Glucorell, Inc., letterhead]

4
5 [Insert Date]

6 [Addressee]

7 Dear Insulow Reseller or Distributor.

8
9 In a recent lawsuit, the Federal Trade Commission (FTC) charged our company with
10 making deceptive claims for Insulow. According to the FTC, we lacked scientific evidence
11 that our product Insulow prevents or is an effective treatment for diabetes. Although we
12 dispute the FTC's charges, we have agreed to settle the lawsuit.

13 To comply with the court's order in this case, we instruct you to immediately stop
14 using advertising or promotional materials that claim that Insulow:

- 15 ● prevents or reduces the risk of developing Type II diabetes;
- 16 ● is an effective treatment for Type I or Type II diabetes;
- 17 ● lowers high blood sugar levels;
- 18 ● prevents or reverses insulin resistance;
- 19 ● enables diabetics to reduce or eliminate the amount of drugs or insulin that are
20 required to maintain healthy blood sugar levels or reduce insulin resistance; or
- 21 ● increases fat loss or decreases insulin-related obesity.

22 The order requires us to monitor your advertisements and promotional materials. We
23 will terminate all shipments and stop doing business with you if you make any of the above
24 claims for the specified product.

25 If you have any questions, please call [insert name and telephone numbers of the
26 responsible Glucorell, Inc. Attorney or Officer].

Sincerely,

Laurence Berube, President and Owner
Glucorell, Inc.

