

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Federal Trade Commission,

Plaintiff,

v.

MEDICAL BILLERS NETWORK, INC.,
a New York corporation,
CHRIS TAYLOR, individually and as an
officer of said corporation,
CACERES QUALITY DISTRIBUTION, INC.,
a Nevada corporation, and
WILSON JOSE CACERES, individually and
as an officer of said corporation,

Defendants, and

KNAREK KALANTARYAN,

Relief Defendant.

05 CV 2014 (RJH)

**STIPULATED FINAL
JUDGMENT AND ORDER
FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF
AS TO DEFENDANTS
WILSON JOSE CACERES
AND CACERES QUALITY
DISTRIBUTION, INC.**

On February 10, 2005, Plaintiff, the Federal Trade Commission (“Commission” or “FTC”) filed its complaint for a permanent injunction, restitution, disgorgement, and other equitable relief in this matter pursuant to Sections 5(a), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b), and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6101 *et seq.*, charging the Defendants Medical Billers Network, Inc. (“MBN”), Chris Taylor (“Taylor”), Wilson Jose Caceres (“Caceres”) and Caceres Quality Distribution, Inc. (“CQD”) (collectively “the Defendants”), with deceptive acts and practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Commission’s Trade Regulation Rule entitled “Telemarketing Sales Rule,” 16 C.F.R. Part 310.

On March 18, 2005, this Court entered a Stipulated Preliminary Injunction (“PI”);

On July 1, 2005, the Commission filed an Amended Complaint that named Knarek Kalantaryan as a Relief Defendant (“Relief Defendant Kalantaryan”);

On December 6, 2005, the Court found that the Defendants had violated the PI and entered a Stipulated Order of Contempt and Modified Preliminary Injunction;

On March 17, 2006, the Court issued an Order finding Defendant Caceres to be in civil contempt of the asset freeze provisions of the Court’s Stipulated Preliminary Injunction dated March 18, 2005;

Thereafter, the Commission filed a motion for summary judgment against the Defendants and Defendants Taylor and MBN cross-motivated for summary judgment then;

On March 31, 2008, the Court, having considered both motions and the evidence, granted the FTC’s motion in part and denied it in part, and granted Defendant Taylor and Defendant MBN’s motion in part and denied it in part;

The Plaintiff Federal Trade Commission and Defendants Caceres and CQD have agreed to the entry of the following Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief in settlement of the Commission’s Amended Complaint, admitting liability for each of the matters alleged in the Amended Complaint and/or found by the Court; and

WHEREAS, the Commission and Defendants Caceres and CQD have requested the Court to enter this Order.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJOURNED, AND DECREED

as follows:

FINDINGS

1. This is an action by the Commission instituted under Section 13(b) of the Federal Trade Commission Act, 15 U.S.C. § 53(b). The Amended Complaint alleges that Defendants have engaged in unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Telemarketing Sales Rule, in connection with the marketing and sale of Medical Billing Employment Opportunities. The Amended Complaint seeks permanent injunctive relief, equitable monetary relief in the form of consumer redress and/or disgorgement, and other equitable relief.
2. This Court has jurisdiction over the subject matter of this case, and over all parties herein; further, venue in the Southern District of New York is proper.
3. The Commission has the authority under Section 13(b) of the FTC Act to seek the relief it has requested, and the Amended Complaint states a claim upon which relief may be granted against the Defendants under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b, and the Telemarketing Sales Rule, 16 C.F.R. Part 310.
4. Defendants Caceres and CQD and/or their employees or agents have violated Section 5(a) of the FTC Act and the Telemarketing Sales Rule in the course of advertising, marketing, promoting, offering for sale, and selling their Medical Billing Employment Opportunity by:

- A. Making false or misleading representations to induce the purchase of Medical Billing Employment Opportunities, including, but not limited to, misrepresenting expressly or by implication that:
 - i. Consumers who purchased Defendants' Medical Billing Employment Opportunity were likely to earn a substantial income, such as \$500 or more per week; and
 - ii. Defendants would give purchasers the names and addresses of physicians who were likely to use the purchasers to process the physicians' medical claims.
 - B. Failing to disclose, before a customer pays for the Medical Billing Employment Opportunity, Defendants' policy of not making refunds or cancellations after a purchaser accesses training materials; and
 - C. Failing to disclose a \$100 medical billing clearinghouse fee that had to be paid before a purchaser could submit bills for processing.
5. There is a reasonable likelihood that Defendants Caceres and CQD would continue to engage in the activities alleged in the Amended Complaint unless permanently enjoined from such acts and practices.
6. Plaintiff is entitled to judgment as a matter of law pursuant to Rule 56(c) of the Federal Rules of Civil Procedure against Defendants Caceres and CQD as set forth herein.
7. The acts and practices of the Defendants as alleged in the Amended Complaint were and are "in or affecting commerce," as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

8. Entry of this Order is in the public interest.
9. Defendants Caceres and CQD have entered into this Stipulated Final Judgment freely and without coercion. Defendant Caceres further acknowledges that he has read the provisions of this Order and is prepared to abide by them.
10. Defendants Caceres and CQD hereby waive all rights to appeal or otherwise challenge or contest the validity of this Order.
11. Defendants Caceres and CQD waive and release any claims they may have against the FTC and its employees, representatives, or agents.
12. The parties shall each bear their own costs and attorneys' fees incurred in this action and Defendants Caceres and CQD waive all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat 847, 863-64 (1996).
13. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of this Order are binding upon Defendants Caceres and CQD and its successors and assigns whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, and its officers, agents, and employees, and any other persons who are in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.

DEFINITIONS

1. "Individual Defendant" means Wilson Jose Caceres, individually and in his capacity as an officer of Caceres Quality Distribution Inc.
2. "Corporate Defendant" or "CQD" means Caceres Quality Distribution Inc., and its successors and assigns.
3. "Defendants" means Defendants Caceres, Taylor, Medical Billers Network, Inc., and Caceres Quality Distribution Inc., individually, collectively, or in any combination.
4. "Assets" means any legal or equitable interest in, right to, claim to, or expectation to receive, any real or personal property, including, but not limited to, chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, contracts, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, lines of credit, all cash, funds, and other things of value, wherever located.
5. "Assisting others" includes, but is not limited to: (a) performing customer service functions, including receiving or responding to customer complaints; (b) drafting or supplying or arranging for the drafting of or supplying of a telephone sales script or other written marketing material; (c) furnishing names of potential customers or helping collect their names; (d) performing marketing services; or (e) acting as an officer or director of, or a consultant to, a business entity.
6. "Franchise Rule" means the FTC Trade Regulation Rule titled "Disclosure Requirements and Prohibitions Concerning Franchising," codified at 16 C.F.R. Part 436, or as it may be amended.

7. “Business Opportunity Rule” means the FTC Trade Regulation Rule titled “Disclosure Requirements and Prohibitions Concerning Business Opportunities,” codified at 16 C.F.R. Part 437, or as it may be amended.
8. “Business Venture” means any written or oral business arrangement, however denominated, that is covered by the Business Opportunity Rule or the Franchise Rule, or that consists of the payment of any consideration in exchange for:
 - A. the right or means to offer, sell, or distribute goods or services (regardless of whether identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
 - B. more than nominal assistance, or the promise of more than nominal assistance, to any person or entity (including, but not limited to, referrals to any persons providing or promising location services), in connection with or incident to: (1) the establishment, maintenance, or operation of a new business, or (2) the entry by an existing business into a new line or type of business.
9. “Document” is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonable usable form. A draft or non-identical copy is a separate document within the meaning of the term.

10. “Medical Billing Employment Opportunity” means an opportunity to earn income through a service, program, or software by which bills or charges for medical services or products or medically-related services or products are sent, directly or indirectly, to a patient or third party payer, including, but not limited to, insurance companies, on behalf of a physician, or other provider of a medical service or product or medically-related service or product.
11. “Telemarketing,” “telemarketer,” “seller,” and “material” are defined as in Section 310.2 of the Telemarketing Sales Rule, 16 C.F.R. § 310.2, a copy of which is attached to this Order as Attachment A.
12. “Work-At-Home Opportunity” means a plan, program, product, or service represented to enable participants or purchasers to earn money while working from home.
13. “Financial Statements” means the sworn financial statements of: Defendant Caceres, dated May 14, 2008 and Defendant CQD, dated May 14, 2008.

ORDER

I. PERMANENT BAN

IT IS HEREBY ORDERED that Defendant Caceres is permanently restrained and enjoined from engaging, participating, or assisting in any manner or in any capacity whatsoever in the advertising, marketing, promoting, offering for sale, or selling of any Medical Billing Opportunity, Work-At-Home Opportunity, or Business Venture, whether directly, indirectly, in concert with others, or through any intermediary, business entity, person or device.

II. PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promoting, offering for sale, or sale of any good or service whatsoever, Defendants Caceres and CQD and their officers, agents, employees, and corporations, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from:

- A. making or assisting or facilitating others in making, either expressly or by implication, any false or misleading representation of material fact;
- B. violating or assisting others in violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, in the course of offering for sale and selling any good or service through telemarketing including, but not limited to:
 - 1. Misrepresenting, directly or by implication, material aspects of the performance, efficacy, nature, or central characteristics of goods or services as set forth by Section 310.3(a)(2)(iii) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(iii).
 - 2. Failing to disclose, before a customer submits payment, any refund, cancellation, exchange, or repurchase policy as set forth by Section 310.3(a)(1)(iii) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(1)(iii), including, but not limited to, a policy of not making refunds. For the purposes of this Subsection, a person paying with a credit card during a telemarketing call “submits payment” when he or she provides credit card information.

III. DISCLOSURE OF CUSTOMER LISTS

IT IS FURTHER ORDERED that Defendants Caceres and CQD, whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, and their officers, agents, and employees, and any other persons who are in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to any Defendant in this action at any time prior to entry of this Order, in connection with the Medical Billing Employment Opportunity sold by any of the Defendants in this action.

Provided, however, that Defendants Caceres and CQD may disclose such identifying information to a law enforcement agency or as required by any law, regulation or court order.

IV. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

Judgment in the amount of \$4,000,000 (Four Million Dollars), is hereby entered in favor of the Commission against Defendants Caceres and CQD, for equitable monetary relief, including, but not limited to, to redress consumer injury and/or disgorgement, and for paying any attendant expenses of administering any fund to redress consumer injury. Based upon the sworn Financial Statements of Defendants Caceres and CQD, and upon payment of the funds referred to in the Section titled "Redress of Consumer Injury and Disgorgement of Funds," and subject to the provisions of the Section titled "Right to Reopen," this liability will be suspended.

**V. REDRESS OF CONSUMER INJURY AND
DISGORGEMENT OF FUNDS**

IT IS FURTHER ORDERED that the Clerk of this Court shall, within 10 business days of receipt of this Order as entered by the Court, turn over to the Commission the sum of Twelve Thousand Eight Hundred Thirty Dollars and Seventy Cents (\$12,830.70) currently held in escrow in this matter with said Clerk, representing the frozen assets of Defendant Caceres; the payment of these monies to the Commission shall be made pursuant to Subsection B of this Section and deemed a partial payment of the Judgment set forth in the Section titled "Monetary Judgment." The Commission shall deposit all funds paid pursuant to this Order into a fund administered by the FTC or its agent to be used for equitable relief, including, but not limited to, payment of restitution and any attendant expenses for the administration of any fund used to redress consumer injury. In the event that direct redress of consumer injury is wholly or partially impracticable, or funds remain after the restitution is completed, the FTC may apply any remaining funds for such other equitable relief (including consumer education remedies) as it determines to be reasonably related to the Defendants' practices alleged in the Amended Complaint. Any funds not used for such equitable relief shall be deposited as disgorgement to the United States Treasury. The Commission shall have full and sole discretion to:

1. Determine the criteria for participation by individual claimants in any program to redress consumer injury implemented pursuant to this Order;
2. Determine the manner and timing of any notices to be given to consumers regarding the existence and terms of such programs; and

3. Delegate any and all tasks connected with such program to redress consumer injury to any individuals, partnerships, or corporations, and pay the fees, salaries, and expenses incurred thereby from the payments made pursuant to this Order.

IT IS FURTHER ORDERED that:

- A. No portion of any payments under the Judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment, or forfeiture;
- B. All payments shall be made by certified check or other guaranteed funds payable to and delivered to the Commission, or by wire transfer in accord with instructions to be provided by the Commission. The monetary judgment set forth in the Sections titled “Monetary Judgment” and “Redress of Consumer Injury and Disgorgement of Funds” is enforceable against any assets owned individually, jointly, or on behalf of, for the benefit of, or held in trust for Defendants Caceres and CQD;
- C. In order to enable the Commission to implement the program to redress consumer injury described in the Sections titled “Monetary Judgment” and “Redress of Consumer Injury and Disgorgement of Funds” Defendants Caceres and CQD shall provide the Commission with a complete list of purchasers of their Work-At-Home Opportunity and Medical Billing Employment Opportunity. Such list shall include, for each purchaser, his or her name, most recent address, telephone number, date of purchase, product purchased, and amount paid, and email address, if available.

- D. Defendants Caceres and CQD expressly waive their rights to litigate the issue of disgorgement. Defendants Caceres and CQD acknowledge and agree that all money paid pursuant to this Order is irrevocably paid to the Commission for purposes of settlement between Plaintiff and Defendants Caceres and CQD ; and
- E. Defendants Caceres and CQD shall cooperate fully with the Commission and its agents in all attempts to collect the amount due pursuant to this Section if Defendants Caceres or CQD fails to pay the full amount due at the time specified herein. In such an event, Defendants Caceres and CQD agree to provide the Commission with their federal and state tax returns for the preceding two years, and to complete new financial disclosure forms fully and accurately within ten (10) business days of receiving a request from the Commission to do so. Defendants Caceres and CQD further authorize the Commission to verify all information provided on their financial disclosure forms with all appropriate third parties, including but not limited to, financial institutions.
- F. In accordance with 31 U.S.C. § 7701, Defendants Caceres and CQD are hereby required, unless they have done so already, to furnish to the Commission their respective taxpayer identifying numbers (social security numbers or employer identification numbers) which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Defendant Caceres' and Defendant CQD's relationship with the government.

- G. Defendant Caceres is further required, unless he has done so already, to provide the Commission with clear, legible and full-size photocopies of all valid driver's licenses he possesses, which will be used for collection, reporting and compliance purposes, within 10 days of the Court's entry of this order.

VI. DISSOLUTION OF ASSET FREEZE

IT IS FURTHER ORDERED that upon entry of this Order and completion of the transfer of funds set forth in the Sections titled "Monetary Judgment" and "Redress of Consumer Injury and Disgorgement of Funds," the freeze of Defendant Caceres' and Defendant CQD's assets, as ordered in the Stipulated Preliminary Injunction entered by this Court on December 6, 2005, is dissolved.

VII. RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

- A. By agreeing to this Order, Defendants Caceres and CQD attest to the truthfulness, accuracy, and completeness of the Financial Statements provided to the Plaintiff prior to entry of this Order. The Commission's agreement to, and the Court's approval of, this Order, which requires payment of less than the full amount of restitution, is expressly premised upon the truthfulness, accuracy, and completeness of the Financial Statements provided to counsel for the Commission, which contain material information relied upon by the Commission in negotiating and agreeing to the terms of this Order;

- B. If, upon notice and motion by the Commission, this Court finds that the sworn financial statement of Defendant Caceres or Defendant CQD, failed to disclose any material asset or source of income, or materially misrepresented the value of any asset or source of income, or made any other material misrepresentation or omission of assets, then, the suspended judgment amount of \$4,000,000, less all amounts paid pursuant to the Sections titled “Monetary Judgment” and “Redress of Consumer Injury and Disgorgement of Funds,” plus interest computed at the rate prescribed in 28 U.S.C. § 1961, which shall immediately begin to accrue on the unpaid balance, shall be rendered immediately due and payable by Defendant Caceres and/or Defendant CQD;
- C. Defendants Caceres and CQD relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendants Caceres and CQD shall make no claim to or demand return of the funds, directly or indirectly, through counsel or otherwise.
- D. Defendants Caceres and CQD agree that the facts as alleged in the Amended Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order including, but not limited to, a nondischargeability complaint in any bankruptcy case. Defendants Caceres and CQD further stipulate and agree that the facts alleged in the Amended Complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. §523(a)(2)(A).

E. Should this Order be modified pursuant to this Section, this Order, in all other respects, shall remain in full force and effect unless otherwise ordered by this Court. Any proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings the Commission may institute to enforce this Order.

VIII. COOPERATION WITH FTC COUNSEL

IT IS FURTHER ORDERED that Defendant Caceres and Defendant CQD shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear, or cause its officers, employees, representatives, or agents to appear, at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Defendant Caceres and Defendant CQD shall appear, or cause its officers, employees, representatives, or agents to appear, and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Amended Complaint, without the service of a subpoena.

IX. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Defendants Caceres and CQD, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

X. DISTRIBUTION OF ORDER

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

- A. **Corporate Defendant:** The Corporate Defendant must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon the Corporate Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure.
- B. **Individual Defendant as Control Person:** For any business that the Individual Defendant controls, directly or indirectly, or in which the Individual Defendant has a majority ownership interest, the Individual Defendant must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting."

For current personnel, delivery shall be within five (5) days of service of this Order upon the Individual Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled “Compliance Reporting,” delivery shall be at least ten (10) days prior to the change in structure.

- C. **Individual Defendant as employee or non-control person:** For any business where the Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, the Individual Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.
- D. Defendants Caceres and CQD must each secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XI. COMPLIANCE REPORTING

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

- A. For a period of five (5) years from the date of entry of this Order:
 - 1. The Individual Defendant shall notify the Commission of the following:

- a. Any changes in such Defendant's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in such Defendant's employment status (including self-employment), and any change in such Defendant's ownership in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that such Defendant is affiliated with, employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of such Defendant's duties and responsibilities in connection with the business or employment; and
 - c. Any changes in such Defendant's name or use of any aliases or fictitious names;
2. Defendants Caceres and CQD shall notify the Commission of any changes in structure of the Corporate Defendant or any business entity that the Individual or Corporate Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to: incorporation or other organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30)

days prior to such change; *provided* that, with respect to any proposed change in the business entity about which the Individual or Corporate Defendant learns less than thirty (30) days prior to the date such action is to take place, such Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of five (5) years, Defendants Caceres and CQD each shall provide a written report to the FTC, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report must include, but not be limited to:

1. For the Individual Defendant:
 - a. such Defendant's then-current residence address, mailing addresses, and telephone numbers;
 - b. such Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that such Defendant is affiliated with, employed by, or performs services for, a detailed description of the nature of the business; and a detailed description of such Defendant's duties and responsibilities in connection with the business or employment; and
 - c. Any other changes required to be reported under Subsection A of this Section.

2. For Defendants Caceres and CQD:
- a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order";
 - b. Any other changes required to be reported under Subsection A of this Section.
- C. Defendants Caceres and CQD shall each notify the Commission of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.
- D. For the purposes of this Order, Defendants Caceres and CQD shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement
Federal Trade Commission
600 Pennsylvania Avenue, N.W., Room NJ-2122
Washington, D.C. 20580
Re: FTC v. Medical Billers Network,
Civil Action No. 05 CV 2014 (S.D.N.Y.)

Provided, that, in lieu of overnight courier, Defendants Caceres and CQD may send such reports or notifications by first-class mail, but only if Defendants Caceres and CQD contemporaneously send an electronic version of such report or notification to the Commission at: DEBrief@ftc.gov.

- E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendants Caceres and CQD. *Provided, however*, nothing in this provision shall limit the Commission's authority to pose as a consumer or supplier pursuant to Subsection B.2 of the Section titled "Compliance Monitoring."

XII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of (i) monitoring and investigating compliance with any provision of this Order, and (ii) investigating any discrepancies in the accuracy of Defendants Caceres' and CQD's Financial Statements upon which the Commission's agreement to this Order is expressly premised:

- A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendants Caceres and CQD each must submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in each such Defendant's possession or direct or indirect control to inspect the business operation;
- B. In addition, the Commission is authorized to use all other lawful means; including but not limited to:
1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and 69;

2. posing as consumers and suppliers to Defendants Caceres and CQD, their employees, or any other entity managed or controlled in whole or in part by Defendant Caceres or Defendant CQD, without the necessity of identification or prior notice; and
- C. Defendants Caceres and CQD each shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

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

XIII. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Defendants Caceres and CQD, in connection with any business where Defendant Caceres is the majority owner or otherwise controls the business, and their agents, employees, officers, corporations, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from failing to create and/or retain the following records:

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

- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- D. Complaints and refund requests (whether received directly, indirectly, or through any third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, promotional materials, or other marketing materials utilized in the advertising, marketing, promoting, offering for sale, or selling of any product or service; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting";
- G. Copies of all contracts or agreements with telephone companies;
- H. Copies of all contracts or agreements with telemarketers;

- I. Copies of all contracts or agreements with any employees or contractors who sold any Medical Billing Employment Opportunity, Work-At-Home Opportunity, or Business Venture or other good or service; and
- J. Documents relating to the actual earnings of existing purchasers of any Medical Billing Employment Opportunity, Work-At-Home Opportunity, Business Venture, or other good or service.

XIV. RETENTION OF JURISDICTION

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

XV. ENTRY OF THIS FINAL JUDGMENT

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 54(b), that there is no just reason for delay and the Clerk of Court immediately shall enter this Order as a final judgment.

For Plaintiff
Federal Trade Commission:

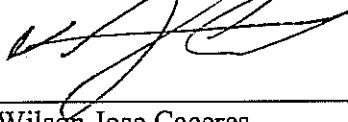
WILLIAM BLUMENTHAL
General Counsel

LEONARD L. GORDON
Regional Director
Northeast Region



JONATHAN PLATT
CAROLE A. PAYNTER
MAZOR MATZKEVICH
Attorneys for Plaintiff
Federal Trade Commission
Northeast Region
1 Bowling Green, Suite 318
New York, NY 10004
Telephone: (212) 607-2829
Facsimile: (212) 607-2822

For Defendants Caceres and CQD:



Wilson Jose Caceres,
Individually and as an
Officer of Caceres Quality Distribution, Inc.

SO ORDERED this _____ day of _____, 2009.

RICHARD J. HOLWELL
UNITED STATES DISTRICT JUDGE