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CLOSED

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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**DUTCHMAN ENTERPRISES, LLC;  
UNITED COMMUNITY SERVICES  
OF AMERICA, INC., also doing  
business as UCSA DEALERS GROUP,  
LLC; and DENNIS LEE;**

**Defendants.**

**Civ. No. 2:09-141 (FSH-MAS)**

**(Proposed)**  
**STIPULATED ORDER FOR PERMANENT INJUNCTION AND FINAL  
JUDGMENT AS TO DEFENDANTS DUTCHMAN ENTERPRISES, LLC,  
UNITED COMMUNITY SERVICES OF AMERICA, INC., AND DENNIS LEE**

WHEREAS Plaintiff Federal Trade Commission (“FTC” or “Commission”) filed a Complaint for Injunctive and Other Equitable Relief (the “Complaint”) on January 12, 2009 against Defendants Dutchman Enterprises, LLC (“Dutchman”), United Community Services of America, Inc. (“UCSA”), and Dennis Lee (“Lee”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), charging the Defendants with engaging in deceptive acts or practices in connection with the promotion of the “Hydro Assist Fuel Cell” kit in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); and

WHEREAS the FTC and Defendants have consented to the entry of this Stipulated Order for Permanent Injunction and Final Judgment (“Order”) to resolve all matters of dispute between them in this action;

NOW, THEREFORE, the Commission and Defendants, having requested that the Court enter this Stipulated Order, and the Court have considered the parties’ request and for other cause appearing, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter and the parties pursuant to 28 U.S.C. §§ 1331 and 1337(a), and 15 U.S.C. § 53(b).
2. Venue is proper as to all parties in this District.
3. The activities of Defendants are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The Complaint states a claim upon which relief may be granted

against Defendants under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).

5. Except for facts necessary to establish jurisdiction or as otherwise specifically stated in the Order, Defendants do not admit of any allegations in the FTC's Complaint.

6. Defendants have entered into this Order freely and without coercion. Defendants further acknowledge that they have read the provisions of this Order and are prepared and able to abide by them.

7. The parties waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Defendants further waive and release any claims they may have against the Commission, its employees, representatives, or agents.

8. Defendants agree that this Order does not entitle them to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and Defendants further waive any right to attorneys' fees that may arise under said provision of law. The parties agree to bear their own costs and attorneys' fees.

9. Entry of this Order is in the public interest.

#### DEFINITIONS

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

1. "Asset" means any legal or equitable interest in, right to, or claim to, any real and personal property, including without limitation, goods, instruments,

equipment, fixtures, general intangibles, inventory, checks, and notes (as defined in the Uniform Commercial Code), and all chattels, leaseholds, contracts, shares of stock, lists of consumer names, mail or other deliveries, premises, accounts, funds, credits, receivables, checks, money orders, and cash, wherever located.

2. “Competent and reliable scientific evidence” means tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons, that are generally accepted in the profession to yield accurate and reliable results, and that are sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that a representation is true.

3. “Corporate Defendants” means Dutchman Enterprises, LLC, and United Community Services of America, Inc., and their successors and assigns.

4. “Dealers” means any and all persons who have acquired the right to sell any product or service from any Defendant.

5. “Defendants” means the Individual Defendant and the Corporate Defendants, individually, collectively, or in any combination.

6. “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, email, electronic communications, webpages, websites, and other data compilations from which information can be obtained and translated, if necessary,

through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

7. “HAFC” or “HAFC kit” means the product known as the Hydro Assist Fuel Cell kit or system, including its parts and components, separately and collectively, and any accessories thereto.

8. “Individual Defendant” means Dennis Lee.

9. “Person” means a natural person, a dealer, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

10. “Plaintiff” means the Federal Trade Commission.

11. “Promotional material” means any written or verbal statement, illustration, or depiction that is designed to effect a sale or create interest in the purchasing of products or goods or services, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free-standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, packaging, package insert, label, film, slide, radio, television or cable television, audio program transmitted over a telephone system, program-length commercial (“infomercial”), the Internet, or in any other medium.

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ORDER

I.  
BAN ON MARKETING OF ENERGY  
GENERATION OR CONSERVATION PRODUCTS

IT IS THEREFORE ORDERED that Defendants are permanently restrained and enjoined from advertising, marketing, promoting, offering for sale, selling, or distributing any product purported to generate energy, reduce energy consumption, or increase vehicle gas mileage, fuel efficiency, or fuel economy, or assisting others to do so, whether directly or through any entity, corporation, dealership, partnership, division, trade name, or other device.

II.  
RESTRICTIONS ON SALE OR TRANSFER OF HAFC  
KITS AND PARTS OWNED BY DEFENDANTS

IT IS FURTHER ORDERED that Defendants, directly or through any entity, corporation, dealership, partnership, division, trade name, or other device, and their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile, or otherwise, are hereby permanently restrained and enjoined from engaging in any sale or other transfer of the HAFC kit or its parts, except as follows:

A. Defendants may sell or otherwise transfer HAFC kits or parts that they owned on the date that they signed this Order, *provided that*, in connection with such sale or transfer:

1. Defendants do not make any express or implied representation

that the HAFC kits or parts generate energy, reduce energy consumption, or increase vehicle gas mileage, fuel efficiency, or fuel economy;

2. Defendants sell or otherwise transfer the HAFC kits and/or parts pursuant to a contract that expressly provides: “The transferee(s) of the HAFC kits and/or parts under this contract, and any person or entity in privity with them, shall make no express or implied representation in connection with any advertising, marketing, promoting, offering for sale, or selling HAFC kits or parts, that HAFC kits or parts generate energy, reduce energy consumption, or increase vehicle gas mileage, fuel efficiency, or fuel economy”;

3. Defendants disclose to the purchaser or transferee, in advance of any sale or agreement to transfer the liquid fuel additive component of the HAFC kit, that the fuel additive contains petroleum distillates, and provide the purchaser or transferee with a copy of the Material Safety Data Sheet for the fuel additive dated February 3, 2008; and

4. Within five (5) days of any sale or transfer of the HAFC kits or parts, Defendants disclose to the Commission: (1) the purchaser or transferee’s legal name; (2) its street address, phone number, and email address; and (3) the duration and nature of any prior business relationship between the purchaser or transferee and any Defendant.

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III.  
PROHIBITION AGAINST  
FALSE OR UNSUBSTANTIATED CLAIMS

IT IS HEREBY ORDERED that, in connection with the advertising, marketing, promotion, offering for sale, sale, or distribution of any product or service, Defendants, directly or through any entity, corporation, dealership, partnership, division, trade name, or other device, and their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile, or otherwise, are hereby permanently restrained and enjoined from:

A. Making any false or misleading representation of material fact, directly or by implication, including but not limited to any material misrepresentation concerning the performance, efficacy, nature, characteristics, benefits, or safety of any product or service, or the contents, validity, results, interpretations, or conclusions of any test or study;

B. Making any representation of material fact concerning the performance, efficacy, nature, characteristics, benefits, or safety of any product or service, or the contents, validity, results, interpretations, or conclusions of any test or study, directly or by implication, unless, at the time of making such representation, Defendants possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation;



C. Assisting others in violating any provision of this Section.

IV.

MONETARY JUDGMENT AND CONSUMER REDRESS

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in favor of the Commission and against Defendants Dutchman Enterprises, LLC, United Community Services of America, Inc., and Dennis Lee, jointly and severally, in the amount of Two Million, Seven Hundred and Thirty-Eight Thousand, Nine Hundred and Fifty Dollars (\$2,738,950), which Plaintiff and Defendants stipulate is the amount received from dealers in sales of the HAFC that is the subject of the FTC's Complaint. Except as provided in Section V of this Final Order, all but Two Hundred and Thirty Thousand, Three Hundred and Fifty-Six Dollars (\$230,356) of this judgment *shall be suspended* upon the transfer of all of the assets set forth herein.

1. Lakeland Bank shall transfer all accounts frozen pursuant to the Stipulated Preliminary Injunction in this case, in the amount as of the date the accounts were frozen, plus any interest payable by the institution, and any funds deposited into the accounts, to the Commission or its agent by wire transfer in accordance with wiring instructions to be provided by the Commission.

2. PNC Bank shall transfer all accounts frozen pursuant to the Stipulated Preliminary Injunction in this case, in the amount as of the date the accounts were frozen, plus any interest payable by the institution, and any funds deposited into the accounts, to the Commission or its agent by

wire transfer in accordance with wiring instructions to be provided by the Commission.

3. Sussex Bank shall transfer all accounts frozen pursuant to the Stipulated Preliminary Injunction in this case, in the amount as of the date the accounts were frozen, plus any interest payable by the institution, and any funds deposited into the accounts, to the Commission or its agent by wire transfer in accordance with wiring instructions to be provided by the Commission.

B. Defendants relinquish all dominion, control, and title to the above-referenced funds to the fullest extent permitted by law. Defendants shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise.

C. In the event of default by Defendants of any obligation imposed on Defendants under this Section, the suspension of judgment shall be vacated, and the full amount of the judgment shall immediately become due, plus interest computed from the date of entry of this Order pursuant to 28 U.S.C. § 1961, less any payments already made.

D. Defendants shall cooperate fully with the Commission in all attempts to collect the amounts due pursuant to this Section. Defendants agree to provide federal and state tax returns for the preceding two (2) years, and to fully and accurately complete new financial disclosure forms identical to those appended to the Temporary Restraining Order entered in this case within ten (10) business days

of receiving a request from the Commission. Defendants 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.

E. Defendants agree that the facts as alleged in the 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 further stipulate and agree that the facts alleged in the Complaint establish all elements necessary to sustain an action pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this Order shall have collateral estoppel effect for such purposes.

F. All funds paid pursuant to this Order shall be deposited into a fund administered by the Commission or its representatives to be used for equitable relief, including consumer redress and any attendant expenses of the administration of any redress fund. Defendants will cooperate fully to assist the Commission in identifying consumers who may be entitled to redress pursuant to this Final Order. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the

Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this Section or the manner of distribution chosen by the Commission.

V.  
TRUTHFULNESS OF FINANCIAL STATEMENTS

IT IS FURTHER ORDERED that:

A. This Order, and the Commission's agreement to this Order, in which Defendants pay less than the full amount of alleged consumer injury, is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' sworn financial statements and related documents submitted to the Commission, namely, the sworn financial statements of defendant Lee signed and dated February 3, 2009 and April 12, 2011; the sworn financial statements of defendant Dutchman signed and dated February 3, 2009 and April 12, 2011; the sworn financial statements of defendant UCSA signed and dated May 27, 2010 and April 12, 2011; and the sworn statements of defendant Lee signed and dated June 20, 2011 and September 15, 2011. These sworn statements contain material information upon which the Commission relied in negotiating and agreeing to the terms of this Order.

B. If, upon motion by the Commission, the Court finds that one or more Defendants have failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the sworn statements described above, then the Court shall lift the suspension of the judgment and reinstate the full judgment against such Defendant, in favor of the Commission, in the amount of Two Million, Seven Hundred and Thirty-Eight

Thousand, Nine Hundred and Fifty Dollars (\$2,738,950), minus any payments previously made pursuant to this Order.

VI.  
ORDER PROVISION REGARDING CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from:

A. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with the marketing and sale of any product or device that is, or has been, purported to generate energy, reduce energy consumption, or increase vehicle gas mileage, fuel efficiency, or fuel economy; and

B. failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed. *Provided, however,* that customer information need not be disposed of, and may be disclosed, to the extent requested

by a government agency or required by a law, regulation, or court order.

VII.  
DEALER NOTICE REQUIREMENTS

IT IS FURTHER ORDERED that:

A. Within thirty (30) days after the date of entry of this Order, Defendants shall send by first-class mail, postage prepaid, a copy of this Order and the notice attached hereto as Attachment A to each dealer to whom it sold a HAFC kit. The mailing shall not include any other document. The cost of this mailing shall be borne by Defendants. Within five (5) days after the date this mailing is completed, Defendants shall provide to the Commission a list of all persons to whom Attachment A was sent, together with the address to which it was mailed.

B. Defendants shall maintain records evidencing the sending of the notice attached hereto as Attachment A for a period of seven (7) years following the date of entry of this Order.

VIII.  
DEALER MONITORING REQUIREMENTS

IT IS FURTHER ORDERED that:

A. Defendants shall monitor their dealers' advertising and promotion of Defendants' products and services. If Defendants receive any information that any dealer is making any material misrepresentation in the advertising or promotion of Defendants' products and services, Defendants shall immediately terminate said dealer's right to market Defendants' products and services, and shall immediately provide, by certified mail, all relevant information, including the name, address,

and telephone number of the company or individual making such representations, to the FTC at the address provided in Section X of this Order.

B. Defendants shall not authorize dealers to disseminate any promotional materials or claims unless such materials and claims comply with this Order.

IX.  
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 the accuracy of any Defendants' 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 each shall 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 provide entry during normal business hours to any business location in each 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. having its representatives pose as consumers and suppliers to Defendants, their employees, or any other entity managed or controlled in

whole or in part by any Defendant, without the necessity of identification or prior notice; and

C. Defendants 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)).

X.  
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 seven (7) years from the date of entry of this Order,

1. Each 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 within ten (10) days of the date of such change;

2. Defendants shall notify the Commission of any changes in structure of any Corporate Defendant or any business entity that any 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 such change in the business entity about which a 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 seven (7) years, Defendants 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 shall include, but not be limited to:

1. For each 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 all Defendants:
  - a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order;" and
  - b. Any other changes required to be reported under

Subsection A of this Section.

C. Each Defendant shall 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 shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier (not the U.S. Postal Service) all reports and notifications to the Commission that are required by this Order to:

Associate Director for Enforcement  
Bureau of Consumer Protection  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
RE: FTC v. Dutchman Enterprises, X090029

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

[DEbrief@ftc.gov](mailto:DEbrief@ftc.gov).

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Defendant.

#### XI. RECORDKEEPING

IT IS FURTHER ORDERED that, for a period of ten (10) years from the date of entry of this Order, Corporate Defendants, and Individual Defendant for any business for which he is the majority owner, or directly or indirectly controls,

are hereby restrained and enjoined from failing to create and 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 or indirectly, such as through a third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other promotional materials, and instruction or installation manuals; 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," all reports

submitted to the FTC pursuant to the Section titled "Compliance Reporting," and all records evidencing the sending of the notice attached hereto as Attachment A.

XII.  
DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of ten (10) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

A. Corporate Defendant: Each 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 such 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 an Individual Defendant controls, directly or indirectly, or in which such Defendant has a majority ownership interest, such 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 such 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 an Individual Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, such Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants must 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.

XIII.  
ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that each Defendant, 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.

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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.

**SO STIPULATED:**

Date: 9/23/11



Dennis Merle Lee  
180 Union Corners Rd.  
Warwick, New York 10990

Defendant *Pro Se*

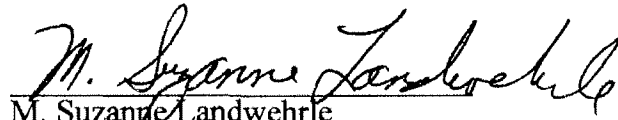
Date: 9/23/11



Dennis Merle Lee  
180 Union Corners Rd.  
Warwick, New York 10990

As Chief Operating Officer of Defendant  
Dutchman Enterprises, LLC and President  
of Defendant United Community Services  
of America, Inc.

Date: 9/19/11



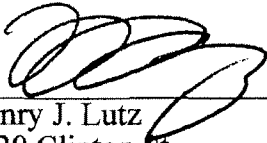
M. Suzanne Landwehrle  
4509 Vestal Rd.

Vestal, NY 13850


Attorney for Defendants Dutchman  
Enterprises, LLC and United Community  
Services of America, Inc. for purposes of  
entering this Stipulated Order



Date: 9-16-11

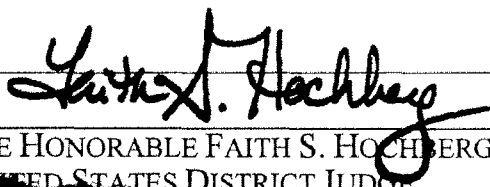
  
\_\_\_\_\_  
Henry J. Lutz  
2020 Clinton St.  
Linden, NJ 07036  
Attorney for Defendants Dutchman  
Enterprises, LLC and United Community  
Services of America, Inc. for purposes of  
entering this Stipulated Order

Date: December 6, 2011

  
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Joshua S. Millard  
Lemuel W. Dowdy  
Julia Solomon Ensor  
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(202) 326-2981, ldowdy@ftc.gov  
(202) 326-2377, jensor@ftc.gov  
(202) 326-2558 (fax)

Attorneys for Plaintiff

SO ORDERED this 7<sup>th</sup> day of December, 2011.

  
\_\_\_\_\_  
THE HONORABLE FAITH S. HOCHBERG  
UNITED STATES DISTRICT JUDGE  
United States District Court for the  
District of New Jersey

ATTACHMENT A  
NOTICE TO DEALERS  
[To be printed on letterhead of Defendants]

[Date]

[Name and address of recipient]

Dear [customer's name]:

On [order date], Dutchman Enterprises, LLC, United Community Services of America, Inc., and Dennis Lee entered into a court settlement with the U.S. Federal Trade Commission ("FTC") regarding advertising claims for the Hydro Assist Fuel Cell ("HAFC") kit. As a term of the settlement, we have agreed to provide the following message to our dealers to put you on notice of the Final Judgment.

Previously, we claimed that the HAFC kit could cause a substantial increase in gas mileage, and the FTC contends that we also improperly stated that our "road tests" were scientific proof that the HAFC increased gas mileage by 50% or more. The FTC has taken the position that these claims are false and that no scientific evidence supports these claims. Although we disagree with the FTC, as a part of the FTC settlement, we have agreed to stop advertising, marketing, promoting, offering for sale, selling, or distributing any product purported to generate energy, reduce energy consumption, or increase vehicle gas mileage, fuel efficiency, or fuel economy. We will no longer promote or sell such products, or assist others, including dealers, in doing so.

Additionally, we have agreed not to make any material representation about the performance or efficacy of any product unless, at the time of making such representation, we possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation. "Competent and reliable scientific evidence" means tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons, that are generally accepted in the profession to yield accurate and reliable results, and that are sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that a representation is true. **Anecdotal evidence and consumer testimonials are not considered competent and reliable scientific evidence.**

Enclosed is a copy of the stipulated Final Judgment. Read it carefully. **Failure to comply with any of the provisions of the Final Judgment that may apply to you could subject you to civil or criminal sanctions.** If you resell any of our products or services, you may only utilize claims, advertising, and promotional materials that are based on competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence. Failure to comply with these requirements will result in our termination of your dealership.

If you have any questions, please contact [name, address, phone number, and email address of representative of defendants].

Sincerely,

Dennis Lee on behalf of:  
Dennis Lee  
Dutchman Enterprises, LLC  
United Community Services of America, Inc.