

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LASER EXPRESS OF TENNESSEE, LTD., INC.

a Tennessee corporation,

d/b/a Laser Express Limited,

Data Supply International,

Cartridge Express Limited,

International Cartridge Supply,

International Data Supply Company

International Supply Company; and

JEFF RICHFIELD,

individually and as an officer of Laser Express of
Tennessee, Ltd., Inc.,

Defendants.

Civil No. 3-99-1135

Judge Campbell

X00015

STIPULATED FINAL JUDGMENT AND ORDER

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), commenced this action by filing a Complaint pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, charging Defendants Laser Express of Tennessee Limited, Inc. ("Laser Express") and Jeff Richfield ("Richfield"), individually and as an officer of Laser Express, with engaging in unfair or deceptive acts or practices in connection

This document was entered on
the docket in accordance with
Rule 59 and/or Rule 79 (a).

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FRCP, on 12/28/00 by dlp

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with the sale, offering for sale, or distribution of nondurable office supplies, including toner cartridges for laser printers, fax machines, and photocopiers, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310.

The Commission and Defendants consent to entry of this Stipulated Final Judgment and Order ("Order") without trial or adjudication of any issue of law or fact herein. Defendants have agreed to entry of this Final Judgment and Order in order to resolve all matters in dispute in this action, up to the date of Entry of this Order, and deny any wrongdoing or liability.

FINDINGS

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the Federal Trade Commission Act, 15 U.S.C. §§ 53(b), and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.* The Complaint seeks a permanent injunction, consumer redress, and other equitable relief against Defendants Laser Express and Richfield in connection with the sale of nondurable office supplies.

2. This Court has jurisdiction over the subject matter of this case and over Defendants. Venue in the Middle District of Tennessee is proper.

3. The Complaint states a claim upon which relief may be granted against 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 Commission's Telemarketing Sales Rule, 16 C.F.R. Part 310.

4. The activities of Defendants charged in the Complaint are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

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

ORDER

Definitions

1. "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 reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

2. "Corporate Defendant" means Laser Express, and its subsidiaries, affiliates, successors, assigns, officers, directors, agents, employees, sales persons, and any other person or entity directly or indirectly under their control, and any other person or entity in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.

3. "Individual Defendant" means Jeff Richfield, whether acting directly or through any corporation, subsidiary, division or other device and their officers, directors, agents, employees, sales persons, and any other person or entity directly or indirectly under their control, and any other person or entity in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.

4. "Defendants" means both the Corporate Defendant and the Individual Defendant.

5. "Consumer" means any person, including any individual, group, unincorporated

association, limited or general partnership, corporation or other business entity.

6. "Receivership defendant" means Laser Express, doing business as Laser Express Limited, Cartridge Express Limited, International Data Supply Company, Data Supply International, International Cartridge Supply, International Supply Company, and Divine Opportunities.

7. "Telemarketing," for purposes of Section I of this Order, below, means any business activity (which includes, but is not limited to, initiating or receiving telephone calls, managing others who initiate or receive telephone calls; operating an enterprise that initiates or receives telephone calls, owning an enterprise that initiates or receives telephone calls, or otherwise participating as an officer, director, employee or independent contractor in an enterprise that initiates or receives telephone calls), that involves attempts to induce consumers to purchase any item, product, good, service, partnership interest, trust interest or other beneficial interest, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of marketing. *Provided* that the term "telemarketing" shall not include transactions that are not completed until after a face-to-face contact between the seller or solicitor and the consumers solicited.

8. "Assisting others" means knowingly providing any of the following goods or services to another entity: (1) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; (2) formulating or providing, or arranging for the formulation or provision of, any telephone sales script or any other marketing material; (3) providing names of, or assisting in the generation of, potential customers; (4) hiring, recruiting, or training personnel; (5) advising or consulting others on the commencement or

management of a business venture; or (6) performing marketing services of any kind.

9. "Non-durable office supplies" means any office product that, when utilized, is depleted and must be replaced, including, but not limited to, toner or toner cartridges for printers, fax machines and copiers, ink, cash register and typewriter ribbons, paper, etc.

I. BAN ON THE SALE OF OFFICE SUPPLIES

IT IS HEREBY ORDERED that Defendants are hereby permanently restrained and enjoined from engaging or participating in the advertising, offering for sale, sale, or distribution of nondurable office supplies, or assisting others who are engaging or participating in the advertising, offering for sale, sale or distribution of nondurable office supplies.

II. PROHIBITED BUSINESS ACTIVITIES

A. **IT IS FURTHER ORDERED** that, in connection with the advertising, marketing, promoting, offering for sale, or sale of any goods or services, Defendants are hereby permanently restrained and enjoined from:

1. Misrepresenting, expressly or by implication, that any consumer, or any consumer's employee or other representative, ordered any good or service that was shipped, provided, and/or billed to the consumer;
2. Misrepresenting, expressly or by implication, any association with a consumer itself, any association with a consumer's regular supplier or provider of a good or service, or any association with the manufacturer of any product or equipment used by the consumer in conjunction with a good or service;

3. Misrepresenting to any consumer, or any consumer's employee or representative, expressly or by implication, the existence or extent of any previous business transactions, including any previous sales of any goods or services;

4. Misrepresenting, expressly or by implication, a consumer's obligation to pay for any goods or services or attendant charges or fees;

5. Misrepresenting, expressly or by implication, the price of goods or services, including but not limited to any reference to a special price or a discount from the regular price of either Defendant unless the regular price of either Defendant is provided to the consumer prior to the consummation of the transaction;

6. Misrepresenting, expressly or by implication, the amount of any goods or services ordered by or shipped to the consumer;

7. Misrepresenting, expressly or by implication, how long goods or services will last;

8. Misrepresenting, expressly or by implication, any material term of the sale of any goods or services; or

9. Failing to make a sales call or sales pitch to the purchasing department of any consumer having a purchasing department, or failing to use reasonable efforts to make the sales call or sales pitch to the highest purchasing official if there is no purchasing department, prior to any sales or any further sales being made to that consumer.

B. IT IS FURTHER ORDERED that Defendants are hereby permanently restrained and enjoined from:

1. Violating Section 310.3(a)(4) of the Telemarketing Sales Rule, 16 C.F.R.

§ 310.3(a)(4), by making false or misleading statements to induce any consumer to pay for any goods or services, including but not limited to the following misrepresentations:

- (a) a consumer ordered any goods or services that were shipped or billed to the consumer;
- (b) they are the consumer, are a consumer's regular supplier of any goods or services, are associated with a consumer's regular supplier of any goods or services, or are associated with the manufacturer or vendor of the equipment in which any goods or services are used;
- (c) a consumer will be charged the same price that the consumer has been paying or a better price than could be obtained from the consumer's regular supplier;
- (d) the office supplies shipped by defendants will last longer than any goods or services that the consumer has previously purchased from other sources; and
- (e) a consumer is obligated to pay for any goods or services shipped to the consumer or pay any attendant fees, such as restocking fees; or

2. Violating Section 310.4(d)(1) of the Telemarketing Sales Rule, 16 C.F.R. § 310.4(d)(1), by failing in outbound telephone calls to disclose in a clear and conspicuous manner the identity of the seller, including the fact, if applicable, that defendants are not the regular supplier of the business or not associated with the regular supplier; or

3. Violating Section 310.4(d)(2) of the Telemarketing Sales Rule, 16 C.F.R. § 310.4(d)(2), by failing in outbound telephone calls to disclose in a clear and conspicuous manner the purpose of the call is to sell products or services,

4. Violating Section 310.3(b) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(b), by providing substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged

in any act or practice that violates Section 310.3(a) or Section 310.4 of the Telemarketing Sales Rule, 16 C.F.R. §§ 310.3(a) or 310.4; or

5. Violating or assisting others in violating any other provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310.

A copy of the Telemarketing Sales Rule is appended to this Order as Attachment A and is incorporated herein as if fully rewritten. In the event that the Telemarketing Sales Rule is amended by the Commission in a manner which would create a new or different standard applicable to Defendants' obligations under this Order, Defendants' compliance with the Telemarketing Sales Rule as so amended shall not be deemed a violation of this Order.

III. PROHIBITIONS AGAINST DISTRIBUTION OF CUSTOMER LISTS

IT IS FURTHER ORDERED that Defendants are permanently restrained and enjoined from selling, renting, leasing, transferring or otherwise disclosing the name, address, telephone number, credit card number, bank account number or other identifying information of any person who paid any money to Defendants, at any time, in connection with the offering for sale or sale of nondurable office products; *provided, however*, that Defendants may disclose such identifying information to a law enforcement agency, to Defendants' attorneys or accountants, or as required by any law, regulation or court order, and shall disclose such identifying information to the Commission pursuant to this Order.

IV. PROHIBITION ON TRANSFERRING BUSINESS INFORMATION

IT IS FURTHER ORDERED that Defendants are hereby restrained and enjoined from

transferring or in any other way providing to any person (other than a federal, state or local law enforcement agency, to Defendants' attorneys, or pursuant to a court order), directly or indirectly, any sales or marketing documents, including but not limited to scripts and sales pitches, in the possession, custody or control of Defendants Laser Express or Richfield, or any trade secrets or knowledge, whether recorded or otherwise, that are in any way related to Laser Express or any business that has sold any nondurable office supplies that Defendant Richfield has owned or controlled individually or jointly.

V. MONETARY RELIEF

IT IS FURTHER ORDERED that Defendants are liable for payment of equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, and for paying any attendant expenses of administration of any redress fund, in the amount of **THREE HUNDRED AND SEVENTY-FOUR THOUSAND DOLLARS (\$ 374,000)**. All payments by Defendants and the Receiver shall be made payable to the Federal Trade Commission and sent to the Regional Director, Federal Trade Commission, Southeast Region, 60 Forsyth Street, S.W., Suite 5M35, Atlanta, Georgia 30303, by certified or cashier's check within five (5) days of the entry of this Order. The monetary relief ordered herein does not constitute full compensation for the monetary harm alleged in the Complaint in this action, and is not accepted as such. Defendants acknowledge and agree that all money paid pursuant to this Order is irrevocably paid to the Commission for purposes of settlement between the Commission and Defendants of the Commission's claims in this action.

**VI. ACKNOWLEDGMENT OF RECEIPT OF ORDER AND REAFFIRMATION
OF FINANCIAL STATEMENT**

IT IS FURTHER ORDERED that, within five (5) business days after entry of this Order, Defendants shall submit to the Commission truthful sworn and notarized statements, in the form shown on Appendix 1, that shall acknowledge receipt of this Order as entered by this Court and shall reaffirm and attest to the truthfulness, accuracy, and completeness of Defendants' January 14, 2000, financial statements and testimony that Defendant Richfield provided during his August 25, 2000, deposition. The Commission is authorized to verify all information provided in the financial statements and the August 25, 2000, deposition with all appropriate third parties, including, but not limited to, financial institutions.

VII. RIGHT TO REOPEN

A. IT IS FURTHER ORDERED that the Commission's agreement to this Order is expressly premised upon the truthfulness, accuracy and completeness of Defendants' January 14, 2000, financial statements, as updated by Defendant Richfield's deposition on August 25, 2000, and September 21, 2000, errata sheet to the deposition. Said financial statements, testimony, and errata sheet contain material information upon which the FTC has relied in negotiating and agreeing to the terms of this Order. If, upon motion by the Commission to the Court, the Court finds that any Defendant failed to submit to the Commission the sworn statement required by Paragraph VI of this Order, or failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from the above-referenced financial statements, deposition testimony, or errata sheet, the Court shall enter

judgment against Defendants, in favor of the Commission, in the amount of \$7 million, which is intended to represent the total consumer loss obtained by Defendants, and which will be immediately due and payable [less any payment already made]. For purposes of any subsequent proceedings to enforce payment, including but not limited to a non-dischargeability complaint filed in a bankruptcy proceeding, Defendants stipulate to all of the allegations in the Commission's Complaint.

B. IT IS FURTHER ORDERED that Plaintiff shall have no obligation to any creditors of Defendants and that Defendant Richfield shall resolve claims of Defendants' third-party creditors who request payment, including Laser Imaging Technology. If Defendant Richfield fails to pay \$ 27,452 (the amount to be paid directly by Defendant Richfield rather than by the Receiver) within 5 days from the date of entry of this Order or if the amount in Paragraph V. is paid but the Federal Trade Commission is forced to return that amount, the Court shall enter judgment against Defendants, in favor of the Commission, in the amount of \$7 million, which will be immediately due and payable [less any payment already made].

VIII. LIFT OF PRIOR ORDERS

IT IS FURTHER ORDERED that all prior outstanding orders of this Court, including the freeze of Defendants' assets, shall be lifted upon the entry of this Order and payment of the amount in Paragraph V.

IX. RECEIVERSHIP

A. IT IS FURTHER ORDERED that the receivership imposed in the Preliminary

Injunction entered in this proceeding shall be continued until the Receiver has transferred all funds remaining in his possession to the Commission, at which time the receivership shall be dissolved. The Receiver shall make a final request for payment of compensation for the performance of duties pursuant to the Preliminary Injunction entered in this proceeding and the cost of actual out-of-pocket expenses incurred. Once the Receiver has been compensated in an amount approved by the Court, the Receiver shall transfer all remaining funds of the receivership defendant to the Commission.

B. The Receiver shall immediately return the records of the receivership defendant in his possession to Defendant Richfield at the termination of the receivership and shall provide continued access to the documents until such return of the records.

X. USE OF CONSUMER REDRESS AND DISGORGEMENT FUNDS

IT IS FURTHER ORDERED that:

A. The Commission shall deposit funds received from the Defendants and the Receiver pursuant to this Order in an interest-bearing account pending final disposition of this action as to all parties. Upon such final disposition, the funds shall be used to provide redress to injured consumers and to pay expenses of administering the redress fund;

B. If the Commission determines, in its sole discretion, that redress to consumers is wholly or partially impracticable, any funds not so used shall be deposited into the United States Treasury, or may be used to educate consumers affected by the practices set forth in the Commission's Complaint in this matter. Defendants shall have no right to contest the manner of distribution chosen by the Commission;

C. In establishing a redress plan, the Commission shall have full and sole discretion to determine the criteria and parameters for participation by injured consumers in a redress program, and may delegate any and all tasks connected with such redress program to any individuals, partnerships, or corporations, and pay the fees, salaries, and expenses incurred thereby in carrying out said tasks from the funds received pursuant to this Order.

XI. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order, Defendants, in connection with any and every business where

A. either Defendant is a majority owner of the business or directly or indirectly manages or controls the business, and

B. the business is engaged in any of the following: (1) telemarketing; (2) the advertising, offering for sale, sale, or distribution of any nondurable office supplies; or (3) assisting others either in telemarketing or in the advertising, offering for sale, sale, or distribution of any nondurable office supplies

are hereby restrained and enjoined from failing to create, and from failing to retain, in a location under their control, for a period of three (3) years following the date of such creation, unless otherwise specified:

1. Books, records and accounts that, in reasonable detail, accurately and fairly reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

2. 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. The businesses subject to this Paragraph shall retain such records for any terminated employee for a period of three (3) years following the date of termination;

3. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, for all consumers to whom such business has sold, invoiced or shipped any goods or services, or from whom such business accepted money or other items of value;

4. Records that reflect, for every consumer complaint or refund request, whether received directly or indirectly or through any third party:

- (a) the consumer's name, address, telephone number and the dollar amount paid by the consumer;
- (b) the written complaint or refund request, if any, and the date of the complaint or refund request;
- (c) the basis of the complaint, including the name of any salesperson complained against, and the nature and result of any investigation conducted concerning any complaint;
- (d) each response and the date of the response;
- (e) any final resolution and the date of the resolution; and
- (f) in the event of a denial of a refund request, the reason for the denial; and

5. Copies of all sales scripts, training materials, advertisements, or other

marketing materials utilized; *provided* that copies of all sales scripts, training materials, advertisements, or other marketing materials utilized shall be retained for three (3) years after the last date of dissemination of any such materials.

XII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored, for a period of three (3) years commencing with the date of entry of this Order, Defendant Richfield shall notify the Commission of the following:

A. Any changes in Defendant's residence, mailing addresses, and telephone numbers within ten (10) days of the date of such change;

B. Any change in Defendant's employment status (including self-employment) within ten (10) days of such change. Such notice shall include the name and address of each business that Defendant Richfield is affiliated with or employed by, a statement of the nature of the business, and a statement of Defendant Richfield's duties and responsibilities in connection with the business or employment;

C. Any proposed change in the structure of any business entity owned or controlled by Defendants, such as creation, incorporation, dissolution, assignment, sale, merger, creation or dissolution of subsidiaries, proposed filing of a bankruptcy petition, or change in the corporate name or address, or any other changes that may affect compliance obligations arising out of this Order—no later than thirty (30) days after the effective date of any proposed change;

D. One hundred eighty (180) days after the date of entry of this Order, Defendant Richfield shall provide a written report to the FTC, sworn to under penalty of perjury, setting

forth in detail the manner and form in which the Defendant has complied and is complying with this Order. This report shall include but not be limited to:

1. Defendant's then current residence address and telephone number;
2. Defendant's then current employment, business addresses and telephone numbers, a description of the business activities of each such employer, and Defendant's title and responsibilities for each employer;
3. A copy of each acknowledgment of receipt of this Order obtained by Defendant pursuant to Paragraph XV; and
4. A statement describing the manner in which Defendant has complied and is complying with Paragraphs I, II, III, IV, V, and XI of this Order;

E. Upon written request by a representative of the Commission, Defendant shall submit additional written reports (under oath, if requested) and produce documents on thirty (30) days' notice with respect to any conduct subject to this Order;

F. For purposes of this Paragraph, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Defendant Richfield performs services as an employee, consultant, or independent contractor; and

G. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate directly with Defendant Richfield, unless Defendant Richfield identifies legal counsel to receive such communication.

XIII. ACCESS TO BUSINESS PREMISES

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry of this Order, for the purpose of further determining compliance with this Order, Defendants shall permit representatives of the Commission, within three (3) business days of receipt of written notice from the Commission:

A. Access during normal business hours to any office, or facility storing documents, of any business where

1. either Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where
2. the business is engaged in any of the following: (1) telemarketing; (2) the advertising, offering for sale, sale, or distribution of any nondurable office supplies; or (3) assisting others in telemarketing or in the advertising, offering for sale, sale, or distribution of nondurable office supplies. In providing such access, Defendants shall permit representatives of the Commission to inspect and copy, at Commission's expense, all documents relevant to any matter contained in this Order. Such access shall be conducted so as not to unreasonably interfere with Defendants' business activities;

B. To interview the officers, directors, and employees, including all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, of any business to which Section A of this Paragraph applies, concerning matters relating to compliance with the terms of this Order. The person interviewed may have counsel present.

Provided that, upon application of the Commission and for good cause shown, the Court may enter an *ex parte* order granting immediate access to all premises at which either Defendant

conducts business or stores documents, for the purposes of inspecting and copying all documents relevant to any matter contained in this Order.

XIV. FTC'S AUTHORITY TO MONITOR COMPLIANCE

IT IS FURTHER ORDERED that the Commission is authorized to monitor Defendants' compliance with this Order by all lawful means, including but not limited to the following means:

A. The Commission may seek leave of this Court to obtain discovery from any person in the manner provided by Chapter V of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 26–37, including the use of compulsory process pursuant to Federal R. Civ. P. 45, for the purpose of monitoring and investigating Defendants' compliance with any provision of this Order;

B. The Commission is authorized—without the necessity of prior notice—to use representatives posing as consumers and suppliers to Defendants, Defendants' employees, or any other entity managed or controlled in whole or in part by any Defendant;

C. 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 investigate whether Defendants have violated any provision of this Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

XV. ORDER DISTRIBUTION

IT IS FURTHER ORDERED that, for a period of three (3) years from the date of entry

of this Order, Defendants shall:

A. Immediately provide a copy of this Order to, and obtain a signed and dated acknowledgment of receipt of the same from, each officer or director, each individual serving in a management capacity, all personnel involved in responding to consumer complaints or inquiries, and all sales personnel, whether designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such persons, for any business where

1. either Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where

2. the business is engaged in any of the following: (1) telemarketing; (2) the advertising, offering for sale, sale, or distribution of any nondurable office supplies; or (3) assisting others either in telemarketing or in the advertising, offering for sale, sale, or distribution of nondurable office supplies.

B. Maintain for a period of three (3) years after creation, and upon reasonable notice, make available to representatives of the Commission, the original signed and dated acknowledgments of the receipt of copies of this Order, as required by Section A. of this Order.

XVI. NOTICES

IT IS FURTHER ORDERED that for purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

ASSISTANT REGIONAL DIRECTOR
Federal Trade Commission
Southeast Region
60 Forsyth Street, SW, Ste. 5M35
Atlanta, Georgia 30303
Re: FTC v. Laser Express

XVII. WAIVER OF CLAIMS

A. Defendants waive all claims 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 all rights to seek appellate review or otherwise challenge or contest the validity of this Order, or the temporary or preliminary orders entered in this proceeding, and further waives and releases any claim they may have against the FTC, the Receiver, or their employees, agents, or representatives.

B. The counterclaim filed in this case by Defendants is dismissed with prejudice. Defendants waives any rights to raise a claim against the U.S. Government, the Federal Trade Commission, and any personnel of the Federal Trade Commission for any matter that arises out of the transaction or occurrence that is the subject matter of any claims in this case.

XVIII. MISCELLANEOUS PROVISIONS

A. IT IS FURTHER ORDERED that this Final Order and the negotiations leading to the consummation of this Final Order are for the purposes of settlement and compromise of a disputed claim. Pursuant to Federal Rules of Evidence Rule 408, this Final Order and the negotiations leading to the consummation of this Final Order are not admissible to prove liability for or invalidity of any claim or its amount. This Final Order is entered without admission of

liability or wrongdoing by Defendant, and is entered by Defendants only to avoid the costs and expense of further litigation.

B. IT IS FURTHER ORDERED that this Final Order is in settlement and full satisfaction of all claims by the Commission for the conduct of the Defendants in this case up to the point in time of entry of this Order. Nothing in this Paragraph XVIII affects the Commission's rights under any other Paragraph.

XIX. INDEPENDENCE OF OBLIGATIONS

IT IS FURTHER ORDERED that the expiration of any requirements imposed by this Order shall not affect any other obligation arising under this Order.

XX. COSTS AND ATTORNEYS FEES

IT IS FURTHER ORDERED that each party to this Order bear its own costs and attorneys fees incurred in connection with this action.

XXI. CONTINUED JURISDICTION

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

XXII. ENTRY BY CLERK

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

final judgment upon Court approval.

SO STIPULATED:

Dated: Dec. 20, 2000

FEDERAL TRADE COMMISSION

Harold E. Kirtz
Harold E. Kirtz
Cindy A. Liebes
Barbara E. Bolton
Attorneys for Plaintiff

Dated: Oct 5, 2000

Jeffery Richfield
Jeffery Richfield, Individually
and as an officer of Laser Express
Defendant

Dated: Oct 5, 2000

Laser Express Limited
of Tennessee, Ltd., Defendant

Jeff Richfield
by Jeff Richfield, President

APPROVED AS TO FORM AND CONTENT

Dated: Dec 9, 2000

David B. Lyons
David B. Lyons
Attorney for Defendants

IT IS SO ORDERED.

Dated: 12/27/00

Todd Campbell
United States District Judge

[APPENDIX 1]

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

FEDERAL TRADE COMMISSION,

-Plaintiff,

v.

LASER EXPRESS OF TENNESSEE, LTD., INC.

a Tennessee corporation,

d/b/a Laser Express Limited,

Data Supply International,

Cartridge Express Limited,

International Cartridge Supply,

International Data Supply Company

International Supply Company; and

JEFF RICHFIELD,

individually and as an officer of Laser Express of
Tennessee, Ltd., Inc.,

Defendants.

Civil No. 3-99-1135

Judge Campbell

**DEFENDANT JEFF RICHFIELD'S AFFIDAVIT RE: (1) ACKNOWLEDGMENT OF
SERVICE OF STIPULATED FINAL JUDGMENT AND ORDER; AND
(2) REAFFIRMATION OF JANUARY 14, 2000, FINANCIAL STATEMENTS AS
UPDATED BY THE AUGUST 25, 2000, DEPOSITION AND SEPTEMBER 21,
2000, ERRATA SHEET TO THE DEPOSITION**

I, Jeff Richfield, being duly sworn, hereby state as follows:

1. My name is Jeff Richfield. I am a defendant in the above-captioned civil action. I am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. My current business address is _____. My current business telephone number is _____. My current residential address is _____. My current residential telephone number is _____.

3. On _____ [date], I received a copy of the Stipulated Final Judgment and Order for Permanent Injunction, which was signed by the Honorable Todd Campbell and entered by the Court on _____ [date of entry of Order]. A true and correct of the Order that I received is appended to this Affidavit.

4. I reaffirm and attest to the truthfulness, accuracy and completeness of the financial statement that I submitted to the Federal Trade Commission on or about January 14, 2000, as updated by my deposition on August 25, 2000, and September 21, 2000, errata sheet to the deposition..

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on _____ [date], at _____ [city and state].

Jeff Richfield

State of _____, City of _____

Subscribed and sworn to before me
this ____ day of _____, 2000.

Notary Public
My Commission Expires:
